BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Identity Number (CIN) of the Company:	L25100MH1958PLC011041
2.	Corporate Name of the Company:	CEAT Limited
3.	Registered address:	463, Dr. Annie Besant Road, Worli, Mumbai-400 030
4.	Website:	www.ceat.com
5.	E-mail id:	investors@ceat.in
6.	Financial Year reported:	2016-17
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	22111- Manufacture of rubber tyres and tubes for motor vehicles, motorcycles, scooters, three-wheelers, tractors
8.	List three key products/services that the Company manufactures/provides (as in balance sheet):	Tyres, tubes and flaps
9.	Total number of locations where business activity is undertaken by the Company	Registered Office: 463, Dr. Annie Besant Road, Worli, Mumbai-400 030
	(a) Number of international locations (Provide details of major 5)	2 (two) Representative offices in Indonesia and United Arab Emirates
	(b) Number of national locations	Factories: 4 (four) in number, at Mumbai, Nashik and Nagpur in the State of Maharashtra and at Halol in the state of Gujarat Regional Offices: 37 (thirty-seven) in number at Mumbai, Ahmedabad, Indore, Jabalpur, Pune, Rajkot, Kolkata, Bhubaneshwar, Guwahati, Patna, Ranchi, New Delhi, Faridabad, Jaipur, Jalandhar, Kanpur, Meerut, Hyderabad, Bangalore, Belgaum, Ernakulam, Chennai, Coimbatore, Vijayawada, Jodhpur, Varanasi, Nagpur, Raipur, Asansol, Agra, Ludhiana, Udaipur, Aurangabad, Bhopal, Lucknow, Kolhapur and Surat.
10.	Market Served by the Company- Local/State/National/ International	India The Company exports its products globally to approximately 100 countries.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	40,45,00,920
2.	Total Turnover (INR) (Consolidated)	63,97,12,94,062.97
3.	Total profit after taxes (INR) (Consolidated)	3,59,23,17,052.27
4.	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	2.81%
5.	List of activities in which expenditure in 4 above has been incurred: (a). (b). (c).	Please refer to table below

Serial number	CSR Project/ Programme	Relevant Section of Schedule VII in which the Project is covered (Please refer note below)	Coverage of Project/ Programme	Amount Spent (₹ in lakhs)	Amount Spent Direct/ through implementing agency
1	Pehlay Akshar	(ii)	Local around factories	54.79	Implementing Agency*
2	Swayam	(ii), (iii)	PAN India	218.53	Implementing Agency*
3	Netranjali	(i), (x)	PAN India	314.83	Implementing Agency*
4	Jeevan	(i), (x)	Local around factories	87.44	Implementing Agency*
5	Saksham	(ii), (iii), (x)	Local around factories	21.25	Implementing Agency*
6	Sanjeevani	(ii),(x)	Local around factories	47.68	Implementing Agency*

* Through a trust viz. RPG Foundation

Note:

(i) Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation ("including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation) and making available safe drinking water;

(ii) Promoting education, including special education and employment, enhancing vocational skills especially among children, women, elderly, and the differently-abled and livelihood enhancements projects;

(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens, and measures for reducing inequalities, faced by socially and economically backward groups;

x) Rural development projects

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Associated CEAT Holdings Company (Private) Limited, Sri Lanka CEAT AKKhan Limited, Bangladesh CEAT Specialty Tyres Limited, India Rado Tyres Limited, India
2.	Do the Subsidiary Company/Companies participate in the business responsibility initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	Business Responsibility (BR) initiatives are guided by the RPG Code of Corporate Governance and Ethics. CSR initiatives are undertaken through RPG Foundation, a Public Charitable Trust. The Company encourages its subsidiaries to carry out BR initiatives.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company encourages responsible and sustainable business practices and supports such initiatives. All entities (e.g. suppliers, distribution etc.) that the Company does business with make an active attempt to participate in the BR initiatives of the Company.

SECTION D: Business Responsibility (BR) INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

The Board of Directors particularly the Managing Director is responsible for the various Business Responsibility initiatives.

