

## Policy on Ethics, Transparency and Accountability

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| <b>Title</b>         | <b>Policy on Ethics, Transparency and Accountability</b>                    |
| <b>Applicability</b> | Balkrishna Industries Limited (BKT)   |
| <b>Scope</b>         | All employees, Directors, business partners and other relevant stakeholders |
| <b>Approved by</b>   | Board of Directors  |

### Introduction:

BKT tires has adopted this Code which represents our commitment to doing the right thing, all the time. This Code, which is based on the values and behavior of the Organization, gives us the guidance and support we need to conduct our business ethically and comply with applicable laws.

### Our Policy Outlines:

- Conducting our business in an ethical, transparent, respectful, honest, and responsible manner.
- Working in line with all applicable Government laws.
- Mechanisms to be followed for disclosing any unethical behavior in the workplace.

### We Aim to:

- Avoid participation, directly or indirectly in any activity whatsoever which promotes or falls into the category of corruption, abusive or anti - competition. Employees will be subjected to strict disciplinary action, if they are found to be involved in any corrupt activity within or outside the Company.
- Be transparent and fair in dealing with all stakeholders and ensuring adherence to all the applicable laws and regulations.
- Maintain high standards of transparency in operations and will condemn bribery in all forms.
- Develop a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
- Constantly improve our Vigil Mechanism and Whistle-blower Policy which sets out the procedure to be followed while making a disclosure on grievance.
- Protect shareholder value, take care of our assets & resources, and be honest and transparent about our operations and performance.

(This Document was approved by Board of Directors at its Meeting held on 18<sup>th</sup> May, 2016)

## Sustainable Development Policy

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|----------------------|---|
| <b>Title</b>         | <b>Sustainable Development Policy</b>         |
| <b>Applicability</b> | Balkrishna Industries Limited (BKT)           |
| <b>Scope</b>         | All employees and other relevant stakeholders |
| <b>Approved by</b>   | Board of Directors                            |
| <b>Version</b>       |   |

### Introduction:

BKT understands the importance of sustainability and it is contributing to creating a greener future for our business, society and the world. We practice sustainability through strategies that address economic, social and environmental development.

BKT, as a responsible corporate citizen aims to implement the approach of sustainability across all our business process. In this regard the Company has developed the ‘Sustainable Development Policy’ which is expected to be followed throughout the value chain.

### Our Policy Outlines:

- Compliance with all applicable laws by local, national and international bodies.
- Incorporating all possible aspects of sustainability in our business processes and decisions.
- Maintaining Environmental Management System (EMS) at all production sites and offices.
- Enhancing our commitment towards the society and improving on environment protection and conservation through our activities.

### We Aim to:

- Comply with all statutory requirements concerning health, safety and environment.
- Promote occupational health & safety of employees and contractors, thus, ensuring a safe and healthy working environment that meets or exceeds applicable standards for occupational health and safety.
- Maintain an EMS at all production sites. We also aim to ensure the same is maintained and improved continuously.
- Collaborate with business partners and suppliers in exercising environmental responsibility.
- Minimize adverse impacts on the environment and risks to the community that arise due to operations and also during transport & distribution of goods.
- Utilize natural resources in a responsible and efficient manner to reduce emissions. We also emphasize on reducing fresh water usage and waste water generation while manufacturing products.

- Continuously monitor the work environment and plant effluents – gas, liquid & solid, thus, taking all necessary measures to achieve better environmental performance.
- Use all available resources in a responsible manner by optimizing the processes.
- Carry out audits periodically for internal and external work procedures and practices.
- Abide by all applicable human rights laws as per national and international standards.
- Provide equal opportunity to every employee without any discrimination.
- Interact with local communities on operations, likely hazards and emergency response systems.
- Respect intellectual property rights of the owner of resources, used by the company.

