



# **CIE Automotive India Limited**

(Formerly known as Mahindra CIE Automotive Limited)

## **Environmental, Social & Governance (ESG) Policy**

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## **Contents**

Contents.....	1-1
Background, Scope and Applicability.....	2-2
Objectives.....	2-4
Systems for monitoring the proper application of these principles .....	4-6
Risk Assessment and Risk Monitoring System.....	6-6
Communication to Stakeholders.....	6-7
Responsible Communication.....	7-7
Amendments.....	7-7

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY**

### **Background, Scope and applicability:**

The Ministry of Corporate Affairs (MCA) has released National Guidelines on Responsible Business Conduct (NGRBCs) setting out the nine Principles on Environmental, Social and Governance (ESG) aspects of business on 15<sup>th</sup> March 2019. Thereafter, Securities and Exchanges Board of India (SEBI) introduced revised reporting framework on ESG parameters called the Business Responsibility and Sustainability Report (BRSR), which seeks disclosures from the CIE Automotive India Limited (CIE India/Company) on its performance against the nine principles of the NGBRCs.

In light of the aforesaid amendments in the NGRBCs, introduction of new reporting framework by SEBI through BRSR the Company has adopted this Environmental, Social and Governance Policy (ESG Policy). This policy replaces the existing Business Responsibility Policy of the Company.

This ESG Policy establishes the basic principles and the general framework for action for managing ESG practices as envisaged under the NGRBCs as well as those assumed by CIE Automotive, S.A. the ultimate parent company of the Company and serves as a basis for incorporating ESG into Company's business model and strategy and, thus, create long-term value for all stakeholders and for the Company itself, utilising the corporate web page as the main instrument to guide stakeholder relations.

This policy is supported by series of existing policies and the principles set out in this document will be reflected in new policies that would be put in place from time to time, as and when relevant to each business.

### **Objectives:**

The main objectives of this policy are:

- to ensure that the actions of company are governed by the **principles** as laid down in NGRBCs, to the extent applicable to our business and operations which are more specifically provided below:
  - To conduct and govern our business with integrity and promote the best corporate governance practices, which are transparent, ethical and accountable, prioritizing tax

responsibility where it operates, proper financial and non-financial risk management and disclosing all data relevant to our activity.

- Create and maintain fluid and bidirectional communication with stakeholders to better understand their expectations and to efficiently adapt the business' operations to safeguard the interests of all stakeholders while ensuring right balance of conflicting interest of the stakeholders.
- Encourage and ensure compliance with human rights throughout the entire value chain of Company.
- Foster a general purchasing policy for the Company that develops a supply chain that complies with the principles of this policy.
- Encourage care for the safety and health of everyone who forms part of the Company and its value chain, as well as those who perform their work in Company's facilities.
- Foster the human and professional development of everyone who forms part of the Company, providing them with the necessary means and resources (training, equality and social welfare plans) to improve their capacity for initiative, creativity and innovation and to increase and improve participation and teamwork. Furthermore, the Company will ensure that all its people company with the Code of Professional Conduct.
- Contribute to better managing natural resources and the environment, with efficiency, innovation and efficacy, minimising the negative impacts arising from our activities, and complying with the policies and procedures established in the Environmental Management System.
- Endeavour to ensure that resource-efficient and low carbon processes and technologies are deployed for manufacturing of the products and making available goods and services to our customers in a manner that adverse environmental and social impacts of our operations is minimized.
- Operate the business within national and international legislative and policy framework and not engage in influencing public and regulatory policy. However, the Company may become members of trade and industry chambers or associations and other similar collective platforms, which may be involved in conveying industry concerns to policy makers.

- The Company shall endeavor to provide solutions to the difficulties and needs existing in the communities where it operates through CSR initiatives, activities and programs taken up in accordance with its Corporate Social Responsibility Policy.
  - The company shall adopt business practices that emphasize on procurement of inputs and invest in such technologies and processes that promote well-being of local communities.
  - The Company shall endeavor to provide goods and services to its customers in a manner that creates value for both. It shall also provide appropriate grievance redressal mechanisms that are transparent and accessible to address customers' concerns.
- articulate the corporate strategy related to sustainability through the following commitments:
- **Integrate the environmental variable, with respect to the natural surroundings and the fight against climate change** in the execution of all its projects, reflecting its commitment to the protection and conservation of the environment in all its actions.
  - Ensure the **well-being of its employees** through equal opportunities, fostering a healthy working environment that promotes physical and mental well-being of employees. Specifically, Company agrees to maintain an occupational risk prevention system that provides a healthy working environment.
  - **Respect the commitments** contained in the UN Universal Declaration of Human Rights and in the International Labour Organisation (ILO) Declaration, the principles of the UN Global Compact, the Sustainable Development Goals (SDGs), the OECD guidelines for multinational companies, the UN Guiding Principles for Business and Human Rights, the OECD and G20 Principles of Corporate Governance and National Guidelines on Responsible Business Conduct (NGRBCs).
  - **Prevent money laundering and combat corruption** in all its forms and in all the countries and areas where company carries out its activities, in its business relationships with both the public and private sectors. To that end, company must work to maintain programmes and implement the most appropriate internal rules and controls.

The specific practices carried out to comply with these principles are available on the website of the Company ([www.cie-india.com](http://www.cie-india.com)) and in the BRR/BRSR forming part of annual report.

