



CEAT Limited

Sustainability Policy

1. Objective

CEAT, as a responsible corporate citizen, believes that ESG (i.e. Environmental, Social, and Governance) are critical pillars of its purpose and are vital links for building resilience and creating long-term value.

Also critical is the principle of shared value creation, which pertains to how an organization's long-term success is tied to the value it creates for all its stakeholders, natural environment, and the society at large. A lot of the value created may be long-term, non-monetary, or intangible, but there is growing evidence that it plays an important role in an organization's business outcomes, sustainability and reputation.

The Company is proud to have these principles deeply ingrained in its value system. Examples of these are many – sustainable use of natural resources, fostering a culture of safety, empowering its people to outperform, and positively impacting many lives by building sustainable communities.

This Policy will help in formalizing the Company's sustainability aspirations, targets, and strategic roadmap for a short and long-term horizon.

2. Regulatory framework

As per Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is mandated to include in its Annual Report a Business Responsibility and Sustainability Reporting ('BRSR'). The Policy and framework will act as guidelines for BRSR, wherever principles of BRSR and this policy overlap.

3. Principles and Focus Areas

The Company seeks to ensure that Environmental, Social, and Governance initiatives are well ingrained into all aspects of its business operations and processes and will work towards:

- 3.1 Focusing on transforming its businesses and processes in a sustainable manner
- 3.2 Stakeholder engagement to achieve measurable targets as part of its strategic sustainability roadmap.
- 3.3 Optimal utilization of scarce natural resources and reduce waste in its operations.
- 3.4 Reducing the overall carbon footprints from the operations through the reduction in greenhouse gas emissions intensity, enhancing energy efficiency, promoting renewable energy use, and contributing towards a greener and more sustainable society and planet.
- 3.5 Striving to achieve and review the progress towards ESG Vision, the Net-zero path or any such voluntary commitments on carbon emissions aligned to national or global goals.
- 3.6 Providing a safe and healthy working environment for all employees and the workforce across all locations.
- 3.7 Promoting diversity and inclusion and ensuring equal opportunities to all based on meritocracy and without any discrimination.
- 3.8 Supporting communities to lead purposeful, happy & dignified lives, thereby driving "holistic empowerment" and overall well-being of the community. Ensure quality standards in all its design, and process, and provide safe, quality, and sustainable products of international standards to its customers.
- 3.9 Investing in research and development of environmentally sustainable products or services that have a low ecological footprint.
- 3.10 Imbibing and follow the highest standards of ethics and transparency in all business dealings.
- 3.11 Mitigating risks related to Sustainability and ESG in its areas of operation.
- 3.12 Engaging with vendors and partners across the value chain to collaborate towards creating a sustainable and green value chain.
- 3.13 Reporting sustainability and ESG performance through various mandatory and voluntary disclosures via appropriate communication channels to all stakeholders.
- 3.14 Ensuring compliance with all applicable legal, environmental & social requirements.

4. Governance Structure and responsibilities

4.1 Board of Directors

The Sustainability and Corporate Social Responsibility Committee ("SCSR") of the Board of Directors is responsible for ensuring the alignment and incorporation of ESG practices into the Company's long-term vision toward sustainability.

4.2 Company's ESG Council (ExCom)

At the Corporate level, ESG Council led by the Managing Director oversees the progress of ESG agenda and ensures implementation and adherence to the sustainability roadmap.

The authority to decide on disclosure on Management Approach in Sustainability Reporting and to drive Sustainability Performance will rest with the MD and CEO of the Company.

5. Budgeting

While making any investment, the Company shall consider the impact on the business and the environment. All expenditures related to Sustainability will follow regular budgeting and expenditure processes.

6. Reporting

Progress on Sustainability goals and other initiatives shall be reported to the SCSR Committee. The SCSR Committee shall provide an update to the Board as and when needed and details of progress on various sustainability initiatives may be published in the Annual report / BRSR Report, wherever relevant.

7. Miscellaneous

The power to interpret and administer this policy shall rest with the SCSR Committee whose decision will be final and binding. The SCSR Committee is also empowered to make any supplementary policies/rules/orders for effective implementation of ESG and

sustainability goals of the Company or at its discretion, authorize MD and CEO to do so.

In the event of any conflict between the provisions of this Policy and of any statutory enactments, rules, the provisions of such statutory enactments, rules shall prevail over this Policy. Any subsequent amendment/modification in the applicable laws in this regard shall *mutatis mutandis* apply to /prevail upon this Policy.

Document History

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| Approved /Amended by: | Board of Directors |
| Approved on: | July 20, 2022 |