

TIDE WATER OIL COMPANY (I) LIMITED (TWO) PRINCIPLES & POLICIES OF BUSINESS RESPONSIBILITY

1.0 Key Principles

1.1 The Company has adopted the following nine key principles of Business Responsibility, prescribed in the SEBI guidelines:

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3: Businesses should promote the wellbeing of all employees

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

Principle 5: Businesses should respect and promote human rights

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8: Businesses should support inclusive growth and equitable development

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

2.0 Policies

2.1 **Ethics, Transparency and Accountability**

- 2.1.1 The Company believes in value based governance and practices. The Board of Directors and senior management have a responsibility to set exemplary standards of ethical behavior, both internally within the organization, as well as in their external relationships. Every employee of TWO shall conduct himself and deal on behalf of the company with professionalism, honesty and integrity, while conforming to high moral and ethical standards.
- 2.1.2 TWO believes that transparency means explaining Company's policies and actions to those to whom it has responsibilities. The Company shall ensure maximum appropriate disclosures without jeopardizing the Company's strategic interests. Internally, transparency means openness in Company's relationship with its employees as well as the conduct of its business.
- 2.1.3 Empowerment is an essential component of the Company's principle of governance that management must have the freedom to take the enterprise forward. The Board of Directors is accountable to the shareholders and the management is accountable to the Board of Directors. Each executive and employee is similarly accountable for the functions and responsibilities entrusted to him / her.
- 2.1.4 Employees at all levels shall put Public interest and the Company's interest above personal interest while discharging his / her duties and responsibilities and avoid apparent conflict of interest. Illustrative cases of conflict of interest are:
- Related Party Transactions: Entering into any transactions or relationship with the Company or its subsidiaries in which they have a financial or other personal interest.
 - Outside Directorship: Accepting Directorship on the Board of any other Company that competes with the business of the Company.
 - Consultancy/Business/Employment: Engaging in any activity which is likely to interfere or conflict with their duties/ responsibilities towards the Company.
 - They should not invest or associate themselves in any other manner with any supplier, service provider or customer of the Company.
 - Use of Official position for personal gains.
- 2.1.5 TWO employees shall not, directly or indirectly through

their family and other connections, solicit or accept any personal fee, commission or other form of remuneration arising out of transactions involving the Company.

- 2.1.6 The Company is committed to and supports the constitution and governance systems of the country. It shall not support any specific political party or candidate for political office.

2.2. Safety and Sustainability of goods & services

- 2.2.1 The Company is engaged in manufacturing and marketing of lubricants. The impact of all the operations on the Environment and Society must be clearly understood by all employees responsible for these operations. The Company is committed to continuously improve its Safety Standards, Sustainability and Environmental Management System through processes defined below:

- 2.2.1.1 Minimizing the consumption of electrical energy, chemicals and natural resources.
- 2.2.1.2 Encouraging use of renewable / replenishable / sustainable resources.
- 2.2.1.3 Compliance to applicable legal requirements and other requirements related to environmental aspects.
- 2.2.1.4 Prevention of pollution to air, water and land by using environment friendly chemicals and continuous reduction of hazardous material in the processes.
- 2.2.1.5 Reduction in generation of identified wastes.
- 2.2.1.6 Promotion & adoption of environmental friendly and non-hazardous materials, components and processes in the design and manufacture of lubricants.
- 2.2.1.7 Providing detailed information to customers for handling the products and disposal of the products or any of their components after their useful life cycle
- 2.2.1.8 Setting, Maintaining and Monitoring the Environmental Objectives & Targets
- 2.2.1.9 Promoting Environmental and Safety Awareness among all the employees, vendors and contractors.

