



**SAKTHI  
AUTO COMPONENT LIMITED**



# **SOCIAL COMPLIANCE POLICIES**

— COMPENDIUM —

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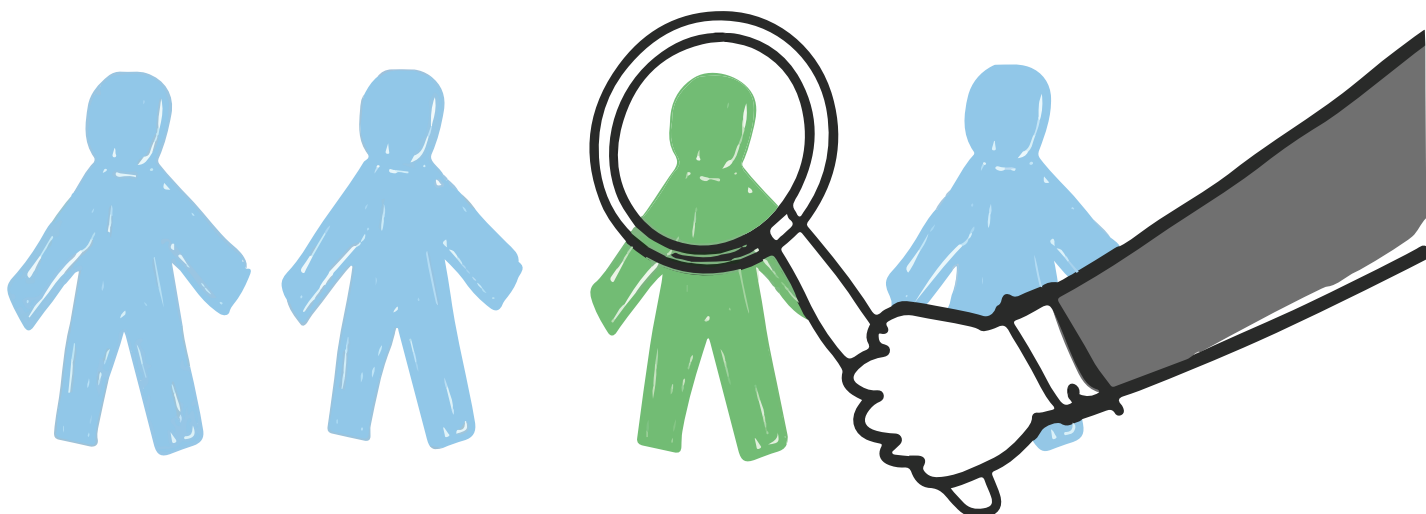
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# Policy on Human Resources Management

Sakthi Auto Component Limited is committed to the rational management of its human resources by always placing its “people first”. SACL envisions creating a leveled and inclusive working environment for all its employees by adapting professional human capital management practices.

## **Following would be the cardinal principles in our HRM process.**

- No Forced or Compulsory Labor, No Human Trafficking & Child labor in any form
- Nondiscrimination among employees based on age, color, race, gender, religion, etc., in any of the HRM processes
- Complying with the Wages, Working hours, and all other statutory norms
- Providing the required Environmental – Health & Safety facilities with proper working conditions in all possible forms
- Benchmarking through Moral Surveys and Impact Assessments
- Promoting awareness of human rights among employees
- Deployment of a Robust grievance redressal system in all levels
- Continually improving human rights performance through reviews, monitoring, reporting, and disclosing performance





# Working conditions and Human Rights Management system

## Preface

This document is an addendum to the Human Resource Policy of the company – aimed at promoting the fair – equitable treatment of personnel of the company. In line with our understanding that Human rights are “universal and inalienable; indivisible; interdependent and interrelated”; this document codifies how the Human Resource Policy of the company is practiced and upheld throughout all of the activities of the company by abiding by the “rule of law”

The following doctrines are in consonance with the following of the **UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS**

S. No	Goal No	Goal
1	THREE	Good Health and Well being
2	FIVE	Gender Equality
3	EIGHT	Decent Work and Economic Growth
4	TEN	Reduced Inequalities
5	SIXTEEN	Peace, Justice and Strong Institutions

Human rights principles that Sakthi Auto Component Limited desires to adhere to in its practices are grouped into three categories as follows and the following sections outline the key points of the company’s policy and systemized management



## **Section I**

### **Principles of Human Rights & Working conditions Management**

#### **(A) Right to be protected against Exploitation**

Sakthi Auto Component Limited firmly stands against Forced labor or Compulsory Labor of any kind. In line with the international and national standards, no forced or unlawful compulsory labor in any kind or form is engaged in any of the activities in the company.

