

ASHOK LEYLAND - SUPPLIER CODE OF CONDUCT

The 75-year journey of Ashok Leyland Limited (“AL” / “Ashok Leyland”) stands as a testament to our continuous evolution and endeavours to achieve excellence, innovation, transparency, and performance in a sustainable manner by working together with its suppliers/supplier partners.

Since its inception, Ashok Leyland has maintained its position as a value-driven organisation with strong governance, providing cutting-edge and environment friendly mobility options that meet stakeholders’ expectations. While offering a wide range of products and services in all categories of products like medium and heavy commercial vehicles, Light commercial vehicles, and power solutions, Ashok Leyland indulges in creating a positive impact on the environment by reducing our emissions, using energy-efficient technology, optimising the use of water and other natural resources, which further aim to introduce sustainable sourcing in our supply chain.

The new brand promise ‘Koi Manzil Door Nahin’ demonstrates that **‘No dream is too far to achieve our ESG aspirations’**. Ashok Leyland has set its focus and is on the path to a more sustainable future to create and lead sustainable practices across Environmental, Social, and Governance initiatives delivering outstanding stakeholder value. The 10 focus areas of Carbon Neutrality, Water Positivity, Resource Efficiency, Diversity, Equity, and Inclusion, Community Development, Health and Safety, Fair Labour Practices, Board Independence and Practices, Compliance and Disclosures form basis of Ashok Leyland’s growth and market positioning to become a leader in future mobility.

Ashok Leyland seeks suppliers / supplier partners that are committed to conducting business in an ethical manner, and in a manner that promotes corporate social and environmental responsibility in their overall strategy while associated with Ashok Leyland’s journey of future mobility.

Amongst other standards of governance and compliance, The Ashok Leyland Supplier Code of Conduct (“Code of Conduct” / “Code”) is one such Code which outlines Ashok Leyland’s expectations and requirements from Suppliers/ supplier partners of AL that are expected to align to Ashok Leyland’s purpose – **Transforming Lives and Businesses through Leadership in Mobility**. Towards this purpose, Ashok Leyland is governed by its guiding pillars which are its 5 values – **Trust, Agility, Innovation, Customer Centricity and Partnership**. These values are non-negotiable for Ashok Leyland in the way that when we ‘live them as day-to-day Behaviours’ they become Ashok Leyland Culture – **“The Ashok Leyland Way”**.

Ashok Leyland expects all Suppliers, globally & locally, to adhere to the guiding principles of this Ashok Leyland Supplier Code of Conduct. These guiding principles are provided under the categories of **Business Ethics and Integrity, Environmental Sustainability, Social Responsibilities and Human Rights, Health and Safety, and Responsible Supply Chain Management**.

This Code is applicable to all “Suppliers”/ “Supplier”/ “Supplier Partner” i.e., domestic, and international of goods and services. This Code can be amended by Ashok Leyland from time to time and Ashok Leyland expects its Suppliers to comply with the guiding principles of such amended code.

Ashok Leyland encourages all Suppliers to bind their deeper supply chain to reflect their working as per Supplier Code of Conduct.

“Suppliers” / “Supplier” / “Supplier Partner” here refer to suppliers, service providers, vendors, traders, agents, consultants, contractors, joint venture partners, third parties including their employees, agents, and other representatives, who have a business relationship with and provide, sell, seek to sell, any kind of goods or services to Ashok Leyland. Supplier can be any business, company, corporation, person or other entity that provides, sells or seeks to sell any kind of goods or services to Ashok Leyland, including the Supplier’s employees, agents and other representatives.

1. BUSINESS ETHICS AND INTEGRITY

Suppliers shall uphold the highest standards of integrity and operate honestly and equitably throughout the supply chain.

- **COMPLIANCE WITH THE LAWS AND REGULATIONS**

Supplier shall conduct business in compliance with all applicable laws and regulations having the force of law which shall include the laws, statutes, enactments, acts, ordinances, rules, regulations, bye laws, notifications, directives and executive or judicial orders which have the force of law in the countries and locations in which they operate and its contractual obligations with Ashok Leyland.

