

# Sustainable Supply Chain Framework and Code of Conduct

**UltraTech Cement Limited**



## 1.0 Company Values

Integrity. Commitment. Passion. Seamlessness. Speed. These together constitute what we call our “Values”. “These values are the foundation of the company's success and guide its decisions, actions, and strategies.

### Integrity

Acting and making decisions in a manner that is fair and honest. Following the highest standards of professionalism and being recognized for doing so. Integrity for us means not only financial and intellectual integrity but encompasses all other forms of integrity.

### Commitment

On the foundation of integrity, doing all that is needed to deliver value to all stakeholders. In the process, being accountable for our own actions and decisions, those of our team and those in the part of the organization for which we are responsible.

### Passion

An energetic, intuitive zeal that arises from emotional engagement with the organization that makes work joyful and inspires each one to give his or her best. A voluntary, spontaneous and relentless pursuit of goals and objectives with the highest level of energy and enthusiasm, that is voluntary and spontaneous.

### Seamless

Thinking and working together across functional groups, hierarchies, businesses and geographies. Leveraging diverse competencies and perspectives to garner the benefits of synergy while promoting organizational unity through sharing and collaborative efforts.

### Speed

Responding to internal and external customers with a sense of urgency. Continuously striving to finish before deadlines and choosing the best rhythm to optimize organizational efficiencies.

## 2.0 Sustainability at UltraTech

UltraTech Cement Limited, India's largest and the world's third-largest cement manufacturing company excluding China, offers a wide range of cement products and solutions that are designed to meet the needs and preferences of diverse consumers.

UltraTech is a founding member of Global Cement and Concrete Association (GCCA). It has pledged support to the GCCA 2050 Cement and Concrete Industry Roadmap for Net Zero Goal to produce carbon-neutral concrete by 2050.

The focus areas of sustainability for UltraTech are Sustainable supply chain, decarbonization including Scope 3, energy transition, among others in the value chain. UltraTech has taken a holistic approach to embed sustainability across its operations.

## 2.1. Vision of Supply Chain Sustainability Program

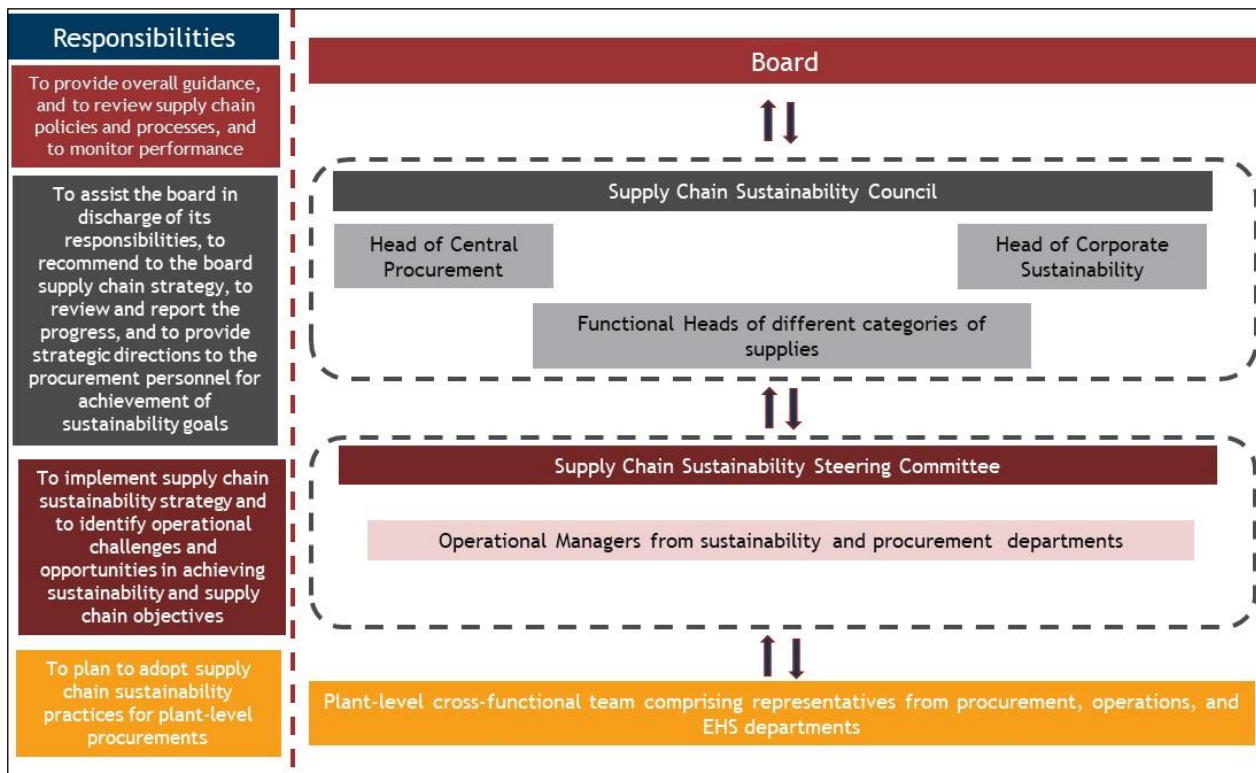
To achieve world-class business excellence by ensuring safe, secure, and sustainable supply chain

## 2.2. Mission of Supply Chain Sustainability Program

- To understand supply chain sustainability standards accepted globally and develop commitment to adhere to the best practices across the industry.
- To integrate sustainable business practices into procurement process and supplier evaluation and management
- To encourage and promote adoption of sustainable business practices across supply chain.
- Measure and report environmental, social and governance (ESG) performance across our supply chain.