Systems such as Bio-Metric and Stringent documentation verification methodology ensures that only persons with allowable & appropriate age limit contemplating health and safety standards (Prevention of Child Labor) are deployed upon their own will (Prevention of forced labor)

Sakthi Auto Component Limited ascribes to the statutory principles governing the allowable working hours. It desires all its personnel to maintain a healthy balance between personal and professional lives and disapproves the breach of the working hours and payment of wages regulations of the land which are in force (Working Hours and Wages) amended from time to time

#### **(B) Right to Environmental, Health, and Occupational Safety**

Sakthi Auto Component Limited revers the physical and psychological wellbeing of its employees and executes the health management initiatives such as medical examinations, diagnosis camps, collaboration with Institutions, it tends to care for the same at all levels. Regular instructions and training programs to the employees on various aspects of occupational health and safety are conducted in intervals (Protection of Environmental, Health & Safety Standards)

#### **(C) Right to be protected against Discrimination**

Equal treatment of all employees is a fundamental principle of our Human Resources Management policy. We firmly believe that none of our employees should be pulled back, favored, or harassed on the grounds of gender, skin color, religion, nationality, political or other beliefs, ethnic origin, disability, age, or of any other characteristics guarded by local laws (Protection against discrimination)

Sakthi Auto Component Limited ensures equal pay for equal work based on statutory standards on Wage levels, work time schedules computed based on business, personal and psychological needs (Protection against exploitation)

The employees' rights to form representative bodies and participate in collective bargaining with the management on working conditions is ascertained through various committees. As committed to the "Participation and Inclusion" clause; Regular dialogue between the workforce and the management on sustaining the working conditions, environmental standards are made with the representatives (Protection of collective bargaining)

**(D) Right to be protected on privacy and data**

Sakthi Auto Component Limited has fully realized the significance of the Right of Privacy of all its personnel and has resolved to protect the data confidential and secure. The company will collect the data that is adequate and relevant and use it solely for the purpose for which it is collected. It also would maintain personal data up to date correcting inaccurate information when requested and respect individual legal rights

Only required and legally validated data sharing would be made with any competent authority (OR) Individual

**Section II**

**Managing the Human Rights and Working Conditions**

Based on the benchmarking against the global principles on business and human rights, Sakthi Auto Component Limited has evolved its Human Resource Policy. The system for managing human rights and working conditions is executed in spirit for accomplishing the postulates of HRM Policy

The company communicates the policy, standards to its employees and familiarizes them with it's standing and expectations from the employees through the training programs spread throughout the year

**(A) Accountability**

Line and Field Managers are primarily responsible for implementing the HRM policy and postulates of Human Rights – Working condition standards in their respective areas of responsibility. Every executive



(holding the position or rank of Officer and above) is duty-bound to align their activities, inform his or her employees of the content and support them in implementing in their day-to-day tasks.

Any indications that human rights may have been violated would be followed up and investigated immediately and with utmost care. In those cases, an employee can raise the concerns either with the supervisor or with the Team HR&D of the company. Queries and comments will be treated confidentially and followed up by the Team HR&D for resolving and prevent further sufferings (Grievance Redressal) through various mechanisms

## **(B) Contact**

Team HR&D of the company is entrusted with the task of implementing the Human rights, working conditions maintenance tasks. Head of HR&D would be competent authority to receive input/complaints on the above and supported by a set of managers and senior executives drawn from different departments of the company in the form of multiple committees

Any complaint/observation/feedback/suggestion on the above aspects could be made in person or in written (paper-based, email, or text message) to the following email IDs and WhatsApp number

1	Telephone	04294-243401
2	Email	hr@sakthiauto.com sacl@sakthiauto.com
3	SACL HR Buddy (WhatsApp)	+ 91 8300 15 62 62

Sakthi Auto Component resolves firmly to uphold the dignity of each one of its employees through the above standards and stands flexible to evolve itself based on the learnings and societal developments at appropriate intervals

# Anti corruption and a Anti bribery policy

## **Policy Statement:**

It is policy to comply with all applicable anti-bribery laws, and all applicable local laws where SACL operates, and to accurately reflect all transactions on SACL books and records. It is also SACL policy to require those agents, consultants and business partners who work on SACL's behalf before anyone to comply with these same laws and practices.

