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.com
6.	Financial Year reported:	2018-19
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, 3 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	
	(a) Number of International Locations (Provide details of major 5)	3 (three) Liason offices in Indonesia, United Arab Emirates and Germany;
	(b) Number of National Locations	Registered Office: 463, Dr. Annie Besant Road, Worli, Mumbai 400 030; Factories: 4 (four); Regional Offices: 33 (thirty-three)
10.	Market Served by the Company - Local/ State/ National/ International	India and Internationally at over 100 (hundred) countries

Section B: Financial Details of the Company

Paid up Capital (₹)	40,45,00,920
Total Turnover (₹)	69,84,51,04,134
Total profit after taxes (₹)	2,51,08,07,168
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	10,50,90,000
	4.19%
List of activities in which expenditure in 4 above has been incurred:-	Please refer to table below

Sr. No.	CSR Project/Programme	Relevant Section of Schedule VII in which the Project is covered	Coverage of Project/ Programme	Amount Spent (₹ in Lacs)	Amount spent Direct/ through Implementing Agency
a.	Pehlay Akshar	(ii)	Local around factories	124.58	Implementing Agency*
b.	Community Development	(ii), (iii)	PAN India	286.01	Implementing Agency*
c.	Netranjali	(i), (x)	PAN India	401.57	Implementing Agency*
d.	Women Empowerment	(i), (x)	Local around factories	238.74	Implementing Agency*

* Through RPG Foundation, a Public Charitable Trust recognized for the purpose of CSR

Relevant Section of Schedule VII in which the Project is covered:

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care 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 vocation 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 BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Business Responsibility (BR) initiatives are guided by the Code of Corporate Governance & 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, distributor 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 Business Responsibility initiatives.

Details of BR Head:

No.	Particulars	Details
1.	DIN	02089850
2.	Name	Mr. Anant Goenka
3.	Designation	Managing Director
4.	Telephone number	022-24930621
5.	Email Address	investors@ceat.com

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

The purpose of the Company is 'Making Mobility Safer & Smarter. Every Day.', while its CSR vision is to drive "holistic empowerment" of the community, through implementation of sustainable initiatives which will have maximum societal impact by identifying the critical gaps and requirements. Thus, respect and commitment are at the forefront of the business responsibility initiatives of the Company.

The Company drives its business in line with the 9 (nine) principles prescribed under the National Voluntary Guidelines, as listed below and described in detail in this Report:

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 well-being 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: Business 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	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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 MD/ owner/ CEO/ appropriate Board Director?	Policies have been approved by the Board or under its authority as may be mandated under the applicable laws, or otherwise.								
		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 at https://www.ceat.com/corporate/investor#corporate-governance								
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 structure 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 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?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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 Group, 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

A strong corporate governance foundation based on the cornerstones of transparency, fairness and accountability has been laid down by the Company since its inception. The Company believes in an environment of mutual respect, fairness, transparency and integrity and is committed to conduct its business in an ethical and responsible manner.

Towards this goal, the Company has formulated/adopted various policies including the Code for Corporate Governance & Ethics ('the Code') covering principles of business integrity, responsibilities relating to employees, consumers and the environment. The Company periodically cascades the principles under the Code across the organization. Concerns and issues related to this framework are reviewed and dealt with by the Corporate Governance and Ethics Committee.

A dedicated email address ethics@rpg.in is provided for reporting grievances and violations of the said Code. The report of the Corporate Governance and Ethics Committee is placed before the Audit Committee as deemed necessary.

The Company has adopted a Whistle Blower Policy which provides a framework through which the Directors and employees as well as external stakeholders viz. customers, vendors,

suppliers, outsourcing partners, etc. may report their genuine concerns and actual/potential violations to the designated officials of the Company fearlessly.

Additionally, the Company has formulated a Policy on Code of Conduct for Board Members and Senior Management for ethical and transparent behavior to achieve the highest standards of corporate governance.

During FY 2018-19, 1(one) complaint was received by the Ethics Committee as referred to it by the Company and the same was resolved satisfactorily.

Principle 2: Products Lifecycle Sustainability

The Life cycle of the product covers the entire value chain from sourcing of raw materials to product manufacture, distribution, consumer use and disposal. The Company believes that product lifecycle sustainability is an approach to managing the stages of a product existence so as to minimize any negative impact on the environment. The degree of sustainability is largerly determined during the beginning of life stage of the product lifecycle in which the product is designed and developed. On the basis of very same principle, the Company has developed its products that are safe and will contribute to sustainability throughout their lifecycle. While designing its various products, the Company at the very initial stage of product development, have 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 the products which are safe for environmental and sociological aspects. It has developed several new green resources for various types of raw materials which follow international norms and standards like REACH, ELV, CMRT etc. Among its various products, the following 3 (three) products have contributed in reducing environmental hazards:

1. REACH compliance raw materials: Reduction in environmental hazards
2. Low Rolling Resistance Passenger Car Radials Tyres – Fuel smart and EcoDrive series: Reduction in fuel consumption
3. High grip 2 Wheeler tyres: Gripp X3 Series for Safe in riding (social safety)

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

In the last year, the Company has used approximately 7,514 MT (Metric tons) being 2.5% of the total production of reclaimed rubber of different forms in their products.

