

Chromewell Engineering Private Limited

Supply Chain Due Diligence & Human Rights Policy

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1. Document Information:

Document Details		Governance
Policy Owner: Head of Compliance	Scope: All direct (Tier 1) suppliers and, for identified high-risk categories, Tier 2 suppliers and beyond. Covers human rights and environmental due diligence across the full value chain relevant to Chromewell's products and services.	Reviewed & Approved By: CEO & CFO
Secondary Owner: Purchase Manager	Applies To: All supplier relationships - raw material suppliers, component suppliers, sub-contractors, service providers, and agents. Special attention to smallholder suppliers in high-risk categories.	Review Cycle: Annual – Once a year

2. Purpose

Chromewell Engineering Pvt Ltd is committed to respecting human rights across its value chain and conducting meaningful due diligence to identify, prevent, mitigate, and remediate adverse human rights and environmental impacts arising from or linked to our supply chain relationships.

The EU Corporate Sustainability Due Diligence Directive (CSDDD) introduces a mandatory human rights and environmental due diligence (HREDD) obligation for companies in EU value chains. As a supplier to EU OEMs, Chromewell's customers are subject to CSDDD obligations and will require evidence of Chromewell's own due diligence programme. This policy aligned to the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Due Diligence Guidance.

This policy is aligned with:

- EU Corporate Sustainability Due Diligence Directive (CSDDD) - Directive 2024/1760/EU
- UN Guiding Principles on Business and Human Rights (UNGPs) - Ruggie Framework (2011)
- OECD Due Diligence Guidance for Responsible Business Conduct (2018)
- GRI 412: Human Rights Assessment (2016) and GRI 414: Supplier Social Assessments (2016)
- CSRD ESRS S2 - Workers in the Value Chain
- UK Modern Slavery Act 2015 - transparency in supply chains

3. Scope

This policy applies to Chromewell's human rights and environmental due diligence obligations across the value chain:

- Tier 1 direct suppliers: all companies from which Chromewell directly purchases materials, components, or services
- Tier 2 and beyond: identified high-risk upstream suppliers in the following categories - metallic raw material processing (steel); electroplating and surface treatment; chemical supply; and logistics in high-risk jurisdictions
- Smallholder and micro-enterprise suppliers; given specific priority in the due diligence programme as a high-risk and high-vulnerability group

Salient human rights issues addressed by this policy include:

- Child labour and forced labour - including debt bondage, migrant worker exploitation, and worst forms
- Occupational health and safety - particularly in high-hazard processes (electroplating, casting, forging, chemical handling)
- Freedom of association and collective bargaining - right to organise without retaliation
- Living wage and working hours - excessive hours, unpaid overtime, and sub-minimum wage
- Discrimination and harassment - equal treatment for women, caste minorities, and migrant workers
- Community impacts - land use, water access, and pollution affecting surrounding communities

4. Key Objectives and Targets

Chromewell Engineering defined both key objectives and targets for procurement issues from its own operations and from its supply chain.

Procurement Issue	Key Objectives	Targets
Human Rights Risk Mapping	Conduct an annual salient human rights risk assessment of Chromewell's supply chain, identifying the most severe and adverse human rights impacts by country, sector, material, and process category.	Annual supply chain human rights risk assessment: completed every October Salient human rights issues: documented and published in Sustainability Report High-risk supplier categories mapped: 100% by December 2025
Supplier Human Rights Due Diligence	Conduct risk-proportionate HRDD on all Tier 1 suppliers and high-risk Tier 2 suppliers, using questionnaires, desk-based review, and on-site assessment as appropriate to the risk level.	100% of Tier 1 suppliers: HRDD questionnaire completed annually by 2026 100% of high-risk Tier 1 suppliers: Supplier ESG Assessment or equivalent audit by 2027 Tier 2 high-risk suppliers: mapped and assessed for top 5 risk categories by 2027
Smallholder Supplier HRDD	Apply a proportionate, development-oriented HRDD approach to smallholder and micro-enterprise suppliers, recognising their vulnerabilities and limited compliance capacity.	Smallholder suppliers: all identified and risk-categorised by June 2025 Smallholder HRDD questionnaire (simplified): completed for 100% of smallholder suppliers by 2026 Capacity-building on human rights for smallholder suppliers: programme operational by December 2025
Remediation Mechanism	Establish and communicate a clear remediation process for adverse human rights impacts identified through HRDD, ensuring that affected workers and communities can access effective remedy.	Remediation process: documented and communicated to all suppliers by December 2025 All confirmed adverse impacts: remediation plan within 30 days Remediation outcomes: tracked and reported annually
Modern Slavery and Conflict Minerals Transparency	Publish an annual Modern Slavery Statement (for UK Bribery Act / Modern Slavery Act compliance as required by EU OEM customers) and file CMRT for conflict minerals.	Modern Slavery Statement: published annually on Chromewell website CMRT: filed annually for all applicable product lines Supplier conflict minerals questionnaire: 100% of mineral-supply chain suppliers annually
CSDDD Readiness	Build Chromewell's HREDD programme to meet the requirements of the EU CSDDD, preparing for customer due diligence information requests from EU OEM buyers from 2026 onwards.	CSDDD gap assessment: completed by December 2026 HREDD programme meeting CSDDD requirements: operational by December 2026 OEM customer HREDD information requests: responded to within agreed timeframe - 100%