## 2.3. Supply Chain Sustainability Governance Structure

Supply chain sustainability needs a cross-functional governance structure comprising personnel from procurement, sustainability, EHS, Marketing and Logistics departments. The Supply Chain Sustainability Council shall be the apex body responsible for managing sustainability initiatives regarding supply chain. It shall directly report to the Board. Supply Chain Sustainability Steering Committee shall be responsible for implementation of sustainability initiatives approved by the Sustainability Council. At plant level, a cross-functional team comprising personnel from operations, procurement, and EHS departments shall be responsible for adoption of supply chain sustainability initiatives. The proposed governance structure has been illustrated in following figure.



### 3.0 Scope

This Code of Conduct (the “Code”) applies to each and every provider of goods and/or services (“Suppliers”).

The Key areas of focus for this Code is:

- (i) Governance and Ethical business conduct
- (ii) Human & Labour Rights
- (iii) Environment Management
- (iv) Occupational Health & Safety
- (v) Community Care

All Suppliers are expected to follow the Code in practice and principle. In doing so, each Supplier has the responsibility to recognize, and to avoid or to prevent situations that may cause possible violations of this Code throughout their supply chain. If the Supplier has questions regarding the applicability and content of the Code, those can be directed to the Central Procurement Cell (CPC) of UltraTech through appropriate channels.

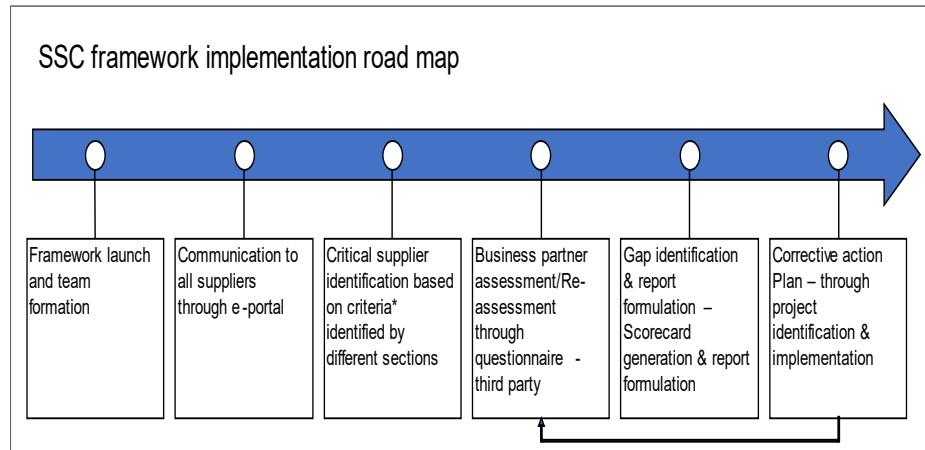
We encourage our suppliers to implement similar or their own policy/framework/guidelines with their suppliers and in turn encourage them to follow suit.

### Methodology

The subject policy shall be applicable to all the Tier-I suppliers of UltraTech.

All the Tier-I suppliers would be required to submit a self-declaration regarding the compliance with the UltraTech Supplier Code of Conduct.

The suppliers will undergo an assessment/audit based on the decided



frequency. A corrective action plan will be formulated in accordance with the suppliers. UltraTech will be committed to facilitate/support in implementing the identified Corrective action plan. UltraTech will render support in terms of knowledge sharing, handholding and others as decided on the need arising from the situation.

The assessment will form the basis for understanding the base level of our suppliers in terms of sustainability. Progressively, suppliers are expected to improve their scores based on the corrective action plan and subsequent assessment. UltraTech will incorporate the supplier ESG score in their business decision making by FY 27.

UltraTech shall review the future business relations with the supply chain partners who do not improve on the ESG score despite assistance and re-assessment or fail to meet the required criteria laid by UltraTech by FY 2027,

#### 4.0 Supplier Code of Conduct

Suppliers shall ensure compliance with applicable local laws and regulations and the Code. Suppliers shall establish a process to identify the applicable regulations related to the supplier code of conduct and to track any amendments or updates to these regulations that may impact their compliance with the code. Suppliers shall identify all relevant compliance obligations related to sustainability issues, including laws, regulations, permits, agreements, and commitments. They should also consider laws and regulations in countries where products be sold and adhere to relevant international standards and commitments appropriately.

The compliance requirements may include, but are not limited to, the following as applicable:

- Laws and regulations (federal, state and local)
- Permits, licenses or other forms of authorization
- Orders, rules or guidance issued by regulatory agencies
- Judgments of courts or administrative tribunals
- Treaties, conventions and protocols

If any part of this Code conflicts with local laws in any location, the more stringent standard between the Code and the local law shall be applicable.