## **SACL requires that:**

No one of SACL will engage in any form of bribery.

A "Bribe" is the promise of money, reward, favour or a benefit to a person or public official in order to influence the conduct or judgment of that person.

## **In particular, no SACL employee will**

- Offer any bribe to any person or public official;
- Accept any bribe; and/or
- Engage in any form of indirect bribery by offering or receiving any bribe through a 3rd party.

## **Key areas:**

In addition to obligation set forth above, SACL requires specific due diligence, internal legal and business approvals, financial reporting and document retention requirements in five key areas,

1. SACL sponsorship of any travel – related benefits for any one.
2. Gifts to, entertainment for, or charitable contributions on behalf of anyone.
3. Use of consultants and sales agents who may interact with anyone on SACL behalf
4. Facilitating or "grease" payments to any one
5. Any kind of activity that would amount to Fraud, Money laundering and anti-competitive practices.

## What to avoid:

- The direct or indirect provision of cash or anything of value to anyone to obtain an unfair business advantage or to obtain retain business.
- Authorizing or providing travel benefits, gifts, entertainment or political contributions for the benefit of anyone.
- Entering into a consultant or sales agent agreement that will result in contracts with anyone without conducting due diligence, obtaining the required internal business and legal approvals and accurately.
- Making any “grease” or facilitating payments without obtaining the required legal approvals.
- Making any incomplete, false or inaccurate entries on SACL’s books and records.
- Involving in any of the activities that may give rise to anti-competitive practices.
- Undertaking any task that is against the responsible marketing principles.



# Employee Code of Conduct

## 1. **Equal-Opportunities Employer**

Sakthi Auto Component Ltd shall provide equal opportunities to all its employees and all qualified applicants for employment without regard to their race, caste, community, religion, colour, ancestry, marital status, sex, age, nationality. Employees of a Sakthi Auto Component Ltd shall be treated with dignity and in accordance with the SACL policy to maintain a work environment free from sexual harassment, whether physical, verbal or psychological. Employee policies and practices shall be administered in a manner that would ensure equal opportunity in all matters is provided to those eligible and the decisions are merit based.

## 2. **Gifts and Donations**

Sakthi Auto Component Limited and its employees shall not receive directly or indirectly any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to offer business or un-competitive favours for the conduct of its business. However, a SACL and its employees may accept and offer nominal gifts, which are customarily given and are of commemorative nature for special events.

## 3. **Health, safety and Environment**

SACL shall strive to provide a safe and healthy environment inside & outside the operational areas and comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory it operates in. A SACL Unit shall be committed to prevent the wasteful use of natural resources and minimize and hazardous nature in production, use and disposal of any of its products and services on the ecological environment.

## 4. **Quality of Products and Services**

SACL shall be committed to supply goods and services of the highest quality standards backed by efficient after-sales service consistent with the requirements of the customers to ensure their total satisfaction. The quality standards of the Company's goods and services shall meet the required national standards and the Company shall Endeavour to achieve international standards.

## **5. Corporate Citizenship**

A SACL Unit shall be committed to be a good corporate citizen not only in compliance with all relevant laws and regulations but also by actively assisting in the improvement of the quality of life of the people in the communities in which it operates with the objective of making them self reliant. Such social responsibility would comprise initiatives in the field of community health and family welfare, water management, vocational training, education and literacy and encourage application of modern scientific and managerial techniques and expertise in the field of Agriculture and develop the Farming community. This will be reviewed periodically in consonance with national and regional priorities. The company would strive to incorporate them as integral part of its business plan. The company would also encourage volunteering amongst its employees and help them to work in the communities.

