

BAJAJ ELECTRICALS LIMITED

Policy on Life-cycle Sustainability, Responsible Sourcing, and Product and Service Responsibility

I. Philosophy

Bajaj Electricals Limited (“BEL” or “Company”) strives to incorporate sustainability principles, as far as practicable, into all stages of its product and service life-cycle, from raw material procurement and manufacturing to transportation and consumer disposal, with a focus on addressing climate change challenges and sustainability issues. Across its diverse business portfolio, BEL endeavours to prioritize sustainable procurement practices. BEL is committed to providing high-quality products and services that offer exceptional user experiences.

BEL also recognizes the importance of stakeholder engagement in achieving its sustainability goal of inclusive growth. To this end, BEL has developed a stakeholder engagement process anchored in the principles of materiality, completeness, and responsiveness.

- Materiality - taking prioritised consideration of the economic, environmental and social impacts identified to be important to the organisation as well as its stakeholders.
- Completeness - understanding the stakeholders' key concerns and expectations.
- Responsiveness - responding coherently and speedily to such issues and concerns.

II. Policy principles

It is BEL's policy,

Towards 'Life-cycle Sustainability':

- a. To ensure that its products and services comply with all applicable statutes and regulations.
- b. To work towards safe and optimal resource use over the life-cycle of its products and services, including recycling of resources wherever possible.
- c. To work towards ensuring that all goods and services are procured, manufactured and delivered through a system embedding its policies in terms of labour practices, human rights, ethics, occupational health, safety and environment.
- d. To work towards sourcing significant raw materials, products and services in a manner so as to continuously improve the balance between social, economic and environmental impacts.
- e. To work towards building capacity such that all the value chain partners, namely the third party manufacturers (TPMs), service providers including transporters and suppliers of significant raw materials, are sensitised and empowered to fulfil their roles and responsibilities towards sustainability.
- f. To raise the awareness of consumers on responsible disposal of products and packaging.
- g. To continue to progressively factor in relevant social and environmental considerations during the process of development of products / services.
- h. To continue to recognise and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property, wherever relevant.

Towards 'Responsible Sourcing':

- i. To work with supply chain members that comply with applicable laws and regulations related to labour practices, human rights, bribery & corruption, occupational health, safety and environment.
- j. To encourage resource-efficiency in the supply chain.
- k. To guide supply chain members towards becoming more sustainable.

Towards its 'Product and Service Responsibility':

- l. To work towards sustainable consumption of natural resources while producing goods and services as well as building social and environmental capital through initiatives for an inclusive and secure future for its stakeholders.
- m. To comply with all regulatory requirements pertaining to the health and safety impacts of its products and services.
- n. To enable customers in making informed purchase decisions through factual and truthful disclosure of relevant information.
- o. To comply with relevant regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship.
- p. To allow freedom of choice in a competitive environment while designing, promoting and selling its products and services.
- q. To provide appropriate mechanisms for customer / consumer feedback so as to be able to continuously improve upon its products and services.

III. Promotion to value chain partners

The Policy also aims to promote the awareness and realization of the principles outlined in this Policy among all of the Company's value chain partners, including but not limited to suppliers, contractors, distributors, and other partners. The Company shall establish, maintain and periodically review systems to require value chain partners to provide a self-declaration of compliance with this Policy, and provide periodic reports on any possible violations of this Policy. The Company is committed to encouraging the adoption of these principles by its value chain partners to ensure that the entire supply chain is aligned with this Policy. This will involve regular communication and engagement with these partners to educate them on the Policy's principles and to encourage their compliance. The Company recognizes that achieving the objectives of this Policy will require a collective effort, and it is committed to working collaboratively with all its value chain partners towards this end.

IV. Implementation and monitoring

- a. The responsibility for the implementation of this Policy rests with all such teams/departments of the Company (such as EHS, Factory/Manufacturing, Supply chain management (SCM), Research and development (R&D), Information Technology, Legal, Finance, etc.) dealing with the principles outlined in this Policy ("**Team(s)**"). The Team(s) shall also uphold the principles outlined in the National Guidelines on Responsible Business Conduct (NGRBC) in all business contexts that fall under their direct or indirect control.
- b. The Policy should be communicated to all concerned employees through induction program, policy manuals and Company intra-net portal. Special training programs to be planned for the staff so that they are aware of the Policy, and they are able to support implementation of the same and prevent any violations.
- c. The Team(s) shall prepare and submit a compliance report to the Board of Directors at such intervals as may be decided by the MD & CEO, but no later than once a year. The compliance report shall, at a minimum, include such reporting particulars/indicators as specified by the Securities and Exchange Board of India (SEBI) for the Business Responsibility and Sustainability Reporting (BRSR). The Team(s) shall ensure that the compliance report is accurate, complete, and in compliance with the requirements of this Policy.

V. Violation and disciplinary action

- a. In case of any violations, a complaint can be made to the Corporate Management Committee (CMC) which should be addressed to the Company Secretary & Compliance Officer, whose contact details made available on the website of the Company. Before reporting such events, the person reporting has to be reasonably sure that a violation has actually occurred.
- b. The CMC will decide the case and recommend action within four weeks to the Managing Director & Chief Executive Officer (MD & CEO).

- c. The Company shall ensure the confidentiality of complaints and ensure that the privacy of the complainant is safeguarded.

VI. Governance

This Policy is approved by the Board of Directors of the Company. The Policy is also disclosed on the website of the Company for information and reference of all relevant stakeholders.

The MD & CEO of the Company, through the members of the Corporate Management Committee (CMC), shall monitor implementation of and compliance with the Policy and with statutory provisions, and, as far as possible, draw out policies, processes, SOPs, instruction manuals. The MD & CEO will authorise such officials as may be required, define measurable key performance indicators and targets to monitor performance. Compliance with this Policy will be monitored and evaluated by the Board or any committee thereof.

Any grievances in respect of this Policy should be addressed to the Company Secretary & Chief Compliance Officer of the Company, whose contact details made available on the website of the Company.

VII. Track of versions

| Edition | Version | Main Changes |
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| 2017 | 1.0 | First issues of 'Policy on Life-cycle Sustainability', 'Policy on Responsible Sourcing' and 'Policy on Product Responsibility' (collectively, "Erstwhile Policies"). |
| 2023 | 2.0 | Consolidation of above Erstwhile Policies into a single Policy, update with new branding, and alignment to relevant changes in regulations. |