(This Document was approved by Board of Directors at its Meeting held on 18<sup>th</sup> May, 2016)

## Policy on Employee Welfare

| Title         | Policy on Employee Welfare  |
|---------------|---|
| Applicability | Balkrishna Industries Limited (BKT)   |
| Scope         | All employees, Directors, business partners and other relevant stakeholders |
| Approved by   | Board of Directors  |

### Introduction:

BKT believes that employees are key to success. When we respect and value one another we succeed individually and as a Company. The Company has taken various measures for the wellbeing of its employees and has developed this policy to disclose its actions towards the welfare of its employees.

### Our Policy Outlines:

- Promoting employee welfare.
- Providing a hygienic workplace for employees.
- Ensuring good health and safety at the work place.
- Ensuring a work place free from any discrimination or harassment.
- Providing a fair and transparent grievance mechanism for reporting noncompliant practices by any individual within the Company or any associated third party.

### We Aim to:

- Support the formation of associations among employees and other associates which deals with their rights. The Company will always acknowledge such associations without any reservations.
- Protect the rights of all the employees falling into any employment category under various international laws/ conventions/ declarations.
- Condemn any child labour, forced labour or unpaid labour in our premises and throughout the value chain.
- Not discriminate among employees or their associations on the grounds of gender, caste, creed, geographical background, or any other criteria.
- Not discriminate during the recruitment of employees on the grounds of race, color, religion, sex, nationality, origin, age, employee relatives or disability.
- Respect the diversity of all the business processes and accord equal treatment to such persons or business associates.

- Provide all staff members with the tools they need to develop professionally, through our training and development activities.
- Build the competences of our employees and improve their performance through training and development.

(This Document was approved by Board of Directors at its Meeting held on 18<sup>th</sup> May, 2016)

## Policy on Stakeholder Relationship

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|----------------------|---|
| <b>Title</b>         | <b>Policy on Stakeholder Relationship</b>   |
| <b>Applicability</b> | Balkrishna Industries Limited (BKT)   |
| <b>Scope</b>         | All employees, investors, regulatory/government authorities, shareholders, suppliers, vendors, contractors, communities, NGOs, trade unions, customers, transporters, and industry associations |
| <b>Approved by</b>   | Board of Directors  |

### Introduction:

BKT aims to grow along with all stakeholders associated with it. In this regards the Company has taken various efforts to engage with its stakeholders. The Company believes in improving the relationship with its stakeholders through various engagement opportunities.

### Our Policy Outlines:

- Identifying the key stakeholders who influence the business of the Company.
- Engaging with all stakeholders through meaningful activities.
- Creating awareness among the stakeholders about pursuing business operations in a sustainable manner.
- Identifying the marginalized and vulnerable stakeholders for inclusive growth and overall development.
- Creating awareness among the stakeholders about the Company's products, services and growth.

### We Aim to:

- Engage with all our key stakeholders in a responsible manner and protect their rights and interests.
- Map all our stakeholders including those who are marginalized, vulnerable and disadvantaged.
- Create awareness within the organization on the importance of stakeholder engagements.
- Develop engagement programmes for identifying the marginalized, vulnerable and disadvantaged stakeholder groups.
- Promote stakeholder development initiatives through training and knowledge-sharing programmes.
- Create awareness within our organization on dealing with external stakeholders and training the relevant internal stakeholders to understand the concerns of external stakeholders.

- Promote engagements to resolve the difference with our stakeholders in a transparent and fair manner.
- Involve our stakeholders in the sustainability initiatives undertaken by us.
- Disclose our policies, decisions, and product information in a transparent manner through which our stakeholders are benefitted.

(This Document was approved by Board of Directors at its Meeting held on 18<sup>th</sup> May, 2016)

## Human Rights Policy

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|----------------------|---|
| <b>Title</b>         | <b>Human Rights Policy</b>  |
| <b>Applicability</b> | Balkrishna Industries Limited (BKT)                               |
| <b>Scope</b>         | All employees, contract employees, workmen, and business partners |
| <b>Approved by</b>   | Board of Directors  |

### Introduction:

BKT believes that our employees are key to our success. The Company respects and values every individual and it is actively working to develop a culture, which respects and supports human rights at the workplace as well as outside the Organization.