If there is a conflict between any applicable law or regulations, the provisions of an agreement with Ashok Leyland or the provisions of this Code of Conduct, Supplier shall meet the most stringent standard.

- **ETHICAL CONDUCT**

Supplier shall conduct their business activities and deal on behalf of their company/entity with professionalism, honesty, and integrity, as well as with high moral and ethical standards. Such conduct shall be fair and transparent and perceived to be as such by third parties.

- **ANTI-BRIBERY, ANTI-CORRUPTION AND ANTI-MONEY LAUNDERING**

Supplier shall always comply with all the applicable international and local anti-bribery and anti-corruption laws. The Supplier shall not participate in or endorse any corrupt practices in whatever form, including offering or accepting bribes, kickbacks, illegal political contributions, excessive gifts or hospitality or facilitation payments or any other unlawful or improper payments or benefits. The Supplier must not accept, process, or otherwise become concerned in any arrangement(s) involving any funds known or suspected to be associated with criminal activity. Suppliers shall not facilitate, or support money laundering. The Supplier must take reasonable steps to prevent and detect any illegal form of payments and prevent its financial transactions being used by others to launder money. Suppliers shall report any suspicious transactions and be alert for signs of money laundering.

- **PRODUCTS QUALITY AND SERVICES**

Supplier shall ensure that the supply of products and services shall be of high quality and that meet all applicable standards and environment friendly processes, including product packaging, labelling and after-sales service obligations. We expect that the Suppliers to establish quality policies, manual, procedures, and have in place a certified Quality Management System by competent authority like ISO. The Suppliers should comply with local regulations, registrations, have trainings, management reviews and internal audits to ensure the Quality Management System. Supplier shall not, without AL's prior written consent, manufacture for the benefit of or supply to a third Party any goods/products that:

- ❖ Are based in whole or in part upon AL's drawings, or are based upon any of their AL's Affiliates' drawings which are exclusively prepared for AL;
- ❖ Use the Intellectual Property Rights of AL, or any of AL's Affiliates; or,
- ❖ Are based in whole or in part designed exclusively for AL vehicles and systems with specifications provided by AL.

- **FINANCIAL RESPONSIBILITY / ACCURATE RECORDS**

Supplier shall ensure that their accounting and financial records meet the highest standards of accuracy and completeness. All financial transactions shall be reported in accordance with generally accepted accounting practices, and the accounting records shall show the nature of all transactions in a correct and non-misleading manner. Suppliers shall ensure that applicable statutory financial reporting system control is in place.

- **PROTECTING COMPANY ASSETS**

Supplier shall safeguard the assets of Ashok Leyland and shall employ them only for the purpose of conducting the business for which they are duly authorized by Ashok Leyland. These include tangible assets such as equipment and machinery, systems, facilities, materials, tools, dies, fixtures, and resources as well as intangible assets such as Intellectual Property Rights, Processes, Know how & Technology, proprietary information etc. Suppliers are responsible for safeguarding, securing, and protecting Ashok Leyland's assets and information technology from theft, destruction, misappropriation, wastage, and abuse. The Supplier must comply with all applicable guidelines, policies and procedures provided by Ashok Leyland concerning its intellectual property, as well as all applicable laws and regulations in the countries where the Supplier operates or conduct business. The Supplier is expected to develop, implement, and maintain effective methods and processes to minimise the risk of introducing counterfeit materials or components into Ashok Leyland supply chain.

Suppliers shall return the tools, dies, fixtures and any other asset that are provided by Ashok Leyland, back to Ashok Leyland at their end of its life or at the instruction of Ashok Leyland the Supplier shall pass scrappage value realized at Supplier end to AL. Supplier to provide and maintain holding certificate for tools, dies, fixtures and any other assets of Ashok Leyland till their end of life.

- **THIRD PARTY REPRESENTATION**

Suppliers and their group companies including their third parties shall not be authorized to represent Ashok Leyland or to use Ashok Leyland's logos, products, processes, designs, inventions, patents,

copyrights, trademarks, symbols, or any other intellectual properties now or hereafter owned or controlled by Ashok Leyland without the express written consent of Ashok Leyland.