## **6. Co-operation of SACL Companies**

A SACL SBU shall co-operate among the SBUs and with other Company/Unit by sharing physical, human and management resources as long as this does not adversely affect its business interests and shareholder value/interests as permissible under the laws of the Land.

In the procurement of products and services a SACL Company/Unit shall give preference to another Company/Unit as long as it can provide these on competitive terms relative to third parties.

## **7. Ethical Conduct**

Every employee of the Company shall deal on behalf of the Company with professionalism, honesty, integrity, as well as high moral and ethical standards. Such conduct shall be fair and transparent and be perceived to be as such by third parties.

Every employee shall be responsible for the implementation of and compliance with the Code in his professional environment. Failure to adhere to the Code could attract the most severe consequences including termination of employment.

## **8. Concurrent Employment**

An employee of our Company shall not, without the prior approval of the Managing Director of the Company, accept employment or a position of responsibility (such as a consultant or a director) with any other company, nor provide “free-lance” services to anyone.

## 9. Conflict of Interest

An employee of our Company shall not engage in any business relationship or activity, which might detrimentally conflict with the interest of the Company or the Group. A conflict of interest, actual or potential, may arise where, directly or indirectly, (a) an employee of a SACL Company engages in a business, relationship or activity with anyone who is party to a transaction with his Company, (b) an employee is in a position to derive a personal benefit or a benefit to any of his relatives by making or influencing decisions relating to any transaction, and (c) an independent judgment of the Company's or Group's best interest cannot be exercised.

The main areas of such actual or potential conflicts of interest would include the following:

- i. An employee of a SACL conducting business on behalf of his company or being in a position to influence a decision with regard to his Company's business with a supplier or customer of which his relative is a principal, officer or representative, resulting in a benefit to him or his relative.
- ii. Award of benefits such as increase in salary or other remuneration, posting, promotion or recruitment of a relative of an employee of a SACL where such an individual is in a position to influence the decision with regard to such benefits.
- iii. Acceptance of gifts, donations, hospitality and/or entertainment beyond the customary level from existing or potential suppliers, customers or other third parties which have business dealings with the company.

Notwithstanding that such or other instances of conflict of Interest exist due to any historical reasons, adequate and full disclosure by the interested employees should be made to the Company's management. It is also incumbent upon every employee to make a full disclosure of any interest, which the employee or the employee's immediate family which would include parents, spouse, children and in laws may have in a company or firm, which is a supplier, customer, distributor of, or has other business dealings with his Company.

Every employee who is required to make a disclosure as mentioned above shall do so, in writing, to his immediate superior who shall forward the information along with his comments to the person designated for this purpose by the CMD/CEO and, upon a decision being taken in the matter, the employee concerned will be required to take necessary action as advised to resolve/avoid the conflict.

If an employee fails to make a disclosure as required herein and the management of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the employee, the management would take a serious view of the matter and consider suitable disciplinary action against the employee.

## **10. Regulatory Compliance**

Every employee of the Company shall, in his business conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which he operates.

## **11. Public Representation of the Company and the Group**

The Sakthi Group honours the information requirements of the public and its stakeholders. In all its public appearance with respect to disclosing company and business information to public, the financial community, employees and shareholders, SACL Company or the Sakthi Group shall be represented only by specifically authorized directors and employees. It will be the sole responsibility of these authorized representatives to disclose information on the Company.

## **12. Third Party Representation**

Parties which have business dealings with the Sakthi Group but are not members of the Group such as consultants, agents, sales representatives, distributors, contractors, suppliers, etc. shall not be authorized to represent SACL if their business conduct and ethics are known to be inconsistent with the code.

## **13. Use of the SAKTHI Brand**

The use of the SAKTHI name and trademark owned by SAKTHI Group shall be governed by agreements to be issued by SACL.

## **14. Shareholders Value**

SACL shall be committed to enhance shareholder value and comply with all regulations and laws that govern shareholder's rights.

The Board of Directors of a SACL Company/Unit shall duly and fairly inform its shareholders about all relevant aspects of the company's business and disclose such information in accordance with the respective regulations and agreements.

#### **15. Protecting Company Assets**

The assets of a SACL Company should not be misused but employed for the purpose of conducting the business for which they are duly authorized. These include tangible assets such as equipment and machinery, systems, facilities, materials, resources as well as intangible assets such as propriety information, relationships with customers and suppliers, etc.

