

Kirloskar Oil Engines Limited

Environmental, Social & Governance (ESG) Policy

Introduction:

The ESG Policy ("Policy") establishes the basic guidance for effective integration of ESG into KOEL's business model and strategy to create long term value for all stakeholders and Company itself. The Policy sets intentions and direction of Kirloskar Oil Engines Limited ("KOEL"/ "the Company") related to environmental, social and governance aspects.

Scope:

This Policy is designed to ensure unified and common approach across KOEL and shall be applicable to all business operations, and employees of KOEL and across its value chain.

Policy Guidelines:

KOEL is guided by its ESG vision to incorporate the best environmental and social considerations in all its business operations while ensuring good governance practices in line with the following guiding principles:

- Minimize impact on environment, climate and biodiversity by adopting sustainable business operations and conscious use of natural resources.
- Comply with all applicable environmental regulations and other legal requirements.
- Implement measures for effective management of water in the operations through reduce, reuse, and recycle measures.
- Make efforts to promote sustainable products and processes to manage the carbon footprint.
- Assess and implement measures for energy management through integration of energy-efficient technologies, energy saving initiatives, and promotion of renewable energy in the operations.
- Make best efforts to promote circular economy by reutilization of resources and thereby reduce waste generation at source.
- Provide fair and equal opportunity to all employees irrespective of gender, race, caste, color, age, physical disability, and socio-economic status of the candidate.
- Create safe and healthy work environment for all employees with zero tolerance for discrimination, harassment in any form, bullying, violence.

- Take necessary steps to prevent any occupation risk and promote physical and mental well-being of employees.
- Conduct regular trainings and development programs for employees for their professional development and improve participation and teamwork.
- Undertake social responsibility to promote social welfare in line with KOEL's CSR initiatives.
- Follow the best corporate governance practices by maintaining transparency in the business, meeting applicable tax obligations and proper management of financial and non-financial risks.
- Act professional and fair by maintaining high standards of ethics and integrity in the entire business.
- Engage regularly in bidirectional communication with KOEL's stakeholders to understand their expectations and adapt strategy to provide long term sustainable value to them.
- Conduct regular trainings and ESG awareness sessions for all employees, suppliers, and other stakeholders.

Policy review:

This ESG Policy shall be reviewed to ensure its continued applicability and relevance to the Company's operations and evolving stakeholder expectations, as and when required.

For Kirloskar Oil Engines Limited

Sd/-
Gauri Kirloskar
Managing Director

Date: 19th May 2023
Place: Pune