

Sustainability Policy

Transformers and Rectifiers (India) Limited (TARIL)

Contents

About Transformers and Rectifiers (India) Limited (TARIL)	3
Introduction of the policy	3
Regulatory framework and ESG reporting	3
Our focus areas on ESG	5
Scope and Applicability	5
Environmental Safeguards	6
Social Safeguards	6
Governance Safeguards	7
ESG Governance and Leadership	7
Monitoring and Review	8
Reporting suspected violations, queries, and clarification	8
Internal Reference	8
Reference	9

About Transformers and Rectifiers (India) Limited (TARIL)

Transformers and Rectifiers (India) Limited (TARIL), are ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 Listed Public Limited which is listed on the BSE Limited and National Stock Exchange of India. With a market cap of around INR 12000 Crore+, we are a leading manufacturer of Power Transformers, Furnace Transformers, Rectifier Transformers, Locomotive Transformers, and Distribution Transformers. The company located in Ahmedabad, offers a diverse range of transformers and reactors, all of which meet high-quality standards acceptable in both domestic and international markets. Since its establishment in 1994, TARIL has shown an impressive growth trajectory over the past three decades. Today, after 31 years in operation, the company stands as the largest private sector facility in India specializing in the manufacturing of transformers and rectifiers. This significant achievement has been made possible through the company's sustained vision and unwavering commitment to excellence. TARIL's continued growth and consolidation of its position demonstrably indicate its success as a prominent player in the transformer and reactor manufacturing sector in India.

Introduction of the policy

We firmly believe that conducting business in an environmentally, socially, and ethically responsible way is key to long-term success and prosperity. At Transformers and Rectifiers (India) Limited (TARIL), we understand the critical importance of Environmental, Social & Governance (ESG) performance and how high-quality ESG practices can mitigate potential risks. As the market trends continue to evolve, there is an increased demand for corporations to engage in more sustainable and socially responsible business practices. Understanding this shift, we see the adoption of ESG principles as not simply a reporting requirement, but as an essential component of our operation. ESG standards have been seamlessly woven into our day-to-day functioning, transitioning from a mere compliance obligation to being embedded as a core component within our company culture. Our commitment to ESG principles is about setting the foundation for sustainable and inclusive growth that factors in the interests of all our stakeholders.

Regulatory framework and ESG reporting

The National Guidelines on Responsible Business Conduct (NGRBC), released by the Ministry of Corporate Affairs (MCA), the Government of India, is a revised and updated set of guidelines aimed at guiding businesses to align with the United Nations Sustainable Development Goals (UN SDGs) and the 'Respect' pillar of the United Nations Guiding Principles (UNGPs). These guidelines were initially released in 2011 as the National Voluntary Guidelines on the Social, Environmental, and Economic Responsibilities of Business (NVGs), focusing on responsible business conduct. However, to remain relevant and efficient, the NVGs underwent a revision process starting in 2015, eventually resulting in the new NGRBC.

The objective of these updated guidelines is to encourage and assist businesses in implementing practices that go beyond the bare minimum requirements of regulatory compliance. This would involve adopting an ethical approach to business conduct and considering the social, environmental, and economic impacts of their operations. The NGRBC is expected to help businesses contribute positively towards the UN SDGs and adhere to the standards set by the UNGP. The following are the key drivers of the NGRBCs:

- The UN Guiding Principles for Business and Human Rights (UNGPs)
- The UN Sustainable Development Goals (UN SDGs)
- The Paris Agreement on Climate Change
- The Core Conventions 138 and 182 on Child Labour by the International Labour Organization (ILO)
- The Companies' Act 2013

There are nine thematic pillars of business responsibility which are called Principles as follows:

- Principle 1:** Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.
- Principle 2:** Businesses should provide goods and services in a manner that is sustainable and safe.
- Principle 3:** Businesses should respect and promote the well-being of all employees, including those in their value chains.
- Principle 4:** Businesses should respect the interests of and be responsive to all its stakeholders.
- Principle 5:** Businesses should respect and promote human rights.
- Principle 6:** Businesses should respect and make efforts to protect and restore the environment.
- Principle 7:** Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- Principle 8:** Businesses should promote inclusive growth and equitable development.
- Principle 9:** Businesses should engage with and provide value to their consumers in a responsible manner.

Our focus areas on ESG

At Transformers and Rectifiers (India) Limited (TARIL), we believe that a sustainable business model and robust financial performance are inherently interconnected. This belief, paired with our strong governance mechanisms, propels us to consistently strive toward fulfilling our Environmental, Social & Governance (ESG) obligations. We view ourselves as not just a business, but as an initiator of change, making a positive impact on both individuals and the environment. Understanding that today's actions will shape the future, we are committed to undertaking responsible business practices that will contribute to the well-being of society and the planet. This commitment goes beyond achieving our immediate business objectives to encompass the broader goal of sustainable development. Our unwavering commitment to ESG principles demonstrates our dedication to creating a sustainable and prosperous future for all our stakeholders.

Scope and Applicability

This policy applies to all individuals who work on or on behalf of Transformers and Rectifiers (India) Limited (TARIL) and at all levels. This also applies to TARIL 's operations, including subsidiaries, joint ventures, suppliers, vendors, and contractors.