The Code has 5 subsections that the supplier is expected to conform to:

#### 4.1 Human Rights & Labour Rights

##### 4.1.1. Forced Labour & Human Trafficking

- i. Supplier should not engage in or benefit from, in any manner whatsoever, forced or compulsory labour. Any labour without free consent including but not limited to unpaid or indentured servitude (Indentured servitude is a labour contract where an individual will work to repay an indenture or loan over some time, commonly several years), labour under abuse or threats of physical abuse or otherwise, or labour under any form of harassment would be deemed as forced labour.
- ii. Supplier shall not engage in any manner whatsoever with any entity that practices or is known to practice forced labour as defined above.
- iii. Supplier shall ensure that employees, workers, contractors or subcontractors across its supply chain are not subjected to arbitrary harassment measures such as confiscation of passport, withholding of wages or unreasonable penalties.
- iv. Supplier should provide training to all its employee, contractors and subcontractors in their local languages to raise awareness of issues of forced labour and encourage reporting of violations to the relevant government authorities, the respective Supplier and UltraTech.

#### 4.1.2. Child Labour

- i. Suppliers are strictly prohibited from benefiting from or utilizing in any manner, including as employees, contractor or subcontractor, child labour that is in violation of the local laws and regulations.
- ii. Irrespective of the local regulations, Suppliers are not permitted to utilize or engage children below the age of 16 or legal minimum age for employment.
- iii. Workers below the age of 18 or legal minimum age of employment are not permitted to undertake any work that is mentally, socially, physically, morally harmful or any work that could interfere with their schooling needs.
- iv. Supplier shall be responsible for ensuring compliance with child labour laws across its associated stakeholders. Supplier shall formulate and circulate relevant policies to raise awareness for child labour and encourage reporting of violations to the relevant government authorities, the respective Suppliers and the Company.
- v. The Supplier must take immediate action to remove any children found performing labor in its supply chain and ensure they have access to education

#### 4.1.3. Anti-Discrimination & Humane Treatment

- i. Suppliers shall ensure that Employees and workers are not discriminated based on race, nationality, regionality, affinity, colour, religion, caste, creed, affiliation, gender, sexual preferences, age, physical ability, political preferences, pregnancy, marital status or family status.
- ii. Suppliers must ensure fair and non-discriminatory practice in all aspects including hiring, promotions, assignments, wage hikes, training, and termination.
- iii. Suppliers shall ensure that its workers, contractors, and applicants are not subject to arbitrary and discriminatory medical tests like HIV test, genetic tests, pregnancy test or tests that may be used to determine a person's mental health status.
- iv. Suppliers are expected to treat their its workers, contractors, and applicants with dignity and respect. They must not be subjected to any form of or threat of physical, psychological, sexual, or verbal harassment.
- v. Suppliers shall ensure workers, contractors and applicants are provided with a safe and healthy working environment.
- vi. Suppliers should avoid imposing arbitrary or dehumanizing sanctions on workers, contractors, or employees, including denying them access to basic necessities like drinking water, public facilities, and common areas such as restrooms during their breaks or leisure time.
- vii. Suppliers shall formulate, communicate, and establish rules and standard for workplace behavior and humane treatment of their employees and their supply chain based on accepted international, national, or industry standards. Any violation of the rules and standard should attract appropriate disciplinary action and sanctions.
- viii. Suppliers shall proactively initiate diversity initiatives and take measures to improve inclusivity at the workplace.
- ix. Suppliers shall avoid procuring or sourcing from vendors and/or areas known to be associated with any human rights violation.

#### **4.1.4. Working Hours, Wages & Benefits**

- i. Suppliers shall ensure compliance with applicable minimum wage regulations and working hours regulations across their supply chain.
- ii. Suppliers shall ensure proper communication of wages, benefits, wage schedule, overtime wage and working hours with appropriate documentation to their employees, contractors, and subcontractors.
- iii. Suppliers shall ensure adherence to working hours and timely payment of overtime wages whenever appropriate. Overtime should be voluntary, and the worker should not face retaliation for refusal to do overtime work.
- iv. Suppliers are required to allow their workers adequate rest. Workers are entitled to a minimum of 24 consecutive hours per week as rest.
- v. Suppliers shall not withhold or deduct wages for any reason, including disciplinary actions or recruitment fees, unless it is required by law, or the worker gives their express written consent.
- vi. Suppliers shall provide workers with transparent employment records including attendance and payroll records.
- vii. Suppliers should formulate and communicate a long-term compensation for their workers that specifies the expected growth in wages and benefits growth.

