

BHARAT FORGE



ESG / Sustainability Policy

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Issuing Authority / Document owner	Environment, Social and Governance
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A] PURPOSE

Bharat Forge Limited (hereinafter referred as “BFL” or the “Company” recognizes that its activities can have a significant impact on the global environment and incorporating ESG / Sustainability in the operations is a critical element. Our commitment to ESG / Sustainability is the heart of our organizational strategy, and this policy forms a part of delivering on our vision.

BFL will adopt a systematic and integrated approach towards ESG/sustainability to ensure minimal adverse impact while carrying out all activities. Also, support our customers by contributing to their Sustainability Efforts. Bharat Forge Limited will strive to exceed all legal and regulatory requirements.

B] APPLICABILITY

Bharat Forge Limited, (which includes whether individually or collectively, its subsidiaries, associates and joint ventures) derives its values from the rich legacy and transparent governance and disclosure practices. BFL constantly endeavours to benchmark itself with the best practices in the industry.

BFL continues to focus its resources, strengths and strategies to achieve its vision of becoming a global leader in forging, machining and assembly, while upholding the core values of excellence, integrity, responsibility and unity.

Since the operations of BFL are widely spread across the globe, BFL’s adherence to the laws applicable to their jurisdictions which in particular deal with anti-bribery, trade controls, antitrust, conflict of interest, labour practices and human rights, health, safety and environment, ESG/Sustainability etc. becomes imperative.

C] ROLES & RESPONSIBILITIES

The Governance Structure for ESG/Sustainability at Bharat Forge Limited comprises of three levels

- The Board of Directors
- The Board Constituted ESG/Sustainability Committee
- The Internal ESG/Sustainability Team and the respective business teams

The Board is responsible for the ESG/Sustainability agenda of the Company. ESG/Sustainability committee of the Board will monitor and oversees the progress of the ESG/Sustainability policy and the initiatives.

The internal ESG/Sustainability team and the respective business teams will be responsible for the implementation of the policy initiatives across the operations of the company. They will spread awareness regarding the approved ESG/Sustainability policy and provide guidance to ensure that all ESG-related initiatives are aligned with Bharat Forge Limited’s ESG/Sustainability policy. The ESG / Sustainability policy will be reviewed after every **2 years**.

D] EFFECTIVE DATE

This policy has been in effect since 1st June 2023

E] SCOPE & COMMUNICATIONS

This policy shall be applicable to BFL’s operations including employees, directors as well as other stakeholders of BFL (which includes suppliers, contractors, business partners and representatives). The ESG / Sustainability Policy is made

available on Bharat Forge Limited's website and communicated to all the stakeholders through email and company intranet.

D] OBJECTIVE OF THE POLICY

- To promote ESG / Sustainability among all stakeholders in the value chain
- To ensure the ESG / Sustainability policy embraces and aligns to business ethics as stipulated in the BFL Code of Conduct (CoC)
- To set a benchmark in ESG / Sustainability practices in the manufacturing industry
- To ensure communitive initiatives carried out under corporate social responsibility (CSR) are aligned with BFL ESG / Sustainability

Bharat Forge Limited will deliver the objectives of the policy through the following key areas:

D.1 Decarbonization strategy

- Decarbonize the energy used in the value chain
- Supplement energy requirements by increasing the share of renewable energy to 80% by 2030.
- Contribute to keeping the global temperature rise well below 1.5°C by adopting science-based targets and reduce GHG emissions.
- Reduce energy consumption and achieve energy efficiency in the operations
- Collaborate with customers to innovate and reduce the overall carbon footprint in our supply chain. Increase capital allocation for building capabilities to enable the same.
- Own, lease, rent manufacturing and office space that conforms to best international standards for green buildings.
- Enhance carbon sequestration to mitigate the impacts of climate change
- Achieve carbon neutrality by the year 2040

D.2 Water conservation

- Manage water (clean, ground, and wastewater) quality & consumption efficiently including recycling opportunities
- Enhance water security by adopting zero liquid discharge facilities across the value chain
- Disseminate the principles of water stewardship to all stakeholders in the value chain
- Achieve water positivity by 2030 and remain water positive.