- **CONFIDENTIALITY**

Supplier shall maintain physical and electronic security for any and all sensitive business information or trade secrets received by virtue of business activities with Ashok Leyland (“Confidential Information”) and shall ensure that Confidential Information is held in strict confidence and not improperly used or disclosed to third parties. Furthermore, the Supplier shall protect and secure Ashok Leyland’s data and registered as well as unregistered intellectual property as confidential information. Supplier shall ensure that its employees, officers, directors, attorneys, accountants, or advisors or representative should use extreme care in protecting confidential or proprietary information of any kind. Supplier shall also respect all third-party proprietary or confidential information and intellectual property rights including, but not limited to, those with whom Supplier do business on behalf of Ashok Leyland. If confidential information to be discussed or exchanged between Ashok Leyland and the Supplier, or the Supplier and a Third Party, the parties shall first ensure that a Confidentiality or Non-Disclosure Agreement has been signed and is being complied with. In the event of any suspected breach or breach of Confidentiality the Supplier shall report to Ashok Leyland immediately without delay but in any case, not later than forty-eight (48) hours of knowledge.

- **DATA PROTECTION AND DATA SECURITY**

Supplier shall put in place measures to respect privacy, to protect data that relates to both business transactions (“business data”) and that relates to identifiable individuals (“personal data”) against loss and unauthorized access or use, and to comply with relevant privacy and information security laws and regulations. Ashok Leyland may require Suppliers to enter into appropriate agreements setting out obligations and responsibilities on compliant business data and personal data handling. Supplier is expected to support Ashok Leyland’s due diligence process and have sufficient guarantees in place to demonstrate that they have implemented appropriate data policies, processes and provided training to staff to respect the privacy and civil liberties in respect of collection, retention, use or dissemination, as well as any other processing of business data and personal data. Supplier shall conduct a periodic VAPT (Vulnerability Assessment / Penetration Testing) of their environment and maintain reports on compliance.

- **FAIR COMPETITION**

Supplier shall strictly comply with all applicable antitrust laws, trade practice laws and any other competition laws, rules and regulations dealing for example with monopolies, unfair competition, restraints of trade, and relationships with competitors and customers. Supplier shall not enter into discussions, agreements with competitors or engage in other acts that harm competition, such as price fixing, dividing up markets or customers, other illegal practices, at any level of the production or distribution chain.

- **INTERNATIONAL TRADE**

Supplier shall comply with all international trade laws, national laws, regulations, license requirements and other controls, which govern the transfer, access, export, re-export and import of products, services, and technology as well as embargoes, sanctions, restrictions, and anti-boycott requirements by the countries (for example, United Nations, EU, UK and OFAC sanctions) and where the Supplier is located. Supplier shall also comply with international treaties and agreements on non-proliferation of nuclear weapons, missile technology, chemical and biological weapon and to provide accurate and truthful information about products and other items to customs and other relevant authorities. Ashok Leyland expects all its Suppliers to adopt and maintain appropriate processes to ensure compliance with applicable sanctions regimes, and to ensure that these remain reflective of updates to sanctions lists and sanctions targets.

- **GIFT, HOSPITALITY AND DONATION**

Suppliers shall not (directly or indirectly) offer any gift, entertainment, trip, discount, service, or other benefit or hospitality to any official of Ashok Leyland or anyone conducting business on behalf of Ashok Leyland which would or reasonably appear to be capable of influencing such person's decision. This includes giving or receiving anything of value, including money, gifts, or unlawful incentives to improperly influence negotiations including offering of employment to the relatives connected to Ashok Leyland employees and vice versa.

- **CONFLICT OF INTEREST**

A conflict of interest exists where the interests or benefits of one person or entity conflict or appear to conflict with the interests or benefits of Ashok Leyland. Suppliers shall ensure that any individuals acting on their behalf or their subcontractor's behalf shall, as soon as they have knowledge, voluntarily disclose all situations relating to actual or potential conflict of interest, whether arising from equity investments or any of the Supplier owners' / personnel and all subcontractors and/or individuals acting on their behalf having any immediate family members working in Ashok Leyland and vice versa. Supplier shall not have any kind of financial transaction with Ashok Leyland employees or their relatives.