#### **4.1.5. Freedom of Speech, Association & Collective Bargaining**

- i. Suppliers shall ensure that every worker is entitled to their free speech to the extent permitted by law.
- ii. Unless restricted by law, Suppliers must allow workers to exercise freedom of association and collective bargaining for occupational interests including the right to form, join and/or refuse to join associations, unions, or organizations.
- iii. Suppliers shall not interfere or influence, including through incentives, sanctions or discrimination, decisions of employee/s or their associations.
- iv. Suppliers shall ensure that workers do not face retaliation for reasonable expression of their beliefs or opinions.
- v. Suppliers must prevent and protect employees from being targeted or discriminated against for exercising their freedom of association.
- vi. Suppliers shall establish a process for grievance redressal to resolve disputes, internal complaints and ensure transparent communication amongst employees, their representatives, and the management. Suppliers should ensure that employees are provided with appropriate protection through measures like anonymity while raising concerns.
- vii. Suppliers should pro-actively promote and facilitate exercise of collective rights by the employees including but not limited to providing representatives with a communication channel to the management and allowing associations to organize their activities on the premises.

#### **4.1.6. Equal opportunity**

Vendors should abide by the principle of equal opportunity and treatment should apply to all workers in an enterprise, working for the enterprise from an external location, or associated to the enterprise, including part-time workers, casual workers, subcontractors, and outsourced workers.

Enterprises should also promote equality and non-discrimination in their business practices with third parties. This means that all customers and clients should be treated equally regardless of their social origin, religion, ethnicity, if they have a disability or other personal characteristics, and company marketing and PR materials should be made free from any (implicit or explicit) discriminatory or stereotyping messages. Business decisions related to sourcing, contracting, buying or leasing of land etc. should also be made on an equal basis –on the basis of merit and objective value.

#### **4.1.7. Resettlement & Rehabilitation in case of land acquisition**

The organisation should recognise rehabilitation and resettlement issues as intrinsic to the development process formulated with the active participation of the affected persons, rather than as externally imposed requirements. Additional benefits beyond monetary compensation should be provided to the families affected adversely by involuntary displacement. There should be a careful assessment of the economic disadvantages and social impact of displacement. There must also be a holistic effort aimed at improving the all-round living standards of the affected people.

#### **4.1.8. POSH (Prevention of sexual harassment)**

The organisation should act towards the prevention of sexual harassment in the workplace by (but not limited to):

- i. Provide a safe working environment at the workplace which shall include safety from third party (outsiders) coming into the contact at the workplace
  - Display penal consequences of sexual harassment.
  - Display information about the grievance handling mechanisms including about the Internal Committee
  - Organize workshops and awareness programmes at regular intervals for sensitizing the employees with the provisions of the Act
  - Organize orientation programmes for the members of the Internal Committee
  - Treat sexual harassment as misconduct under the service rules and initiate action for such misconduct.

#### **4.1.9. Various Rights as envisaged by Human Rights commission and International Labour Organization**

The organization should look into various aspects of Human rights beyond its organizational boundary and assure its all stakeholders for the following:

- 4.1.10. **Right to clean air & water** – Every person has the right to clean air and water. Organisation should take all possible measures to keep the natural resources shared with the community, in as good state as possible.
- 4.1.11. **Right to individual and data privacy** – The organisation should not withhold any information or document without the consent of stakeholders.
- 4.1.12. **Right of indigenous people in their area of influence** – Indigenous people should be given special privilege in terms of education, employment, skill development etc by the organization.
- 4.1.13. **Right of migrant labour** – Migrant workers and members of their families shall not be subjected individually or collectively to arbitrary arrest or detention; they shall not be deprived of their liberty except on such grounds and in accordance with such procedures as are established by law.
- 4.1.14. **Rights of person with disabilities** – There should be no discrimination with the person with disabilities. Proper support and facilities for employment, restrooms etc should be made available to them by the organisation.

## 4.2 Environment

### 4.2.1 Environmental Laws & Record-Keeping

- i. Suppliers shall ensure compliance with all applicable environment laws and regulations across its supply chain.
- ii. Suppliers must take measures to minimize their environmental impact, and document, review, and track their efforts to ensure their effectiveness. If there are any significant environmental impacts, suppliers are required to share the details with the company.
- iii. Suppliers should maintain all necessary and up-to-date environmental permits, approvals and registrations and reporting requirements. These records should be available for inspection by the UltraTech as and when required.
- iv. Supplier should try to obtain ISO 14001 or equivalent certification for environment management systems.

### 4.2.2 Hazardous Substances

- i. Suppliers shall ensure compliance with all relevant laws and regulations for use, storage and disposal of hazardous materials including chemicals.
- ii. Suppliers shall put in place measures to prevent or mitigate accidental exposure to or spills of hazardous substances. These measures should be periodically collated and reported to the UltraTech.

### 4.2.3 Circularity – Sourcing & Recycling

- i. Suppliers shall comply with local laws and regulations on waste disposal, waste segregation, waste treatment and recycling.
- ii. Suppliers must ensure transparency by tracking any materials or products sourced throughout the supply chain including its origin and production facility.
- iii. Suppliers shall ensure that all materials are sustainably sourced and adhere to all applicable laws and regulations through its supply chain. Tracking information of the materials should be made available to the UltraTech.

- iv. Suppliers should utilize measures such as waste management, materials substitution, segregation & labelling, to increase recyclability of materials and reduce waste.
- v. Suppliers should strive to use recyclable or compostable packaging materials.
- vi. Suppliers must strive to create and implement a comprehensive zero-waste plan and periodically report its/u progress to the UltraTech.

