



Escorts Kubota Limited

Business Responsibility and Sustainability Policy

1. BACKGROUND, OBJECTIVE, SCOPE AND APPLICABILITY

This Business Responsibility Policy (Policy) is based on principles enunciated in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of a Business released by the Ministry of Corporate Affairs, towards conducting business by a Company. The key objective of this Policy is to ensure a unified and common approach to the dimensions of Business Responsibility across the Company and act as a strategic driver that will help the Company respond to the complexities and challenges that keep emerging and to align ourself with the best of global business conducts/ principles.

The Securities and Exchange Board of India (SEBI) vide Circular no. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 (“SEBI Circular”) dated May 10, 2021, has made Business Responsibility & Sustainability Report (BRSR) mandatory for Top 1000 listed entities by market capitalization with effect from financial 2022-23. Hence, the submission of Business Responsibility & Sustainability Report (BRSR) is applicable mandatorily on the Company.

2. DEFINITIONS

- 2.1 “Board” shall mean Board of Directors of the Company.
- 2.2 “Companies Act or Act” shall mean the Companies Act, 2013 and Rules thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended from time to time.
- 2.3 “Policy” means this Business Responsibility and Sustainability Policy.
- 2.4 “Regulations” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by the SEBI, as amended, from time to time.
- 2.5 “Stock Exchange” shall mean a recognized Stock Exchange as defined under clause (f) of Section 2 of the Securities Contracts (Regulation) Act, 1956.

3. Guiding Principles

The Company believes in the highest standards of governance and good ethical business practices. It believes that good business practices stem from the culture and mindset of the organisation. It is therefore not merely about enacting regulations and procedures but also about establishing an environment of trust and confidence among various stakeholders. Company's business practices would therefore be governed by the following guiding principles. These principles are inter-dependent, inter-related, and non-divisible and all businesses are urged to address them holistically.

Principle 1: To conduct and govern business with Ethics, Transparency and Accountability

- a) The Company shall create necessary governance structures, procedures and practices to ensure ethical conduct at all levels; and will work towards promoting the adoption of this principle across its value chain.
- b) The Company shall ensure access to information about its decisions to relevant stakeholders.
- c) The Company shall not engage in practices that are abusive, corrupt, or anti-competition.
- d) The Company shall truthfully discharge their responsibility on financial and other mandatory disclosures.
- e) The Company shall ensure that genuine concerns of misconduct/ unlawful conduct are reported in a responsible and confidential manner through its Vigil Mechanism.

Principle 2: To provide goods and services that assure safety and contributes to sustainability through their life cycle.

- a) The Company shall ensure that its products and services are manufactured/ delivered through optimal use of resources.
- b) The Company shall ensure that its products and services comply with all applicable laws.
- c) The Company shall work towards safe and optimal utilization of resources over the life cycle of its products and services.
- d) The Company shall work toward raising the consumer's awareness with regard to their rights through education, product labelling, appropriate and helpful marketing communication, full details of contents and composition as per applicable laws and promotion of safe usage and disposal of their products and services.
- e) In designing the product, the Company shall work towards ensuring that the manufacturing processes and technologies required to produce are resource efficient and sustainable.

- f) The Company shall regularly review and work towards improving the process of new technology development, deployment and commercialization, as well as incorporating social, ethical, and environmental considerations.
- g) The Company shall work towards recognizing, and respecting, the rights of people who may be owners of traditional knowledge and other forms of intellectual property.
- h) The Company is concerned about the safety of its employees and interested parties and therefore committed to work towards:
 - Deploying all necessary measures towards safety through top to bottom in an integrated manner on a sustainable basis.
 - Identifying control and reduce contributory factors affecting safety as a step towards continual improvements.
 - Complying with all statutory and regulatory requirements relevant to safety of all.
 - Generating awareness and effective involvement of all employees towards safety.

Principle 3: Promote wellbeing of all employees

- a) The Company shall respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance redressal mechanisms.
- b) The Company shall provide and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation.
- c) The Company shall not use child labour, forced labour or any form of Involuntary labour, paid or unpaid.
- d) The Company take cognizance of the work-life balance of its employees.
- e) The Company shall provide facilities for the wellbeing of its employees including those with special needs.
- f) The Company shall ensure timely payment of fair living wages to meet basic needs and economic security of the employees.
- g) The Company shall provide a workplace environment that is safe, hygienic humane, and which upholds the dignity of the employees.
- h) The Company shall work towards the continuous skill and competence upgradation of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis.

- i) The Company shall promote employee morale and career development through enlightened human resource interventions.
- j) The Company shall create systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities.