#### **16. Securities Transactions and Confidential Information**

An employee of a SACL Company and his immediate family shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Company or the Group, which is not in the public domain and thus constitutes insider information.

An employee of a SACL Company shall not use or proliferate information which is not available to the investing public and which therefore constitutes insider information for making or giving advice on investment decisions on the securities of the respective SACL Company on which such insider information has been obtained.

Such insider information might include the following:

- Acquisition and divestiture of business or business units
- Financial information such as profits, earnings and dividends
- Announcement of new product introductions or developments
- Asset revaluations
- Investment decisions/plans
- Restructuring plans
- Major supply and delivery agreements
- Raising finances



## 17. Financial Reporting and Records

Sakthi Auto Component Ltd shall prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the Company conducts its business affairs.

## 18. National Interest & Competition

Sakthi Auto Component Limited shall be committed in all its actions to benefit the Nation and the economic development of the countries in which it operates and shall not engage in any activity that would adversely affect such objective.

Specifically, Sakthi Auto Component Limited shall not engage in activities, which generates or support the formation of monopolies, cartels and other unfair trade practices.

Sakthi Auto Component Ltd shall market its products and services on its own merits and shall not make unfair and misleading statements about competitors' products and services.



# Whistle blower policy

## 1. Objective

This Policy seeks to define and establish the position of SACL on the framework for reporting instances of unethical/improper conduct and taking suitable steps to investigate and to the maximum extent possible, preventing recurrence of such unethical/improper conduct.

This Policy will ensure that sufficient safeguards are provided against victimization of employees and directors, who act as whistle blowers in bringing out any unethical/improper conduct transpiring in the Company.

## 2. Definitions

- a) "Action Taken Report" means the Report to be submitted by the Advisor Safety or Vigilance Officer to the President of the Company on the Disciplinary Action taken against the Respondent as recommended by the Advisor Safety or Vigilance Officer along with the procedure to be implemented in preventing recurrence of such unethical misconduct.
- b) "Audit Group Head" means a person in charge of the affairs of the Audit Group of the Company.
- c) "Company" means Sakthi Auto Component Limited.
- d) "Disciplinary Action" means any action including but not limited to a warning,, incremental cut, reduction in grade, suspension or dismissal.
- e) "Disclosure" means a written communication that provides information on an unethical or improper activity. Disclosure should be factual, made in good faith and not be speculative in nature.
- f) "Employee" means every employee of the Company (whether working in India or abroad) including President, Vice Presidents and Advisors.
- g) "Respondent" means an employee against or in relation to whom a Disclosure is made.

- h) “Unethical Practice” means and includes, but not limited to, the following activities:
- i. Manipulation of Company data / records;
  - ii. Abuse of authority;
  - iii. Revelation of confidential / proprietary information of the Company to unauthorized persons;
  - iv. Violation of statutory rules and regulations;
  - v. Misappropriation of Company assets;
  - vi. Violation of Company policy, including any Code of Conduct;
  - vii. Negligence resulting in loss to the Company including monetary, brand image, etc. and specific danger to public property, health and safety
  - viii. Financial irregularities, including fraud or alleged fraud
  - ix. Indulging in Criminal Activity
  - x. Any activity that result / causes towards discrimination AND/OR harassment of any staff / employee / personnel.
  - xi. Any other activities not in the interest of the Company.
- i) “Vigilance Officer” means the Head of SACL Group or a person or persons duly nominated / appointed by him, to conduct detailed investigation against the Respondent on the Disclosure made by the Whistleblower and recommend Disciplinary Action against the Respondent.
- j) “Whistleblower” means a person who makes a Disclosure and includes such categories of persons specified in clause 3 below.