Environmental Safeguards

We are committed to contributing to the conservation of environmental resources and reducing and enhancing negative impacts. For the same, we shall:

- ✓ Comply with all applicable environmental laws, regulations, and standards
- ✓ Identify environmental risks and opportunities associated with our activities
- ✓ Ensure to use/implementation of resource-efficiency and low-carbon processes and technologies throughout operations to minimize adverse environmental impacts
- ✓ Ensure the optimum utilization of energy, water, and other natural resources while striving towards operational eco-efficiency.
- ✓ Adopt industry best practices through waste minimization, segregation, reuse, recycling, and environmentally safe disposal and comply with all regulatory requirements. All the waste shall be segregated at the source level and shall be disposed of as per applicable regulatory requirements
- ✓ Ensure the preservation and conservation of biodiversity by undertaking appropriate measures and collaborations
- ✓ Provide adequate information about environmental impacts across the product life cycle from design to disposal to all the stakeholders across the value chain.

Social Safeguards

We are committed to creating a safe and equitable work environment across our operations. We are working to foster an environment of social safeguarding, giving due respect to human and labour rights and provision of equitable wages. For the same, we shall:

- ✓ Comply with all applicable labour laws and regulations including but not limited to minimum wages, payment of wages, overtime payments, leaves, insurance benefits and other elements of compensation, and occupational health and safety
- ✓ Not discriminate in employment practices based on race, colour, gender, language, religion, political or another opinion, national or social origin, sexual orientation, age, disability, or any other distinguishing characteristics.
- ✓ Respect and recognize the right to freely associate, organize and bargain collectively
- ✓ Not employ any child Labour, or forced labour in any of our operations
- ✓ Provide a safe, hygienic, and accessible workplace for all employees
- ✓ Identify work-related hazards and risks and take adequate measures to minimize the risks
- ✓ Provide all the employees with equal opportunities for learning, development, recruitment, remuneration, and benefits based solely on potential, performance, and qualification required for the job.
- ✓ Ensure zero tolerance approach towards any form of harassment in our operations
- ✓ Develop systems, processes, and mechanisms to identify its stakeholders, and understand their expectations and concerns in business

- ✓ Conduct human rights due diligence to identify, prevent, and mitigate the adverse human rights impacts across the operation
- ✓ Promote awareness of human rights across the value chain
- ✓ Ensure all employees including contractual have access to the company's grievance redressal mechanism

Governance Safeguards

We are committed to having a holistic ESG governance system to foster an ethical company culture. For the same, we shall:

- ✓ Ensure ethical behavior and transparency in all our activities, including public policy engagement, and comply with all applicable laws and regulations
- ✓ Adopt a zero-tolerance approach to any form of bribery and corruption
- ✓ Comply with standards of fair business and competition, wherein, we shall not engage in collusive bidding, price discrimination, or other unfair trade practices
- ✓ Adopt a Risk Management Framework with the goal of identifying, measuring, monitoring, and mitigating risks, including ESG risks
- ✓ Create a robust grievance redressal system and establish clear guidelines and procedures that protect the rights and interests of all stakeholders
- ✓ Implement a sustainable procurement approach in our supply chain system and have a zero-tolerance policy for non-compliant vendors
- ✓ Minimize and mitigate any adverse impact of our services on consumers, the environment, and the society
- ✓ Not restrict the freedom of choice and free competition while designing, promoting, and selling our products
- ✓ Disclose all information including the risks to the individual, to society, and the planet, from the use of the products accurately, through labelling and other means
- ✓ Maintain the consumer data in a way that does not infringe upon their right to privacy
- ✓ Promote awareness of safe and responsible usage and disposal of our products

ESG Governance and Leadership

The Board of Directors has established the Sustainability Committee to oversee the implementation of sustainability policies. These committees will drive the company's Environmental, Social, and Governance (ESG) initiatives and ensure accurate reporting on these activities in compliance with regulatory guidelines.

Details of Committees:

Sr. No.	Name	Designation	Category
1.	Mr. Satyen J. Mamtora	Managing Director & CEO	Chairman
2.	Mr. Chanchal S S Rajora	Director - Finance	Member
3.	Mr. Mehul Shah	Chief Financial Officer	Member
4.	Mr. Ajay Bamzai	Chief Human Resource Officer	Member
5.	Mr. Rakesh Kiri	Company Secretary and Compliance Officer	Member
6.	Mr. Vijay Godhani	DGM Industrial Engineering	Member
7.	Mr. Kalpesh Raval	Manager-IMS	Member

Monitoring and Review

The BRSR Committee will monitor the effectiveness and review the implementation of this policy periodically. The policy shall be reviewed at least every two years. Any improvement identified shall be made and incorporated as soon as possible.

Reporting suspected violations, queries, and clarification

If anyone have any concerns or questions about this policy, they can mail to the cs@transformerindia.com. Employees and other stakeholders are encouraged to report or notify the suspected violations as per the process laid down in the whistleblower policy.

Internal Reference

This policy will be cross-referenced with the existing policies (which were prepared in line with ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018) to promote harmonization and coherence across organizational directives.

Reference

- The Ten Principles of the UN Global Compact
- The National Guidelines on Responsible Business Conduct
- The Universal Declaration of Human Rights
- The Environment Protection Act, 1986
- The Water (Prevention and Control of Pollution) Act, 1974.
- The Air (Prevention and Control of Pollution) Act, 1981.
- The Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2016.
- The Minimum Wages Act, of 1948
- The Employees' State Insurance Act of 1948.
- The Maternity Benefit Act of 1961
- The Workmen's Compensation Act of 1923
- The Child Labour (Prohibition and Regulation) Act of 1986
- The Contract Labour (Regulation and Abolition) Act of 1970.
- The Bonded Labour System (Abolition) Act of 1976
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- The Prevention of Money Laundering, 2002
- The Central Vigilance Commission Act, 2003
- The Prevention of Corruption Act, 1988