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(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	02089850
2	Name	Mr. Anant Vardhan Goenka
3	Designation	Managing Director
4	Telephone number	022-24930621
5	e-mail id	investors@ceat.in

2. Principle-wise (as per NVGs) BR Policy/policies

The Company's purpose is 'Making Mobility Safer and Smarter. Everyday', while its CSR vision is to drive 'holistic empowerment' of the community. The Company implements sustainable initiatives that will have maximum societal impact by identifying the critical gaps and requirements. Thus, respect and commitment for the environment, employees and the community are at the forefront of the business responsibility initiatives of the Company.

The National Voluntary Guidelines (NVGs) provide for the following 9 (nine) principles:

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 marginalised.

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.

Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, the policies conform to the principles of NVGs, the Companies Act, 2013, and International Standard ISO14001, OHSAS18001 as applicable to the respective policies.								
4	Has the policy being approved by the Board? If yes, has it been signed by the MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	For the detailed Policies please refer to the website of the Company www.ceat.in								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house infrastructure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

(a) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to Business Responsibility (BR)

The Board of Directors reviews the BR initiatives, the Audit Committee reviews the Whistle Blower Policy of the Company, the CSR Committee reviews the CSR policy and the CSR initiatives undertaken by the Company. In addition, since the Company is a part of the RPG Enterprises, the RPG Group has constituted the Corporate Governance and Ethics Committee, which reviews the corporate governance, code of conduct and the sustainability initiatives taken by the Company. The reviews are held on a need basis or quarterly/annually as the case may be.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

Since inception the Company has laid down a strong corporate governance foundation based on transparency, fairness and accountability in all its dealings. Your Company is committed towards this philosophy and everyone associated with the Company must abide by its principles in letter and spirit. The Company vehemently refrains from engaging in corrupt, abusive or anti-competitive practices.

To achieve this objective, the Company has formulated the RPG Code for Corporate Governance and Ethics. It encompasses principles of business integrity, responsibilities relating to employees, consumers and the environment. The Company periodically cascades the principles under the RPG Code for Corporate Governance and Ethics across the organisation. Concerns and issues related to this framework are reviewed and dealt with by the RPG Corporate Governance and Ethics Committee.

The Company has institutionalised a Whistle Blower Policy. It provides a framework that all stakeholders - the Directors, employees, customers, vendors, suppliers, and outsourcing partners, among others can report their genuine concerns and actual or potential violations to the designated officials fearlessly.

To further strengthen transparency and strict adherence of the statutory controls and internal control system, CEAT has adopted an Online Corporate Compliance Management System, "Legatrix", a secure, sophisticated and easy to use IT enabled legal support solution. The updated information system automates the required compliance management activities with IT integration, eliminating enterprise and operational risk related to compliances. Also, the senior management can easily review the organisation's compliances and control mechanisms through comprehensive compliance dashboards. In addition the Company has also implemented the SAP-GRC module to streamline the process of managing and validating user access to applications and data in the Company.

A dedicated email address ethics@rpg.in is provided for reporting grievances and violations. The Audit Committee reviews the RPG Corporate Governance and Ethics Committee report at periodic intervals for complaints and grievances.

During FY 2016-17, the Company has received 1 complaint under the RPG Code of Corporate Governance and Ethics and which has been resolved satisfactorily.

Additionally, the Company has formulated a Code of Conduct for external stakeholders and the Policy on Code of Conduct for Board Members and Senior Management for ethical and transparent behaviour. This helps it to achieve highest standards of corporate governance.

Principle 2: Product Lifecycle Sustainability

The Company believes product lifecycle sustainability is an approach to effectively manage stages of a product's existence to minimise any adverse environmental impact. The degree of sustainability is largely determined during the beginning of the product lifecycle in which the product is designed and developed. Following the same principle, the Company has developed its products that are safe and will contribute to sustainability throughout their lifecycle. While designing

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its various products, the Company at the very initial stage of product development, has selected such materials and processes that can have significant impact on the product's environment footprint.

With the above objective in mind, the Company is committed to deliver products, which are safe from environmental and sociological aspects. It has developed several green resources for various types of raw materials, which follow international norms and standards like REACH, ELV, and CMRT, among others. Among its various products, the following three products have contributed in reducing environmental hazards:

1) REACH compliance raw materials: Reduction in environmental hazards

2) Low Rolling Resistance PCR Tyres – Fuel smart series: Reduction in fuel consumption

3) High grip two-wheeler tyres: Safe in riding (social safety)

The Company has always promoted local and domestic (local and small scale industries) resources for their business enrichment. It has identified local small-scale industries with capability or resources and encouraged them to come up with products of international benchmark for mutual benefits.

