



TITAGARH RAIL SYSTEMS LIMITED

(Formerly TITAGARH WAGONS LIMITED)

SUSTAINABILITY POLICIES

Background:

The origin of corporate governance can be traced to our ancient literature: “Arthasashtra”. Balancing the interests of the various stakeholders is highlighted in the Arthashastra and the other ancient texts. An across-the-board welfare of all the stakeholders in the corporate universe is the modern theory of corporate accountability. Corporate Governance may be considered as the barometer of business ethics adopted by a corporate entity for sustainable existence as a responsible corporate citizen.

Business ethics set the tone for corporate culture which is intrinsically linked to corporate conscience - a mindset that reflects the state of morality a corporate entity is in while pursuing its vision and mission.

SEBI LODR Regulations prescribe reporting of the sustainability in the format called: Business Responsibility & Sustainability Report as per the guidance note issued by it in which the SEBI for consistency in reporting, refers to the principles contained in the National Guidelines on Responsible Business Conduct (‘NGRBC’) issued by the Ministry of Corporate Affairs, Government of India.

The Code of Conduct for ethical business conduct and the Sustainability Policies herein, adopted by Titagarh Rail Systems Limited (‘TRSL or Titagarh’) cover inter alia the principles for responsible business conduct and the sustainability policies herein are to be read with the policies earlier adopted by the Board of Titagarh.

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ANTI CORRUPTION AND ANTI BRIBERY POLICY

1. OBJECTIVE

The Anti-bribery and Anti-Corruption Policy ("Policy") of Titagarh Rail Systems Limited ("TRSL") has been developed in alignment with Titagarh Code of Conduct ('TCoC') for employees/stakeholders. Various policies including whistle blower policy, adopted by TRSL and in conformance with the legal and statutory framework of anti-bribery and anti-corruption legislation prevalent in India. The Policy reflects the commitment of TRSL to maintaining highest ethical standards while undertaking responsible business conduct with zero tolerance for corruption.

2. SCOPE

- 2.1. This Anti-bribery and Anti-corruption Policy (this "Policy") applies to all stakeholders associated with the Company.

3. DEFINITIONS

- 3.1. **Bribe/Bribery:** A bribe is an act of offering, giving, receiving, or soliciting inducement, payment, reward or advantage offered, promised or provided to recompense a recipient in exchange for an alteration of their behaviour (to the benefit/interest of the giver) that the recipient would otherwise not alter and gain any commercial, contractual, regulatory or personal advantage. A bribe may be anything of value and not just in form of money gifts, inside information, sexual or other favours, corporate hospitality, or entertainment, offering employment to a relative, payment or reimbursement of personal expenses, charitable donation or social contribution, abuse of function – given directly or through an agent or representative.
- 3.2. **Facilitation Payments:** These include payments made, directly or indirectly, to person in authority for the purpose of expediting or securing routine, non-discretionary action, such as securing a business permit or license, customs invoice or providing services in preference over the others.
- 3.3. **Corruption:** Corruption includes wrongdoing on the part of an authority or those in power through means that are illegitimate, immoral or incompatible with ethical standards.

4. APPLICABLE LAWS AND REGULATIONS

It is illegal to directly or indirectly offer or receive bribe. It is also a separate offence to bribe a government/ public official. Indicative Laws & regulations relating to bribery and corruption as applicable to commercial organizations including companies and residents of India include:

- 4.1. Prevention of Corruption Act, 1988
- 4.2. Lokpal and Lokayuktas Act, 2013
- 4.3. Companies Act, 2013
- 4.4. Black Money Act, 2015
- 4.5. Indian Penal Code, 1860

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4.6. Whistle Blowers Protection Act, 2011

4.7. Titagarh Code of Conduct.

5. POLICY FRAMEWORK

5.1. Bribe:

- I. TRSL prohibits all forms of Bribery and corruption practices involving, but not limited to, Government Official or a private sector person or company.
- II. TRSL conducts its business lawfully and ethically and expects every Stakeholder to conduct its business with integrity.
- III. TRSL prohibits the making or accepting of Facilitation Payments of any kind for any favours to facilitate or expedite official business or work.

