



KIRLOSKAR BROTHERS LIMITED

A Kirloskar Group Company

Enriching Lives

SUSTAINABILITY POLICY

1. Philosophy:

Kirloskar Brothers Limited (KBL) believes that Sustainable Development meets the needs of the present, without compromising the ability of future generations to meet their own needs. KBL endeavours to develop the principles of sustainability, as far as practicable, into the various stages of product or service lifecycle including procurement of raw material / service, manufacturing of product or delivery of service, transportation of raw materials and finished goods, and disposal by consumers to improve the quality of life and people. KBL believes that sustainable development calls for concerted efforts towards building an inclusive, and resilient future for people and planet. KBL believes that economic growth, social inclusion, and environmental protection must be harmonized to foster sustainable development. KBL endeavours to adopt strategies for process optimisation limiting the exploitation of natural resources and invest in such technologies that are sustainable for long-term business resilience. Keeping in view the above, KBL envisions to provide goods and services that are safe and sustainable throughout the life cycle.

2. Scope:

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 work towards building capacity such that all the value chain partners, namely the third-party manufacturers, service providers including transporters and suppliers of significant raw materials, are sensitised, and empowered to fulfil their roles and responsibilities towards managing resources in a sustainable manner.
- II. The Company shall raise consumer's awareness of their rights through education, product labelling, appropriate marketing, communication with complete details about the contents and composition as per the applicable laws for promotion of safe usage and disposal of their products and services.
- III. In designing the products, the Company shall ensure that the manufacturing processes and technologies are resource efficient and sustainable.
- IV. The Company shall work towards ensuring that all goods and services are procured, manufactured, and delivered embedding the principles of labour practices, human rights, ethics, occupational health, safety, and environment as may be defined in various codes and policies of the Company.
- V. The Company encourages procurement from small producers of local communities and influences them to join us in our quest for inclusive and sustainable growth. The Company shall continue to recognise and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property, wherever relevant.



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- VI. The Company shall work towards sourcing significant raw materials, products, and services in a sustainable manner to continuously improve the balance between social, economic, and environmental impacts.
- VII. The Company shall continue to progressively factor in relevant social and environmental considerations during the process of development of products / services.
- VIII. The Company shall work towards safe and optimal resource use over the lifecycle of its products and services, including recycling of resources wherever possible.
- IX. The Company shall work with supply chain members that comply with applicable laws and regulations related to labour practices, human rights, anti-bribery & anti-corruption, occupational health, safety, and environment.
- X. The Company shall encourage resource efficiency in the supply chain and shall guide supply chain members towards becoming more sustainable.
- XI. The Company shall encourage its business partners and third parties with whom it conducts business to abide by this policy.

4. Fundamental Principle of Sustainable Development:

The United Nations Conference on Environment and Development (UNCED) had laid the following principles on sustainable development. The Company endeavours to adhere these principles as a good corporate organisation during its business operations.

- I. **Principle of Inter-generational equity:** The Company endeavours to protect the natural resources for future generation.
- II. **Principle of Sustainable Use:** The Company endeavours to use the natural resources in a prudent manner without or with minimum tolerable impact on nature.
- III. **Principle of equitable use:** The Company endeavours to use the natural resources but at the same time would take into account its impact on other stakeholders.
- IV. **Principle of Integration:** The Company would take all possible actions, while using the natural resources, to take care of environmental aspects and impact of socio-economic activities in such a manner that prudent use of natural resources is ensured. The Company believes that environmental protection does not preclude economic development and that economic development must be ecologically viable now and in the long run. Therefore, it is firm belief of the Company that sustainability encompasses ideas and values that inspire people to become custodian of the environment without compromising economic growth.

As a good corporate organisation, the Company endeavours to focus on absolute value creation for the society, ethical corporate practices, environmental protection, equitable business practices, corporate social responsibility, innovation of new technology / process / system to achieve eco-efficiency, creating market for all and compliance of applicable laws.

5. 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 Sustainability Committee, which shall take appropriate action against the wrongdoer.
- V. 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.

6. 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. CHRM&C Head 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.

7. 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