



## **Business Responsibility Policy**

### **1. Introduction:**

Sterling Tools Limited ("STL"/"the Company") is a public limited company (CIN: L29222DL1979PLC009668) having its registered office at Unit No-515, DLF Tower A, Jasola District Centre, New Delhi-110025. The equity shares of the Company are listed on the BSE Ltd. as well as on National Stock Exchange of India Ltd.

The Company is engaged in the manufacturing of high-tensile (HT) cold forged fasteners mainly for automobiles. The Company is one of top three fasteners manufacturers in India and caters to leading automotive companies in India, Europe, and USA. STL has four plants out of which three are located in Faridabad and one in Bangalore. The Company has over 900+ employees. The Company's product portfolio includes special fasteners, standard fasteners, surface treatment and coatings, chassis fasteners and engine fasteners.

The Company's businesses are indisputably founded on its core values. It owns responsibilities for all its stakeholders alike – customers, shareholders, employees, and the community – always aspiring to create a long-term and sustainable value for their betterment.

The Company and its employees are guided by the STL's 360-degree philosophy of holistic approach towards manufacturing, quality control and human resource development. The Company achieves perfection and excellence in its output by envisioning the overall balance of all attributes, guaranteeing customer satisfaction.

The Company has vision of developing an organization that is clean, green, spacious, environment friendly, nurturing good values, ethics and provide satisfaction to all stakeholders, customers, suppliers and cultivate a true spirit of transparent working amongst all personnel in the organization and the company is moving towards its mission to prepare team of leaders in each sphere of operations by adopting latest technologies and best manufacturing practices so as to provide a strong base to meet the changing needs of Customers.

### **2. Purpose:**

The Company being a public listed company recognizes that it is not accountable only to its investors from a financial perspective but also to the larger part of the society and hence, this Policy on Business Responsibility ("Policy") lays down the broad principles which guide the Company in delivering its various responsibilities to its stakeholders. The Policy is intended to ensure that the Company adopts responsible business practices in the interest of the social set up and the environment to contribute beyond financial and operational performance and company can contribute towards sustainable development and fulfill its social, environmental and economical responsibilities.

### **3. Scope:**

This Policy is formulated as per Regulation 34 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") which is applicable to the company. This Policy reaffirms the Company's commitment to follow the principles laid down in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of Business published by the Ministry of Corporate Affairs toward conducting its business to the extent these are relevant.



**4. Authority and Responsibility:**

The Managing Director of the Company shall have the authority to oversee and implement this Policy. The Department Heads are responsible for implementing the Business Responsibility initiatives stated in this Policy under the direction and supervision of Managing Director of the Company.

This Policy may be reviewed and amended from time to time by the Managing Director of the Company subject to the approval of board in line with changes in the regulatory requirements as well as changes in Company policies from time to time. All material changes may be placed before the Board of Directors of the Company ("Board") for its approval.

**5. Effective Dates:**

This Policy shall be implemented with effect from such date as the Board may in its approval indicate.

**6. Applicability:**

This Policy applies to all the directors and employees of the Company across all its functions, and its plants.

**7. Principle wise Policies / Practices**

The Company shall conduct its business practices/activities in accordance with the following Key Principles which are broadly based on the Principles envisaged in the National Voluntary Guidelines in the interest of social set up, environment and governance:

**Principle 1: Ethics, Transparency and Accountability**

**Philosophy:**

The Company believes in conducting its affairs in a fair, transparent and professional manner and maintaining the good ethical standards, transparency and accountability in its dealings with all its constituents and is committed to developing governance structures, procedures and practices that ensure ethical conduct at all levels; and promoting the adoption of this principle across its value chain. The Company is committed to the highest standards of corporate governance in all its activities and processes. The above principle is enshrined in the various policies laid down by the Company from time to time including the Code to regulate, monitor and report trading by Insiders in the Company's securities and the STL Code of Conduct that shall act as a guide and govern the employees. The company is committed to institutionalizing transparency and openness in the organization and display in all our dealings fairness and honesty both as individuals and as an organization.

