Steel Strips Wheels Limited

RESPONSIBLE SOURCING POLICY

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Classification: Internal

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1. Purpose

Steel Strips Wheels Limited (SSWL) is committed to conducting business responsibly and building a supply chain that upholds ethical conduct, respect for human rights, safe working conditions, environmental stewardship, and legal compliance. This Responsible Sourcing Policy ("Policy") sets out SSWL's minimum requirements and governance framework to ensure that materials, products and services procured by SSWL are sourced and delivered in a manner consistent with responsible business conduct and supply chain due diligence expectations.

This Policy is intended to:

i. Serve as a compliance and governance document for SSWL and its suppliers.

ii. Be incorporated by reference into supplier onboarding terms, purchase orders, contracts, and supplier evaluation processes.

iii. Support SSWL's EcoVadis evidence requirements under Sustainable Procurement, with aligned expectations under Environment, Labour & Human Rights, and Ethics.

2. Scope and Applicability

This Policy applies to all SSWL procurement and sourcing activities (raw materials, components, services, logistics, contractors, consultants, intermediaries) and to all suppliers, contractors, subcontractors, service providers, agents, intermediaries and other business partners ("Suppliers") who provide goods/services to SSWL.

Flow-down requirement: Suppliers must communicate relevant requirements of this Policy to their own subcontractors and sub-tier suppliers involved in SSWL-related supply, and take appropriate measures to ensure compliance.

Higher standard prevails: Where local law and this Policy differ, Suppliers must meet the more stringent requirement unless prohibited by law.

3. Key Definitions

- Supplier: Any entity providing goods or services to SSWL, including their employees, agents and subcontractors.
- Workers: Permanent, temporary, contract, agency, apprentice/trainee, migrant workers, and any other personnel engaged by the Supplier.

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- Responsible sourcing: A risk-based approach to procurement that ensures supply chain partners operate lawfully and responsibly, addressing actual and potential adverse impacts relating to human rights, labour, environment, health & safety, ethics, and governance.
- High-risk supply: Sourcing linked to elevated risks based on geography, sector, material type (e.g., metals/minerals), process risk (e.g., chemical use), labour risk, subcontracting, or past non-compliance.

4. SSWL Commitments and Principles

SSWL commits to:

- Legal compliance first across the supply chain.
- Human rights and decent work: Respect internationally recognized human rights and labour standards, and prevent child labour, forced labour and harassment.
- Ethical conduct: Maintain zero tolerance for bribery, corruption, fraud and conflicts of interest.
- Environmental responsibility: Reduce environmental impacts and encourage resource efficiency by implementing reduce, recycle & recovery practices, pollution prevention and compliance with environmental permits and standards.
- Health and safety: Ensure safe working environments and minimize workplace risks.
- Transparency and traceability: Strengthen supplier transparency, documentation integrity, and traceability where relevant.
- Continuous improvement: Use corrective actions and supplier capability building to improve performance, not just policing compliance.

This Policy is guided by widely recognized responsible business conduct expectations including (as applicable): ILO Core Conventions, UN Guiding Principles on Business and Human Rights, Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct and ISO-aligned approaches for sustainable procurement and management systems (e.g., ISO 20400/14001/45001/37001) where relevant.

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5. Governance and Accountability

5.1 Roles and Responsibilities

• Procurement & Supply Chain (Owner): Supplier onboarding, due diligence, risk mapping, contracting, performance monitoring, and remediation tracking.

• Legal & Compliance: Contractual clauses, ethics compliance, investigations, third-party integrity due diligence.

• HR: Labour standards expectations, worker welfare alignment, and support for grievance/non-retaliation expectations.

• EHS / Sustainability: Environmental and OHS requirements, permits and EHS performance evaluation, high-risk category support.

• Internal Audit / Risk: Oversight of controls, periodic review of supplier risk program effectiveness.

5.2 Governance Mechanisms

SSWL will implement a risk-based supplier management approach, which may include supplier segmentation by criticality, spend, category risk, geography risk, and ESG risk exposure; risk-based escalation to enhanced due diligence, audits, and corrective action plans; and periodic management review of responsible sourcing outcomes.

6. Responsible Sourcing Requirements for Suppliers

Suppliers must comply with all applicable laws and the requirements below. These requirements may be formalized through contract clauses, onboarding declarations, supplier codes, and audit protocols.

6.1 Ethics and Integrity

Suppliers must:

- prohibit bribery, corruption, facilitation payments, kickbacks, and improper advantages in any form (directly or indirectly);
- maintain accurate books and records and prohibit falsification of invoices, certifications, test reports, wage records, EHS records, or compliance documents;
- prevent and disclose conflicts of interest (e.g., relationships/financial interests involving SSWL employees that could influence decisions);

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- comply with fair competition and antitrust laws (no collusion, bid-rigging, price-fixing);
- protect confidential information and intellectual property; and
- provide a mechanism for reporting concerns and prohibit retaliation against whistleblowers.

6.2 Labour and Human Rights

Suppliers must:

- prohibit child labour and implement robust age verification;
- prohibit forced labour, bonded labour, trafficking, retention of identity documents, and recruitment fees charged to workers;
- respect lawful rights to freedom of association and collective bargaining;
- prohibit discrimination, harassment and abuse; and provide a dignified workplace;
- comply with wage and working hours' laws; and
- maintain accessible grievance mechanisms and non-retaliation commitments.

6.3 Health and Safety

Suppliers must provide safe working conditions, including:

- hazard identification and risk control measures;
- appropriate PPE, training, safe operating procedures;
- machine safety/guarding and electrical safety where applicable;
- emergency preparedness (fire safety, first aid, evacuation);
- incident reporting, investigation and corrective actions; and
- safe living conditions where worker accommodation is provided.

