

Business Responsibility & Sustainability Policy

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1. Background

Mahindra Group has a clear focus on leading ESG globally, enabling rural prosperity and enhancing urban living, with a goal to drive positive change in the lives of communities and stakeholders to enable them to Rise. While remaining committed to the core values and purpose, the Group has redefined the way to drive businesses by embracing ESG and technology for greater resilience, positioning itself for future growth, and creating shared value, enabling people to Rise. With the core corporate philosophy of Rise, the Group is reinventing the way the world looks at businesses.

In accordance with the Rise philosophy of the Group, this overarching policy adheres to the nine principles outlined in the National Guidelines on Responsible Business Conduct (NGRBC) which was earlier known in the form of the National Voluntary Guidelines (NVGs), proposed by the Ministry of Corporate Affairs (MCA) and mandated under clause 34(2)(f) of the Listing Agreement with SEBI. NVGs were later revised to align them with the Sustainable Development Goals (SDGs) and the 'Respect' pillar of the United Nations Guiding Principles (UNGP). After revision and updation, the new principles were called the National Guidelines on Responsible Business Conduct (NGRBC), 2018.

This policy is supported by a 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, and as relevant to each business. The Group is committed to making all necessary disclosures in line with the SEBI guidelines and other government mandates.

2. Objective

The objective of this policy is to ensure a unified and common approach to the dimensions of Business Responsibility and Sustainability across M&M and Group companies, act as a strategic driver that will help all Group Companies respond to the complexities and challenges that keep emerging and be abreast with changes in regulation.

3. Scope and Applicability

This policy is designed to ensure a unified and common approach across M&M and Group companies and shall be applicable to all employees of M&M, as well as its Group Companies.

This policy which is in line with the National Guidelines on Responsible Business Conduct (NGRBC) Principles is to be used across M&M to provide a useful framework for guiding our operations, in addition to aligning with applicable local and national standards and norms governing responsible business conduct.

Furthermore, the NGRBC encourages us to ensure that not only do we follow these guidelines in business contexts directly within our control or influence, but that we also encourage and support our suppliers, vendors, distributors, partners and other collaborators to follow them.

4. Policy Statements

At Mahindra, our Business Practices shall be governed by the guiding principles of NGRBC.

The National Guidelines on Responsible Business Conduct comprises of nine thematic pillars of business responsibility that are known as Principles. These principles are interdependent, interrelated and non-divisible and all businesses are urged to address them holistically.

Principle 1: To conduct and govern our Business with integrity in a manner that is Ethical, Transparent and Accountable, by way of:

Creating necessary governance structures, procedures, and practices to ensure ethical conduct at all levels; and promote the adoption of this principle across the value chain. Transparently communicating and allowing access to information about the decisions that impact relevant stakeholders.

- Not engaging in practices that are abusive, corrupt, or anti-competitive.
- Truthfully discharging responsibilities on financial and other mandatory disclosures.
- Reporting on the status of the adoption of these Guidelines, as necessary.
- Avoiding complicity with the actions of any third party that violates any of the principles of Business responsibility contained in these Guidelines.

Principle 2: To provide goods and services that assure Safety and contribute to Sustainability throughout their life cycle by:

- Using optimal resources over the life-cycle of the product — from design to disposal — and ensure that everyone connected with it- designers, producers, value chain members, customers and recyclers are aware of their responsibilities.
- Investing in specific technologies to improve the environmental and social impacts of products and processes and focus on sustainable sourcing of materials and services
- Raising consumer awareness with regard to their rights, through education, product labelling, appropriate and helpful marketing communication, full details of the contents, composition and promotion of safe usage and disposal of their products and services.
- Conducting regular reviews to improve upon the process of new technology development, deployment and commercialization, as well as incorporating social, ethical, and environmental considerations in line with the Extended Producer Responsibilities (EPR).
- Recognizing that over-consumption results in unsustainable exploitation of our planet's resources, and therefore promoting sustainable consumption, including laying processes to reclaim products for reusing, recycling and disposal at the end of life

Principle 3: To promote the wellbeing of all employees, including those in value chains by;

- Respecting the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance redressal mechanisms.
- Ensuring 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.
- Taking cognizance of the work-life balance of its employees, especially that of women.
- Driving initiatives and providing facilities for the wellbeing of the employees including those with special needs.
- Ensuring timely payment of fair living wages to meet basic needs and economic security of the employees.
- Providing a workplace environment that is safe, hygienic humane, and which upholds the dignity of the employees. Ensuring awareness of these provisions to the employees and training them on a regular basis.
- Ensuring continuous skill and competence up-gradation of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis.
- Promoting employee morale and career development through specific human resource interventions.
- Creating systems and practices to ensure a harassment-free workplace where employees feel safe and secure in discharging their responsibilities.

