

1. PURPOSE:

To establish & maintain a procedure which defines system for substance that have a harmful effect on the environment should not be spread into the environment during manufacturing activities. They must also not be spread into the environment via product.

2. SCOPE:

This is applicable to all the processes & product manufactured at Padmini VNA Mechatronics Ltd. Gurgaon.

3 RESPONSIBILITY:

D&D

Quality (QAS & SQA)

Vendor Development (VD)

4. TERMS AND DEFINITIONS:

Terms

SOC : Substance of Concern

DRC : Democratic Republic of Congo

SEC : Securities and Exchange Commission

ELV : End of Life Vehicle Directive

RoHS: Restriction of Hazardous Substances

EU REACH: Registration, Evaluation, and Authorization of Chemicals

GADSL :Global Automotive Declarable Substance List

CMRT : Conflict Minerals Reporting Template

EMRT : Extended Minerals Reporting Template

OECD: Organisation for Economic Co-operation and Development

Definition

Substances of Concern (SOC) are co-formulants in automotive products, in addition to the active substance, which can pose a potential risk for humans and the environment. The automotive Products Directive and automotive Products Regulation both state explicitly that SOCs must be included in the risk assessment.

5. PROCEDURE:

The company is committed to conducting its worldwide business operations in a manner that complies with applicable laws and regulations regarding substance of concern. To comply with these requirements PADMINI business operations will:

- Inform direct suppliers about this Substance of concern Policy and its relationship to the company's Supplier Code of Conduct.
- Work with its direct suppliers and sub-suppliers to understand the chain of custody for Substance of concern at least to the smelter or refiner level.
- Take measures to source parts and components from its direct suppliers and sub-suppliers that are DRC conflict free. These measures will include adopting, disseminating and incorporating this policy in related purchase orders, contracts and other appropriate agreements with suppliers as they are entered, revised or renegotiated.
- Work with direct suppliers to track and improve their performance in sourcing minerals from their suppliers and sub-suppliers that are validated as being DRC conflict free in accordance with a national or internationally recognized due diligence framework.

The following requirements must be met by PADMINI suppliers:

- Assist PADMINI's compliance with the SEC regulations related to Substance of concern and provide all necessary declarations.
- Undertake reasonable due diligence within their supply chain to determine the chain of custody and origin of the Substance of concern. Due diligence includes developing policies and management systems to use DRC conflict free minerals, including making these requirements apply to their direct suppliers and sub-tier suppliers and requiring them to do the same with lower tiers of suppliers.
- Take measures to purchase parts, components or materials from their direct suppliers and sub-tier suppliers who source minerals for their products from smelters or refiners validated as being DRC conflict free in accordance with a nationally or internationally recognized due diligence framework.
- Comply with information requests on the source and origin of Substance of concern in the parts, components or materials provided to PADMINI. Chain of custody data shall be maintained for five years and be provided to PADMINI upon request.

General:

Substances that have an impact on the environment must not be included, not just in products, but also in the raw materials used for manufacturing and in the materials related to distribution. At PADMINI, we carry out that management to ensure that environmentally hazardous substances are not included in products.

1. *ELV: - End of Life Vehicle Directive (Restricted substances)

This is an European regulation aimed at eliminating as much automobile waste from landfills as possible. The use of cadmium lead, mercury, and hexavalent chromium (along with certain other non-metallic compounds) is "banned."

The objective of this directive is as follows:-




- Preventing the use of certain heavy metals such as cadmium, lead, mercury and hexavalent chromium
- Collection of vehicles at suitable treatment facilities
- De-pollution of fluids and specific components
- Coding and/or information on parts and components
- Ensuring information for consumers and treatment organizations
- Achieving reuse, recycling and recovery performance targets

If harmful substances are used in automotive parts then this hinders the reuse and recycling, so use has been restricted for a group of materials called SOC (Substances Of environmental Concern).

Substances Subject to ELV Compliance	Regulation value
Cadmium	100 ppm or less
Lead	1,000 ppm or less
Mercury	1,000 ppm or less
Hexavalent chromium	1,000 ppm or less

Note:- * Padmini will do the SOC Testing of above elements only until or unless not specified by the customer

Note:-

PREPARED BY:	REVIEWED AND APPROVED BY:	ISSUED BY:	Revision No: 02
			Revision Date: 01.12.25

General:

CMRT — Conflict Minerals Reporting Template

EMRT — Extended Minerals Reporting Template

1. Purpose

Padmini VNA is committed to ethical, social, and environmental responsibilities and assuring that all the materials used in its products, packaging, and manufacturing operations are safe for its employees, customers, and the environment.

The purpose of this policy is to ensure that minerals used in Padmini VNA Group products are sourced responsibly and do not directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo (DRC) and adjoining countries ("Conflict-Affected and High-Risk Areas" or CAHRAs), or contribute to any other human rights abuses or illegal activities globally.