The Company has designed this human rights policy, which is applicable to all employees, suppliers, vendors and relevant stakeholders to discourage unwanted practices that are in violation of human rights.

### Our Policy Outlines:

- Training our employees and creating awareness on all the applicable human rights laws.
- Abiding with all applicable national and international laws related to human rights.
- Valuing and respecting the rights of every individual within or beyond the workplace.
- Providing a strong grievance mechanism to resolve any human rights issues and concerns received from stakeholders.

### We Aim to:

- Provide training on human rights to every individual at the time of induction and through other means of communication.
- Spread awareness on human rights of employees falling into any employment category which will be protected under various international laws / conventions / declarations. These rights bestowed under the Indian Constitution will always be respected and allowed to be practiced.
- Not hinder the formation of any associations which involves the protection of the rights of its employees and other similar associates.
- Abolish child labour, forced labour and unpaid labour. The Company will take strict actions against any individual or associate found to be non-compliant of the same.
- Provide proper and fair remuneration to employee as per their responsibility and performance.



- Provide equal employment opportunities without any discrimination on the grounds of caste, creed, gender, caste, religion, disability or sexual orientation.
- Take active actions and measures to improve human rights performance.
- Develop a strong grievance mechanism to address all instances of human rights violation.

(This Document was approved by Board of Directors at its Meeting held on 18<sup>th</sup> May, 2016)

## Health, Environment and Safety Policy

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| <b>Title</b>         | <b>Environment, Health and Safety Policy</b>  |
| <b>Applicability</b> | Balkrishna Industries Limited (BKT)   |
| <b>Scope</b>         | All employees, suppliers/vendors, contractors, customers, transporters, and distributors. |
| <b>Approved by</b>   | Board of Directors  |

### Introduction:

Protection of the environment is of prime concern and a core business value at BKT. With a leading role in providing competitive products and services in the materials, energy value chains and infrastructure, BKT is conscious of its responsibility towards the needs of the communities in which it operates by creating, maintaining and ensuring a safe and clean environment for sustainable development.

“Safety of a person overrides all the production targets” is the core of the Health, Safety and Environment policy of BKT.

BKT believes that all injuries, occupational illness as well as safety and environmental incidents are preventable.

### Our Policy Outlines:

- Promoting occupational health and safety.
- Continuously improving environmental practices and performance.
- Minimizing the adverse impacts on environment and risks to the community that arise due to operations and during the transport and distribution of goods.
- Designing plants with proper and adequate safeguards for ensuring process safety.
- Complying with all statutory requirements concerning Health, Safety and Environment (HSE).
- Creating a culture of learning and promoting HSE systems, procedures and practices among all employees and contractors.

**We Aim to:**

- Abide by all applicable laws, regulations and conditions granted in Environmental Clearance (EC), as well as take any additional measures considered necessary to go beyond compliance.
- Implement an EC management process to capture any deviations and report the violations observed by the authorities to the Business Responsibility committee.
- Carry out process and operational changes through well-defined systems and follow strict adherence to the same.
- Follow effective use of safe working procedures and practices for operations, maintenance, inspection and emergency situations.
- Conduct all work in a safe manner and ensure integrity of the assets by providing personal protective equipment, tools and tackles.
- Follow an international environmental management system, and a governance process with clearly defined responsibilities in order to achieve continual improvement and communicate the environmental performance to the stakeholders.
- Design new facilities and conduct operations with preventive approach and industry best-practices to avoid adverse impacts to the human health and the environment.
- Identify and evaluate health risks related to operations, thus, implementing programs and appropriate protective measures to control such risks. We will also carry out pre-employment and periodic medical check-up of employees to ensure good health & wellbeing.
- Conserve natural resources to prevent environmental exploitation and encourage recycling to reduce wastes, discharges and emissions.
- Promote tree plantation, green surroundings and protection of biodiversity at our locations with the purpose of being in harmony with nature.
- Ensure appropriate training and awareness is provided on environmental systems, procedures, best practices and on shared responsibility towards environmental protection among employees, contractors, suppliers and customers.
- Communicate this policy to the stakeholders.