#### **4.2.4 Environmental Impact**

- i. Suppliers shall adhere to all applicable laws and regulations regarding environmental pollution, including but not limited to laws on deforestation, biodiversity conservation, greenhouse gas emissions, wastewater discharge, and any other relevant laws.
- ii. Suppliers are prohibited from conducting any operations within areas including buffer zones that are recognized as globally or nationally important for their biodiversity. This includes, but is not limited to, protected areas such as national parks, wildlife reserves, and other areas designated for conservation purposes.
- iii. If a supplier is operating in areas that are near critical biodiversity, they must apply the mitigation hierarchy, which includes avoiding impacts on biodiversity where possible, minimizing impacts where avoidance is not possible, restoring any damage caused, and offsetting any residual impacts.
- iv. Suppliers shall recognize the risks of climate change and take proactive measures to minimize and manage their impact. Suppliers should assess the potential physical risks posed by climate change, including but not limited to natural disasters and extreme weather events, and develop contingency plans to mitigate the impact of such risks on their operations, supply chains, and the environment.
- v. Supplier shall actively reduce usage of resources and material that threaten biodiversity and/or encourage deforestation.
- vi. Suppliers shall not make use of any resource that has long term impact on biodiversity.
- vii. Suppliers are required to track and report on all emissions generated. This includes emissions from transportation, manufacturing, and other relevant sources. This information should be available in a clear and easily understandable format and include all relevant data such as the quantity of emissions, the emission source, and the period in which the emissions were generated. Furthermore, the supplier must provide this information to UltraTech upon request.
- viii. Suppliers are expected to ensure efficient use of natural resources such as water and energy.
- ix. Suppliers shall take active steps to reduce the use of non-renewable sources in their energy use either through reducing consumption through improving energy-efficiency or utilizing alternative non-polluting sources of energy.
- x. Suppliers should define an action plan to monitor and reduce air pollution and greenhouse gas emissions in their supply chain.
- xi. Suppliers shall monitor and reduce freshwater consumption and wastewater generation by measures such as reducing water use, reuse, and recycling, appropriate wastewater treatment, and rainwater harvesting.

- xii. Suppliers should strive to reduce the adverse environmental impact of their supply chain.

#### **4.2.5 Design for Environment**

- i. The organization should continuously endeavor to design/redesign its product to create minimal impact on environment.
- ii. The organization may involve use of Design for Environment or Life cycle Assessment (LCA) tool to understand the impact of its products and take corrective measures for the same.

#### **4.2.6 Biodiversity**

- i. The organization should continuously endeavor to protect biodiversity in immediate impact area and areas with indirect impacts
- ii. The organization will work towards no deforestation and in case of necessity, should endeavor to work for compensatory afforestation.
- iii. The organization should work towards quantifying and subsequently minimizing the risk arising from biodiversity impacts on operation and adjoining society.
- iv. The organization should avoid in all aspects, any operation/activities near sties of national and international importance.

### **4.3 Occupational Health & Safety**

#### **4.3.1 Occupational Health**

- i. In accordance with local laws and regulations, suppliers shall ensure that employees, contractors, and subcontractors are provided with a safe and healthy working environment including but not limited to:
  - a. First Aid & Emergency Medical Response
  - b. Compliance with the WASH pledge for general sanitation and hygiene including unrestricted access to toilets and potable water, and sanitary food preparation, eating and storage facilities.
  - c. Medical facilities including routine medical checks and vaccination.
  - d. Access to gender-specific, changing rooms and dormitories if provided.
  - e. If the supplier is not able to provide such amenities, a clear rational with a proposed alternative should be formalized with the employees and made available.
- ii. Suppliers shall conduct risk assessments to identify, evaluate, and control worker exposure to any chemical, physical and biological agents according to the hierarchy of controls through proper design, engineering, and administrative controls. Suppliers shall protect workers' health by adopting appropriate personal protective equipment.
- iii. Suppliers shall conduct risk assessments to identify, evaluate, and control worker exposure to the hazards physically demanding tasks, including, but not limited to, manual material handling, repetitive lifting, awkward postures, prolonged standing and or highly repetitive assembly tasks.
- iv. Occupational health concerns of workers should be tracked, investigated and documented. Supplier shall provide adequate compensation, monetary or otherwise, to workers that suffer from occupational health concerns. These

incidents should be adequately documented and made available to the UltraTech for inspection.

- v. Suppliers shall clearly post health and safety-related information in the workplace that complies with local laws and industry standards (apply the highest standard) in employees' primary language.
- vi. Suppliers must take a proactive approach to minimize occupational illness including tackling mental health concerns and concerns related to ergonomics.
- vii. Suppliers should take care of the health of its employees post their superannuation as there could be chances of occupational illness coming up at later stage of life
- viii. In case an employee is found temporarily unfit for the job one used to perform, there should be a provision for job rotation or compensation in lieu of no service.