In this policy, the term "Conflict Minerals" is defined as columbite-tantalite, also known as coltan (from which tantalum is derived); cassiterite (tin); gold; wolframite (tungsten); or their derivatives; or any other mineral or its derivatives determined by the Secretary of State to be financing conflict in the Democratic Republic of the Congo (DRC) or an adjoining country.

This policy applies to all minerals covered under:

CMRT (Conflict Minerals Reporting Template):

Tin (Sn), Tantalum (Ta), Tungsten (W), Gold (Au) — collectively "3TG"

EMRT (Extended Minerals Reporting Template):

Cobalt, Mica, Copper, Graphite, Lithium and Nickel

2- Supplier Requirements

We require all suppliers to:

- Adopt and comply with a Padmini VNA conflict/responsible minerals policy.
- Work with their own supply chain to ensure traceability to the original smelter or refiner in alignment with internally recognized framework such as OECD guidance.
- Provide completed CMRTs/EMRT and other necessary documentation upon request using latest version of templates.
- Report the source of the conflict minerals used in their processes and or included in their products supplied to Padmini VNA group companies..
- Fully completed, passing Checker Tab validation.
- Ensure mineral sourcing from ethically responsible sources.
- Use audited and conformant smelters/refiners wherever feasible
- Prioritize RMAP-conformant facilities.

3. Transparency and Documentation

We commit to:

- Encourage all suppliers to source materials responsibly and avoid the procurement of Conflict Minerals.
- Regular due diligence assessments to identify the presence of conflict minerals in the supply chain, and support suppliers to explore alternate sources of conflict materials.
- Collaborate with industry and other global initiatives to build momentum on responsible sourcing and share best practices.
- Continually commit to improving the conflict mineral management process.

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QMS PROCEDURE

Substance of Concern (SOC)

S no	Input	Reference Document	Activity	Control Point	Output	Reference Document	Responsibility	Frequency
	Customer Drawing, Customer Specific Requirement, RFQ	QMS-D-11	<div><div>Start</div><div>Input Data Collection (New part Development or ECN for Material Change, supplier change or Raw material source change)</div><div>Check with customer any Specific requirement for</div><div>Inform to customer & ask for SOC</div><div>Yes</div><div>No</div><div>On the basis of Customer requirement Prepare TSM (Test specification for Metallurgy) Sheet.</div><div>Receive components from supplier along with SOC/ELV/ROHS/REACH /CMRT/EMRT AS per CSR Test reports /</div><div>Check report</div><div>OK</div><div>Not</div><div>Ask to Supplier re Submit the Material along with reports</div><div>If required do the Re verification of SOC/ELV/ROHS/REACH /CMRT/EMRT Declaration Letter from supplier confirming ELV , Material composition of the component & will same publish in Padmini IMDS ID else if IMDS facility not available than supplier will declare material version ID / reference in Declaration Letter</div><div>check</div><div>OK</div><div>Not</div><div>Enter The material In IMDS Data base, Share the IMDS Reference ID and SOC Declaration Letter / Reports</div><div>If stated in CSR do the Re- Verification SOC/ELV/ROHS/REACH/CMRT/EMRT testing at defined frequency</div><div>End</div></div>	APQP Plan for review Customer Requirement	APQP plan	PM-F-02	Project leader	At the time of new product APQP plan / ECN
	CSR or customer specific standard				SOC standards	Standard (like HCSMS, TS20001G etc)	Project leader	
	SOC standards	Standard (like HCSMS, TS20001G etc)		The elements mention in CSR standard must captured in TSM	TSM	D&D-F-012	Project leader	
	TSM	D&D-F-012		Acceptance limit of ELV	SOC/ELV/ROHS/REACH report / Declaration letter	---	VD / SQA	During development Phase or change related to material
	SOC/ELV/ROHS/REACH Test reports	Acceptance limit of ELV			Verification Test reports of raw material	Letter Head or 3rd party report	QA	After receiving of report
	Verification Test reports of raw material	3rd party report			Declaration Letter from supplier	---		when received report
	SOC/ELV/ROHS/REACH Test reports	Acceptance limit of ELV			Verification Test reports of raw material	Letter Head or 3rd party report	QA	confirmation for material received
	Declaration Letter from supplier	---		IMDS version ID	MDS report / Declaration Letter	---	Project Leader	
	Drawing or customer request	---		Follow CSR	PWIS Standard	QA-F-10	QA	On request of customer or defined in drawing

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6. MEASURABLES

Efficiency: Verification SOC plan vs actual

Effectiveness: No. of parts confirming to SOC specification

7. Records:

IMDS report / Declaration Letter

Materail Test Report

ELV Report

CMRT/EMRT Template

8. References:

REACH test (Regulation (EC) No 1907/2006)

RoHS directive 2011/65/EU and Gef StoffV appendix IV-no. 24

ELV Directive 2000/53/EC

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