



HMT LIMITED

PRINCIPLES & POLICIES OF THE COMPANY AS PART OF BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

1. Key Principles

In line with SEBI guidelines, the Company has adopted the following nine key principles of Business Responsibility & Sustainability:

SN	Ref:	Principle
1	BRS1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable
2	BRS2	Businesses should provide goods and services in a manner that is sustainable and safe
3	BRS3	Businesses should respect and promote the well-being of all employees, including those in their value chains
4	BRS4	Businesses should respect the interests of and be responsive to all its stakeholders
5	BRS5	Businesses should respect and promote human rights
6	BRS6	Businesses should respect and make efforts to protect and restore the environment
7	BRS7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
8	BRS8	Businesses should promote inclusive growth and equitable development
9	BRS9	Businesses should engage with and provide value to their consumers in a responsible manner

A brief on some of the various Policies and Guidelines emanating from these key principles are as follows:

2. BRS1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

- 2.1 The Company believes in good governance and ethical practices. The Company is committed to maintain the highest standards of integrity and ethics in all spheres of its business activities. All the employees have a responsibility to set exemplary standards of integrity and ethical behavior, both within the organization, as well as in their external relationships. Management shall constantly endeavor to inculcate this integrity and ethical behavior at all levels in the organization so that it becomes an essential part of the work culture among all employees of the Company.
- 2.2 The business decisions and transactions shall be fair and transparent and be visible to relevant stakeholders. Therefore, the Company shall ensure maximum appropriate disclosures without jeopardizing the Company's interests. The Company also has an extensive policy covering all aspects of the relationship with its employees for their advancement in the Company. These aspects are covered in the Personnel Manual of the Company.
- 2.3 Accountability is an essential component of the Company's principle of governance. The Board of Directors is accountable to the shareholders and Government, and the management is accountable to the Board of Directors. Each executive and employee are similarly accountable for the functions and responsibilities entrusted to him / her.
- 2.4 The Company has in place a "Code of Business Conduct & Ethics" for all Board members and senior management which has been approved by the Board and is in compliance of the requirements of DPE guidelines on Corporate Governance for CPSEs.
- 2.5 The Company has a "policy on Related Party Transaction and material subsidiaries" to ensure transparency in all its dealings. The policy is available on the website of the Company.
- 2.6 The Company policy does not endorse affiliation to any political party nor person associated with any political party.
- 2.7 The Company provides progress reports on performance on quarterly basis to stock exchanges in line with listing requirements.
- 2.8 The Company has in place a "Code Of Conduct for Regulating & Reporting Trading by Designated Persons and their Immediate Relatives and for Fair Disclosure" in order to ensure effective implementation of Insider Trading Code.

2.9 The Company's "Policy For Procedure Of Inquiry In Case Of Leak Of Unpublished Price Sensitive Information (UPSI)" and "Policy For determination Of "Legitimate Purpose" provides for practices and procedures for fair disclosure of unpublished price sensitive information.

2.10 The Company also has in place a "Whistle Blower Policy" which will aid in fraud detection.

3. BRS2: Businesses should provide goods and services in a manner that is sustainable and safe

3.1 The Company is engaged in the Design, Development, Engineering, Manufacture of Food Processing and Dairy Equipment. Safety in operation is given high priority during the design stage itself. At the manufacturing stage also, requisite safety standards are followed including affixing stickers on the product indicating the precautions to be followed for safety.

3.2 The Company encourages the use of renewable resources and reduction in generation of identified wastes

3.3 The Company adheres to all requirements related to environmental aspects.

3.4 Promoting Environmental and Safety Awareness among all the employees, vendors and contractors.

4. BRS3: Businesses should respect and promote the well-being of all employees, including those in their value chains

4.1 Personnel Manual: Human Resources form a prime capital in any organization. Human Resource Development and well-being of the employees is important for any business / organization to be successful. The company has a well-established policy in form of Personal Manual laying down the company's policies, guidelines, rules and regulations in respect of employees of the Company. The Policy shall be updated based on changes in the regulations of the Government / DPE and the requirements of the Company.

4.2 Employee Welfare: The Company shall provide a workplace environment that is safe, hygienic humane, comfortable and which upholds the dignity of the employees. It shall provide facilities for the wellbeing of its employees including those with special needs. 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. The Company shall create systems and practices to

ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities. Statutory provisions with regard to these aspects shall be fully complied.