- **BOARD INDEPENDENCE AND PRACTICES**

The Supplier upon being a body corporate/ company- shall have a balanced board ensuring, independence, strong strategic decisions, oversight, and alignment with stakeholder interests.

- **GRIEVANCE MECHANISM**

Supplier shall implement appropriate grievance channels for its employees, its suppliers and other third parties to raise concerns or complaints. Remediate violations promptly through legitimate processes. Supplier shall ensure that any form of retaliation against whistle-blower's, i.e., against individuals who raise concerns or inform the appropriate internal or external offices about potential violations, is not permitted.

2. ENVIRONMENTAL SUSTAINABILITY

The Supplier shall ensure that its operations comply with all applicable environmental laws, including laws and international treaties relating to (but not limited to) climate change, waste disposal, emissions, discharges, and the handling of hazardous and toxic materials. Suppliers shall develop, implement, and support a proactive approach to environmental responsibility through environmental protection practices, conserving natural resources, and reducing overall environmental footprint of production, goods and services throughout their life cycle. Suppliers shall implement an environmental management system that includes the following:

- **CARBON NEUTRALITY:**

Suppliers shall endeavor to set science-based and time-bound emission reduction goals and renewable energy objectives that are aligned with the Paris Agreement and Ashok Leyland's objectives on ESG, and to ensure measures that drives on decarbonization of the entire value chain.

- **ENERGY USE, RENEWABLE ENERGY AND GREENHOUSE EMISSIONS:**

Supplier shall implement an energy reduction strategy that includes increasing its use of renewable energy to support Ashok Leyland's objective to reduce greenhouse gas and emissions through the supply chain.

- **AIR QUALITY:**

Supplier shall monitor, appropriately control, minimize and to the extent possible, eliminate emissions contributing to air pollution. Suppliers should assess cumulative impacts of pollution sources at their facilities and mitigate their pollution levels accordingly.

- **WATER POSITIVITY:**

Supplier shall reduce, reuse, and recycle water, including responsibly treating any wastewater discharge to protect the environment and improve overall water quality.

- **RESOURCE EFFICIENCY, NATURAL RESOURCES MANAGEMENT AND WASTE REDUCTION (CIRCULARITY):**

Suppliers should encourage close loop systems and support the use of sustainable, renewable natural resources while reducing waste and increasing reuse and recycling.

- **RESPONSIBLE CHEMICAL MANAGEMENT:**

Supplier shall identify, minimize, or eliminate the use of restricted substances in manufacturing processes and finished products to ensure regulatory compliance. Supplier organizations shall also be aware of the use of restricted substances in processes and finished products, and actively investigate suitable substitutes to maintain product and environmental stewardship.

- **SOIL QUALITY:**
Suppliers shall monitor and control their impact on soil quality to prevent soil erosion, nutrient degradation, subsidence, and contamination.
- **BIODIVERSITY, LAND USE AND DEFORESTATION:**
Suppliers shall protect ecosystems, especially key biodiversity areas, impacted by their operations, and avoid illegal deforestation and shall comply with international and domestic biodiversity regulations.
- **NOISE EMISSIONS:**
Suppliers shall, where appropriate, monitor and control the levels of industrial noise to avoid noise pollution.
- **ECO FRIENDLY DESIGN:**
If the design pertains to Supplier, Supplier should continuously review the product design with respect to using recyclable material in their parts / assembly supplied, adopting green material and process design with respect to reusing waste energy, reducing nonvalue adding elements in the process, etc. to ensure product and product robustness on green supply chain.
- **PACKAGING MATERIAL AND TRANSPORTATION:**
Supplier shall localize the part supply in and around Ashok Leyland' manufacturing vicinity. Ensure returnable ecofriendly pallets and packing of parts supplied to Ashok Leyland's manufacturing plants, thereby reducing the consumption of wood and plastics in packaging. Recommend a significant reduction target and progress monitoring on these towards Zero Wood and Plastics manufacturing site. We encourage to utilize the reduction of diesel consumption of the transportation through shorter routes and consolidation of part supply and logistics.
- **RECYCLE AND REUSE:**
Supplier shall ensure increasing recycled parts abiding to the specification requirements of parts supplied. Along with recyclability, ensure reuse nature of the part supplied to abide to the requirements of green procurement & supply chain. In specific case of parts like tyres, battery, plastics, E-waste, etc. Supplier shall ensure recycled certification of waste tyres, batteries, plastic, and E-waste, aligning to Battery Waste Management Rules, Plastic Waste Management Rules, E-Waste Management Rules, Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, and Extended Producer Responsibility (EPR) as per the law applicable including notifications by Government of India and/or any other governmental agency.
- **EXTENDED PRODUCER RESPONSIBILITY (EPR):**
Supplier shall comply with the EPR requirements and provide documents and certifications for verification.

