

SHRIRAM PISTONS & RINGS LIMITED: NEW DELHI

Sustainable Supply Chain Policy

1. Objective:

Shriram Pistons & Rings Limited (SPRL) is committed to embedding sustainability across its supply chain. By fostering collaboration with our suppliers, we aim to mitigate environmental, social, and governance Environmental Social & Governance (ESG) risks, uphold ethical practices, and drive long-term value creation. Our approach prioritizes transparency, fairness, and collaboration, ensuring the protection of stakeholders' interests while promoting sustainable growth across all supply chain activities.

2. Scope of the Policy:

This policy applies to:

- a) Suppliers and Partners:** All vendors, contractors, subcontractors, and service providers involved in SPRL's supply chain.
- b) Products and Services:** Both direct (production-related) and indirect (non-production-related) procurement.
- c) Geographical Applicability:** All SPRL locations globally.
- d) Key Focus Areas:** Environmental management, labour and human rights, governance, and sustainable development.

3. Policy Guidelines:

To achieve sustainable supply chain excellence, SPRL follows these principles:

a) Environmental Protection:

- Suppliers must implement robust environmental management systems to minimize their ecological footprint.
- Adherence to recognized standards.
- Set measurable targets for emissions reduction, waste management, and water conservation.

b) Employee Rights and Welfare:

- Suppliers must comply with all applicable labor laws and uphold employee rights, ensuring no forced or child labor.
- Provide a safe and healthy workplace by adhering to occupational health and safety standards.
- Establish grievance mechanisms for employees to voice concerns effectively.

c) Subcontractor Selection:

- SPRL will carefully evaluate subcontractors based on their adherence to environmental responsibility and ethical practices.
- Priority will be given to subcontractors who align with SPRL's vision of a sustainable and responsible supply chain.

d) Pricing & Payment Methodology:

- SPRL believes in to fair pricing and timely payment practices that promote suppliers' financial stability and growth.
- Transparent pricing mechanisms and reliable payment systems will support suppliers' sustainability objectives.

e) Contractual Agreements:

- All agreements will emphasize sustainable practices and principles, ensuring mutual benefits and alignment with SPRL's values.
- Contracts will include enforceable sustainability clauses to drive compliance and long-term collaboration.

f) Intellectual Property:

- SPRL will respect and safeguard the intellectual property rights of suppliers, ensuring clear and mutually agreed-upon terms for collaborative efforts.

g) Delivery of Parts – Date & Time, Quantity of Parts:

- Timely and efficient delivery will be prioritized to minimize waste and excess inventory.
- Transparent communication and mutual understanding will address challenges in delivery processes.

h) Confidentiality & Non-disclosure Agreement:

- SPRL will maintain confidentiality regarding sensitive supplier information through robust non-disclosure agreements, fostering trust and professionalism.

i) Change Point Management & Termination Clauses:

- Changes and terminations will be managed collaboratively with open communication and fair evaluations.
- Smooth transitions will be ensured while upholding corporate social responsibility principles.

j) Training and Capacity Building:

- SPRL will organize training programs to enhance suppliers' capacity in adopting sustainable practices, including waste reduction, energy efficiency, and labour rights compliance.

k) Risk Management Framework:

- SPRL will implement a framework to identify, assess, and mitigate risks related to ESG issues in the supply chain.
- Focused risk assessments will prioritize high-risk industries, geographies, and practices.

l) Transparency and Reporting:

- SPRL will disclose supply chain sustainability performance and initiatives in its Annual Sustainability Report.
- Suppliers will provide periodic updates on their sustainability efforts and progress.

4. Monitoring and Continuous Improvement**a) Audits and Reviews:**

- Regular audits will be conducted to ensure supplier compliance with sustainability criteria.

b) Innovation and Collaboration:

- SPRL will collaborate with suppliers to adopt innovative solutions that align with sustainability goals, fostering a culture of continuous improvement.

c) Reporting and Disclosure:

- SPRL will report supply chain sustainability progress and achievements encouraging transparency and accountability.

Approving Authority:

Sd/-

Krishnakumar Srinivasan

MD & CEO

Effective Date: April 1, 2025