5. Governance and Allocation of Responsibilities

Clear accountability is assigned at every level of Chromewell Engineering's ESG Governance Structure. The table uses a RACI framework (Accountable, Responsible, Consulted, Informed).

Role / Designation	RACI Level	Department	Key Responsibilities Under This Policy
CEO	Accountable (A)	Executive	Sets human rights commitment from the top. Approves the annual salient human rights risk assessment. Receives annual HRDD report. Signs Modern Slavery Statement. Escalation authority for significant supplier human rights violations.
Head of Compliance	Primary Owner (R)	Legal & Compliance	Manages CSDDD legal compliance, HRDD methodology, Modern Slavery Statement, conflict minerals CMRT, and remediation legal framework. Leads high-risk supplier investigations.
Purchase Manager	Secondary Owner (R)	Procurement	Manages supplier HRDD questionnaire programme, on-site audit coordination, supplier corrective action plans, and smallholder supplier engagement in the HRDD programme.
Compliance Executive	Consulted (C)	Compliance	Manages GRI 412 / GRI 414 / CSRD ESRS S2 HRDD reporting, and the annual salient human rights risk assessment methodology.
EHS Executive	Consulted (C)	EHS / Operations	Provides occupational health and safety criteria for supplier HRDD assessment. Conducts or reviews supplier H&S assessments for high-risk manufacturing suppliers.
Head of HR	Consulted (C)	Human Resources	Provides criteria on labour rights, working conditions, and discrimination for supplier HRDD assessment. Reviews supplier worker interview findings from SMETA audits.
Finance / CFO	Consulted (C)	Finance	Reviews financial risk of supplier disqualification due to HRDD findings. Approves budget for supplier HRDD programme and smallholder capacity building.

RACI: A = Accountable (signs off, one person only) · R = Responsible (does the work) · C = Consulted (input required) · I = Informed (kept in loop).

6. Policy Commitments

6.1 Human Rights Policy Commitment (UNGPs Pillar 2)

Chromewell Engineering makes the following commitments in accordance with the UN Guiding Principles on Business and Human Rights:

- We respect all internationally recognised human rights as a minimum, with particular attention to the salient human rights risks associated with automotive parts manufacturing in India

- We commit to avoiding causing or contributing to adverse human rights impacts through our purchasing practices, payment terms, and audit demands
- Where we identify that our suppliers are causing or contributing to adverse impacts, we use our leverage to bring about change - and where leverage is insufficient and impacts are severe, we cease the relationship

6.2 HRDD Methodology - Annual Risk Assessment

- Each October, the Compliance Executive conducts an annual salient human rights risk assessment of Chromewell's supply chain
- The assessment identifies the salient human rights issues - those at risk of the most severe impacts - and the supplier categories where due diligence attention is prioritised
- Results are reviewed by the CEO/CFO and Purchase Executive and inform the HRDD programme for the following year

6.3 Supplier Due Diligence - Questionnaire and Audit

- All Tier 1 suppliers complete an annual HRDD questionnaire covering: child and forced labour, working hours and wages, health and safety, freedom of association, discrimination, and environmental management
- High-risk suppliers are subject to on-site social audit conducted by an accredited third-party body
- Audit findings are shared with the supplier; a corrective action plan (CAP) is required for all critical and major findings within 30 days
- CAP progress is monitored; re-audit is required within 12 months for any supplier with critical findings

6.4 Proportionate Approach for Smallholder Suppliers

Chromewell's smallholder suppliers - electroplating workshops, small foundries, surface treatment micro-enterprises - operate at the highest risk point of the supply chain for human rights violations, but also have the lowest capacity to respond to compliance demands:

- Chromewell uses a simplified HRDD questionnaire for smallholder suppliers, translated into Marathi, Hindi and conducted with practical support from a Chromewell field representative where needed
- Where issues are identified, Chromewell provides practical support before considering relationship termination
- Chromewell avoids purchasing practices that increase smallholder human rights risk: payment terms of more than 45 days, last-minute design changes, or excessive quality rejection rates are reviewed for disproportionate impact