5.2. Gifts, hospitality and entertainment

- I. No gifts including cash gifts, hospitality or entertainment may be offered or provided in exchange for any favour (or promise of any favour) for or benefit to TRSL under any circumstances or by employees of TRSL to any Government Official or any private person, except for nominal gifts or souvenirs of nominal value, which are customarily given on special events/occasions and are infrequent in nature.
- II. Reasonable and appropriate hospitality is not prohibited, if the person offering it is in attendance and is justifiable in all circumstances, taking into account reason and nature, appropriate type, value, given at an appropriate time and not made with the intention of influencing or to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits.
- III. While conducting business abroad, employees are advised to seek advice or guidance of a competent person proficient in local laws on the subject.

5.3. Stakeholders

- I. No person or entity shall be appointed on the basis of a relationship with a Government Official, government department or business associate, or because of a family connection or friendship. Prior to entering into any relationship, TRSL requires its employees to conduct appropriate due diligence in accordance with its procedures to ensure that such a stakeholder is a legitimate service provider and to identify circumstances suggesting that such stakeholder has not engaged or may not be engaging in illegal or unethical conduct.
- II. As may be applicable, a stakeholder, at the start of any relationship with TRSL are required to be in compliance with the applicable anti-bribery and anti-corruption laws and shall comply with this Policy.

6. TCoC

Please refer to the TCoC on other aspects of the subject matter of this policy and follow the Code in letter and spirit.

7. REPORTING VIOLATIONS

- I. All Stakeholders are encouraged to raise concerns about any issue or suspicion of non-compliance with this Policy on ethics.compliance@titagarh.in. If they are unsure whether a particular act constitutes Bribery or corruption, they should immediately contact the concerned Business Head or Head-Human Resources or Company Secretary.



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- II. TRSL will investigate all valid allegations relating to corruption and Bribery and take legal or disciplinary action as may be deemed appropriate. All reports under this Policy would receive confidential treatment and TRSL would protect the identity of any person who reports a suspected violation.
- III. Any use of the reporting procedures in bad faith or in a false or frivolous manner will be considered a violation of the TCoC/this Policy, and the reporter may be subject to disciplinary action with serious consequences.

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SUSTAINABLE SOURCING POLICY

TRSL is committed to integrating the principles of sustainability in the supply chain for its products and services to not only satisfy its customers but also create sustainable value through a mutually beneficial relationship with its business partners.

Policy

TRSL expects all its suppliers:

- To be committed to business integrity, to promote the principles of sustainable procurement in their supply chain and strive to minimize impact on climate and environment.
- To respect human rights.
- To strictly refrain from using any child and/or forced labour.
- To eliminate bribery & corruption and discrimination on their own sites as well as from their own suppliers.
- To practice gender diversity, pay wages, have working hours as per applicable law.
- To be compliant with applicable laws
- To accept and adopt Titagarh Code of Conduct for adherence in letter and spirit.

TRSL regularly engages with the supply chain partners to raise their awareness of inter alia resource-use efficiency, including sustainable natural resource management, waste management, emissions, occupational health, safety, and environment.

Preferential procurement

The Company encourages growth of the micro, small and medium enterprises and where applicable, if all other parameters including but not limited to quality and timely supply, are beneficial mutually, TRSL will select these small entities for supply, over the larger ones. The Company has entered into arrangement with Bank(s) to provide support to such entities so as to facilitate prompt realization by them of their dues.

TRSL has appropriate system(s) and process(es) of:

Assessment of its supply chain partners and after a proper review, suspend or terminate relationship with the ones who are found to be lacking the will to take remedial measures or commitment to improve and come up to the standards set by us.

Ensuring compliance with the Policy and with statutory provisions, as applicable, including grievances for redressal.

Implementation:

The Vertical Heads/Head of Departments are responsible to ensure implementation of the Policy and its communication to the value chain partners and other stakeholders concerned.

A quarterly report is required to be placed before the Board containing the details of any material issue(s) arising in relation to the Policy.



