Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate 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. Email ID:	investors@ceat.com
6. Financial Year reported:	2019-20
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):
(b) Number of National Locations	Representative offices in Indonesia, United Arab Emirates, and Frankfurt, Germany (R&D Centre) Registered Office: 463, Dr. Annie Besant Road, Worli, Mumbai 400 030 Factories: 5 (five) Regional Offices: 33 (thirty-three) Zonal Offices: 6 (six)
10. Market served by the Company- Local / State / National / International	India and Internationally in over 100 (hundred) countries

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid-up Capital (₹):	4,045 Lacs
2. Total Turnover (₹):	6,58,111 Lacs
3. Total profit after taxes (₹):	27,076 Lacs
4. Total spending on Corporate Social Responsibility ('CSR') as a percentage of profit after tax (%):	3.4%
5. List of activities in which expenditure in 4 above has been incurred:	CSR activities of the Company are carried out through an Implementing Agency i.e. RPG Foundation, a Public Charitable Trust recognised for the purpose of CSR, broadly in the area of Education, Health Care, Community Development, Skilling, Employablity, Eyecare, Women Empowerment and Heritage Conservation. More details of such activities are given in the Annual Report on CSR activities, which form part of this Annual Report.

SECTION C: OTHER DETAILS

1. Does the Company have any subsidiary company / companies?	Yes
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(ies).	Business Responsibility ('BR') initiatives of the Company and its subsidiaries are guided by the Code of Corporate Governance and Ethics. 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, distributors 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 / Director responsible for the implementation of the BR policy / policies

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

(b) Details of BR Head:

No.	Particulars	Details
1.	DIN:	02089850
2.	Name:	Mr. Anant Goenka
3.	Designation:	Managing Director
4.	Telephone number:	022-2493 0621
5.	Email ID:	investors@ceat.com

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

The Company continuously strives to live its Purpose of 'Making Mobility Safer & Smarter. Every Day.' The Company believes that Corporate Social Responsibility ('CSR') is an integral part of its ethos and one of its core business tenets. Its CSR vision is to drive 'holistic empowerment' of the community, through the implementation of sustainable initiatives which will have a maximum societal impact by identifying the critical gaps and requirements.

The Company drives its business in line with the 9 (nine) principles prescribed under the National Voluntary Guidelines, as detailed in this Report.

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 been approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Is 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.								
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 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 an 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 an 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 the 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 the 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 periodically or on a need basis.

The Company has been publishing a BR Report on an annual basis as a part of the Annual Report from Financial Year 2016-17. This year, the Company has published an Integrated Report prepared in alignment with the <IR> Framework developed by the International Integrated Reporting Council (IIRC) and forms a part of this Annual Report for Financial Year 2019-20, which can also be accessed on the website of the Company at www.ceat.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

The Company is part of the RPG Group, a group that has always stood for conducting business responsibly and ethically. RPG Group has laid down the Code of Corporate Governance and Ethics ('the Code') applicable and adopted by the Company. The Code has outlined the principles of corporate governance that will apply in managing the affairs of the Company. The Group has set up the Corporate Governance and Ethics Committee ('the CGEC') which acts as a central body for monitoring this Code. The Code *inter alia* prescribes that all the activities and business conducted in the Company should be free from the influence of corruption and bribery. Employees and business partners of the Company are expected to be aware of and follow all anti-corruption and anti-bribery laws everywhere the Company does its business. The Code is extended to its subsidiaries, joint venture, and its business partners to a certain extent.

The Company believes in an environment of mutual respect, fairness, transparency and integrity and is committed to conduct its business ethically and responsibly. Towards this goal, the Company has formulated / adopted various policies including 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 organisation. Concerns and issues related to this framework are reviewed and dealt with by the CGEC.

A dedicated email ID ethics@rpg.in is provided for reporting grievances and violations of the said Code to the CGEC. The report of the CGEC 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 concerns and actual / potential violations to the designated officials of the Company fearlessly.

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

During Financial Year 2019-20, 1 (one) complaint was received by the Ethics Committee under Whistle Blower Policy and Vigil Mechanism as referred to it by the Company and the same was resolved satisfactorily.

Principle 2: Product Lifecycle Sustainability

A customer-focused strategy is required to retain and expand the customer base in a competitive environment. Customer satisfaction can be achieved by ensuring high standards of quality of products and services. The Company is committed to supplying quality goods and services, backed by after-sales services consistent with the requirements of its customers within the legal framework.