#### **4.3.2 Safety**

- i. In accordance with local laws and regulations, suppliers shall ensure safety of all employees, contractors, subcontractors and visitors.
- ii. Suppliers should routinely carry safety risk assessment checks in their supply chain.
- iii. Supplier shall routinely inspect machinery to reduce risk of accidents. Suppliers should also undertake adequate measures such as installation of barriers, engineering controls, and physical guards to reduce workers' exposure to safety hazards.
- iv. Suppliers must ensure adequate training and safeguards for employees involved in handling of hazardous materials.
- v. Suppliers shall provide workers with regular training in health and safety procedures in their local language.
- vi. Work-related injuries of workers should be tracked, investigated, and documented. Suppliers should provide adequate compensation, monetary or otherwise, to workers that suffer from work-related injuries. These incidents should be adequately documented and made available to the UltraTech for inspection.
- vii. Suppliers should try to obtain ISO 45001 or equivalent certification for safety management systems.

#### **4.3.3 Emergency Preparedness**

- i. Supplier shall maintain compliance with all local laws and regulations on emergency hazards for example fire safety, leakages and others, and also for natural disaster and crisis management.
- ii. Suppliers should ensure adequate preparation, such as unlocked and clear exits, installation of smoke alarms, marking safe assembly places, evacuation plans for disasters or emergencies.
- iii. Suppliers shall routinely conduct training and drills for their workers to ensure adequate disaster response.
- iv. Suppliers should prepare emergency response plans and brief workers in advance to ensure safety of workers during emergencies.

## 4.4 Governance

### 4.4.1 Business Ethics – Conflict of Interest & Fair Competition

- i. Supplier shall ensure compliance with applicable local laws and regulations including financial laws, taxation laws, competition laws, antitrust laws and insider trading regulations.
- ii. Suppliers should uphold a high level of business ethics in their conduct including maintenance of business records.
- iii. Suppliers shall avoid actions or conditions that could result in a conflict of interest, actual or perceived. Any instance of such conflict must be reported to UltraTech.
- iv. Suppliers should not indulge in uncompetitive practices such as price fixing or cartelization.
- v. If UltraTech's staff or former employees have participated in the procurement process, suppliers shall not offer them employment for one year following separation from service.
- vi. The Supplier shall ensure that their employees have authorization to access or use UltraTech assets, properties, information, and intellectual rights for official purposes only, according to the terms of the Supplier's engagement with the UltraTech.

### 4.4.2 Bribery, Kickback & Corruption

- i. Supplier shall not give or receive any financial benefits, meals, entertainment, or any other benefit with the intention of improperly influencing actions performed or decisions taken in good faith. Any action, regulatory or otherwise, initiated against the supplier due to improper behavior must be immediately reported to the UltraTech.
- ii. Suppliers should maintain an internal investigation mechanism to identify and penalize instances of improper conduct by workers, contractors or subcontractors.
- iii. Suppliers should provide periodic internal training to prevent instances of improper conduct.
- iv. Suppliers must compete in an independent, open and fair manner and not knowingly enter into business arrangements that eliminate or discourage competition, or that provide them an improper competitive advantage.

### 4.4.3 Privacy, Intellectual Property, Confidentiality & Data Protection

- i. Suppliers shall ensure compliance with relevant laws and regulations concerning privacy, intellectual property, and data protection across its supply chain.
- ii. Suppliers should ensure creation, maintenance, storage and disposal of data including business records, employee information and intellectual property. maintaining confidentiality and compliance with local laws and regulations.
- iii. Suppliers shall ensure adequate cyber security measures for data protection based on industrial standards. Suppliers should regulate internal access to sensitive data including records of employees, intellectual property, or other critical and sensitive documents from UltraTech.
- iv. Suppliers shall immediately inform relevant stakeholders including their workers and the UltraTech in case of a security breach or a data leak or any manner of

compromise in the integrity of the data including intellectual property of the UltraTech.

- v. Suppliers must obtain prior permission from UltraTech before using the company logo or products. Additionally, suppliers must not misuse UltraTech logo or misrepresent its products. Any engagement in malicious propaganda is strictly prohibited.

#### **4.4.4 Monitoring & Compliance**

- i. Suppliers shall ensure compliance with this Code by their employees, contractors and subcontractors.
- ii. Suppliers are advised to create their own sustainability policies that are consistent with UltraTech policies and UltraTech Sustainable Business Framework. Alternatively, suppliers may choose to directly implement UltraTech policies to ensure their practices to meet our expectations.
- iii. Suppliers should create and implement a whistleblower policy to protect whistleblowers against retaliation.
- iv. Suppliers should periodically prepare a consolidated report on compliance with the Code and information on instances of violation and investigation into such violations.

#### **4.4.5 Grievance Redressal**

- i. All employees, contractors and subcontractors of the Supplier can report non-compliance of the Code directly to the UltraTech through email at [abg.ethicshelpline@integritymatters.in](mailto:abg.ethicshelpline@integritymatters.in) or through phone at 1800-102-6969
- ii. Suppliers should circulate and publicize the UltraTech grievance redressal contact.