- **DISCLOSURES, SUSTAINABILITY REPORTING AND AWARENESS:**

Supplier shall release and disclose sustainability reports at company/entity level and publicly as per applicable regulations. Supplier shall promote rewards and recognitions on the sustainability focus areas on environment, social and governance areas. Supplier shall obtain and maintain all required environmental permits and adhere to reporting requirements as per applicable law including compliances mandates by SEBI (Securities and Exchange Board of India) and/or any other governmental agency.

3. SOCIAL RESPONSIBIITY AND HUMAN RIGHTS

Suppliers must respect the human rights of workers, local communities, and other relevant stakeholders, and prevent and address adverse human rights impacts linked to their business activities, in accordance with the UN Guiding Principles on Business and Human Rights.

- **FAIR LABOUR PRACTICES, HUMAN RIGHTS AND RESPECT**

Supplier shall support and respect the protection of internationally proclaimed human rights and make sure their company is not complicit in human rights abuses. Suppliers are expected to keep their workplaces free of forced labour, child labour, harassment, harsh treatment, violence, intimidation, corporal punishment, physically abusive disciplinary practices, mental or physical coercion, verbal abuse, and discrimination. Suppliers are expected to respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance redressal mechanisms, which means working constructively with recognized employee representatives to promote the interests of its employees and, in locations where employees are not represented by unions, providing opportunities for employee concerns to be heard.

- **NO CHILD LABOUR**

Supplier shall not hire any person less than the minimum age prescribed as per the applicable law. Supplier shall comply with all applicable child labour laws, including those related to hiring, wages, hours worked, overtime and working condition. Supplier shall arrange vocational or developmental programs for young people require an exception to the age requirements. Supplier shall maintain official documentation that verifies a worker's employment and training history.

- **NO FORCED LABOUR / MODERN SLAVERY**

Supplier shall avoid facilitating or participating in human trafficking, avoid using force, involuntary, or slave labour or avoid purchasing materials or services from companies using forced, involuntary, or slave labour.

- **LAWFUL EMPLOYMENT**

Supplier shall maintain proof of each employee's eligibility to work, such as Agreement, Visas and Licenses.

- **NO HARASSMENT**

Supplier shall prohibit harassment and encourage employees treating each other with respect.

- **FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING**

Supplier shall respect employees' rights to lawfully form, join, and not join labour unions, bargain collectively, seek representation and join worker's councils. Supplier shall respect employees' open communication and sharing of ideas and concerns with management without fear of retaliation.

- **EQUAL OPPORTUNITY EMPLOYER**

Supplier shall ensure equal opportunities to all its employees and all qualified applicants for employment, without regard to their race, caste, religion, colour, ancestry, marital status, sex, age, nationality, and disability. The Supplier shall not resort to unethical or corrupt recruitment practices nor retain any identification documents.

- **PREVENTION OF SEXUAL HARASSMENT (POSH)**

Employees of the Supplier shall be treated with dignity and in accordance with maintaining a work environment free of sexual harassment, whether physical, verbal, or psychological. Suppliers should devise an organizational policy for the same and ensure proper redressal of complaints.

