



# Green Procurement Policy

## Purpose of this document:

The purpose of the Ashok Leyland (AL) Green Procurement Policy is to provide clarity to stakeholders in this area of high relevance considering AL goals and long-term strategies to reduce environmental impact and promote sustainability. This Policy includes the sustainability challenges of all materials used to build AL commercial vehicles including packaging materials.

## Objective:

To enhance the sustainability in order to reduce environmental impact, promote innovation, improve public health & economic benefit. Through the environment charter, AL systematically promotes environmental protection activities throughout the organization & the value chain, via a digital enabled platform.

## Scope:

This policy applies to all procurement activities conducted by the organization, including those by employees, contractors, and vendors. It covers the purchase of goods, services, and works.

## Definitions

### Materials

Materials referred to for the purpose of this policy includes durable and resilient materials used in our vehicles (e.g. steel, aluminium, polymers). These materials contain additives, reinforcements, alloying elements, stabilizers, coatings, and other performance enhancing solutions to ensure that their properties are maintained throughout the lifespan of our vehicles.

### Sustainable materials

At Ashok Leyland, we define sustainable materials as material that fulfil the requirements of our three sustainability pillars as following.

- The material should be responsibly sourced
- Non-hazardous,
- Have lower environmental impact than its primary reference and it should be recyclable.

AL aims for materials that can be produced in high volumes without adversely affecting the environment or local communities. Materials/Packing materials can be made from different types of feed stocks, like recycled, bio-based, or greenhouse gas derived raw materials.





## Ashok Leyland Policy

- We aim to be pioneers in protecting people and the planet by working towards **net zero**, embracing the **circular economy** and improving **people's lives** through sustainable products and safe and healthy work place.
- We have set ourselves high sustainability ambitions for Carbon Neutral operations. To reach our Net Zero Goals, climate action ambitions, all materials in the vehicle will need to be near- zero emission both primary or **recycled**.
- Comply with all relevant laws of the land, statutory compliances, rules, by-laws, regulations, etc.
- Compliance to ROHS - Restriction of hazardous substances. **Circular business practices** are considered as an important aspect of our environmental strategy.
- Ashok Leyland aims to safeguard responsible business conduct throughout the value chain. We conduct **risk-based due diligence** to identify, assess, and address ESG risks as well as to detect opportunities and promote performance improvements across our supply base. We aim to **source responsibly** by tracing raw materials to their origin and perform basic and enhanced due diligence activities to ensure supplier compliance.
- Ashok Leyland actively supports to enhance biodiversity conservation initiatives and conduct risk assessment through value chain partners.
- AL promotes usage of Renewable energy such as clean fuel / Renewable electricity for manufacturing and reduce the per-vehicle energy and water consumption. Also, procuring energy efficient equipment and innovative, Eco-friendly manufacturing processes.
- Adherence to Ashok Leyland Supplier Code of Conduct by supplier partners (<https://www.ashokleyland.com/in/en/investors/investor-information/policies>).
- AL will strive to ensure there are no barriers to entry so that MSMEs, local, regional businesses and ethnic minority businesses are encouraged to bid for appropriate work. Provided those are fulfilling minimum criteria of ESG.
- Reduce business relationship with suppliers showing persistent disregard for important elements of environmental, social and ethical performance.



**ASHOK LEYLAND**

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- Ashok Leyland encourages conducting Life cycle assessment (LCA) to identify and enhance the most significant environment impacts of products and process.
- As a part of Go-Green initiative, encourage greener logistic, packaging and waste reduction through 4R (Refuse, Reduce, Reuse & Recycle).
- Facilitate award and recognition for vendors displaying high compliance
- Develop procurement guidelines that reflect our commitment to sustainability and provide training for procurement staff on green procurement principles.
- Incorporate environmental criteria into procurement processes, including product specifications and supplier evaluations.
- Promote education and training to enhance the awareness and skills of stakeholders and employees regarding greener procurement, to facilitate the achievement of sustainability goals.
- Regularly review procurement practices to identify opportunities for improvement.

A handwritten signature in blue ink, appearing to read 'S. Ganesh Mani'.

**S. Ganesh Mani**

President & Chief Operating Officer