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## Environmental Policy

### Introduction

Tractors and Farm Equipment Limited (TAFE) is an environmentally conscious company striving for excellence by collaborating with all stakeholders. Guided by core values, TAFE prioritizes protecting and promoting the environment and society.

### Purpose

TAFE is committed to environmental protection through a sustainable Environment Management System, ensuring low pollution levels and energy and resource efficiency in our products and processes. The following programs support this commitment:

- Alignment with Integrated Management System including ISO 14001 across manufacturing units
- Supporting continuous improvement in environmental performance
- Compliance with all applicable domestic and international environmental laws and regulations

We have set targets to achieve the following in the future

- Emission reduction from operations across Scope 1 & 2
- Increase in the use of renewable power
- Water reduction
- Zero waste-to-landfill practices

This policy provides guidelines to ensure continual environmental performance improvement and minimize negative impacts across TAFE's operations and value chain. It addresses significant environmental aspects, meets compliance obligations, mitigates risks, and integrates actions into the environmental management system, with regular evaluations through a process flow chart.

This policy applies to TAFE manufacturing units, and their offices.

### Environmental Focus Areas

TAFE has formulated guidelines to strengthen its climate action commitment by reducing energy use and emissions, improving resource efficiency, pursuing circularity, and enhancing product design for a robust environmental management system.

#### 1. Climate Action

Climate action is a priority for TAFE, directly impacting employees, customers, and the farming community. TAFE strives to run operations efficiently, reducing energy consumption and emissions.



The climate action plan includes optimizing energy use, and maintaining air quality, all key to mitigating climate change.

TAFE is committed to:

- Reduce operational energy consumption through efficient production processes such as replacing or installing energy-efficient technologies and retrofits and developing eco-friendly ways of production.
- Regularly monitor data related to energy consumption, and emissions
- Reduce pollutants emitted from production processes.
- Prioritize renewable energy through purchasing as well as on-site renewable power generation.
- Invest in pollution mitigation technologies and processes to control air pollutants within the legal limit.
- Encourage suppliers through engagement programs to reduce emissions and energy consumption, and promote renewable energy across the supply chain.
- Pursue energy-efficient methods for transportation of materials and finished goods
- Raise awareness on energy-saving and emission-reduction initiatives among Stakeholders

## 2. Water Stewardship & Quality

TAFE promotes responsible and sustainable water management across its operations.

TAFE is committed to:

- Adopt a diverse water sourcing strategy, combining groundwater, third-party water, and rainwater.
- Implement rainwater harvesting to recharge groundwater.
- Assess and reduce water consumption intensity.
- Continue to operate Effluent and Sewage Treatment Plants (ETP, STP), aiming for zero liquid discharge.
- Continuously improve water conservation in operations.
- Promote water conservation among stakeholders.
- Engage suppliers to assess and reduce water-related risks.
- Monitor water data for informed management and reporting.

## 3. Circularity & Resource Efficiency

TAFE addresses waste and material consumption challenges by optimizing resource use and implementing circular practices. TAFE complies with hazardous waste permits from state pollution control boards and strives to reduce material consumption across its value chain.

TAFE is committed to:

- Ensure legal and responsible handling of hazardous and non-hazardous waste.
- Comply with waste management laws and regulations.
- Implement sustainable practices to optimize natural resource use.
- Adopt a holistic waste reduction strategy.
- Minimize waste through product design, optimization of product use, and innovative product solutions.





- Continuously optimize material consumption.
- Encourage the use of sustainable packaging and transportation solutions as feasible across the value chain
- Monitor waste data for ongoing improvement initiatives.

#### 4. Product Innovation

Reducing the environmental impact of our products through continuous improvements and technological interventions is core to TAFE's commitment to meet stakeholder needs and create shared value.

TAFE is committed to:

- Develop sustainable products for reduced fuel consumption, emissions, and optimized material use.
- Design and manufacture products responsibly with environmental assessments in the development phase.
- Conduct lifecycle assessments to gauge environmental impacts across product lifecycles.
- Collaborate with suppliers during design and development to minimize environmental impact.
- Explore renewable, alternative, or low-carbon fuels for product and manufacturing use.
- Promote recycled materials in manufacturing for resource reuse.
- Enhance material recycling through responsible scrap management in our manufacturing plants

#### 5. Environmental Preservation and Sustainable Agriculture

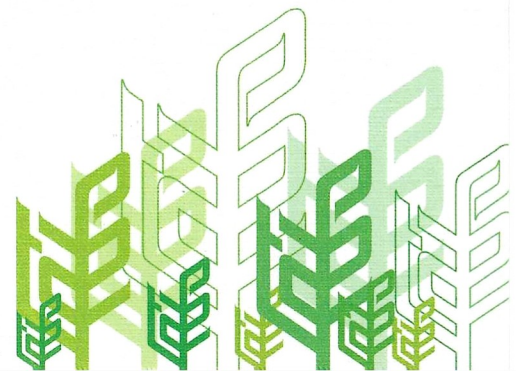
TAFE values environmental preservation and sustainable agriculture. TAFE is committed to:

- Preserve woodlands and nurture water bodies to support habitats of birds and other species.
- Ensure appropriate green cover in the plants per statutory guidelines.
- Raise stakeholder awareness of biodiversity protection.
- Promote eco-friendly farming practices including organic farming, and eco-friendly farming
- Support research on drought-resilient plants, yield improvement, innovative input optimization technologies, and optimized delivery of crop nutrition and protection; disseminate this knowledge to the farming community.

## Governance & Monitoring

At the manufacturing unit level, management monitors process adherence, internal audit results, conducts competency-based training, performs risk assessments, facilitates R&D programs, and engages with regulatory agencies on environmental issues. TAFE provides regular environmental training for stakeholders to promote awareness and sustainability throughout its value chain. This policy undergoes periodic review.

TAFE's senior management oversees the establishment, review, and integration of environmental policies, procedures, objectives, and targets. They promote risk-based thinking to align environmental requirements




with business processes, ensuring compliance with national and international standards. Senior management also reviews environmental risks, monitors outcomes, and reports on environmental performance.

## Policy Review Mechanism

The Board provides oversight by periodically reviewing and updating the Environmental Policies in response to input from appropriate stakeholders, changes in applicable regulations, or when necessary to enhance our approach and commitment to the environment.

### Issuing Authority:



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**Dr. Lakshmi Venu**  
Director, Tractors and Farm Equipment Limited  
Deputy Managing Director, TAFE Motors and Tractors Limited