### **4.5 Community**

#### **4.5.1 Community Engagement**

- i. Suppliers should engage the local communities to foster their social and economic development.
- ii. Suppliers should bring about tangible improvements in the educational, cultural, social and economic well-being of the local communities.
- iii. Suppliers are expected to proactively address and resolve community grievances by implementing effective measures.

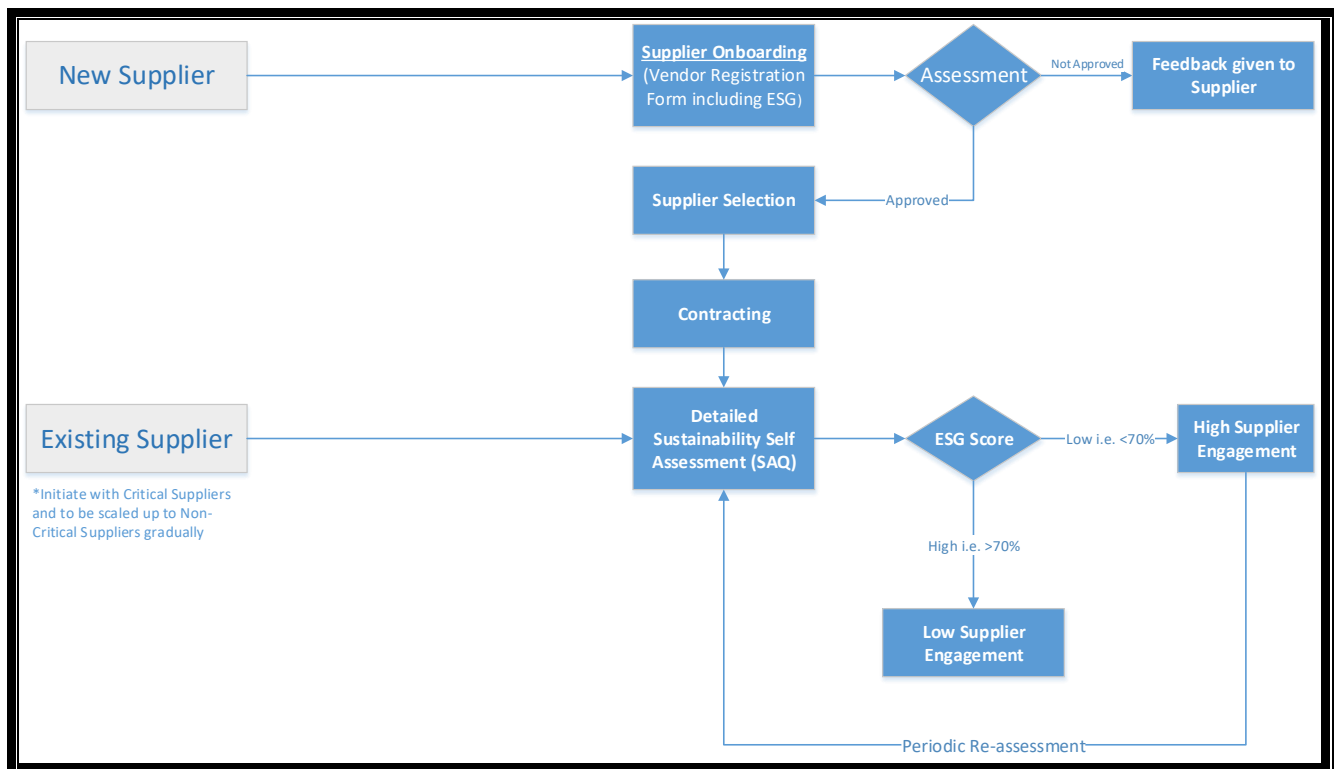
### **5. Enforcement**

To ensure compliance with this Supplier Code of Conduct, UltraTech may, at its discretion, carry out surveys, audits and/or inspection.

If any violation of this Code is identified, the supplier in question may, at the discretion of UltraTech, be given time to rectify the problem, with the Company's assistance wherever possible. If the issue is not resolved effectively and within an acceptable timeframe, UltraTech reserves the right to terminate its business relationship with the violating supplier.

### **6. Supplier Sustainable Supply Chain process flow**

The process flow outlines the sustainability interventions for new and existing suppliers at various lifecycle stages.



## Critical Supplier Identification

The details of the suppliers would be taken to assess their criticality to the business. The criteria for identifying critical suppliers are detailed below:

Criteria
High spend
Proprietary supplier
Non-substitutable supplier
Critical component supplier

Suppliers from specific region of the globe; local suppliers from India
Any Other Valid Criterion

## 7. New Supplier Onboarding and Selection

### 8.1. Onboarding

The *Vendor Registration Form* which, in addition to vendor details, also contains preliminary questions about certifications, standards and ESG practices. This will ensure that sustainability criteria are taken into consideration during supplier onboarding. The form will be shared with the supplier and the timeline for responding will also be communicated. The information received will be documented as part of the supplier master database.

### 8.2. Selection

Basis the information received through the Vendor Registration Form, UltraTech will assess and identify suppliers to be included in further evaluation process. These suppliers will be evaluated on sustainability criteria, along with existing technical and commercial evaluation criteria.