In the last year, the Company has used approximately 5,558 tons (which is less than 5% of total production) of reclaimed rubber of different forms in its products.

Principle 3: Employee's Well-being:

Your Company encourages its employees to maintain a healthy 'work-life balance' and emphasises on the importance of safety both at the workplace and outside it. The aim is to create a working environment, supportive of employee's personal lives while meeting the Company's objectives.

The Company has embraced diversity as a culture and understands that strength lies in difference and not similarities. Although the Company encourages diversity in all aspects, it has particularly focused on gender diversity. The Company has put in place a policy of prevention of sexual harassment at the workplace. It endeavours to provide a safe working eco-system for women to work freely and express their ideas without fear. The Internal Complaints Committees formed at various factories and locations under the Policy for Prevention of Sexual Harassment at Workplace reviews any complaint or grievance by any woman. In addition, the Company has several inclusivity guidelines such as flexi-timing, work-from-home and better facilities to help women who travel for work. Thus, building an organisation that celebrates and leverages diversity.

CEAT, as the flagship company of RPG Enterprises, is part of an initiative by RPG group that has been launched to bring gender balance in the Company's workforce. The initiative 'WE' aims to reduce the number in gender gap of the workforce, create an inclusive environment and foster women's growth in the organisation. Your Company was also the first in the tyre industry to have female employees on the shop floor in factories. In addition, various programmes were conducted to raise awareness on the issue of sexual harassment of women at the workplace.

The Company's objective is to leverage talent to achieve its long-term goals. There is a clearly defined career philosophy, which involves job rotation and diversity of experiences at all stages of an individual's career. Training and organisation development are given utmost importance and the Company focuses on skill and capability building. Additionally, it focuses on combination of functional, technical and behavioural training programmes to enhance employee skill levels and talent. In FY 2016-17, the training programmes added up to 3.2 person-days per employee.

The Company believes in creating a work place where every employee enjoys and takes pride in what he/she does. The Company trusts that an engaged workforce is critical in achieving the business goals and building a sustainable organisation. With this belief, the Company every year conducts a survey viz. "Great Place to Work" in association with Great Place to Work® Institute. The results of the said survey are evaluated and every effort is made to make CEAT a great place to work through various corrective actions and improvement programmes.

As on March 31, 2017, there were 5,580 permanent employees in the Company, of which 232 were women. The Company had employed 3,828 people on a contract basis.

The Company has in place an Environment, Health and Safety Policy. It prioritises the health and safety of all persons working within the Company premises. The health and safety policies of the Company are reviewed by the Executive Director - Operations; and a quarterly report is provided to the Board of Directors. Safety performance is monitored through a set of key performance indicators, which are reviewed regularly.

Your Company is a believer in fair business practices and has an excellent record of industrial relations. It recognises and respects the rights of workers to have freedom of association and collective bargaining. During the year, there were no complaints alleging child labour, forced labour involuntary labour or discriminatory employment and there was no complaint pending as March 31, 2017.

However, 2 (two) complaints were received by the Internal Complaints Committee, which reviews and settles grievances/ complaints under the policy on Prevention of sexual harassment at workplace, which were resolved satisfactorily.

The Company has in place the RPG Code of Corporate Governance and Ethics as well as the Code of Conduct for External Stakeholders, which details out the required expectations from employees and external stakeholders regarding compliance with laws and regulations. These also include laws or policies about bribery, uplift working conditions, prevent child labour and protect the environment and political non-alignment. The Company is committed to fulfil its social obligations towards its growing fraternity of stakeholders.

The Company insists that the stakeholders shall, at all times, be committed to upholding the values enshrined in the Constitution of India and applicable laws / regulations; and ensure to recognise and protect the basic human rights of every citizen of India and across the world.

Principle 4: Stakeholder Engagement

Your Company believes that businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised. Your Company's mission 'Making Mobility Safer and Smarter. Everyday' demonstrates the Company's stakeholder engagement. Customer-centricity is the core value of the Company.