**Policy:**

- a. The company shall develop necessary governance structures, procedures and practices to ensure ethical conduct at all levels; and to promote the adoption of this principle across the value chain.
- b. The company shall ensure that genuine concerns of misconduct/ unlawful conduct can be reported in a responsible and confidential manner through its Vigil Mechanism.
- c. The company shall truthfully discharge its responsibility on financial and other mandatory disclosures timely.
- d. The Company shall assure access to information about its decisions that impact relevant stakeholders.
- e. The Company shall encourage its business partners and third parties with whom it conducts business to abide by this policy.
- f. The company shall not engage in practices that are abusive, corrupt, or anticompetition.
- g. The Company shall report on the status of adoption of these Guidelines, as necessary.



## **Principle 2: Business Lifecycle Sustainability**

### **Philosophy:**

The Company undertakes to assure safety and optimal resource use over the life-cycle of its products. Efforts will be made to ensure that everyone connected with it be it designers, producers, value chain members, customers and recyclers are made aware of their responsibilities. Further Company understands the service and service attitude of the customer and in doing business mutual trust and respect is the essence of its human values . The Company believes in excellence and delivering the products of the highest quality which is always having Competitive Advantage in a changing and uncertain world, delivering Better, Faster and more Competitive products and services which is always be integral part of customer success and the company . The company is committed to provide safe and healthy environment and take all necessary measures to ensure health and safety of our employees and shall comply with safety norms/policies/standards as prescribed by the company and applicable law.

### **Policy:-**

- a. The company shall assure product, process and people safety and optimal use of resources over the business lifecycle and ensure that everyone connected with it are aware of their responsibilities.
- b. The company shall monitor hazardous waste and review effective ness of risk control measures.
- c. The company shall comply with all legal and corporate requirements related to health and safety aspect.
- d. In designing the products, the company shall ensure that the processes and technologies required to produce it are resource efficient and sustainable and company is maintaining the benchmark with the industry standards by global compliance certifications Systems, quality and processes i.e. IATF etc.
- e. The company shall work towards ensuring that all goods and services are procured, manufactured and delivered embedding the principles of Labour practices, human rights, ethics, occupational health, safety and environment
- f. The company shall work with supply chain members that comply with applicable laws and regulations related to Labour practices, human rights, bribery & corruption, occupational health, safety and environment ;
- g. The company shall continue to progressively factor in relevant social and environmental considerations during the process of development of products / services;
- h. The Company shall encourage resource efficiency in the supply chain and shall guide supply chain members towards becoming more sustainable.
- i. The company shall continue to recognize and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property, wherever relevant.
- j. The company shall work towards building capacity such that all the value chain partners, namely the third-party manufacturers, service providers including transporters and suppliers of significant raw materials, are sensitised and empowered to fulfil their roles and responsibilities towards sustainability
- k. The Company shall regularly review and improve upon the technological advancement & commercialization of, incorporating Social, Ethical & Environmental consideration
- l. The Company shall raise the customer's awareness of their rights through education, appropriate and helpful marketing communication, full details of contents and composition and promotion of safe usage
- m. The Company shall encourage its business partners and third parties with whom it conducts business to abide by this policy.
- n. The Company shall continue to recognise and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property, wherever relevant.
- o. The Company shall communicate all occupational Health & safety aspects by involving & training of employees and other interested parties with emphasis on their individual obligation.



### **Principle 3: Employee Wellbeing**

#### **Philosophy:**

The Company believe in philosophy of to keep the workplace environment safe, hygienic and humane, upholding the dignity of the employees including conducting training and sending suitable communications on regular basis in order to enhance skill and competency on an equal and non-discriminatory basis besides promoting employee morale and career development through human resource interventions and provide harassment free workplace where employee can feel safe and secure .

#### **Policy:-**

- a. The Company shall provide & maintain equal opportunities and shall not and shall not discriminate any person because of his/her gender, caste, religion, age (within statutory limits), marital status, nationality, ancestry, ethnicity, geographical origin, sexual orientation, disability or any other trait protected by law, with respect to any terms of employment such as hiring, promotion, transfer, compensation & benefits, career development opportunities, etc.
- b. The company shall take employment related decisions based on merit of the person only, and not discriminate any person because of his/her personal characteristics/traits.
- c. The Company shall take cognizance of the work-life balance of its employees, especially that of women.
- d. The Company shall Respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance Redressal mechanisms.
- e. The Company shall not use child labour, forced labour or any form of involuntary labour, paid or unpaid.
- f. The Company would Ensure continuous skill and competence up-gradation of all employees by providing access to necessary learning opportunities, on an equal and nondiscriminatory basis and promote employee morale and career development through enlightened human resource interventions
- g. The Company shall Provide facilities for the wellbeing of the employees including those with special needs and Ensure timely payment of fair living wages to meet basic needs and economic security of the employees
- h. The Company strives to regularly communicate to its employees all the policies related to them so as to keep them aware of the same and allow them to take optimum advantage of the same.
- i. The Company shall provide a healthy, safe and conducive work environment that is free from harassment of any kind or form.
- j. Meritocracy shall be viewed as a just and equitable principle for recognizing and rewarding our people and business partners.