6.5 Remediation

- Where an adverse human rights impact is identified in the supply chain, Chromewell works with the supplier to remediate - restoring affected workers to the position they would have been in had the violation not occurred
- Remediation may include corrective action plans, financial remedy for affected workers, referral to government support services, or third-party mediation
- Where remediation is refused or impossible and the impact is severe, Chromewell responsibly ends the supplier relationship while seeking to minimise harm to affected workers
- Workers at supplier sites may report concerns directly through Chromewell's speak-up channel

7. KPI Monitoring and Reporting

The following KPIs are tracked by the ESG Working Group, reported quarterly to the ESG Steering Committee, and published annually in the Chromewell Sustainability Report

KPI / Indicator	Target	Measurement Method	Cadence	Owner
Annual Salient HR Risk Assessment Completed	Every October	ESG records	Annual	Compliance Executive
Tier 1 Suppliers HRDD Questionnaire Completion	100% by 2026	Procurement records	Annual	Purchase
High-Risk Suppliers - On-Site Audit	100% by 2027	Audit records	Annual	Purchase
Smallholder Suppliers HRDD Questionnaire	100% by 2026	ESG records	Annual	Purchase
Critical Audit Findings - CAP Within 30 Days	100%	Audit and CAP records	Per audit	Purchase
Remediation Plans Activated (per confirmed impact)	100% within 30 days	Legal / ESG records	Per event	Head of Compliance
Modern Slavery Statement Published	Annually	Chromewell website	Annual	Head of Compliance
CMRT Filed for Applicable Products	100%	Procurement records	Annual	Head of Compliance

8. Policy Review Mechanism

This policy is reviewed annually every April by the Head of Legal with formal approval by the CEO/CFO. Interim review is triggered by:

- CSDDD implementing measures,
- Material changes in salient risk assessment findings,
- Significant adverse impact identified in supply chain, or
- OEM customer HREDD requirement change.
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Version	Date	Author	Approved By	Summary of Changes
1.0	July 01, 2021	Purchase Manager/CFO	Mr. Amardeep Mardhekar (CEO) Ms. Risha Naik (CFO)	Initial issue
2.0	May 03, 2022	Purchase Manager/CFO	Mr. Amardeep Mardhekar (CEO) Ms. Risha Naik (CFO)	Minor edits on the Quantitative targets
3.0	June 05, 2025	Purchase Manager/CFO	Mr. Amardeep Mardhekar (CEO) Ms. Risha Naik (CFO)	Updated to v3.0: KPI has been revised
4.0	Jan 14,2026	Purchase Manager/CFO	Mr. Amardeep Mardhekar (CEO) Ms. Risha Naik (CFO)	Added related policies with clear accountability and ownership

9. Compliance, Non-Conformance, and Disciplinary Action

- Procurement decisions that knowingly ignore HRDD findings - continuing relationships with suppliers with unaddressed critical violations - require CEO approval and documented rationale
- Obstruction of a supplier audit or falsification of supplier HRDD documentation constitutes serious misconduct
- Concerns about supply chain human rights violations are reported
- “Report a concern” form available on ChromeNet as an anonymous grievance redressal mechanism and, we have a dedicated hotline number published on the website to report any concern anonymously.

10. Related Documents and References

Internal policies:

- CW-SCM-001 - Sustainable Procurement & Responsible Sourcing Policy
- CW-CL-008 - Child Labour, Forced Labour & Human Trafficking Policy
- CW-ETH-002 - Anti-Bribery & Anti-Corruption Policy
- CW-ETH-003 - Whistleblower Protection & Speak-Up Policy
- CW-HR-006 - Anti-Discrimination, Harassment & Abuse Policy
- CW-HSW-001 - Employee Health, Safety & Wellbeing Policy

External standards:

- EU Corporate Sustainability Due Diligence Directive (CSDDD) - Directive 2024/1760/EU
- UN Guiding Principles on Business and Human Rights (UNGPs) - 2011
- OECD Due Diligence Guidance for Responsible Business Conduct (2018)
- GRI 412: Human Rights Assessment (2016) and GRI 414: Supplier Social Assessments (2016)
- CSRD ESRS S2 - Workers in the Value Chain
- UK Modern Slavery Act 2015

11. Formal Approval and Sign-Off

This policy has been prepared, reviewed, and formally approved:

Prepared By	Reviewed By	Approved By
<p>Name: Mr. Sanjay Bhosure Designation: Purchase Manager Date: Jan 2026 Signature:</p> 	<p>Name: Ms. Risha Naik Designation: CFO Date: Jan 2026 Signature:</p> 	<p>Name: Mr. Amardeep Mardhekar Designation: CEO Date: Jan 2026 Signature:</p> 

FOR FURTHER INFORMATION:

This policy is issued under the authority of the CEO & CFO of Chromewell Engineering Pvt Ltd. It supersedes v3.0 (June 2025). For further information or advice, please contact a Chromewell Finance or Compliance Officer or Chromewell’s Board or Directors.