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EQUAL OPPORTUNITY POLICY

TRSL is committed to maintain fair, ethical and transparent work environment conducive to sustainability based on the core elements of the National Guidelines on Responsible Business Conduct (NGRBC). TRSL strives to provide good working conditions, honour employment rights in a fair manner, encourage improvement in skill sets and experience through training to tap their full potential and motivate enhancement of productivity.

We uphold human rights aligned with applicable regulations as applicable and strictly prohibit child or forced labour, recognise and respect employee rights to associate freely and to collective bargaining.

We offer equal employment opportunities without regard to age, gender, sexual orientation/identity, disability, race, colour, religion, language, ethnicity, country of origin, family or marital status, or any other ground protected by law, and will follow the laws and regulations of each country where we have business interests accordingly.

We believe in employee empowerment and recognize that all progress is achieved owing to teamwork. Motivation, initiative and creativity are the basis of our common success. All our employees are required to treat each other with respect, and there should be no discrimination on grounds of origin, gender, sexual identity, religion, position or any other factor within Titagarh.

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HUMAN RIGHTS POLICY

TRSL respects human rights as it is a fundamental right enshrined in the Constitution of India. The United Nations define human rights as 'rights inherent to all human beings regardless of race, sex, nationality, ethnicity, language, religion, disability, or any other status. sacred ex, nationality, ethnicity, language, religion, disability, or any other status. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, and many more. Everyone is entitled to these rights.

TRSL has inculcated and integrated values of human rights in its management systems across the organisation and strives to promote human rights in all its business partners. The Company is committed to employing people solely on the basis of their ability for work assigned to them and prohibits any discrimination based on race, colour, age, gender, sexual orientation, gender identity and express, ethnicity, religion, disability, family status, social origin etc.

The Company actively engages with all the parties concerned to ensure that human rights are protected, people are educated, and their efforts recognized on merits, and this principle percolates to all its business partners is implemented with full integrity by them. The Company shall not be complicit with human rights abuse by a third party.

TRSL encourages reporting of any deviation or contravention of this Policy to ethics.compliance@titagarh.in for prompt redressal.

I T POLICY FOR BETTER MANAGEMENT OF E-WASTE

We use a variety of electric and electronic articles for automation, digitization and convenience of working efficiently and rapidly to match the pace of growth in changing times when the whole world is competing to satisfy the demands of customers. These electronic, electrical and such items of equipment become obsolete quickly since newer and more efficient are launched periodically owing to innovation and research behind the strategy and the obsolete items (E-Waste) have to be disposed of. TRSL being a responsible corporate citizen is aware of the need to have appropriate systems and processes including the demanding standards of responsible waste management in place in all of its operations to properly handle the E-Waste so as to protect the environment sustainably.

IT E-waste is a subset of E-Waste and includes computers i.e. servers, desktops, laptops, keyboards, mouse, chargers, printers, scanners, cartridges, toners, routers, switches, modems, dongles, power cables, pen drives, DVDs, external hard disks, projectors, televisions, remotes, mobiles, media cards, blue tooth devices, etc.

Our policy is to handle the above equipment/gadgets through their lifecycle spanning from acquisition to disposal to be managed in a manner which conforms to sound environmental norms which include:

Identify and select the I.T. vendors who have good E-Waste management processes;

Install power lines/cables, switches and adapters which help extend the useful life of all the electrical and electronic equipment;

Train all the users to make efficient and maximum possible use of the electrical and electronic equipments (E-equipment) so as to minimize impact on environment;

The E-equipments which cannot be re-used can be donated to deserving charitable organisation or distributed directly to the weaker section of society preferable living near the areas where the Company operates from, provided the said organisations agree to dispose of the E-Waste in accordance with this Policy.

Appropriately skilled personnel only are allowed to handle E-waste disposal and therefore all users are required to ensure that the obsolete E-equipments reach these personnel for disposal. Chief Information Officer (CIO)/I.T. Head shall identify and engage services of authorised recyclers to handle the E-Waste to the extent possible.

All disposal of E-Waste shall be undertaken in conformity with applicable laws on the subject and/or norms laid down by the industry associations/bodies.

The CIO/I.T. Head and their teams are responsible for implementation of this policy.