The lifecycle of the product covers the entire value chain from sourcing of raw materials to manufacturing, distribution, consumer use and disposal. The Company believes that product lifecycle sustainability is an approach to managing the stages of a product's existence to minimise any negative impact on the environment. The degree of sustainability is largely determined during the beginning of the life stage of the product lifecycle in which the product is designed and developed. Based on the very same principle, the Company

has developed its products bearing in mind its impact on the environment.

With the above objective in mind, the Company is committed to deliver the products that are safe for the environment. It has developed several new green resources for various types of raw materials that follow international norms and standards like REACH, ELV, CMRT etc. Among its various products, the following products / services have contributed to reducing environmental hazards:

1. Material development
    a. REACH compliance raw materials: Reduction in environmental hazards
    b. Fossil free and recycled material usage
2. Low Rolling Resistance Tyres: WinFuel (commercial radial category) Series, 10% reduction in Fuelsmart platform (Passenger Car category)
3. High Mileage tyres: Milaze X3 (1.0 Lakh) series in passenger category
4. High Grip tyes: Puncture safe tyres in 2-Wheeler category and SportDrive (High grip tyres for passenger category – Higher A label as per EU norms) for social safety

The Company always promotes local and domestic 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.

The Company has developed local partners pan India for mould and tooling procurement, raw material procurement and new materials for developing technologies for green environment (e.g. rubber chemicals, new generation silica, wax and process oils and new generation fillers), developing newer digital technologies (e.g. simulation, automation, virtual reality, etc.) to promote local and domestic businesses. With few of the partners, the Company is working on annuity basis to enrich their business and support them to develop new capabilities which can be used by the Company for developing niche products which also creates mutual benefits.

In the last year, the Company has used approximately 7,780 MT (metric tons) being 2.5% of the total production of reclaimed rubber of different forms in their products.

Principle 3: Employee Engagement

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 employees' personal lives while meeting the Company's objectives. Over years it has helped employees to grow and have a fruitful career with us.

The Company also extensively worked on offering work-life balance and rolled out some beneficial policies, 5 (five) days working in manufacturing, satellite offices to name a few. This year the Company extended this concept of employee wellness and added another dimension called Quality of Life. The Company believes in engaging with employees and make them happy to help them achieve more, through continuous learning and growth, work-life balance and freedom and trust.

The Quality of Life concept stands firm on the belief 'Happiness' has a direct correlation with employee's productivity. Focussing only on the quality of work won't suffice. The Company defined the quality of life as a component of physical as well as mental health. Thus, the Company has started its journey to make CEAT a physically and mentally fit organisation and in a unique initiative, on-boarded the Chief Fitness Officer, who is responsible for the overall health quotient of the employees. The Company with the help of the Chief Fitness Officer has rolled out various initiatives in the physical and mental health space which are aimed at improving the overall quality of life of the employees.

The Company continued its focus on diversity, skilling, upskilling, and other HR initiatives. More details on the Human Resources Initiatives are given in the Management Discussion and Analysis and Integrated Reporting, which form part of this Annual Report.

As on March 31, 2020, the Company had total 6,474 permanent employees including 591 women and 7 with disabilities. Besides this, the Company has 4,070 people employed on a contractual basis.

Currently, there is 1 (one) recognised employee association across the Company and 2,126 workmen are its members constituting 32.89% of the total permanent employees.

There were no complaints relating to child labour, forced labour, involuntary labour, sexual harassment, pending at the beginning of the financial year, received during and pending as at the end of the Financial Year 2019-20.

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 marginalised. The Company's mission 'Making Mobility Safer & Smarter. Every Day.', is 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.

As part of engaging with the communities that it is part of, the Company undertakes several CSR initiatives through RPG Foundation, a public charitable Trust. The Company collaborates through RPG Foundation to undertake various social initiatives relating to eye care, education, plant driven initiatives, women empowerment and community development initiatives for skill development, restoration of culture and heritage, etc.

Principle 5: 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 believes in providing equal employment opportunities based on talent and meritocracy without any discrimination. The fundamental human rights of all the stakeholders are protected and the Company stand committed to human rights while enaging with its employees, business partners and suppliers. 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 upholds the principles of human rights and fair treatment through various policies adopted by it such as the Code of Corporate Governance and Ethics, Policy on Prevention of Sexual Harassment at Workplace, CSR Policy and various HR Policies.