- 4.3 Recruitment: The Company shall provide and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation. It shall not use child labour, forced labour or any form of involuntary labour, paid or unpaid. Government guidelines on reservation for sections such as SC/ST, differently abled, etc. shall be fully complied.
- 4.4 Training & Development: The Company shall impart training programs to its employees to at various stages of their employment to keep them updated with the latest developments in the areas of their operation. General Training programs shall also be conducted on various work and behavioral aspects. The Company shall provide the necessary environment to promote employee engagement, career development as well as for self-learning so that the knowledge so acquired by the individual will supplement individual domain expertise as well as blend with business goals of the Company.
- 4.5 Spiral Growth: The Company has a policy of Spiral Growth in order for all the executives to have an exposure to different activities of the Company and enhance their knowledge to make them fit to assume any responsibility in the organization.
- 4.6 Conduct, Discipline and Appeal Rules: The Company has in place the “Conduct, Discipline and Appeal Rules”, a copy of which has been provided to every employee who comes under its purview. The Rules set out the Conduct & Discipline expected from the employee and the provisions existing for appeal by the employee.
- 4.7 Grievance Redressal Mechanism: The Company has in place a Grievance Redressal Mechanism to address any grievance of the employees.
- 4.8 Policy for Prevention of sexual harassment in workplace: In order to secure women employees at the workplace, the policy on “Prevention of sexual harassment of women employees in workplace” is in-force in the Company.

5. BRS4: Businesses should respect the interests of and be responsive to all its stakeholders

- 5.1 The Company shall provide value-based services to all the stakeholders. The Company and its employees value the support of its stakeholders and respects their interests and concerns.

- 5.2 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.
- 5.3 The Company shall resolve stakeholders issues in a just, fair and equitable manner.
- 5.4 A public grievance portal is available with a nodal officer to address any grievance from the public.
- 5.5 The Company has in place a Stakeholders' Relationship Committee which meets periodically to sort out any stakeholder related issues.
- 5.6 The Company has in place a "Investors Grievance Redressal Cell" in the Corporate Office of the Company to address any grievances of the Shareholders especially the minor shareholders.

6. BRS5: Businesses should respect and promote human rights

- 6.1 The Company shall follow the Fundamental Rights and Directive Principles as enshrined in the constitution.
- 6.2 The Company shall respect and promote human rights and shall integrate the same in the management systems to ensure that all individuals impacted by the business have access to grievance redressal mechanisms.
- 6.3 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.
- 6.4 The Company shall, within its sphere of influence, promote the awareness and realization of human rights across its value chain.
- 6.5 The Company has in place a CSR Committee for effective implementation of the "Corporate Social Responsibility and Sustainability Policy" of the Company.

7. BRS6: Businesses should respect and make efforts to protect and restore the environment

- 7.1 The Company shall comply with all legal / regulatory requirements related to environment protection, management and sustainable development. The Company shall have a regular monitoring program to assess its performance of environment management and sustainable development.
- 7.2 The Company shall identify hazardous process, assess its risk and determine appropriate control measures to minimize the impact on Environment through one or more of Elimination, Substitution and Engineering control methods.

- 7.3 Company shall make continuous efforts towards renewable resources to avoid depletion of natural resources. The Company shall focus on its goal to “Reduce, Reuse and Recycle” in its entire operation / process for sustainable development.
- 7.4 The Company shall promote awareness in environment management to minimize impact on environment such as banning of single use plastic in townships. The Company shall also persuade and encourage its business partners to move towards environmentally friendly processes right from design to disposal.
- 7.5 The Company observes the Environment Day and Van Mahotsav programmes every year by planting of saplings and other measures in all its units.
- 8. BRS7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**
- 8.1 The Company, being a Government of India organization, is on various occasions called upon for opinions / recommendations on matters of Policies in the interest of the specific business sectors.
- 8.2 The Company, on every such occasion were called upon to suggest / recommend or provide opinion in respect of any that matter pertains to influencing public and regulatory policy, shall do so in a responsible manner keeping the interests of the public at large as well as the needs of the specific business sectors.
- 9. BRS8: Businesses should promote inclusive growth and equitable development**
- 9.1 The Company has from inception followed a policy of inclusive growth and equitable development. Most of the units of the Company were set up in backward areas to ensure both economical and technological growth in those regions and job priority for locals.
- 9.2 The townships established by the Company in the vicinity of its manufacturing units, support the growth of an entire eco-system in the surrounding areas.
- 9.3 The Company has followed policy of establishment of Ancillary Units / Estates, in the neighboring areas of its manufacturing Units with assured orders and necessary infrastructural backup, thus providing additional job opportunities to the local community.
- 9.4 The Vendor Development Policy of the Company has enabled the growth of various industrial units across the Country. The Company enters into Long term business contracts / arrangements with vendors based on requirements.

9.5 The Company shall continue to support inclusive growth and equitable development in all its domains.

10. BRS9: Businesses should engage with and provide value to their consumers in a responsible manner

10.1 The Company shall run its business on consensus and commitment. The Company shall engage in making available best products and services to its consumers.

10.2 The Company shall strive to provide products matching the world-renowned products in their design and performance.

10.3 The Company shall provide well documented manuals to meet the needs of the customer for efficient utilization and maintenance of the product.

10.4 The Company shall extend Performance Warranty and ensure prompt after sales service.

10.5 The Company shall strive to provide value for money products and provide good Customer Service.

10.6 The Company shall strive for continuous improvement in product and technology.

10.7 The Company shall maintain the highest ethical standards in all business activities.

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