D.3 Waste management

- Using resources appropriately and sustainably and, where possible, substituting primary resources with alternative materials
- Adopting the hierarchy of reducing waste generation, reuse of materials, recycling, co-processing, and energy recovery to minimize waste disposal and maximize productivity
- Achieve zero waste to landfill status by the year 2030

D.4 Biodiversity & Deforestation

- Prevent where possible or minimize and mitigate biodiversity risks throughout the business

- Manage the operations in a manner that allows biodiversity conservation and animal welfare to be integrated with business needs
- Implement methods for waste disposal that protects the ecosystem by reducing impacts on air, soil & water quality
- Comply with regional and national regulatory requirements, for proper land management and biodiversity conservation
- Identify and assess the biodiversity status and value within and around the vicinity of the plant
- Understand the impacts of our business and operations on the ecosystem and take actions to mitigate them
- Ensure the conservation of threatened rare, and endemic species and high-priority conservation areas throughout our value chain
- Raise awareness amongst our employees and other stakeholders through various means to enhance knowledge and understanding of biodiversity and its conservation
- Measure and report performance on a periodic basis on the ongoing management of biodiversity including the sharing of good practices throughout the organization.

D.5 Being a good neighbour

- Ensure the responsible use of chemicals in the operations
- Make a positive contribution to the communities in which the Company operates and enhance their livelihood in a measurable manner
- Ensure transparent communication to all stakeholders across the value chain.
- Empower communities by building their capabilities - economically and environmentally.
- Prioritize the onboarding of vendors/suppliers endorsing highest standards of economic, social, ethical, environmental, healthy and safe practices and thus, ensure supplier integrity.
- Source locally and consume green certified, energy efficient products.
- Motivate employees to engage and volunteer for community related projects

D.6 Fair, inclusive, and ethical workplace

- Treat all employees in the value chain fairly.
- Not to tolerate discrimination or harassment based on caste, creed, race, religion, national origin, age, gender, sexual orientation, region, appearance, or any disability or other protected classifications at all our business operations and across value chain.
- Facilitate continual development of employees in the value chain by providing capacity-building programs, training on latest technology such as Industry4.0 / Advanced manufacturing techniques and facilitate a smooth career progression. Work with educational institutes to build a future ready workforce.
- Be an equal opportunity partner and achieve 20% diversity in workforce (Managerial & Leadership positions) by 2030
- Ensure a safe and learning workplaces for all employees across the value chain and ensure zero work-related accidents.
- Not to allow child labour, forced labour or compulsory labour at workplace and the value chain.

- Comply with all applicable laws, regulations, and standards of the lands in which the Company operates, with respect to the conduct of business.
- Prohibit any acts of corruption including payment of bribes within its business operations and across the value chain.
- Engaging the Board to debate, influence and approve Strategy and Risk frameworks

E] TRAINING & COMMUNICATION

Dissemination of this policy for new joiners shall be carried out at the time of induction. This policy will also be shared with all existing associates. If you have any queries about this policy, you should contact your reporting manager.

F] AMENDMENTS

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, this policy, in whole or in part, shall stand modified/amended from time to time, without any further action on the part of the Company, as and when there would be any statutory modification(s) / amendment(s) / revision(s) to the applicable provisions to it.

G] RAISING CONCERNS OR COMPLAINTS

Any employees, workers, subcontractors or business partners that suspect that there has been a breach in the policy are to report immediately to whistleblower@bharatforge.com. The report will be escalated to the Bharat Forge Limited's ESG Team and investigated as soon as possible. Sanctions may apply when there has been a confirmed breach of the Policy.

We have no-retaliation policy to whistle blower who have reported an incident in good faith. Whistle-blowers are guaranteed full anonymity and retaliation will not be tolerated.