### **Principle 4: Stakeholders Engagement**

#### **Philosophy:**

The company believe that being commercial organization, company must provide an appropriate return and value to our shareholders in order to discharge our responsibilities and remain in business. The Company should acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, product & services and associated operations on the stakeholders and should resolve differences with stakeholders in a just, fair and equitable manner. The systems and process in place to systematically identify stakeholders and for understanding their concerns and for engaging with them will be reviewed from time to time.

#### **Policy:**

- a. The Company would Systematically identify stakeholders, understand their concerns, define the purpose and scope of engagement, and commitment to engage with them.
- b. The Company would Give special attention to stakeholders in areas that are underdeveloped.



- c. The Company would resolve differences with stakeholders in a just, fair and equitable manner.
- d. The company would Acknowledge responsibility and be transparent about the impact of the policies, decisions, product & services and associated operations on the stakeholders.
- e. The Company shall provide grievance redressal and feedback mechanism for shareholders and customer to assess service levels and other complaints.

#### **Principle 5: Human Rights**

##### **Philosophy:**

The Company will recognize and respect the human rights of all relevant stakeholders, including that of its customers, shareholders, investors, public at large and Conscious efforts should be taken to understand the regulatory aspects of human rights. Care should be taken to integrate respect for human rights in management systems, wherever applicable. The Company recognizes the human rights and treat others with dignity and respect. It believes that it is one's fundamental rights to live with dignity and respect. Company has adopted:

- a. vigil mechanism policy which covers aspects ensuring human / safety rights of its employees
- b. policy on "Prevention of Sexual Harassment at workplace"(POSH) to provide safe and healthy work environment to its employees by establishing a guideline to deter any sexual harassment at work.

##### **Policy:-**

- a. The company shall recognize and respect the human rights of all relevant stakeholders and groups, including that of communities, consumers and vulnerable and marginalized groups.
- b. The company shall, within its sphere of influence, promote the awareness and realization of human rights across their value chain.
- c. The company shall integrate respect for human rights in management systems, in particular through assessing and managing human rights impacts of operations, and ensuring all individuals impacted by the business have access to grievance mechanisms.
- d. The Company shall encourage its business partners and third parties with whom it conducts business to abide by this policy.

#### **Principle 6: Protection of Environment**

##### **Philosophy:**

The company believe that all the efforts to be made in order to protect and restore environment by utilizing resources in optimal and responsible manner to ensure sustainability through reduction, re-use, re-cycling and managing waste. The environmental performance by adopting cleaner production methods, promotion of energy efficient and environmental friendly technologies. Suitable processes and systems to mitigate and environmental damages. The company is committed to conserve natural resources and promote clean and green environment through continual efforts.

##### **Policy:**

- a. The company shall develop Environment Management Systems and contingency plans and processes that shall help it in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to its operations.
- b. The company shall utilize natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.
- c. The company shall continuously seek to improve environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.



- d. The Company shall adopt and update itself to benchmark with global industrial practices in Environmental norms like ISO and OHSAS Certifications etc. to maintain Internal and External Environments and ensuring a safe and healthy workplace.
- e. The Company shall take measures to check and prevent pollution and assess the environmental damage and bear the cost of pollution abatement with due regard to public interest.
- f. The Company shall comply all the relevant environment related legislations and other requirements.
- g. The Company shall take all effective steps to prevent pollution and create awareness among all employees and associates about environment protection.

### **Principle 7: Responsible Advocacy**

#### **Philosophy:**

The Company as a corporate citizen understands its responsibility to operate within the democratic setup and constitutional framework. Policy and it recognize that it operates within the specified legislative and policy frameworks prescribed by the Government, which guide its growth and also provide for certain desirable restrictions and boundaries and the Company while pursuing any advocacy of any matters for the improvement of the public good takes care that it shall not advocate any policy change to benefit the Company or select few alone.