### 8.3. Contracting

UltraTech will develop standard contract templates incorporating sustainability clauses to enable supplier sustainability performance and enforce supplier sustainability requirements. Standard contract templates and clauses should address the following:

1. Mandatory adherence to UltraTech's Supplier Code of Conduct (SCoC) (Refer **Section 4.0**)
2. UltraTech's right to ask the supplier to periodically report their performance and conduct audits either through third party or self; as required.
3. Specific targets/ performance threshold (time bound, or otherwise) requirements from suppliers based on:
  - a) Gaps identified through supplier evaluation process
  - b) Management of non-conformance to contract clauses.

The supplier sustainability requirements and performance expectations will be communicated to the suppliers as part of the contracting process.

### 8.4 Detailed Sustainability Assessment

All the existing and newly on-boarded Tier-I suppliers shall be subjected to the UltraTech ESG Self-Assessment Questionnaire to assess the prevailing ESG maturity/compliance of the suppliers. The activity shall be initiated with the Critical Suppliers and gradually scaled to the Non-Critical Suppliers. The resultant ESG score shall help formulate the Supplier Engagement Plan and future business relations.

## 8. Sustainability Evaluation

UltraTech will periodically evaluate the sustainability performance of critical suppliers. The process is outlined below:

1. Self-Assessment Questionnaire for supplier (including instructions on how to respond) will be shared with the supplier by the responsible procurement team member.
2. Procurement Representative will communicate the expected timeline to the supplier for receiving the responses.
3. Once supplier responses are received, the UltraTech team will use the information to generate a sustainability scorecard for the supplier using appropriate Sustainability Scorecard template.
4. Based on the score received, supplier will be classified per the criteria below.

Band Name	Risk Category	Score in %	Frequency of re-assessment
Elementary	High	0-30	Yearly
Progressing		31-50	
Maturing	Medium	51-70	Once in 2 Years
Established	Low	71-90	
Leader		91-100	

5. The process will be periodically repeated as per the frequency described in the Supplier Engagement above.
6. On-site audit will be conducted for new and existing suppliers to assess the vendor facility and also verify the implantation implementation and impact of their compliance of UltraTech standards and CoC.

## 9. Supplier Engagement

Ultratech will strive for continuous supplier engagement for improved sustainability performance. Customized engagement strategies shall be deployed based on supplier sustainability performance.

Engagement strategies and associated activities can be broadly divided into 3 categories.

### 1. Encourage

- 1.1. **Supplier Awareness Program:** Communicate UltraTech's commitments & requirements and how they are linked to supplier sustainability performance, through periodic supplier awareness sessions.
- 1.2. **Sustainability Reporting:** we will encourage suppliers to undertake voluntary and verified self-reporting (public sustainability report, CDP, etc.).

- 1.3. **Sustainability Targets:** We will encourage suppliers to commit to sustainability targets (net zero, RE100, waste recovery, safety, etc.) and develop strategy & roadmaps towards achieving these targets.

## 2. Enable

### 2.1. Performance Assessment:

- a1. Performance Evaluation: Periodically repeat the evaluation process described in **Section 9** as per the frequency indicated.
- a2. Performance Improvement: Identify gap mitigation measures to elevate supplier sustainability performance. Initiatives could either be joint or self-implementable by the supplier.

### 2.2. Supplier Sessions

- 2.2.1. Capability Development sessions: UltraTech will conduct training sessions and workshops with supplier partners to raise awareness
- 2.2.2. Brainstorming sessions: Conduct brainstorming sessions with suppliers to jointly identify sustainability improvement initiatives.
- 2.2.3. Joint learning sessions: Conduct learning sessions jointly with multiple supplier partners to assimilate and share industry best practices.

## 3. Enforce

- 3.1. **Sustainability Audits:** Conduct periodic physical audits at supplier site to verify supplier sustainability information, practices, and processes.

## 10. Sustainability Performance Improvement

Supplier sustainability performance improvement will be carried out as part of supplier engagement. The process is outlined below:

1. Performance improvement will be a continuous activity for 'Elementary' to 'Maturing' category, till the supplier transition to next category. For highest two bands (Established & Leader), this will be carried out as per requirement from supplier or on need basis.
2. Supplier manager should identify sustainability gap areas based on supplier sustainability self-evaluation.
3. Respective function will prepare an implementation plan for the identified initiatives along with timeline till the next assessment.

## 11. Sustainability Audit

UltraTech will mainly conduct remote/desktop assessment, however, given the need, physical audits of suppliers may also be conducted. This will be done to verify the information provided in self-assessment questionnaire/verify the implementation of improvement initiatives/validate the discrepancy understood during remote audits. The process for the same is outlined below:

1. A third party-based audit team will carry out physical supplier audits.
2. Supplier should facilitate the audit team during remote or site audits.
3. Once the audit is complete, the team will prepare an audit report highlighting any non-conformance, violations and potential performance & risk issues.
4. The report will be shared with the supplier.

**Name and Signature of Authorized Signatory:** \_\_\_\_\_

**Seal of the Supplier with Date:** \_\_\_\_\_