2.3 Human Resources Development and Wellbeing of employees

- 2.3.1 The Company's internal policy, address the following facets:

- 2.3.2 HR as a Strategic Partner
TWO being a technology and market driven Company, strategies are envisioned by crossfunctional teams representing Technology, Marketing and Research & Development and they deliberate on business issues faced by the Company.
- 2.3.3 Talent Attraction & Retention
HR would promote close-ended formal education; both classroom mode and e-learning mode, and practical courses for TWO employees at premier institutes. This would reinforce TWO as a learning organization. Company-wide initiatives on Knowledge Management would help in domain expertise building.
- 2.3.4 Performance Management
The objective of TWO Performance Management System is to clarify each individual's roles, fix responsibilities and align individual's activities with organizational objectives.
- 2.3.5 Leadership Development and Change Management
The ultimate competitive advantage of an enterprise is its ability to grow and develop leaders faster than its competitor. The pace of change due to globalization, customer demands, technological innovation and information access demands that the Company go beyond strategy, structure and systems to purpose, process and people.
- 2.3.6 Employee Relations and Welfare
All employees will be paid timely salaries, wages, allowances and other benefits as per the statutory provisions and as agreed based on collective bargaining. The Company shall provide a workplace environment that is safe, hygienic humane, comfortable and which upholds the dignity of the employees. The Company shall comply with all statutory provisions with regard to health, safety and wellbeing of its employees. Specific provisions contained in the Labour laws for ensuring health, safety, hygiene, comforts and wellbeing of employees shall be complied in letter and spirit.

2.4 Protection of Stakeholders' Interest

- 2.4.1 The Company values the support of its stakeholders and respects the interests and concerns they have towards it.
- 2.4.2 The Company shall have continuous engagement with its various stakeholders to understand their concerns and assess their requirements and respond to their needs in an effective manner.
- 2.4.3 The Company shall resolve differences with stakeholders in

a just, fair and equitable manner.

2.5 Promoting Human Rights

- 2.5.1 The Company appreciates that human rights are inherent, universal, indivisible and interdependent in nature. The applicable rules and regulations, as promulgated, in this regard, shall be adhered to.
- 2.5.2 The Company shall recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups.

2.6 Protection of Environment

- 2.6.1 As an Environmentally responsible Company, TWO commits itself to take all necessary initiatives towards optimization and continual reduction in utilization of natural resources and also manmade resources.
- 2.6.2 The Company shall comply with all legal / regulatory requirements related to environment protection, management and sustainable development.
- 2.6.3 The Company shall identify hazardous process, assess its risk and determine appropriate control measures to minimize the impact on Environment.
- 2.6.4 Environmental friendly Processes / operations shall be given high priority while selecting or introducing any new process, operation or product or service.
- 2.6.5 The Company shall initiate environment management programmes to minimize impact on environment.
- 2.6.6 The Company shall promote customer awareness in environment management to minimize impact on environment during usage of the Company's products.

2.7 Public and Regulatory Policy

- 2.7.1 As a Corporate Citizen, the Company understands its responsibility to function within the democratic set up and the constitutional framework. The Company and its employees respect the legal / regulatory framework and shall comply with all the applicable provisions of existing local, state, national, and international laws. They shall also follow and obey the policies, procedures, rules and regulations relating to the business of the Company.
- 2.7.2 The Company believes that policy advocacy must preserve and expand public good and thus shall never advocate any policy change to benefit itself alone or a select few in a partisan manner.

2.8 Inclusive growth and equitable development

2.8.1 Vendor Development:

- Vendor development shall be taken up wherever the Vendor capabilities meet the requirements of manufacturing works.
- A policy for long term business with vendors shall be evolved based on the type of business, technology and product, etc.
- Outsourcing work shall be taken up, as and when deemed necessary.

2.8.2 R&D Projects:

- Research & Development is a powerful tool for development of the country. The resources invested shall be effectively channeled to ensure that the required objectives are met.
- Proper cooperation shall be sought to ensure that process / technology is developed indigenously to minimize the dependence on foreign sources.
- Processes taken up shall ensure that while the stated objectives are met in full, there shall not be negative impacts on the societal front.

2.8.3 Procurement from MSEs

The Company shall comply with applicable regulations, as and when promulgated and to the extent applicable, in this regard.

2.9 Value to Customers and Consumers

2.9.1 Value for Money:

Systems shall be provided such that customer is able to utilize the products & services and realize best value for money.

2.9.2 Customer Relations Management

Effective Systems shall be provided for:

- Registration of Customer complaints
- Timely redressal of customer complaints.
- Periodic reporting to top management

2.9.2 Obsolescence Management:

- Systems shall be provided for obsolescence management
- Obsolescence management shall cover applicable processes / technology