### **Systems for monitoring the proper application of these principles, associated risk and their management**

The Company has a well-defined and robust governance structure to ensure a focused approach towards Business Responsibility and Sustainability Principles as enumerated above.

### **Sustainability Council**

The Sustainability Council is responsible for implementation and oversight of the business responsibility and sustainability policy(ies) to achieve the objectives mentioned herein above and commitments of the CIE Automotive ESG Plan and includes the functions as mentioned below: -

### **Terms of Reference**

1. Review/ Formulate Policies of responsible business conduct in accordance with the principles and commitments as set out hereinabove and set Practices & develop Procedures for implementation of those policies across businesses and monitor and oversee the implementation thereof.
2. Laying down the sustainability roadmap for the Company, in line with the CIE Automotive ESG Plan commitments, including specific targets for energy conservation, water saving, waste to wealth, Green SCM etc and take measures for optimising and protecting the key biodiversity, promoting circular economy, effective resource management in operations including recycling and reuse and encouraging innovation and technology for the same.
3. Strengthening the Systems and Framework for collection and integration of data required for reporting the performance of the Company on various aspects of ESG including the requirements of Business Responsibility and Sustainability Report. Submit a report in the prescribed format of Business Responsibility and Sustainability Report to the Board on an annual basis. The Council may engage such professionals as it may deem fit to have assurance of data being included in such report.
4. Providing accessible and transparent platform to address issues or concern which may arise in relation to principles and commitments as set out hereinabove which affects the interest of stakeholder either individually or collectively as a group.

5. To foster a healthy work environment across our value chain with zero tolerance for discrimination, harassment in any form, bullying, violence etc.
6. To foster procurement of materials sustainably and adopt practices that help to improve the sustainability practices of suppliers and partners through engagement, feedback and monitoring.
7. To facilitate conducting ESG related trainings for all employees, workers and suppliers as may be required.
8. Any other matter as may be referred to the council by the Board of Directors of the Company or the ESG Cross-cutting committee of Company. formed under corporate ESG Policy or as may be decided by the Council from time to time for proper implementation of the principles and commitments laid down hereinabove.

The Sustainability Council is empowered to engage external experts and consultants to address any specific issues in the ESG areas including various reports as may be published from time to time. The Council is also empowered to nominate, allocate, and delegate necessary authorities as may be required for implementation to the respective teams/departments as may be required from time to time to achieve the objectives of this policy.

The Board of Directors of the Company shall nominate one of the Directors as Board Nominee on the Sustainability Council which shall be responsible for decision making on sustainability related issues and for the business responsibility and sustainability report.

The Chief Executive Officers and the Chief Operating Officers of respective business divisions, the Chief Business Controller, the Central HR Head (Operations), Chief Investors Relations Officer and Company Secretary of the Company shall be the members of the Council. The Board Nominee in consultation with CEOs of business divisions shall nominate such other officers of the Company as members of the Council as he may deem fit. The Council shall have one of its members as the Chairman of the Council and the Secretary to the Council. The total members of the Council at any time shall not at any time exceed fifteen. The Board Nominee in consultation with CEOs of the business divisions shall review the constitution of the Council in line with these guidelines and confirm the names of the members of the Council by way of issue of circular from time to time. The Council shall have the authority to decide the frequency, intervals and manner of conduct of meetings of the Council.

The Council shall apprise the Board on the ESG performance of the Company at least on half yearly.

### **Risk Assessment and Risk Monitoring System**

The possible risks associated with proper application of these principles are framed within Company's Risk Control and Management Policy, in which, with the participation of senior management and the management team, a Risk Map is prepared annually. This map will include at least a catalogue of the risks affecting the Company, which also includes the assessment of all matters related to the Company's non-financial risks and the ones related to corruption, including operational, technological, legal, social, environmental, political and reputational risks.

### **Channels of communication, participation and dialogue with stakeholders**

To align Company's business strategy with the legitimate wishes of all the Stakeholders with a vested interest in its fortunes the Company engages intensely with all of its stakeholders using a number of different communication channels, notable among which its corporate website, the intranet, the inhouse newsletter and the Suppliers Portal. The Corporate Website has dedicated sections for Investor, CSR and Sustainability with information of relevance for the all the stakeholders. Every year it also publishes Annual Report, providing an account of its financial, business and ESG performance. Apart from uploading on the website of the Company, it also from time to time submits to stock exchanges relevant material information to keep information asymmetry among all the stakeholders of the Company.

Two channels of communication for dialogue with and the participation of the various stakeholders in relation to ESG:

☒ by E-mail: [ESG.Sustain@cie-india.com](mailto:ESG.Sustain@cie-india.com)

☒ by Post addressed to the Chairman Sustainability Council at the following address:

CIE Automotive India Limited  
601, 602, 606 Amar Business Park, Above Westside Showroom, Baner, Pune – 411045

Through its Sustainability Council, CIE India agrees to, at all times, process the personal data of the person who has made the communication in an entirely confidential manner and in accordance with the purposes envisaged in this section.

### **Responsible communication**

With the goal of responsibly communicating ESG matters to all stakeholders, all directors, executives, employees and workers of company are obligated to comply with the Company's Code of Professional Conduct that includes, within its terms, avoiding the manipulation of information and protecting integrity and honour.



**Amendment**

Any amendment to this policy, as may be necessary, shall be made with the recommendation of the Sustainability Council and approval of the Board.

*Date: 14<sup>th</sup> December, 2022*