Principle 3: Employee Well-being:

The Company encourages its employees to maintain a healthy "work-life balance" and stresses 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.

With the above mind, the Company during the year under review, launched revised policies such as 5-day working in Manufacturing (CEAT was the first in the tyre industry to launch this policy), leave policies, sabbatical policy, bereavement policy etc.

During the year under review, the Company has been reconized by Great Place to Work Institute as one of the India's top 25 workplaces in the field of manufacturing.

The Company has embraced diversity as a culture and understands that strength lies in differences and not similarities. Though the Company encourages diversity in all aspects, like ethnicity, culture, nationality, etc., it has a particular focus on gender diversity. In addition, the Company has several inclusivity guidelines/policies such as flexi-timing, work-from-home and better facilities to aid women who have to travel on business matters thus building an organization that celebrates and leverages diversity.

CEAT as a flagship Company of the 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 and create an exclusive environment and foster women's growth in the organization. The Company was also the first in the tyre industry to have female employees working on the shop floor in factories. Moreover, to champion the cause of inclusivity we are in the process of inducting people with disabilities in our plants.

The Company has in place a Policy of prevention of sexual harassment at workplace which endeavours to provide safe workplace and environment for women not only to work freely with any danger to their person but also express their ideas freely and without fear. The Internal Complaints Committees formed at various factories and locations under the said Policy reviews any complaint or grievance made by the affected person. Various programmers are conducted to raise awareness on the issue of sexual harassment of women at workplace. During the year under review, no complaint was received by the Internal Complaints Committee.

Unleashing talent is the value pillar of the Company and emphasizes on people focus. There is a clearly defined career philosophy which involves job rotation and diversity of experiences at all stages of the individual's career. Training and Organization development is given utmost importance.

The Company has in place an environment, health and safety policy and highest priority is given to the health and safety of all persons working on the Company's premises. The health and safety policies of the Company are regularly reviewed and monitored through a set of key performance indicators.

The Company is a great believer in fair business practices and has an excellent record on industrial relations. The rights of workers to freedom of association and collective bargaining are recognized and respected. During the year, there have been no complaints alleging child labour, forced labour involuntary labour or discriminatory employment.

As on March 31, 2019, the Company had 5,815 permanent employees in the Company including 438 women showing a rise of more than six times of the woman workforce in the previous year. The Company had employed 3,918 people on a contract

basis. Currently, there is 1 employee associations across the Company and 2,173 workmen are its members. The Company does not have any employees with disabilities.

Principle 4: Stakeholder Engagement

The Company believes that businesses should respect the interests of and be responsive towards all stakeholders especially those who are disadvantaged, vulnerable and marginalized. The Company's mission 'Making Mobility Safer & Smarter. Every Day.', is a proof of the Company's stakeholder engagement. Customer-centricity is the core value of the Company. There are various policies for the internal as well external stakeholders of the Company such as Corporate Social Responsibility (CSR) Policy, Policy on Code of Conduct for Board Members and Senior Management, Whistle Blower Policy for External Stakeholders etc. through which the stakeholder's engagement with the Company is encouraged.

The Company constantly seeks to understand what motivates the consumers to consume the Company's products, seeks to provide best in class products and services and to connect and engage with the consumers. This principle is enshrined in the Quality Policy of the Company. The Company has undertaken important initiatives like establishing call centres and creation of helplines to become more customer centric.

The 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 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, road shows 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 and get answers to their queries on Company's business.

All interactions with government, regulators and quasi-judicial bodies are done by duly authorized and trained individuals with honesty, integrity, openness and in compliance of all laws and legislations. The principles and guidelines for these are enshrined in the Code of Corporate Governance & Ethics. All media interactions i.e. print and broadcast to keep the stakeholders updated and informed happen as per principles provided in the aforesaid Code. Any association with trade bodies is done as per the relevant and extent laws and as per the principles embedded in the aforesaid Code.

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

The objective of the Policy on Code of Conduct for Board Members and Senior Management stems from the fiduciary responsibility which the Board Members and the Senior Management have towards the stakeholders in the Company. Therefore, Board Members and Senior Management will act as trustees in the interest of all stakeholders of the Company by balancing conflicting interest, if any, between stakeholders for optimal benefit.

Principle 5: Human Rights

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

The Company duly endorses the human rights element of the Constitution of India, various laws and regulations and the contents of the International Human rights. The Company expects and encourages its partners, suppliers and contractors to fully respect human rights and strictly avoid any violation of human rights. 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.

The Company upholds the principles of human rights and fair treatment through various policies adopted by it such as Code of Corporate Governance & Ethics, Policy on Prevention of Sexual Harassment at Workplace, CSR Policy, Hospitalization Policy, Voluntary Provident Fund Policy, etc.