Supplier shall ensure strict compliance with the applicable anti sexual harassment laws at workplace including, where applicable, provisions of Sexual Harassment of Women at Workplace (Preventive, Prohibition and Redressal) Act, 2013 (POSH).

- **WORKING HOURS / LEAVES**

Supplier shall follow all applicable laws regarding working hours, wages and overtime pay as well as annual, sick, and parental leave and other applicable leave regulations.

- **WAGES AND BENEFITS**

Supplier shall provide wages and benefits that, at a minimum, comply with the applicable laws and collective bargaining agreements, including minimum wages, overtime, breaks, leaves and benefits.

- **DIVERSITY, EQUITY, AND INCLUSION**

Supplier shall have procedures and process to promote and improve on the diverse work force in the organization at all levels and provide equal rights and opportunities to women employees in the organization. Ashok Leyland recommends Supplier to have appropriate target to ensure in diversity in the organization. The Supplier shall not discriminate in hiring, compensation, training, advancement or promotion, termination, retirement or any employment practice based on race, caste, colour, national origin, gender, gender identity, sexual orientation, religion, age, marital or pregnancy status, disability, union membership or political affiliation or any other characteristic other than the worker's ability to perform the job subject to any accommodations required or permitted by law.

- **COMMUNITY DEVELOPMENT AND CSR**

Supplier shall initiate local community development through CSR (Corporate Social Responsibilities) activities to improve economic and social aspects of the people in the community towards

empowering and increasing people's participation and access to opportunities particularly that of socio-economically vulnerable segments of society, otherwise defined as socially excluded persons including women. These activities shall aim at supporting and influencing the processes and outcomes of local social and economic development and creating an enabling environment for long-term growth and sustainability in the area.

- **RIGHTS OF MINORITIES AND INDIGENOUS PEOPLES:**

Supplier shall respect the rights of local communities to decent living conditions; education, employment, social activities; and the right to Free, Prior, and Informed Consent (FPIC) to developments that affect them and the lands on which they live, with particular consideration for the presence of vulnerable groups.

- **SUSTAINABILITY CERTIFICATIONS**

Supplier shall aim to obtain certifications pertaining to health & safety management, energy management, information security management and sustainable procurement from external renowned agencies to improve on environmental and social performance for sustainable development.

4. HEALTH AND SAFETY

Suppliers shall provide workers/employees a safe and health working environment that meets or exceeds applicable local laws and industry standards for safety and occupational health.

Supplier shall implement a management system for a safe and healthy working environment that includes the following:

- **WORKSPACE**

Suppliers shall provide a working environment that meets or exceeds local and national safety, occupational health, and fire safety legislation, risk protection and electrical, mechanical structural and machine safety, in addition to encouraging remote workers to understand and apply best practices. Supplier shall have SHE Policy (Safety, Health and Environment Policy) available in the public domain. Supplier shall strive to provide a safe, healthy, and clean working environment for its employees, targeting Zero fatal occupational injury and Zero Non-fatal occupational injury.

- **PERSONAL PROTECTIVE EQUIPMENT**

Suppliers shall provide their workforce with necessary Personal Protective Equipment (PPE) and ensure they understand how and when it needs to be applied, where applicable.

- **EMERGENCY PREPAREDNESS**

Suppliers shall reduce the risk of occupational hazards and develop an emergency preparedness and response plan. Suppliers shall have a business continuity plan to minimize business impacts in the event of major disruption like flood, fire, earthquake, strikes or any riots, etc and shall have written

emergency response plan to minimize harm to the employees, local communities and environment and risk of business disruption to Ashok Leyland in the event of any disaster.

- **INCIDENT AND ACCIDENT MANAGEMENT**

Suppliers shall implement hazard and risk analysis systems to minimize/minimise the potential for incidents or accidents at the workplace. An investigation system should drive to determine the root cause, and a corrective action system should ensure all permanent measures are taken to minimize/minimise the chance of a recurrence. Supplier shall maintain the records of major / minor accident and first aid injury along with analysis and action plan with periodicity, along with monitoring mechanism for closure of all identified actions. Suppliers should take necessary action like accident reporting with government officials etc. with necessary action plan.