(This Document was approved by Board of Directors at its Meeting held on 18<sup>th</sup> May, 2016)

## Advocacy Policy

| Title         | Advocacy Policy   |
|---------------|---|
| Applicability | Balkrishna Industries Limited (BKT)   |
| Scope         | All employees, Directors, business partners and other relevant stakeholders |
| Approved by   | Board of Directors  |

### Introduction:

BKT works with its business partners in an honest, respectful and responsible way. We strive to be a Company on which others can rely on. BKT gains its competitive advantage through strong performances rather than through unethical or illegal business practices.

The Company works together with government and communities to contribute to sustainable growth, create jobs and invest in people.

### Our Policy Outlines:

- Compliance with all the applicable national and international laws.
- Practical contributions by the Company in any governing framework or amendments impacting the industry in transformational manner.
- Taking up concerns of the Company and group of industries to the relevant regulatory bodies in a formal and responsible manner.

### We Aim to:

- Be a member of various trade unions, chamber of commerce, government and non-government authorities relevant to our business.
- Engage with local, state and central government bodies to take up the concerns of the Company and the industry.
- Engage with regulatory bodies to seek out solutions which would be effective for development of the Company and the industry.
- Proactively take part in national and international events or seminars which could be influential in representing industry specific concerns effectively.
- Identify the business concerns arising from environment and social aspects, and thus design initiatives to address them.
- Promote initiatives along with the government authorities and regulatory bodies for betterment of the communities, society and environment.

(This documents was approved by Board of Directors at its Meeting held on 18<sup>th</sup> May, 2016)

## Inclusive Growth and Equitable Development

|                      |   |
|----------------------|---|
| <b>Title</b>         | <b>Inclusive Growth and Equitable Development</b> |
| <b>Applicability</b> | Balkrishna Industries Limited (BKT)               |
| <b>Scope</b>         | All employees, communities and NGOs               |
| <b>Approved by</b>   | Board of Directors                                |

### Introduction:

The CSR vision of the Company is “**Promotion of Education, Health and Rural Development**”. We commit to creating a more equitable and inclusive society by supporting processes that lead to sustainable transformation and rural development. BKT either by itself or through vibrant and innovative partnerships with the Government, NGO’s and other organizations, will promote quality education and healthcare for all vulnerable sections of society or undertake rural development initiatives.

We further commit to supporting the country in the areas of food relief (eradicating hunger), health services and environmental sustainability programmes, in the case of any natural disaster or calamity (viz. floods, earthquake etc.). The Company will also extend its support in operations for rescue, relief and rehabilitation.

### Our Policy Outlines:

- Commitment to playing a broader role in the communities in which we operate by way of supporting various initiatives through funding, fund raising and/or volunteering activities. The Company will focus on the areas of education, healthcare and rural development in order to fulfill its CSR objectives.
- Undertaking programmes within the defined ambit of need assessment carried out by the Company.
- Setting measurable targets for its social projects wherever possible and having a robust monitoring and evaluation mechanism for its CSR projects.
- Giving preference to the local areas around its operations for spending the amount earmarked for CSR projects.

**We Aim to:**

- Comply with our CSR policy developed in line with section 135 of the Companies Act 2013 on CSR and in accordance with the CSR rules notified thereof by the Ministry of Corporate Affairs, Government of India in 2014.
- Collaborate or pool resources with other organizations or companies to undertake the CSR activities.
- Implement the CSR activities through employee volunteering. The Company's employee volunteering will involve the Company's employees in the community initiatives it undertakes and help them contribute towards the society.
- Use the services of government / expert agencies, consultancy firms etc. wherever required for guidance on project design and implementation, impact assessment surveys etc.
- Clearly define objectives (developed out of existing societal needs determined through studies/research/ field visits by the employees of the Company etc.), targets and time lines.
- Undertake impact assessment as per the evaluation plan developed by the Company for a reporting framework and system aligned with the requirement of the Companies Act.

