

ESG Policy

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1. Objective

CEAT, as a global tire manufacturing company, is committed to sustainability by addressing the three key pillars: environmental protection, social and ethical equity, and economic viability. The company strives to optimize efficiency within its environmental, social, and governance (ESG) framework. CEAT actively engages all stakeholders, ensuring that its sustainability policies are effectively communicated, implemented, monitored, and regularly reviewed. This holistic approach not only aims to minimize the environmental impact but also fosters social responsibility and supports economic growth.

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 helps in formulating the Company's sustainability aspirations, targets, and strategic roadmap for a short and long-term horizon ensuring continuous improvement of ESG performance.

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'). BRSR adopts the principles of NGRBC (a responsible business framework) & United Nations Sustainable Development Goals and other reporting benchmarks such as Global Reporting Format (GRI), Task Force on Climate-Related Financial Disclosures (TCFD), etc which strengthen the three pillars of ESG. The NGRBC aligns with the United Nations Guiding Principles on Business & Human Rights (UNGPs).

The Policy and framework will act as guidelines for BRSR, wherever principles of BRSR and this policy overlap.

3. Principles and Focus Areas

CEAT is committed to integrating environmental stewardship, social responsibility, and robust governance practices into every aspect of operations, driving long-term sustainability and positive impact for all stakeholders.

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 by setting measurable targets as part of its strategic sustainability roadmap.
- 3.2 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.
- 3.3 Reducing the overall emissions from the operations through the reduction in greenhouse gases, enhancing energy efficiency, promoting renewable energy use, shifting to non-fossil/alternate source of energy, and contributing towards a greener and more sustainable society and planet.
- 3.4 Preventing pollution by enhancing operational and maintenance efficiency.
- 3.5 Responsibly source key material, optimal utilization of scarce natural resources and reduce waste in its operations.

- 3.6 Water Stewardship is an integral part of our Business and works on action plan to reduce environmental impact related to it.
- 3.7 Adopt Lifecycle thinking and develop safe & sustainable products, material handling, processes, technology and services.
- 3.8 Providing a safe and healthy working environment for all employees and the workforce across all locations.
- 3.9 Promoting diversity and inclusion and ensuring equal opportunities to all based on meritocracy and without any discrimination.
- 3.10 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.
- 3.11 Investing in research and development of environmentally sustainable products or services that have a low ecological footprint.
- 3.12 Imbibing and follow the highest standards of ethics and transparency in all business dealings.
- 3.13 Mitigating risks related to Sustainability and ESG in its areas of operation.
- 3.14 Engaging with vendors and partners across the value chain to collaborate towards creating a sustainable and green value chain.
- 3.15 Integrate Sustainability consideration into the value chain by engaging with and creating awareness among the stakeholders viz., Employees, Customers, Suppliers, Dealers and Distributors, Logistics Partners, and Community.
- 3.16 Implementing actions to conserve, restore, and enhance biodiversity within our operations and the surrounding habitats.
- 3.17 Ensuring compliance and wherever possible exceed, with all applicable legal, environmental & social requirements.
- 3.18 Reporting sustainability and ESG performance through various mandatory and voluntary disclosures via appropriate communication channels to all stakeholders.

3.19 Communicating the policy to all stakeholders through multiple channels.

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

At the Corporate level, ESG Council led and chaired by an Executive Committee (ExCo) Member, oversees the progress of ESG agenda and ensures implementation and adherence to the sustainability policy and 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.

Commitment to continuous improvement of ESG performance.

5. Budgeting

While making any investment, the Company shall consider the impact on the business and the environment. All expenditure 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, along with assurance, will be published in the Integrated Annual report / BRSR Report, wherever relevant.

7. Applicability

This policy is applicable to CEAT and its subsidiaries.

8. 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.

CEAT's EHS Policy, CSR Policy, Human Rights Policy, Sustainable Procurement Guidelines, RPG Code of Conduct and ESG Policy Manual will complement CEAT's ESG Policy.

9. Policy Update

The ESG policy will be monitored yearly and updated every three years or whenever there is a material change in operational boundaries or regulatory framework.

10. Grievance Redressal Mechanism

- The Company has a robust grievance redressal mechanism in place to resolve all the grievances pertaining to this Policy.
 - For POSH related complaints, please refer the POSH policy,
 - For any other complaint, Company has a 24X7 harassment prevention helpline

R-Shield or click <https://www.ceat.com/corporate/sustainability.html> for raising any grievances or write to sustainability@ceat.com.

Version History

Version	Approved by	Approval Date	Effective Date	Reason for Modification
1	Board of Directors	July' 2022	July' 2022	First Version Created
2	Board of Directors	Apr' 2025	Apr' 2025	Updated as per the outcome of the Double Materiality Assessment and ESG Assessments

Notes:

1. All pages to be numbered and font should be Tahoma 12.
2. Round stamp of the Company to be affixed on all pages.
3. The policies requiring the approval of the Board of Directors to be signed by Chief Financial Officer / personnel authorized by the Board of Directors.
4. Other policies are to be signed by the respective Functional Head.