- **CONTRACTORS**

Suppliers shall properly manage the health and safety of its contractors as part of a company's extended supply chain. Suppliers should coordinate their procurement processes to identify hazards and to assess and control risks arising from the contractor's business activity with the Supplier, and the company's business activity that impacts the contractors' workers.

- **DEEPER SUPPLY CHAIN**

Supplier shall ensure compliance in the deeper supply chain for all Tier1 and Tier2/3/4 for the following measures including but not limited to;

- ❖ Safety compliance
- ❖ Statutory compliance of all applicable laws, rules, by-laws, regulations, etc.
- ❖ Conducting health examination
- ❖ Payment for overtime inclusive of statutory dues
- ❖ ESIC (Employee State Insurance Corporation) registration or as per the applicable social security regulation
- ❖ Making ESIC card available to all workers on the date of joining or as per the applicable social security regulation

5. RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Suppliers should select business partners that comply with the practices of responsible business conduct and cascade the Guiding Principles of Ashok Leyland Supplier Code of Conduct along the supply chain. Suppliers should implement a supplier management system that includes the following:

- **DUE DILIGENCE**

Supplier shall develop & conduct a due diligence process to select on their direct suppliers and sub-contractors, consistent with this Code of Conduct, communicate this Code to them, and take steps to verify compliance. Suppliers need to exercise due diligence on social & environmental responsibility when sourcing materials and parts. Suppliers are urged to have their own suppliers, agents, and affiliates conduct the same due diligence to enable compliance throughout their supply chain.

- **RESPONSIBLE SOURCING OF RAW MATERIAL AND MINERALS**

Supplier shall responsibly source raw materials and minerals used in their products by developing a management system that promotes supply chain traceability and transparency, and by implementing due diligence measures in accordance with OECD (Organisation for Economic Co-operation and Development) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Supplier shall follow the OECD, European Union Due Diligence Guidelines and applicable Guidelines with respect to sourcing, extraction and handling of **tantalum, tin, tungsten, gold, hereinafter referred to as “3TG”, if used in parts / aggregates** supplied to Ashok Leyland, and additional minerals of concern to make a reliable determination of the origin and source of such minerals. Supplier shall maintain a policy and process to ensure that any of these minerals contained in the products manufactured by the Supplier do not directly or indirectly finance or benefit groups that are perpetrators of human rights abuses or directly or indirectly contribute to human rights violations. Ensure that all smelters and refiners in its supply chain of 3TG and other regulated minerals of concern, take part and actively engage in third party audit programs to provide Ashok Leyland any information on such smelters and refiners upon request.

6. REPORTING

Supplier shall, without any demand by Ashok Leyland, promptly inform to Ashok Leyland the following incidents whether they relate to the business with Ashok Leyland or not:

- ❖ Any breach of the Supplier Code of Conduct by the Supplier.
- ❖ Any change in Supplier's organizational structure and financial holdings;
- ❖ Any change or proceedings which has negative impact on supply by the Supplier to Ashok Leyland;
- ❖ Any proceedings against the proprietor/ partner(s)/ directors/ management persons of Supplier or conviction of such persons relating to a criminal charge, however minor; and
- ❖ Any legal claims/ investigations/ enquiry against the proprietor/ partner(s)/ directors/ management persons of Supplier asserting fraud, dishonesty, or unfair or unethical conduct.

COMPLIANCE WITH SUPPLIER CODE OF CONDUCT

Suppliers are required to adhere to this Supplier Code of Conduct strictly. They shall promptly inform Ashok Leyland when any situation develops that causes them to operate in violation of this Code. While Suppliers are expected to self-monitor and demonstrate their compliance with this Code, Suppliers shall allow Ashok Leyland to audit or inspect Suppliers' facilities to confirm their compliance when requested by Ashok Leyland with reasonable notice. Supplier shall support any investigations involving alleged violations. Ashok Leyland reserves the right to take appropriate action including immediate removal of any Supplier who behaves in a manner that is unlawful or inconsistent with this Code.