### **3. Whistle Blowers**

Whistle Blowers shall mean and include the following:

- a) Board of Directors of the Company;
- b) Employees of the Company;
- c) Employees of other agencies deployed for the Company’s activities, whether working at any of the Company’s offices or any other location;

- d) Customers of the Company;
- e) Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company; and
- f) Any other person

#### **4. Procedure for Reporting**

The Whistle Blower must address the following issues, while reporting Disclosures under this policy:

- i. The Disclosures made should bring out a clear understanding of the issue being raised;
- ii. The Disclosures made should not be merely speculative in nature but should be based on actual facts;
- iii. The Disclosure made should not be in the nature of a conclusion and should contain as much specific and quantitative information with Supporting evidence to the extent possible to allow for proper conduct of the inquiry/ investigation;
- iv. The Whistle Blower is not required to give reasons for such Disclosure;

The President of the Audit Committee may direct the Advisor Safety and Vigilance Officer to investigate into the same and recommend suitable action.

#### **5. Respondents**

- a) All Respondents shall be duly informed about the Disclosures made against them at the commencement of the formal inquiry/ investigation process and shall be provided opportunities for submitting their explanations during the course of the inquiry/ investigation process.
- b) The Respondents shall not destroy or tamper with any evidence, and shall have a duty to co-operate with the Vigilance Officer in the inquiry/ investigation process.

#### **6. Investigation of Disclosures**

- a) The Vigilance Officer or his nominee or nominees are duly authorized to investigate / oversee Disclosures reported under this policy;

- b) Disclosures made under this policy shall be recorded and duly auctioned;
- c) The Vigilance Officer shall conduct an investigation and shall have the right to call for records, evidences, information, etc. from the Whistleblower substantiating the Disclosure wherever possible;
- d) The Vigilance Officer shall have the right to call for all kinds (including personal) of records, evidences, information, etc. from the Respondent in the event of the Vigilance Officer comes to a conclusion that there is prima facie case exists against the Respondent;
- e) The Respondent shall provide records, evidences, information, etc. called for by the Vigilance Officer immediately or within the time frame as suggested by the Vigilance Officer and any other records, evidences, information, etc. which the Respondent feels will support his case to the Vigilance Officer, who shall consider the same as he may deem fit;
- f) In the event of the Respondent's refusal or the Respondent exercising any delay tactics in providing the above records, evidences, information, etc. to the Vigilance Officer, then the Vigilance Officer shall have the absolute right to carry out the investigation based on the records, evidences, information, etc. available and recommend action or close investigation as he may deem fit.

However, an investigation shall be launched only after the review of the Disclosure prima facie establishes that:

- i. The Disclosure made, constitutes an unethical/ improper practice, as defined under this policy;
  - ii. The Disclosure made is supported by adequate information to conduct an investigation;
  - iii. Confidentiality of the Whistle Blower shall be maintained during the inquiry/ investigation process;
- g) Any inquiry/ investigation conducted against any Respondent shall not be construed by itself as an act of accusation and shall be carried out as a neutral fact finding process, without presumption of any guilt.

- h) The Inquiry/Investigation proceedings shall be initiated within 10 working days of receipt of the Disclosure and shall be concluded not more than 30 working days from the date of commencing the Investigation Proceedings.
- i) The inquiry/ investigation shall be conducted in a fair manner and provide an equal opportunity for hearing to the Respondent and a written report of the findings should be submitted by the Vigilance Officer to the Managing Director/Chair person of the Audit Committee along with his recommendation for action within 10 working days of conclusion of the Investigation Proceedings. The Vigilance Officer shall submit the recommendations duly approved by the President of the Audit Committee to the Human Resources Department (HRD) of the Company for taking Disciplinary Action against the Respondent.
- j) The HRD shall issue a Show Cause Notice (SCN) to the Respondent mentioning details of Audit Findings calling for his comments, if any, within 3 working days of receipt of the SCN. The HRD shall take Disciplinary Action against the Respondent within 10 working days of issuance of SCN and while taking Disciplinary Action shall consider Respondent's comments, if any. The HRD shall inform the Vigilance Officer about the Disciplinary Action taken.
- k) Based on the information received from the HRD, the Vigilance Officer shall submit an Action Taken Report, within 30 working days of submission of the Recommendation to the Managing Director/Chair person of the Audit Committee based on his recommendation made earlier.