CIO/I.T. Head shall communicate compliance with this Policy to the Company Secretary. In case of any deviation, Company Secretary shall coordinate with them for resolution of the issues and promptly place a report to the Board.

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POLICY FOR CYBER SECURITY, BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN

Scope

All IT-enabled Business Processes of TRSL as well as all critical and sensitive information assets of the Company are included within the scope of this Policy.

Purpose

The purpose of this Policy is to ensure the continuity and protection of the business processes and information assets of the Company to minimize the impact of security incidents on the operations of TRSL and protect Integrity of all business processes, information assets, and supporting IT assets and processes, through protection from unauthorized modification, guarding against improper information modification or destruction.

Information is considered as primary asset of an organization. An organization uses different types of information assets. The sensitivity of these information assets may vary and similarly, their handling mechanisms are also different. The purpose of this policy is to ensure personal information and confidential information is protected from unauthorized use and disclosure.

Hardware and Software

The information assets are generally stored in hardware i.e. physical files or software on the computer systems of the Company. As regards physical files, the Company has an arrangement with an external firm to store the old records which may not be required unless specifically asked for by appropriate authorities whereas the current and recent files are maintained at the place of work of the individual employee who is responsible for its proper and safe storage.

As most of the work has been prominently been done on the computer systems, the bulk of information assets of the Company are in electronic form or computer files. Information and Technology team of the Company is responsible for uninterrupted functioning of the hardware and software involved in the electronic equipments and also ensure security of entire cyber space of the Company.

Each piece of hardware and software shall be procured by the I.T. Team in coordination with the Procurement team from authorised vendors only.

The cyber security includes:

Password

Apart from domain registration, access control, network policies etc. the users are required to have passwords for logging into their systems for security. For passwords, the users must adhere to the following:

Use words which are not easily guessed or deduced.

They are the front line of protection for user accounts.

A poorly chosen password may result in the compromise of the entire corporate network of TRSL. As such, all users/employees are responsible to select and secure their passwords.

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Records being generated as part of the Password Policy shall be retained for a period of at least one audit cycle.

Records shall be in hard copy or electronic media.

The records shall be owned by the respective system administrators

Only the system administrators/authorised persons shall have access to the records.

Email

The emails from the employees to any person outside the organisation are treated as an official statement from the organization. TRSL provides electronic mail to its employees to communicate effectively and efficiently with their colleagues and other stakeholders/business partners of the Company

The purpose of this policy is to reduce security risks arising from the use of electronic mail.

All emails must bear the Company's name, CIN (Company Identification Number) of the Company, registered address and contact information.

Emails must be used for official work only.

The email addresses of all employees are part of the address book available on the mail client loaded on each employee's system.

The email addresses of the business partners must be verified before storing and/or exchanging messages with them.

In built scanning of all emails has been installed on each client system for scanning each message and attachments if any, and only the system administrator has the authority to make change in the antivirus software.

Emails are treated as confidential information asset of the Company.

Website security

A functional official web site of the Company is one of the statutory requirements apart from its very important role as an interface that connects the world with the Company.

The purpose of this policy is to ensure integrity, availability, and authenticity of its website and all information contained within. Information contained within the website is deemed as authentic statements from the management of the organization. It is imperative to publish only authenticated content on the website and maintain its integrity and availability.

The Policy's objective is to establish rules for preserving the integrity, availability, and authenticity of TRSL's website.

TRSL has selected an external firm having the expertise in maintaining the official web site of the Company. The arrangement covers making changes to the content from time to time as may be necessary. The I.T. Team is responsible for ensuring uninterrupted functioning of the website. As the content on the website is also required to be updated with various information for business and statutory purposes, the IT Team members coordinate with the Marketing, Procurement, Human Resources and Company Secretarial teams in this regard.

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Backup of content is also required to be kept by the IT Team for prompt retrieval in case of any interruption/downtime due to disaster or circumstances beyond the Company's control.

Backup

Purpose of this policy is to meet the enterprise business objectives and ensure continuity of its operations. TRSL adopts and follows well-defined and time-tested plans and procedures, to ensure timely and reliable backup of its IT assets.