(This documents was approved by Board of Directors at its Meeting held on 18<sup>th</sup> May, 2016)

## Customer Relationship Policy

| Title         | Customer Relationship Policy  |
|---------------|---|
| Applicability | Balkrishna Industries Limited (BKT)   |
| Scope         | All employees, Directors, business partners and other Relevant Stakeholders |
| Approved by   | Board of Directors  |

### Introduction:

BKT is one of the world's leading manufacturers of 'Off-highway tires'. BKT has the widest product range with more than 2000 SKU's (Stock Keeping Units) and is a "One Stop Shop" for all off-highway tire solutions.

We value our customers and always try to provide them with the best quality products available in market.

The Company always ensures to conduct the business in an ethical and transparent manner without any anti-competitive practices.

### Our Policy Outlines:

- Considering the wellbeing of customer and society while designing the products.
- Developing new technologies for green product development.
- Demonstrating dedication and commitment towards the product quality for our valued customers.
- Supporting the freedom of choice and open competition while designing and marketing the products and services.
- Displaying information required as per applicable laws in a transparent, truthful manner along with safety disclosures for customers.
- Updating and educating customers on safe and responsible usage of the product.

### We Aim to:

- Comply with applicable national and international regulations, and guidelines for fair business practices.
- Ensure BKT remains the first choice for our customers by actively gathering customer inputs to continuously improve our products, services and the customer experience.
- Work proactively and go the extra mile to perpetually nurture and grow all our customer relationships.
- Encourage fair publicity of our products without any false and misleading information.

- Promote improvement and innovation in products which will have a positive impact on society and the environment.
- Develop products which involves recovery, recycle and reuse of materials and which eventually conserve the natural and manmade resources.

(This document was approved by the Board of Directors at its Meeting held on 18<sup>th</sup> May, 2016)



## Supplier Code of Conduct

| Title                | Supplier Code of Conduct   |
|----------------------|--|
| <b>Applicability</b> | Balkrishna Industries Limited (BKT)                                  |
| <b>Scope</b>         | All suppliers/vendors, relevant stakeholders and business associates |
| <b>Approved by</b>   | Board of Directors   |
| <b>Version</b>       |  |

### Introduction:

BKT believes that the Company’s suppliers/vendors and business associates have an important role in its sustainable development. The Company has designed this Code of Conduct for its suppliers/vendors and business associates which guides them on the principles of conducting business ethically, transparently, honestly and in an environment-friendly manner.

### Our Policy Outlines:

- Creating awareness among our suppliers/vendors and business associates about the Company’s Supplier Code of Conduct.
- Compliance with all applicable laws.
- Creating an environment-friendly approach for members of our value chain.
- Encouraging the value chain to perform business in a sustainable manner.
- Enhancing our suppliers’/vendors’ commitment towards the society and helping them to improve their environmental protection and conservation activities.

### We expect our suppliers/vendors and business associates to...

- Conduct business with ethics, transparency and honesty.
- Support human rights protection and comply with all applicable laws for the same.
- Ensure no child labour, forced labour or unpaid labour takes place in their premises and their value chain.
- Comply with all statutory requirements concerning health, safety and environment.
- Provide a strong grievance redressal mechanism to employees and ensure the same is strictly followed.
- Allow their employees the freedom of association.
- Ensure good occupational health & safety of its employees and contractors.
- Minimize their adverse impacts on environment and risks to the community that arise due to and during the transport and distribution of its goods.

- Utilize energy and resources in a responsible and efficient manner so as to reduce emissions, and minimize the generation of effluent and water waste water products.
- Develop environment friendly strategies and implement the same for betterment of society.
- Encourage the use of newer, cleaner and greener technologies in business to ensure lower environmental impacts.
- Use all available resources in a responsible manner by optimizing processes.
- Encourage the complete value chain including customers, for proper disposal of the waste generated.
- Keep abreast of the latest international codes, standards & practices and adopt the same wherever applicable.

(This Document was approved by Board of Directors at its Meeting held on 18<sup>th</sup> May, 2016)