## **7. Protection to Whistle Blower**

- a) The identity of the Whistle Blower shall be kept confidential at all times, except during the course of any legal proceedings, where a Disclosure/ statement is required to be filed.
- b) The Company, as a policy, strongly condemns any kind of discrimination, harassment or any other unfair employment practice being adopted against the Whistle Blowers for Disclosures made under this policy. No unfair treatment shall be vetted out towards the Whistle Blower by virtue of his/her having reported a Disclosure under this policy and the Company shall ensure that full protection has been granted to him/her against:

- i. Unfair employment practices like retaliation, threat or intimidation of termination/suspension of services, etc.;
- ii. Disciplinary action including transfer, demotion, refusal of promotion, etc;
- iii. Direct or indirect abuse of authority to obstruct the Whistle Blowers' right to continue performance of his duties/functions during routine daily operations, including making further Disclosures under this policy.

## **8. Management action on False Disclosures**

If Whistle Blower knowingly makes false disclosures under this policy with ulterior motive, such Whistle Blower shall be subject to Disciplinary Action after sufficient opportunity is provided to him to explain his willful accusation against the Respondent.

## **9. Retention of Documents**

All Disclosures including the Investigation Proceedings, Recommendations and Action Taken Reports shall be retained by the Vigilance Officer for a minimum period of 5 (Five ) years.

## **10. Reports**

A Quarterly / Half Yearly Report with number of Disclosures received under the Policy and their outcome shall be placed before the Audit Committee and the Board.



# Diversity and Inclusion Policy

Sakthi Auto Component Limited is committed to fostering, cultivating and preserving a culture of diversity, equity and inclusion.

Our human capital is the most valuable asset we have and we firmly believe in our PEOPLE FIRST approach will make our employees invest their best for the company's achievement as well.

We embrace and encourage our employees' differences in age, colour, disability, ethnicity, family or marital status, gender identity or expression, language, physical ability, political affiliation, race, religion, sexual orientation, and other characteristics that make our employees unique.

Our diversity initiatives are applicable—but not limited—to our practices and policies on recruitment and selection; compensation and benefits; professional development and training; promotions; transfers; social and recreational programs; layoffs; terminations; and the ongoing development of a work environment built on the premise of gender and diversity equity that encourages and enforces:

- Respectful communication and cooperation between all employees.
- Teamwork and employee participation, permitting the representation of all groups and employee perspectives.
- Work/life balance through flexible work schedules to accommodate employees' varying needs.
- Employer and employee contributions to the communities we serve to promote a greater understanding and respect for diversity.

All our employees have a responsibility to treat others with dignity and respect at all times. All employees are expected to exhibit conduct that reflects inclusion during work, at work functions on or off the work site, and all other company-sponsored and participative events. All employees are also required to attend and complete annual diversity awareness training to enhance their knowledge to fulfil this responsibility.



Any employee found to have exhibited any inappropriate conduct or behaviour against others may be subject to disciplinary action.

Employees who believe they have been subjected to any kind of discrimination that conflicts with the company's diversity policy and initiatives should seek assistance from a supervisor or an HR representative.



# Policy on Sustainable Procurement

Sakthi Auto Component Limited is committed to fostering, cultivating and preserving a culture of diversity, equity and inclusion.

Our human capital is the most valuable asset we have and we firmly believe in our PEOPLE FIRST approach will make our employees invest their best for the company's achievement as well.

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Our diversity initiatives are applicable—but not limited—to our practices and policies on recruitment and selection; compensation and benefits; professional development and training; promotions; transfers; social and recreational programs; layoffs; terminations; and the ongoing development of a work environment built on the premise of gender and diversity equity that encourages and enforces:

- Respectful communication and cooperation between all employees.
- Teamwork and employee participation, permitting the representation of all groups and employee perspectives.
- Work/life balance through flexible work schedules to accommodate employees' varying needs.
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# Code of Conduct for Suppliers & other Business partners

## INTRODUCTION

This code of conduct reflects values of Sakthi Auto Component Limited (SACL) mean towards its suppliers. SACL regards all its suppliers as its Business Partners and envisage a mutual growth and advancements

This code is to ensure that fundamental values of labor, resources, environment are shielded from the impact of business operations with SACL and attempt to uphold the ethos and values enshrined in the Fair-trade practises

This code of conduct is being followed by the business partners of SACL including all their personnel but not limited to employees, officers and executives

All personnel of suppliers shall observe and implement the code of conduct in official day to day activities