During the period of COVID-19 pandemic national lockdown, the Company, along with RPG Foundation, joined hands with the All India Truck Workers' Association (AITWA), Bombay Goods and Transport Association (BGTA) and Western Union LPG Association (WULA) to ensure health and safety of the truck drivers. The Company undertook the sanitisation of trucks at the goods loading points of Nhava Sheva, Mahul and Jasai. Distributed face masks, sanitisers and food packets to drivers and other daily-wage workers. Over 4,670 food packets were distributed as on March 31, 2020, with the initiative continuing well beyond the reporting period. The Company also undertook the sanitisation of close to 200 trucks in FY 2019-20, which also continued after the reporting period. Additionally, the Company donated 1.25 Lac pairs of gloves and 10,000 PPE kits to frontline workers in the reporting period, as part of its COVID-19 response.

There were no complaints or grievances received against the Company concerning human rights violations.

Principle 6: Environment

In line with the Purpose of 'Making Mobility Safer & Smarter. Every Day.' The Company's environment vision is to minimising its environmental impact on the planet and communities where it exists, works and sources and the goal is to manufacture tyre using environment-friendly processes which conserve energy and natural resources and are safe for employees, society, customers and economically sound. To achieve its goal, the Company has clearly defined strategic priorities such as Compliance Management, Risk Management and Sustainability Management.

Compliance with all relevant laws and regulations is an essential part of the Company's business operations. The Company has institutionalised mechanisms to monitor and comply with changes in legislation, both existing and proposed.

The Company follows the clearly defined process to identify and evaluate environmental 'risk and opportunity' which includes environmental aspects and associated impacts, needs and expectations of relevant internal and external stakeholders and internal and external issues relevant to the context of the organisation. Risk Management Committee carries out periodic reviews for continual improvement. All the manufacturing plants of the Company have implemented Environmental Management System (ISO 14001:2015), Certification Standard. Also, one of the manufacturing plants has implemented the Energy Management System (ISO 50001:2018) certification standard and others are in the process of implementing such standards.

Various initiatives / focus areas under sustainability management address global environmental issues. The Company believes in a well-rounded approach across the value chain based on the 4R's: 'Reduce, Reuse, Recycle and Recover.' During the year, the Company took significant steps to further reduce waste, water consumption, energy usage and Green House Gas emissions in the factories and offices. The Company has increased its renewable energy share. Various energy saving initiatives to reduce GHG emissions account for about 6,900+ tons of CO_2 equivalent during the year. Under the 4R principle, the Company has initiated systematic efforts to find solutions to reduce the factory and packaging waste. The Company has initiated projects to collect, segregate, and safely dispose off plastic waste in collaboration with partners across the country. The Company is also working towards identifying alternative packaging materials / substances / solutions.

During the year under review, the emissions / waste generated by the Company was within the permissible limits given by the Central Pollution Control Board (CPCB) / State Pollution Control Boards (SPCB). During the year, the Company has not received any show cause / legal notice.

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. 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 including community development, the Company not only contributes to economic and social development but also works 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 relating to eye care, education, plant driven initiatives, women empowerment and community development initiatives for skill development, upliftment of life and promoting health and safety of the community. Most prominent amongst them are Swayam, Netranjali and Saksham. Over 38,000 lives were impacted through CSR interventions at CEAT's project locations

More details on CSR initiatives and impact on the community are listed out in detail in the Annual Report on CSR activities, and Integrated Report which form part of this Annual Report.

Principle 9: Customer Value

The Company's business partners are the most important ingredients to run the operation smoothly. All the business partners namely the dealers, distributors, fleet operators, mechanics, C&FAs, suppliers and last but not the least end consumers are the powers that run the Company's operation smoothly. The Company also has a continuous focus on the improvement of the distribution channels to ensure that its products can cater to the innermost parts of the market. 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 are enshrined in the Quality Policy of the Company. The Company has undertaken important initiatives like establishing call centers and the creation of helplines to become more customer-centric. The Company is committed to creating delightful customer journeys through transparent, convenient and a quick way to provide claim replacement to the valuable customers. The Company constantly measures the consumer experience through NPS scores for various touchpoints of the consumers. The Company strives to evolve the processes to improve consumer satisfaction. The Company has reinvented the claim process and launched an e-Claim mobile app for on-spot claim resolution, first of its kind in the tyre industry, to resolve the customer claims in less than an hour.

As of March 31, 2020, only 0.93% of the total customer complaints received during the year under review remained pending. These complaints were resolved subsequently.