6.4 Environment

Suppliers must:

- Maintain applicable environmental permits and comply with emission/effluent/waste requirements.
- Manage hazardous substances responsibly (labeling, storage, spill response, disposal).
- Segregate waste and ensure lawful disposal through authorized vendors.

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- Pursue resource efficiency and pollution prevention.
- Where ever relevant, monitor energy/water consumption and implement reduction actions.

6.5 Product Integrity, Quality and Legal Compliance (Compliance)

Suppliers must meet applicable quality standards, technical specifications, and statutory requirements for products/services supplied; prevent counterfeit, non-conforming, or falsified materials and documentation; and maintain traceability and test/inspection records where required by contract or law.

7. Due Diligence and Risk-Based Responsible Sourcing Process

SSWL will implement a scalable due diligence approach proportionate to risk.

7.1 Supplier Onboarding (Minimum Due Diligence)

All Suppliers may be required to:

- accept SSWL Supplier Code of Conduct / relevant policies;
- submit legal registrations, licenses and statutory compliance declarations;
- confirm ethics compliance and absence of bribery/corruption convictions (as applicable);
- confirm labour law compliance and child/forced labour prohibition; and
- commit to EHS compliance applicable to their operations.

7.2 Enhanced Due Diligence (Risk-Based)

For high-risk Suppliers/categories/geographies, SSWL may require:

- ESG and compliance questionnaires / self-assessments;
- EcoVadis scorecards or equivalent third-party assessments (where applicable);
- site audits (by SSWL or a third party);
- management interviews and document reviews (EHS permits, wage registers, training records, grievance logs, incident logs);
- integrity due diligence for intermediaries and agents; and/or
- traceability documentation for selected materials.

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7.3 Subcontracting and Sub-tier Controls

Suppliers must not subcontract SSWL work to third parties without required authorization (as per contract), and must ensure sub-tier compliance with core requirements (child labour, forced labour, EHS, ethics, legal compliance).

8. Responsible Materials and Traceability

SSWL recognizes that certain raw materials and processes may pose higher ESG risks. Where relevant, SSWL may implement additional controls for metals/minerals (Lithium, Cobalt, Mica, Nickle, Tungsten, etc.) & conflict minerals (3TGs,) and alloy inputs with traceability concerns; chemicals/paints/coatings and hazardous substances; packaging and waste-intensive inputs; and logistics and labor-intensive services.

Where applicable, Suppliers may be requested to provide origin/traceability documentation; declarations on restricted substances compliance (as applicable); responsible mineral sourcing declarations where relevant; and evidence of authorized waste handling and environmental compliance.

9. Supplier Engagement, Training and Improvement

SSWL believes that supplier development is essential for sustainable improvements. SSWL may communicate expectations through onboarding packs and periodic supplier communications; provide guidance on compliance and responsible sourcing expectations; encourage adoption of management systems (ISO 14001/45001/37001 or equivalent) for higher-risk Suppliers; and support corrective action planning and closure for gaps identified.

Suppliers are expected to train relevant employees on ethics, labour standards, EHS compliance, and grievance/non-retaliation practices.

10. Reporting, Grievance and Non-Retaliation

Suppliers must provide channels for workers and stakeholders to raise concerns confidentially and without fear of retaliation. Suppliers must promptly notify SSWL of serious incidents affecting SSWL supply (fatalities, major fires/explosions, regulatory shutdowns, significant child/forced labour allegations, corruption investigations, serious environmental releases) and cooperate with investigations and remediation.

SSWL may maintain its own reporting mechanism(s) for suppliers and stakeholders, communicated during onboarding.

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11. Monitoring, Audits, Corrective Actions and Consequences

11.1 Monitoring and Verification

SSWL may verify compliance through document reviews and periodic declarations, third-party assessment platforms (where applicable), audits and site visits, and performance monitoring through supplier scorecards and CAPA tracking.

11.2 Corrective Actions and Remediation

Where non-compliance is found, Suppliers must conduct root cause analysis; implement corrective actions within agreed timelines; provide evidence of closure; and prioritize worker-focused remediation for human rights issues (e.g., child labour remediation centered on education and welfare).

11.3 Consequences

Depending on severity and recurrence, SSWL may take actions including issuance of corrective action plan and follow-up verification, suspension of new purchase orders, removal from approved supplier list, contract termination, and/or escalation to authorities where required by law.

12. Disclosure, KPIs and Continuous Improvement

SSWL will strive to progressively strengthen its responsible sourcing program and track outcomes. Where feasible, SSWL may monitor and periodically disclose aggregated indicators such as: percentage spend or percentage critical suppliers covered by assessments; number of supplier audits conducted; number of corrective actions issued and closure rate; supplier training/communication coverage; and improvement trends in supplier ESG performance. The Company will determine applicable KPIs based on program maturity and business needs.

13. Review and Updates

This Policy will be reviewed at least once every two years or earlier if required due to changes in law, customer requirements, EcoVadis criteria updates, or major incidents/lessons learned.

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Annexure 1 - Supplier Acknowledgement

We, [Supplier Name], acknowledge that we have read and understood SSWL's Responsible Sourcing Policy and commit to comply with its requirements and applicable laws. We will maintain appropriate controls and records and cooperate with SSWL's assessment, audit and improvement processes.

Authorized Signatory: _____

Name/Designation: _____

Signature & Seal: _____

Date/Place: _____

Prepared By:	Approved By:
DGM-Purchase	GM-Purchase

STEEL STRIPS WHEELS LTD. Chandigarh

** End of Document**

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