



POLICY ON ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Philosophy:

Kirloskar Brothers Limited (KBL) believe that Ethics start with core Business values. These values are the foundation of KBL and shall be responsible for its success, growth, and widespread reputation in the years to come. At KBL, it is firmly believed that for a successful and sustainable business, a strong foundation of ethical corporate citizenship and establishment of good corporate culture is essential. KBL is committed to conduct business ethically such that all stakeholders namely, investors, creditors, distributors, customers, employees, suppliers, competitors, the government, and society at large are dealt with in a fair manner. KBL has always believed in adhering to the best governance practices to ensure protection of interest of all stakeholders in tandem with healthy growth of the Company. The core value of KBL's ethics policy and practices are compliance, business conduct, relationship, and enforcement. KBL has a 'zero tolerance' approach to bribery and corruption and are committed to act professionally, fairly and with integrity in all the business dealings and relationships.

2. Scope of application:

This policy is applicable to all the business divisions of KBL (hereinafter referred as "the Company") and its business associates, subsidiaries, joint ventures, suppliers, contractors, NGOs, and other entities which are directly dealing with KBL either in its business operations or CSR activities.

3. Policy:

- I. The Company shall extend its Code of Ethics to its relevant stakeholders to build a robust governance structure, procedures and practices that ensures ethical conduct across the operations and value chain.
- II. The Company shall assure appropriate access to information about its decisions that impact relevant stakeholders.
- III. The Company shall not engage in practices that are abusive, corrupt, or anti-competitive and conduct business in transparent and accountable manner.
- IV. The Company shall truthfully discharge its responsibility on making financial and other mandatory disclosures timely.
- V. Every employee of the Company shall abide by the values and the commitment to ethical business practices reflected in the Company's Code of Ethics and HR policies.
- VI. The Company shall ensure that genuine concerns of misconduct / unlawful conduct can be reported in a responsible and confidential manner through its Vigil Mechanism.
- VII. The Company shall encourage its business partners and third parties with whom it conducts business to abide by this policy.

4. Measurement of Ethical Behaviour:

Our reputation and success depend largely on our personal commitment to uphold the values, virtues and ethics prescribed in this policy while doing business for the Company. The



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Company believes that its ethical behaviour is predicted by the ethical behaviour of its directors, managers, employees & workers towards its stakeholders. The measurement of ethical behaviour generally revolves around following:

- I. Fairness to all stakeholders
- II. Transparency in all business dealings.
- III. Raising the trust and confidence of stakeholders in the way the Company operates.
- IV. Understanding and discharging societal responsibilities
- V. Long-term thinking
- VI. Overcoming of greed, insecurity, and lack of confidence
- VII. Compliance to the law of the land.

5. General obligations:

KBL expects its stakeholders to -

- I. Contribute towards society and human well-being.
- II. Conduct business with honesty and integrity.
- III. Avoid harm to others.
- IV. Be fair and act without discrimination.
- V. Practice integrity in inter-personal relationships.
- VI. Honour confidentiality
- VII. Consumer focus
- VIII. Comply with existing laws.
- IX. Deal with media tactfully
- X. Be upright and avoid undue inducements.
- XI. Observe corporate Discipline.
- XII. Conduct in a manner that reflects credibility.
- XIII. Identify, mitigate, and manage business risks.
- XIV. Protect Company's assets.

6. Implementation:

- I. The policy shall be appropriately communicated to relevant stakeholders.
- II. The CHRM&C Head, through the Functional Heads of the Departments / Unit Heads of the Company shall be responsible for ensuring that the policy is implemented throughout the Company.
- III. Compliance with the Policy shall be monitored and evaluated by the CHRM&C Head on a regular basis.
- IV. Any grievances/ complaints with respect to violation of the policy shall be reported to the Ethics Committee Counsellor of the Company.
- V. As per the Code of Ethics of the Company, the Counsellor shall initiate appropriate action against the wrongdoer.
- VI. Non-compliance to the policy shall be communicated to Company Secretary, who shall report it to the Board of Directors or duly constituted committee of the Board.



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7. General:

In case of any doubt about any provision of the policy and in respect of matters not covered herein, a reference to be made to the CHRM&C Head / Ethics Counsellor. CHRM&C Head / Ethics Counsellor in consultation with Sustainability Committee shall clarify the doubt and communicate the same to the respective person. In case, clarification or doubt is subject matter of policy then, Company Secretary shall refer the matter to the Board of Directors for their direction. On receipt of direction / clarification, Company Secretary shall communicate the same to the respective person / division.

8. Modification / Amendment in the Policy:

Any or all provisions of this Policy would be subject to revision / amendment in accordance with the guidelines on the subject as may be issued by the Central Government, or Ministry of Corporate Affairs or SEBI and / or any other statutory authorities, from time to time.

For Kirloskar Brothers Limited,

Sanjay C. Kirloskar
Chairman & Managing Director

March 01, 2023