



DEFORESTATION POLICY

1. Purpose

This policy establishes the organization's commitment to preventing deforestation and forest degradation across its operations and supply chain. The objective is to ensure that all raw materials, components, and business activities do not contribute to illegal deforestation, biodiversity loss, or ecosystem degradation, while aligning with global sustainability expectations and regulatory requirements.

2. Scope

This policy applies to all organizational operations, including manufacturing, procurement, logistics, and product lifecycle activities. It extends to all suppliers, contractors, and business partners involved in the sourcing of raw materials, components, and services that may have a direct or indirect impact on forest ecosystems.

3. Policy Statement

The organization is committed to achieving a **deforestation-free supply chain** by ensuring that all materials and processes are sourced and managed in a manner that protects natural forests, respects biodiversity, and supports sustainable land use practices. The organization strictly prohibits sourcing from activities that involve illegal logging, conversion of natural forests, or destruction of high conservation value areas.

4. Key Principles

4.1 Zero Deforestation Commitment

The organization shall not knowingly source materials or services that contribute to deforestation or forest degradation. This includes both direct and indirect sourcing channels.

4.2 Legal Compliance

All sourcing activities shall comply with applicable environmental laws and regulations, including forest conservation laws, wildlife protection acts, and international conventions where applicable.

4.3 Sustainable Sourcing

Priority shall be given to materials certified by recognized sustainability standards such as:

- FSC (Forest Stewardship Council) for wood and paper
- PEFC (Programme for the Endorsement of Forest Certification)



4.4 Protection of High Conservation Value Areas

The organization shall avoid sourcing from areas identified as:

- Primary forests
- Protected areas
- Biodiversity hotspots
- Indigenous community lands without consent

4.5 Respect for Indigenous Rights

All sourcing activities shall respect the rights, livelihoods, and cultural heritage of indigenous and local communities, ensuring free, prior, and informed consent (FPIC) where applicable.

5. Applicability in Automobile Industry

The organization recognizes that deforestation risks may arise indirectly through the sourcing of:

- Natural rubber (tires, seals)
- Leather (vehicle interiors)
- Packaging materials (wood, paper, cardboard)
- Bio-based materials and chemicals
- Metals and minerals linked to land clearing

Special attention shall be given to these high-risk materials.

6. Supplier Requirements

All suppliers shall:

- Comply with this deforestation policy
- Provide traceability of raw materials
- Declare sourcing origin and environmental compliance
- Avoid sourcing from deforested or illegally converted land
- Participate in audits and assessments when required

Suppliers failing to comply may be subject to corrective actions, suspension, or termination.

7. Due Diligence and Risk Assessment

The organization shall implement a risk-based due diligence process to:

- Identify high-risk suppliers and geographies



- Assess deforestation risks in supply chains
- Conduct supplier audits and verification
- Use satellite monitoring or third-party data where applicable

8. Monitoring and Reporting

The organization shall:

- Maintain records of sourcing and supplier compliance
- Monitor progress toward deforestation-free commitments
- Report sustainability performance in ESG disclosures

Non-compliance incidents shall be recorded, investigated, and addressed through corrective action plans.

9. Corrective Actions

In case of non-compliance:

- Immediate investigation shall be initiated
- Suppliers shall be required to implement corrective measures
- Persistent violations may lead to termination of contracts

10. Training and Awareness

Employees involved in procurement, supply chain, and sustainability functions shall receive training on:

- Deforestation risks
- Sustainable sourcing practices
- Supplier evaluation criteria

11. Continuous Improvement

The organization commits to:

- Regularly reviewing and updating this policy
- Aligning with global best practices and frameworks
- Collaborating with industry bodies and stakeholders



12. Governance and Responsibility

The Sustainability/ESG Department shall be responsible for implementation, monitoring, and reporting of this policy. Senior management shall ensure adequate resources and oversight for effective execution.

13. Conclusion

Through this policy, the organization reaffirms its commitment to environmental stewardship, responsible sourcing, and sustainable business practices. The company aims to contribute positively to global efforts in combating deforestation and preserving ecosystems for future generations.

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