The Company constantly seeks to understand what motivates the consumers to demand its products. Additionally, it seeks to provide best-in-class products and services and connect and engage with consumers. This principle is enshrined in the Quality Policy of the Company. Your Company has undertaken important initiatives like establishing call centres and creation of helplines to become more customer centric. During the year under review, JD Power survey has awarded the highest rating to the Company in terms of satisfying its OEM customers.

Your Company constantly endeavours to provide the best of services to its shareholders and investors and to maintain the highest level of corporate governance. For this purpose, the Company regularly interacts with the shareholders and investors through investor calls, results announcements, media releases and interactions, Company's website and the quarterly and annual reports. The Investor Relations team also regularly interacts with investors and analysts through quarterly results calls, one-on-one and group meetings participation at investor conferences and RPG investor meets. The Annual General Meeting is also a forum where the shareholders of the Company engage directly with the Board of Directors who answer their queries on various subjects.

All interactions with the government, regulators and quasi-judicial bodies are done by duly authorised and trained individuals with honesty, integrity, openness; and in compliance of all applicable laws and legislations. The principles and guidelines for these are enshrined in the RPG Code of Corporate Governance and Ethics.

All the Company's media interactions (print and broadcast) are expected to keep the stakeholders updated and informed, as per principles provided in the previously mentioned Code. Any association with trade bodies is done as per the relevant and extant laws; and as per the principles embedded in the aforesaid Code.

The Company has also framed polices for internal and external stakeholders, such as Corporate Social Responsibility Policy, Policy on Code of Conduct for Board Members and Senior Management, Whistle Blower Policy for External Stakeholders and so on. This is how the stakeholder's engagement in the Company is encouraged.

The project 'Swayam' under the agenda of Corporate Social Responsibility is working towards the promotion of gender equality and women empowerment. Thus, the Company is helping drive significant societal change. It aims to empower less privileged women by training them in driving skills to enhance their livelihood. With such livelihood skills, they can drive taxis, school vans or even embark upon entrepreneurial ventures.

Your Company also recognises its employees as important stakeholders and several initiatives are undertaken to communicate the vision, strategy and way forward to employees. Employees are kept abreast of all important events, achievements and milestones of your Company. Such communication channels help employees to connect, bond, inspire, motivate and celebrate achievements.

Principle 5: Human Rights

Your Company believes that businesses should respect and promote human rights. Openness and integrity form part of its core values. The Company conducts its operations with honesty, integrity and with respect for human rights.

Your Company is conversant of the element of human rights as enunciated in the Constitution of India, various laws and regulations and international charters. The Company expects and encourages its partners, suppliers and contractors to fully respect human rights and strictly avoid any violation of them. All stakeholders including employees impacted by the business have full right and access to the grievance mechanisms introduced by the Company. The Company believes in providing equal employment opportunities based on talent and meritocracy without any discrimination.

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The Company upholds the principles of human rights and fair treatment through various policies adopted by it, such as RPG Code of Corporate Governance and Ethics, Policy on Prevention of Sexual Harassment at Workplace, Corporate Social Responsibility Policy, Hospitalisation Policy, Voluntary Provident Fund Policy and so on.

The Company has not received any complaints or grievances on this issue.

Principle 6: Environment

Your Company fully endorses that businesses should utilise natural and man-made resources in an optimal and responsible manner and ensure sustainability of resources by reducing, reusing, recycling and managing waste. The Company strives to check and prevent pollution. The Company has an environment health and safety team, which functions under the Executive Director-Operations to ensure that the operations of the Company follow in spirit the laws relating to preservation and restoration of the environment. Several initiatives are undertaken by the R&D department and the engineering team for increasing usage of clean technology, alternative sources of energy, cleaner fuels, energy efficiency and so on. Your Company identifies and assesses environmental risks associated with pollution and emission levels at its plants and has in place a mitigation plan for the same. The said mitigation plan is periodically reviewed by the Risk Management Committee.