## 1) Fair Treatment of Employees

It is desired and implied that all our business partners observe fundamental - labor rights based on all applicable territorial legislations in the following areas

- To adhere to the territorial and international laws, regulations, and conventions to preserve and safeguard human rights, dignity at all their locations worldwide.
- To employ people to perform work those who have reached the permissible age as per the applicable legislation, respect the rights of children and defer from all forms of Forced Labor
- To comply with all applicable and standing laws, agreements on working hours, and compensation.
- To grant their employees the freedom of association and the right to form interest groups. to serve their interests, within the framework of national laws and regulations
- To not to discriminate on the grounds of race, religion, gender, age, social ((And)or)) ethnic origin, nationality, disability or sexual orientation, political or trade union engagement, belief, and ideology
- To pay all the entitled remunerations and social benefits on par with the stipulated national standards and agreements
- To provide means for their employees to report concerns or potentially unlawful activities in the workplace. Any report should be treated in a confidential manner and shall take corrective action if needed.

## 2) Workplace Safety, Health & Environment protection

It is desired and implied that all our business partners observe fundamental tenets on Safety of Health, Environment based on all applicable territorial legislations in the following areas

- To promote the workplace safety and health of their employees by providing a conducive safe and healthy working environment through appropriate provisions of preventive and rigorous occupational safety and health measures
- To commit to the cause of sustainable, responsible, and considerate handling of resources and raw materials at their ends by the efficient deployment of energy and resources, management of waste and hazardous materials as per the legislative provisions

- To endeavour to offset the effect of climate change in their process & activities
- To ensure the responsible procurement of resources by procuring and utilizing raw materials lawfully or by ethically
- To comply with all applicable quality, health, safety and environmental regulations. All required permits, licenses and registrations be obtained, maintained and kept up-to-date and fulfil their operational and reporting requirements
- To engage in the development and use of climate-friendly products and processes to reduce power consumption and greenhouse gas emissions

### 3) Fair means of Business

It is desired and implied that all our business partners observe fundamental tenets Fair play and ethics in the business process based on all applicable territorial legislations in the following areas

- To behave fairly in competition and observe the applicable legal provisions that safeguard free competition
- To not to make agreements or concerted practices with other companies aimed at or resulting in the prevention, restriction or distortion of the competition following the applicable antitrust regulations and do not abuse any dominant position on the market unlawfully
- To not to practice or tolerate any form of corruption, extortion or embezzlement and not offer or accept bribes or other unlawful incentives to/from their business partners
- To ensure compliance with the all applicable anti-corruption laws and to ensure that their associates, subcontractors or representatives do not offer, promise, or grant advantages to anyone in favor of preferential treatment in the course of business
- To understand donations ((and)(or)) any other contributions, giving and receiving gifts and entertainment are purely voluntary without any intention of gaining unfair business advantages and should closely abide by all applicable legislations

- To maintain all agreed secrecy and confidentiality in information and communication between the SACL and the partner such as drawings, standards, pricing information, manufacturing methods, financial data, sales plans and so on
- To safeguard and make only appropriate use of confidential information and ensure that all employees' and business partners' privacy and valid intellectual property rights are protected
- To observe all of the legal provisions to prevent money laundering and SACL expects its business partners to report indications of possible criminal offenses, wrongdoings, and special risks that could impact SACL
- To help in safeguarding SACL's assets and reputation by watching for any kind of fraudulent activities against employees, customers, shareholders, business partners or other stakeholders

#### **4) Compliance**

It is desired and implied that all our business partners shall put their best forward in understanding the standards of compliance which is expected out of partnering

- To communicate the code of conduct to all its suppliers / sub-suppliers they engage to fulfil their contractual obligations towards SACL and shall employ principles of the code when selecting such parties, and endeavour to ensure such third parties comply with the code
- SACL reserves the right to verify the supplier's compliance with the principles of this code of conduct utilizing an audit with prior information. To develop adequate documentation to demonstrate that they share the principles and values expressed in this Code

Violation of this code of conduct constitutes a deterioration of the business relationship between SACL and the partner. In the event, SACL reserve the right to demand a clarification from the partner and on the initiation of countermeasures and in case of failure, SACL reserves the right to reconsider the contractual relationship



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## **SOCIAL COMPLIANCE POLICIES**