The Backup Policy reiterates the commitment of TRSL to delivering the fastest transition and highest quality of services through the backup arrangement ensuring that its customers, business activities and services do not suffer in any way.

The backups are meant to restore the integrity of the computer systems in the event of a hardware/software failure or physical disaster; and provide a measure of protection against human error or the inadvertent deletion of important files.

Back up shall be made on a regular/periodical basis on incremental basis and back up media, be it a dedicated file server or removable devices viz. pen drive/external hard disk or DVDs shall be stored offsite so as to be available for restoration in case of disaster or disruption.

Chief Information Officer (CI)/IT Head shall be responsible for ensuring implementation of this policy.

specified frequency. c. Backup information shall be selectively used to restore information system functions as a part of business continuity process. d. Backup copies of operating systems and other critical information system software shall not be stored in the same location as the operational software. e. The system backup information shall be provided with protection from unauthorized modification and environmental conditions.

Business continuity plan

Business Continuity Plan reiterates the commitment of TRSL towards delivering the fastest transition and the highest quality of services through backup arrangement ensuring that the customers, stakeholders, business activities and services do not suffer in any way.

The Business Continuity Management Procedure, Backup Policy and Backup Procedure as part of Business Continuity Plan shall be an integral part of the Enterprise Risk Management Framework at TRSL.

The main objective of Business Continuity Management (BCM) is to minimize / eliminate the loss to organization's business in terms of revenue loss, loss of reputation, loss of productivity and customer satisfaction. The Business Continuity Policy is aimed at:

- a. establishing a systematic approach for business continuity;
- b. creating awareness amongst the concerned employees, about the business continuity aspects of this Policy and its importance; and
- c. testing and reviewing the business continuity plan for the organization.



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BCM documentation shall consist of Plans and Resumption procedures for each service and stored on back up media for quick retrieval by the authorised managerial personnel for implementation at the time of need.

BCM shall be considered as classified and confidential.

Subsequent changes and versions of this document shall be controlled.

Role of BCM Leader shall be performed by Vice Chairman & Managing Director of TRSL and include the following:

- a. Build or rebuild the team required for coordination of the development and maintenance of the Company's BCM Plan
- b. Identify and declare disaster-scenarios according to the gravity of the disaster.
- c. Enforce BCM among teams as per disaster scenarios.
- d. Review and audit BCM Policy at planned intervals.
- e. Test and update Business Continuity Plan at planned intervals.
- f. Facilitate functional training of the members for BCM execution.
- g. Co-ordinate with outsourcing partners wherever applicable.
- h. Monitor and review the execution of BCM Plan by the Team
- i. Make available the requisite resources for implementation of BCM Plan.

Disaster Recovery Policy

To meet the enterprise business objectives, respond to a major incident or disaster, and restore the organization's critical business functions, TRSL shall adopt and follow a well-defined Disaster recovery policy.

The Disaster Recovery Plan (DRP) is required to ensure that IT resource investments made by TRSL are protected against service interruptions, including during large scale disasters, by the development, implementation, and testing of disaster recovery / business continuity plans (DR/BCP).

I.T. Team and other employees as may be required shall be trained to execute the disaster recovery plan.

DRP shall essentially cover retrieval of backups of information asset, regrouping of the teams for critical functions, access to resources required to have basic services resume immediately after disaster or disruption etc.



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GRIEVANCE REDRESSAL MECHANISM

For timely and proper redressal of complaints with reference to Business Responsibilities and Sustainability Reporting in line with the National Guidelines on Responsible business Conduct, a stakeholder may make a written complaint to brsr.complaints@titagarh.in. The Company maintains a register of stakeholders' grievances containing the details of each written complaint received. The Company Secretary (CS) shall upon verifying the authenticity of the complaint/complainant promptly acknowledge receipt and communicate the complaint found to be eligible for investigation, to the concerned department. A response from the concerned department is required to be submitted to the CS within 15 days with all the relevant information/supporting documents, if any.

The CS shall review the stakeholders' complaint register on fortnightly basis and in case redressal of a complaint is not completed within 21 days, the CS shall refer to the Committee of the Board.

A quarterly report on the stakeholders' grievances shall be placed before the Board.