COMPLIANCE AND MONITORING

In its extended supply chain, the company expects its Suppliers to continuously monitor and verify their performance and improvement against this Code of Conduct. Furthermore, AL will positively consider every effort made by Suppliers to embrace sustainability within their business. Ashok Leyland reserves the right to ask the Supplier to create full supply chain mapping back to origin to facilitate assessment of supply chain compliance. Ashok Leyland reserves the right to audit any supplier's facilities periodically. Any results of such audits will be provided to the Supplier with areas for improvement clearly identified. Ashok Leyland expects any Supplier so audited to resolve audit issues promptly and to provide supporting documentation as requested.

REPORTING VIOLATIONS

The Supplier, and all subcontractors and/or individuals acting on their behalf, who wishes to report questionable behaviour or a possible violation of this Code of Conduct, may do so by making a protected and confidential disclosure through the reporting channels mentioned in Ashok Leyland's Whistle-blower Policy available on its website or as per details below:

S. No.	Reporting channel	Contact details	Availability
1	Phone (toll free)	1800-102-6969	24x7 for English and Hindi 10:00 am – 7:00 pm IST for Marathi, Gujarati, Telugu, Kannada, and Tamil (Weekdays) Off-office hours: Voicemail facility available
2	Web Portal	https://ashokleyland.integritymatters.in	24x7
3	Email	vigil@ashokleyland.com	24x7

The Supplier, and all subcontractors and/or individuals acting on their behalf, shall notify Ashok Leyland regarding any known or suspected improper behaviour relating to its dealings with Ashok Leyland, or any known or suspected improper behaviour by Ashok Leyland employees by email to : vigil@ashokleyland.com. Reported violations will be treated confidentially without retaliation.

DECLARATION:

Suppliers shall provide a declaration that they have read and understood this Code, they have not done anything during the past years which would amount to a violation of this Code and they agree to strictly abide by this Code during the tenure of their engagement with Ashok Leyland unless modified by Ashok Leyland.

Format for the declaration is given in **Annexure — I** to this Code of Conduct.



Ganesh Mani S

Chief Operating Officer

REFERENCE DOCUMENTS

Additional details are provided in the following Ashok Leyland documents available in the below link for reference. (<https://www.ashokleyland.com/in/en/investors/investor-information/policies>)

- Code of Conduct for Executives
- Human Right Policy
- Whistle Blower Policy
- Sustainability Policy
- ESG Policy
- Quality Policy
- Prevention of Sexual Harassment at Workplace

AL reference the following guiding principles & frameworks to inform & shape this code:

- United Nations Universal Declaration of Human Rights (<https://www.un.org/en/about-us/universal-declaration-of-human-rights>)
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas (<https://www.oecd.org/corporate/mne/mining.htm>)
- United Nations Global Compact (<https://unglobalcompact.org/>)
- The Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (<https://mneguidelines.oecd.org/mneguidelines/>)
- AIAG : Automotive Industry Guiding principles to enhance sustainability performance
- Paris Agreement (COP 21) (<https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>)
- The Global Sullivan Principles of Social Responsibility
- ISO 14001 Environment Management System
- ISO 20400 Sustainable Procurement



ANNEXURE - I

(On letterhead of the Company / Firm)

To

Chief Operating Officer

Ashok Leyland Limited

Sub: Declaration of Compliance to Ashok Leyland Supplier Code of Conduct

We have read and understood the Ashok Leyland Supplier Code of Conduct and we understand that the Supplier Code of Conduct forms part of Agreement signed with Ashok Leyland. We will uphold the Guiding Principles as enshrined in the Supplier Code of Conduct. We understand and agree to support Ashok Leyland to check compliance of Supplier Code of Conduct by us. We understand that in case of a material breach by us Ashok Leyland shall have right to terminate the business relationship with us.

Signature :

Name :

Name of organisation :

Designation of Authorized Signatory:

Date :

DOCUMENT HISTORY

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