During the year, the Company participated in the famous Kumbh Mela being held in India, providing its helping hand to cater towards injuries, crowd control and women's safety. The Company introduced the CEATSafetyBanner, an easy-to-use multipurpose safety device that transforms into a stretcher, a barricade and a changing room.

There were no complaints or grievances received against the Company in this regard.

Principle 6: Environment

The Company fully endorses that businesses should utilize 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 takes efforts to check and prevent pollution. The Company has a Environment Health and Safety Team which functions under the Chief Operating Officer to ensure that the operations of the Company follow in spirit of the laws relating to preservation and restoration of the environment. Several initiatives are undertaken by the Research and Development and the Engineering team for increasing usage of clean technology, alternative sources of energy, cleaner fuels, energy efficiency etc.

The Company has in place an Environment Health and Safety Policy for all its 4 (four) plants at Mumbai, Nashik, Nagpur and Halol 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 minimization and optimal use of natural resources.

The management also ensures:

1. The maintenance and continuous upgradation of environment, health and safety standards at the plant
2. Deployment of processes at the plant that are safe to people, plant equipment and environment
3. Maintenance of comprehensive on-site emergency plan and related facilities to handle emergencies
4. Information, training, education to 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.

The Company has a clearly defined process to identify potential Environmental "RISK" which includes Environmental Aspects and associated Impacts, needs and expectations of relevant Internal and external stakeholders, Environmental Risk and Opportunities relevant to the context of the organization. Based on the RISK identified, objectives and targets are taken, risk managements programmes are developed and implemented. Risk Management Committee carries out periodic reviews for continual improvement. All the manufacturing plants of Company have implemented Occupational Health and Safety Management System (ISO 45001:2018) Certification Standard. During the year under review, the Company's Nagpur plant received prestigious 'Sword of Honour' Award from British Safety Council, UK.

Several initiatives are undertaken by the Research and Development department and the Engineering team for increasing usage of clean technology, alternative sources of energy like solar, cleaner fuels like Natural Gas and so on.

During the year under review, the emissions/waste generated by the Company was within the permissible limits given by Central Pollution Control Board (CPCB)/State Pollution Control Boards (SPCB). During the year, the Company has received 1 (one) show cause/legal notice and has resolved the same to the satisfaction of authorities.

Principle 7: Policy Advocacy

The Company believes that businesses when engaged in influencing public and regulatory policy must do so in a responsible manner. Towards this, the Company has set to make a difference to public issues that matter most to its business such as Safety. By combining its own actions with external advocacy on public matters and jointly working with Corporate Social Responsibility partners, the Company is seeking transformational change. This is reflected in the "Drive Safe, Dad", "No more funny" and Haath Dikhau, Bobblehead campaigns undertaken by the Company which underscore the safe driving and road safety. In addition the Company demonstrated under its #CEATSafetyBanner campaign undertaken in the Kumbha Mela, addressing the issues of injuries, crowd control and women safety. 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 the stakeholders. Through various initiatives and programmes under its Corporate Social Responsibility (CSR) activities, the Company not only contributes to economic and social development but also work along with underdeveloped communities to improve their lifestyle. The Company undertakes several community development initiatives in the vicinity of its plants. Through its CSR Policy under the aegis of the RPG Foundation, the Company runs several programmes for skill development and upliftment of the community. Most prominent amongst them are Swayam, Netranjali and Saksham.

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, 2 Wheeler delivery professionals, entrepreneurs etc. Through Project Netranjali, the Company carries out vision/eye check-up camps for niche communities like the truckers community around the plants. All the programmes/projects of the Company have been very well appreciated. The Company is also 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 marginalized communities.

Various projects undertaken by the Company under its CSR initiatives are listed out in detail in the Annual Report on CSR activities, which forms part of this Annual Report.

Principle 9: Customer Value

The Company's business partners i.e. the suppliers, distributors, C&FAs, dealers, fleet operators and customers are very crucial for the Company's 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. The Company also has a continuous focus of improvement of the distribution channels to ensure that its products are available in the smallest town/village. The Company constantly re-invents its distribution channels and has launched initiatives like CEAT Shoppes and CEAT Hubs. Another initiative undertaken by the Company is providing the customers the ultimate service experience which goes beyond tyres through Fleet Advisory Services.

The Company has a strong belief in quality and delivers the best in class products and services which is enshrined in the Quality Policy of the Company. The Company has undertaken important initiatives like establishing call centres and creation of helplines to become more customer centric. The Company is committed on creating delightful customer journeys through transparent, convenient and quick way to provide claim replacement to the valuable customers. The Company has reinvented the claim process and launched e-Claim mobile app for On-Spot claim resolution, first of its kind in tyre industry, to resolve the customer claims in less than an hour.

As at March 31, 2019 only 0.49% of the total customer complaints received during the year under review remained pending. These complaints were resolved subsequently.