Principle 4: To respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

- a) The Company shall work towards understanding the concerns of its stakeholders, define purpose and scope of engagement, and commit to engaging with them.
- b) The Company shall acknowledge, assume responsibility and be transparent about the impact of the policies, decisions, product & services and associated operations on the stakeholders.
- c) The Company shall give special attention to stakeholders in areas that are underdeveloped.
- d) The Company shall resolve differences with stakeholders in a just, fair and equitable manner.

Principle 5: To respect and promote human rights

- a) The Company shall integrate respect human rights in management systems, in particular through assessing and managing human rights impacts of operations and endeavor that all impacted by the business have access to grievance mechanisms.
- b) The Company shall recognize and respect the human rights of all relevant stakeholders including that of communities, consumers, and vulnerable and marginalized groups.
- c) The Company shall within their sphere of influence, promote the awareness and realization of human rights across their value chain.
- d) Aligning our existing policies, processes, and activities with our commitment to respect human rights, including those that apply to labour practices, engagement with indigenous peoples etc.
- e) The Company shall work towards promoting awareness of human rights with employees at various levels of our operations.
- f) The Company shall work towards resolving grievances in a timely and culturally appropriate manner.
- g) The Company Shall work towards developing goodwill, creating sustainable employment and stimulating economic opportunities in the communities that host our activities.

Principle 6: To respect, protect and make efforts to restore the environment

- a) The Company shall put its best endeavor to utilize natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.
- b) The Company shall take their best measures to check and prevent pollution. The Company shall work towards assessing the environmental damage and bear the cost of pollution abatement with due regard to public interest.
- c) The Company shall work towards improving their environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.
- d) The Company shall work towards developing the Environment Management Systems and contingency plans and processes that help in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to its operations or that of a member of its value chain.
- e) The Company is concerned about environmental impact on its activities and products and therefore committed to:
 - Continual improvements in its environmental performance.
 - Compliance with all applicable environmental regulations.
 - Reduce air water and land pollution, waste generation, and natural resources consumption.
 - Generate environmental awareness among all employees.

Principle 7: When engaged in influencing public and regulatory policy, the Company shall do so in a responsible/ transparent manner

- a) The Company, while pursuing policy advocacy, shall put its best efforts to ensure that advocacy positions are consistent with these Policies and Sub-policies.
- b) To the extent possible, Company shall utilize the trade and industry chambers and associations and other such collective platforms to undertake such policy advocacy.

Principle 8: To support inclusive growth and equitable development

- a) The Company shall put its best efforts to understand the impact of inclusive growth and equitable development on social and economic development, and respond through appropriate action to minimise the negative impacts.
- b) The Company shall work towards innovating and investing in products, technologies and processes that promote the wellbeing of society.

- c) The Company shall undertake Corporate Social Responsibility (CSR) activities in accordance with the Schedule VII of the Companies Act, 2013 as per the recommendation of CSR Committee and in accordance with CSR Policy of the Company.
- d) The Company shall be sensitive to the local concerns while operating in region that are underdeveloped.

Principle 9: To engage with and provide value to customers and consumers in a responsible manner.

- a) Quality to be accorded high priority to ensure market competitiveness and to enable supply of cost-effective products to the customers. This shall be reflected by our commitments, actions, products and services to our internal and external customers. For this the Company shall work towards creating an environment to encourage all our employees & suppliers to prevent defects and strive for excellence.
- b) The Company, while serving the needs of the customers, shall put its best endeavor to take into account the overall well-being of the customers and that of society.
- c) The Company shall ensure that there is no restriction on the freedom of choice and free competition in any manner while designing, promoting, and selling the products.
- d) The Company shall work towards disclosing all information truthfully and factually, through labelling and other means, including the risks to the individual, to society and to the planet from the use of the products, so that the customers can exercise their freedom to consume in a responsible manner. Where required, the Company shall also educate the customers on the safe and responsible usage of the products and services of the Company.
- e) The Company shall promote and advertise the products in ways that do not mislead or confuse the consumers or violate any of the principles in these Guidelines.
- f) The Company shall exercise due care and caution while providing goods and services that result in over exploitation of natural resources or lead to excessive conspicuous consumption.
- g) The Company shall provide adequate grievance handling mechanisms to address customer concerns and feedback.

4. DISCLOSURES & IMPLEMENTATION

This Policy shall be appropriately communicated across all levels and placed on the website of the Company i.e. at www.escortsgroup.com. The Company shall ensure that all Principles are followed in compliance with all applicable laws. The Company shall proactively persuade its business partners and third parties with whom it conducts business to abide by the principles contained in this Policy.

5. AMENDMENTS

The Board may modify, add, delete, or amend any of the provisions of this Policy.

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy.

Any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act/Rules/Regulations or re-enactment, impacting the provisions of this policy, shall automatically apply to this policy and the relevant provision(s) of this policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this policy;

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