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

- Systematically identifying stakeholders, understanding their concerns, defining the purpose and scope of engagement, and commitment to engage with them.
- Acknowledging responsibility and being transparent about the impact of the policies, decisions, products & services, and associated operations on the stakeholders.
- Giving special attention to stakeholders in areas that are underdeveloped.
- Resolving differences with stakeholders in a just, fair, and equitable manner

Principle 5: To respect and promote human rights by:

Understanding the human rights principles embedded in the Constitution of India, national laws and policies and the content of the International Bill of Human Rights, as well as acknowledging that, human rights are inherent, universal, indivisible, and interdependent in nature.

- Integrating the principles of human rights in management systems, in particular by way of assessing and managing human rights impacts of operations, and ensuring all individuals impacted by the business, have access to grievance mechanisms.

- Recognizing and respecting the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers, and vulnerable and marginalized groups
- Ensuring payment of at least the legal minimum wage applicable in the area concerned
- Ensuring that there is no deployment of child labour, forced labour or any form of involuntary labour, paid or unpaid.
- Promoting awareness and realization of human rights across the value chain, which is within the sphere of our influence.
- Not being complicit with human rights abuses by a third party.

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

- Utilizing natural and manmade resources in an optimal and responsible manner
- Ensuring the sustainability of resources by reducing, reusing, recycling and managing waste.
- Taking measures to check and prevent pollution.
- Assessing the environmental damage and bearing the cost of pollution abatement with due regard to public interest, wherever possible.
- Ensuring that benefits arising out of access and commercialization of biological and other natural resources and associated traditional knowledge are shared equitably.
- Continuously seeking to improve environmental performance by adopting cleaner production methods, promoting the use of energy-efficient and environment-friendly technologies and use of renewable energy.
- Developing Environment Management Systems (EMS) and contingency plans and processes that help in preventing, mitigating, and controlling environmental damages and disasters, which may be caused due to our operations or that of a member of our value chain.
- Reporting our environmental performance, including the assessment of potential environmental risks associated with the operations, to the stakeholders in a fair and transparent manner.
- Proactively persuading and supporting the value chain to adopt this policy.

Principle 7: To behave responsibly and with transparency when involved in influencing public and regulatory policy by:

- Ensuring that while pursuing policy advocacy, our advocacy positions are consistent with these Policies and Sub policies.
- Utilizing trade, industry chambers, associations and other such collective platforms to undertake policy advocacy, to the extent possible.

Principle 8: To promote inclusive growth and equitable development by:

- Understanding the impact of inclusive growth and equitable development on social and economic aspects, and responding through appropriate action to minimize the negative impacts.
- Innovating and investing in products, technologies and processes that promote the well-being of society.
- Making best efforts to complement and support the development priorities at local and national levels, and assuring appropriate resettlement and rehabilitation of communities who have been displaced owing to our business operations.
- Recognizing and respecting the rights of people who may be owners of traditional knowledge and other forms of intellectual property.
- While operating in regions that are underdeveloped, be especially sensitive to local concerns and strive to positively impact the local communities.

Principle 9: To engage with and provide value to our consumers in a responsible manner by:

- Ensuring that, while serving the needs of their customers, we take into account the overall well-being of the customers as well as society at large.
- Ensuring that we do not restrict the freedom of choice and free competition in any manner while designing, promoting and selling our products.
- Providing adequate grievance handling mechanisms to address customer concerns and feedback.
- Making full disclosures of 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, education of customers on the safe and responsible usage of our products and services will be undertaken.
- Ensuring that promotion and advertisements of our products do not mislead or confuse the consumers or violate any of the principles in these policies.
- Exercising due care and caution while providing goods and services that result in over-exploitation of natural resources or lead to excessive conspicuous consumption.

This is an overarching policy to ensure a unified and common approach across M&M and Group companies. This policy is also supported by a series of existing policies, and the principles set out in this document are reflected in the existing policies and would be reflected in such other new policies that would be put in place from time to time, as relevant to each business.

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