



Address: Plot No.11C, Industrial Park, Site – A, Ammavaripalli Village, Penukonda Mandal, Anantapur, Andhra Pradesh,

India-515164

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CIN -U28999AP2017FTC107297, Tel: +91-9133442003

RESPONSIBLE PROCUREMENT POLICY

1. Purpose

KSH Automotive Private Limited is committed to **ethical, sustainable, and responsible procurement practices** that align with **environmental, social, and governance (ESG) principles**. This policy ensures that all sourcing and procurement activities are conducted in a manner that minimizes environmental impact, upholds human rights, and complies with regulatory requirements.

We recognize the potential for human rights abuses and environmental harm associated with the extraction and trade of conflict minerals (tin, tantalum, tungsten, and gold – 3TG) originating from conflict-affected and high-risk areas (CAHRAs), as well as the ethical concerns surrounding cobalt mining. Therefore, we are dedicated to minimizing the inclusion of conflict minerals and cobalt in our supply chain and strive to source these materials responsibly.

2. Scope

This policy applies to:

- ✓ **All suppliers, vendors, and business partners** engaged in procurement activities with KSH Automotive.
- ✓ **All raw materials, components, and products sourced** for manufacturing and operations.
- ✓ **Compliance with international and regional laws and sustainability standards** governing ethical sourcing.

3. Responsible Procurement Commitments

KSH Automotive is dedicated to ensuring that its supply chain is **free from unethical and environmentally harmful practices**. The company does not engage in the **production or sourcing of materials linked to environmental and social risks**, including:

- ✓ **Conflict minerals** – Tungsten, Tantalum, Tin, and Gold (3TG)
- ✓ **Responsible minerals** – Cobalt, Mica
 - ✓ **Deforestation-linked raw materials** regulated under the **European Union Deforestation Regulation (EUDR)**, including:

- Palm oil
- Cocoa



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- Soybeans
- Beef
- Wood/timber-based materials

KSH Automotive ensures that its **primary raw material for production is steel, which is sourced responsibly** in compliance with **sustainability and ethical supply chain principles**.

Procedure for Minimizing Conflict Minerals

To achieve our commitment, KSH has implemented the following procedure:

1. In-house Education and Awareness:

- We conduct regular in-house education programs for relevant employees, particularly those involved in procurement and supply chain management.
- These programs aim to raise awareness about conflict minerals and cobalt issues, the relevant regulations and guidelines (e.g., OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas), and our company's policy and procedures.

2. Tracking and Management:

- We actively track and manage the inclusion of conflict minerals and cobalt within our supply chain.
- This includes:
 - Identifying the potential sources of conflict minerals and cobalt in our raw materials, intermediates, and products.
 - Engaging with our direct suppliers to understand their sourcing practices and their own due diligence efforts.
 - Maintaining records of supplier declarations and other relevant documentation related to the origin of these materials.

3. Supplier Engagement and Confirmation:

- We require our direct suppliers to exercise due diligence on their supply chains to ensure that any conflict minerals or cobalt included are sourced responsibly and do not contribute to conflict or human rights abuses.
- When sourcing minerals from subcontractors (e.g., smelters and refiners), we prioritize those that are certified by reputable third-party assurance programs such as the Responsible Minerals Initiative (RMI) or the Initiative for Responsible Mining Assurance (IRMA).



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- We actively seek and review confirmation statements from our suppliers, including subcontractors, ensuring that they declare the absence or responsible sourcing of conflict minerals and cobalt in the materials they provide to us.
- We reserve the right to request further information and conduct audits if necessary to verify the origin and responsible sourcing of these materials.

Procedure for Ensuring Sourcing of Deforestation-Free Products (EUDR Compliance)

KSH will take steps to ensure that the sourcing of relevant commodities and products placed on the EU market or exported from it complies with the requirements of the European Union Deforestation Regulation (EUDR).

We acknowledge and understand the key requirements of the EUDR, which prohibits the placing on the market, making available on the market, or exporting from the Union of relevant commodities and products unless they are:

- **Deforestation-free:** Produced on land that has not been subject to deforestation after 31 December 2020.
- **Produced in accordance with the relevant legislation of the country of production.**
- Covered by a **due diligence statement.**

We will stay informed about any updates or clarifications to the EUDR and adapt our procedures accordingly.

1. Product Scope Identification:

- We will identify which of our raw materials, intermediates, and products fall within the scope of the EUDR, specifically focusing on the following commodities as defined by the regulation.
- This list will be regularly reviewed and updated as necessary.

2. Information Gathering and Traceability:

- For all in-scope products, we will establish a robust system for gathering the necessary information to demonstrate compliance with the EUDR. This includes:
 - **Supplier Identification and Engagement:** We will identify and engage with all direct and, where necessary, indirect suppliers of the relevant commodities and products.
 - **Origin and Production Details:** We will collect detailed information about the origin and production of the commodities, including:
 - **Country of Production:** The country where the commodity was produced.
 - **Geolocation:** Precise geolocation coordinates (latitude and longitude) of all plots of land where the relevant commodities were produced. This will be required for all plots of land larger than 0.5 hectares.



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- **Date of Production:** The period of production of the commodity.

3. Documentation: We will require suppliers to provide relevant documentation to support the information provided, such as:

- Purchase records.
- Production records.
- Maps or other evidence of geolocation.
- Evidence of compliance with relevant legislation in the country of production (e.g., permits, licenses).

4. Traceability Systems: We will implement or utilize traceability systems that allow us to link the final product back to the specific plots of land where the relevant commodities originated.

5. Verification and Documentation:

- We will establish procedures for verifying the accuracy and completeness of the information provided by our suppliers.
- We will maintain comprehensive records of all information gathered, risk assessments conducted, risk mitigation measures taken, and due diligence statements issued, in accordance with the record-keeping requirements of the EUDR. These records will be kept for at least five years.

6. Supplier Engagement and Capacity Building:

- We will communicate our commitment to deforestation-free sourcing and the requirements of the EUDR to our suppliers.
- We will work collaboratively with our suppliers to build their capacity to provide the necessary information and ensure compliance with this procedure. This may include providing guidance, training, or other support.
- We will include EUDR compliance requirements in our supplier agreements and codes of conduct.



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4. Compliance & Monitoring

KSH Automotive requires all suppliers and vendors to:

- ✓ **Adhere to this Responsible Procurement Policy** and demonstrate compliance.
- ✓ **Provide documentation and traceability records** for raw materials sourced.
- ✓ **Undergo periodic assessments and audits** to verify responsible sourcing practices.

Failure to comply with the company's **procurement standards** may result in **contract termination and disengagement from business relationships**.

Continuous Improvement:

We are committed to continuously improving our practices for responsible sourcing. We will regularly review and update this policy and procedure to reflect evolving best practices and regulatory requirements. We will also engage with industry initiatives and stakeholders to further enhance our efforts in minimizing the inclusion of conflict minerals and cobalt in our supply chain.

5. Policy Review & Updates

This policy will be reviewed **annually** or as required based on **regulatory changes, industry best practices, and sustainability advancements**.

For KSH Automotive Pvt. Ltd.

Mr. Yongsung Kim
Managing Director