The Company has in place an Environment Health and Safety Policy for all its 4 (four) plants at Mumbai, Nashik, Nagpur and Halol and its subsidiaries with the following objectives:

1. Compliance with all applicable environment, health and safety statutory regulations
2. Ensure zero incidents
3. Highest priority to health and safety of employees
4. Focus on pollution prevention, waste minimisation and optimal use of natural resources

The management also ensures:

1. the maintenance and continuous upgradation of environment, health and safety standards at its plants
2. deployment of processes at the plant that are safe to people, plant, equipment and environment
3. maintenance of a comprehensive on-site emergency plan and related facilities to handle emergencies
4. training employees regarding health and safety to ensure safe conduct of their jobs
5. planning and conducting risk assessments, safety audits and inspections of plant operations, within and around the plant.

During the year under review, the emissions/waste generated by the Company is within the permissible limits given by Central Pollution Control Board (CPCB)/State Pollution Control Boards (SPCB) and no show cause / legal notices received from CPCB/ SPCB are pending. The Company has resolved all queries to the satisfaction of authorities.

Principle 7: Policy Advocacy

Your Company believes that businesses when engaged in influencing public and regulatory policy must do so in a responsible manner. Towards this, your Company has set to make a difference to public issues that matter most to its business such as road safety. By combining its own actions with external advocacy on public matters and jointly working with Corporate Social Responsibility partners, your Company is seeking transformational change. This is reflected in the 'Drive Safe, Dad' and 'No more funny' campaigns, which underscore the safe driving and road safety aspects. The Company is well represented in industry and trade/business associations.

Principle 8: Inclusive Growth

The Company believes that inclusive business means social and economic development through employment generation and skill development. The Company is committed to creating a positive impact through its existence on all stakeholders. Through various initiatives and programmes under its CSR activities, the Company contributes to economic and social development of underdeveloped communities, uplifting their lifestyle. The Company undertakes several community development initiatives in the vicinity of its plants. Through its Corporate Social Responsibility Policy under the aegis of the RPG Foundation, the Company governs several programmes for skill development and upliftment of the community. Most prominent among them are Swayam, Netranjali and Saksham. RPG Foundation carries out research studies for impact assessment of its various Projects from time to time.

Through Project Saksham, the Company undertakes training and employment generation for youth and women. Project Swayam encourages women to undertake vehicle driving courses and obtain commercial vehicle licenses which in turn opens new employment opportunities like forklift operators, two-wheeler delivery professionals, entrepreneurs and so on. The Company conducts vision/eye check-up camps for truckers and for those residing around its plants through the Project Netranjali. All the Company's programmes/projects have been appreciated.

Besides, the Company is involved in other projects like Jeevan - providing clean drinking water and sanitation facilities to communities and Pehlay Akshar - which aims for 100% English proficiency in children of marginalised communities.

The Company has spent ₹ 800.97 Lacs for various CSR projects as follows:

Name of the Project	₹ in Lacs
Pehlay Akshar	54.79
Pehlay Akshar School Enrichment Program (PASEP)	29.79
Swayam	218.53
Saksham	21.25
Netranjali	314.83
Jeevan	87.44
Sanjeevani	47.68
Road Smart	19.98
Other Projects	6.69
Total	**800.97**

Principle 9: Customer Value

Your Company's business partners i.e. the suppliers, distributors, C&FAs, dealers, fleet operators and customers are very crucial for its operations. The entire eco-system together ensures a well-oiled machinery, which enables the Company to produce and market quality products and continuously improve products and services. Your Company consistently focuses on the improvement of distribution channels to ensure availability of its product in the smallest town or village. The Company constantly re-invents its distribution channels and has launched initiatives like CEAT Shoppes and CEAT Hubs. Another notable initiative is providing customers the ultimate service experience, which goes beyond tyres. Information about products is displayed on the product labels with due compliance of local and central laws.

As at March 31, 2017 only 0.7% of the total consumer complaints received during the year under review remained pending, while there were 50 consumer cases pending at various forums.

CEAT ranked highest in India for OE tyre customer satisfaction in the JD Power 2017 India Original Equipment Tyre Customer Satisfaction Index (TCSI) Study with a score of 893 (on a 1,000-point scale). CEAT has a significant lead with the next performing benchmark. It topped in ranking in all areas of the survey.

On **behalf of the Board of Directors**
H. V. Goenka
Chairman

Place: Mumbai
Date: April 28, 2017