#### **Policy:**

- a. The Company, while pursuing policy advocacy, ensure that our advocacy positions are consistent with these Policies and Sub policies.
- b. The Company shall strive to perform the function of policy advocacy in a transparent and responsible manner while engaging with all the authorities and will take into account the Company's as well as the larger national interest.
- c. To the extent possible, the company shall, Utilize, to the extent possible, trade and industry chambers and associations and other such collective platforms to undertake policy advocacy.

### **Principle 8: Inclusive growth and equitable development**

#### **Philosophy:**

The Company believe that sustained commercial success is only possible in the presence of a healthy social environment and accept the responsibility towards acting in a socially responsible manner. The Company shall be guided by its Corporate Social Responsibility Policy for inclusive growth and equitable development. The Company believes that every business operation has impact on the social and economic development so business operation should be carried out diligently to minimize negative impact and company should innovate and invest in products, technologies and processes that promote the wellbeing of society and providing services to community by establishing institution or supporting institutions in the field of healthcare, education or the NGO established for helping and supporting old age people , orphan child etc. through CSR policy. The Companies code of conduct is very clear about that the company conduct its business in the best national interest and shall not be engaged in any activities that put national interest at risk.

#### **Policy:**

- a. The company shall undertake CSR activities in accordance with Schedule VII of the Companies Act, 2013 as per the recommendation of the CSR committee and as per the CSR policy of the company
- b. The company shall make efforts to complement and support the development priorities at local and national levels and assure appropriate resettlement and rehabilitation of communities who have been displaced owing to their business operations.
- c. The company shall be sensitive to local concerns while operating in regions that are underdeveloped.



- d. The Company shall seek to make a positive and meaningful contribution towards the society at large and the communities in which its operate business.

### **Principle 9: Customer Value**

#### **Philosophy:**

The Company recognize that the customer is the reason for existence of the company and the company is being a customer driven organization achieving high levels of reliability, responsiveness, quality and individualized attention in the delivery of services. The Company has long standing relationships with its customer. The Company acknowledges that no business can survive in absence of customers. The driving force behind the Company's management is Quality and Customer Satisfaction. STL's quality policy is "To satisfy customer needs and retain leadership by manufacturing and supplying quality products and services through continuous improvement by motivated employees". The overall well-being of the customers and that of society must be taken into account while serving the needs of customers. The company is committed for customer delight by excellence in quality, timely delivery of goods and satisfy customer expectations at lower cost on continues basis.

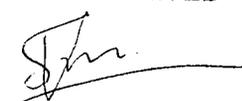
#### **Policy:**

- a. There should be adequate grievance handling mechanisms to address customer concerns and feedback.
- b. The Company shall exercise due care and caution while providing goods and services that result in over exploitation of natural resources or lead to excessive conspicuous consumption.
- c. The Company shall not restrict the freedom of choice and free competition in any manner while designing, promoting and selling our product
- d. The Company shall not permit any kind of corruption, extortion or bribery and being supplier it must follow the applicable anti-corruption laws.
- e. The Company shall ensure that promotion and advertisements of our products do not mislead or confuse the consumers or violate any of the principles in these policies
- f. The company shall Make 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.
- g. The Company shall educate their customers on the safe and responsible usage of their products and services
- h. The Company shall make continues improvement of quality management system, review of quality objectives and by upgradation of technology, competency upgradation by involving companies' employees.
- i. The Company shall make risk assessment throughout the supply chain.
- j. The Company shall adopt fair competition practices and compete fairly in markets within framework of applicable laws including never resorts to fixing prices & rigging bids and never boycott specific customers/suppliers and never comment on competitor products or services in an inaccurate or untruthful manner.

### **8. Implementation**

- A. The policy shall be appropriately communicated within the Company across all levels and shall be displayed on the Company's website- [www.stlfasteners.com](http://www.stlfasteners.com) .
- B. The Company Secretary through the functional heads of the Departments of the Company shall be responsible for ensuring that the policy is implemented throughout the Company.
- C. The Compliance with the Policy shall be monitored and evaluated by the Company Secretary on a regular basis.
- D. Any grievances/ complaints with respect to violation of the policy shall be reported to the Company Secretary.

For STERLING FASTENERS LIMITED

  
(VAISHALI SINGH)  
Company Secretary