



## SUSTAINABLE SOURCING POLICY

Vision of Kirloskar Brothers Limited (KBL) is “Enriching Lives across communities through innovative and sustainable engineering solutions”. To achieve this vision, we are committed to strive for sustainable growth through integration of Environment, Social and Governance (ESG) dimensions. This policy shall help in aligning our sourcing related goals with our business partners so that they can contribute and help us to achieve our vision.

### **KBL Commitment**

- KBL strives to put sustainability at the heart of business to create competitive advantage and improve our brand reputation across world.
- KBL believes in working with partners who share the same values and commitment towards sustainability.
- KBL strives to establish a transparent supply chain that meets Health and Safety, Human Rights, Ethical and Environmental standards.
- Local sourcing is preferred from sustainability as well as economic perspective.
- KBL believes our positive contributions in sustainability can impact economic, environmental and social factors in operations and supply chain.
- KBL is committed to make optimum usage of natural resources and policies to protect the environment.
- KBL is committed to anticipate, prevent and mitigate the adverse impact from our operations.
- KBL shall comply with all applicable legislation, regulations and codes of conduct.
- KBL shall encourage our entire supply chain to adopt principles and practices which are in line with KBL policies, procedures and Code of Conduct.

### **Sustainable Sourcing Practices**

We expect our business partners to follow the best sustainable sourcing practices. Some of the best practices are as follows:

#### **A) Commitment towards the Environment**

- Maintain effective policies, training, processes and procedures to manage environmental impact of their products and processes at workplace, surrounding and overall.



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- Explore opportunities to work with business partners who are committed towards favourable environmental footprint.
- Ensure that our partners set appropriate measures on improving Life Cycle Impact and reducing carbon emission through initiatives like – recycling of waste, reduction in soil contamination, rainwater harvesting, optimum usage of natural resources, promote use of renewable energy and energy conservation.

### **B) Health, Safety and Human Rights**

- Adopt appropriate practices and guidelines in respect of occupational health and safety which provide a safe working environment to people in the entire supply chain.
- Follow and comply with all the applicable laws, rules and guidelines set by the local, state and national governing bodies with reference to labour and human rights.
- Develop and implement adequate policies, procedures and training to protect and promote human rights practices such as payment of fair wages, discrimination, equal opportunities and fair business, and avoid child labour or forced labour.

### **C) Business Integrity and Ethics**

- Adhere to business integrity and code of ethics in respect to anti-bribery, anti-corruption, gifts and hospitality laid out in KBL's Code of Conduct and follow high ethical standards and share similar values of integrity, transparency, responsibility and vigilance.
- Raise concerns, report any conflict of interest or business conducted against KBL Code of Conduct under Whistle Blower Policy to report grievances to facilitate open communication between management and supply chain.

### **D) Maintaining appropriate financial records**

We expect suppliers to prepare and maintain accounts of business dealings fairly, accurately and in accordance with accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country of operation.

### **E) Conflict of Interest:**

Suppliers are expected to report any conflict of interest in any business dealings with KBL that supplier is aware of to allow us the opportunity to take appropriate action. It should be disclosed if any KBL employee or professional under contract with KBL may have significant ownership or interest in a supplier's business.



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### **F) Bribery, corruption, gifts and donations**

Suppliers in all commercial dealings with KBL or otherwise must not receive or offer to make any illegal payments, gifts, bribes, donations or other improper advantage in order to obtain unethical favours for the business. All suppliers must ensure that no action is taken to violate any applicable anti-bribery or anti-corruption laws and regulations in the locations of their operations and make every effort to eliminate all forms of corruption and bribery.

### **G) Confidentiality**

Suppliers shall safeguard and respect KBL's intellectual property; trade secrets and other confidential, proprietary and sensitive information or data at all times and shall not disclose the same. The information provided by KBL should be used only for its intended and designated purpose as decided and agreed upon between KBL and the supplier

This policy shall be communicated to all employees, business partners and made available to interested parties.

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Sanjay C. Kirloskar

**Chairman and Managing Director**