



Freedom of Association and Collective Bargaining Policy

1. Introduction

Since its founding Kothari Processors Pvt Ltd has built a culture based on the values of trust, mutual respect and dialogue. Kothari Processors management and employees daily to create and maintain positive individual and collective relationships, and are expected to do so as a core part of their job. To foster this culture as a competitive advantage, the Kothari Processors Employee Relations Policy provides a frame of reference for the collective relationships with trade unions and other employee representatives based on the "human rights and labour practices" chapter of the Kothari Processors Business Principles and on the Human Resources Policy. This Policy reinforces Kothari Processors commitment to long-term business development through an open dialogue with its employees and external stakeholders in line with its Creating Shared Value concept. The Employee Relations policy not only requires strict compliance with the law, but it guides our actions even if the law is more lenient or where there is no applicable law at all.

2. A company trusted by its employees and stakeholders

Kothari Processors Pvt Ltd is committed to promoting a greater knowledge and understanding as well as an integral implementation of its Corporate Business Principles as the basis for being trusted by employees and stakeholders. The Company complies with the laws applicable in our country.

3. A proactive and focused approach

Kothari Processors Pvt Ltd strives for proactive and continuous improvement of its relationships with internal and external labour stakeholders. The Company accomplishes this approach through organized structures within the Human Resources department at Corporate and local levels and focuses on the implementation of the following strategic areas:

- ❖ Compliance with the social aspects of our Business Principles, relevant labour commitments and this Policy.
- ❖ Promotion of the Kothari Processors Business Principles, the Kothari Processors Management and Leadership Principles and the Kothari Processors Business Conduct.



KOTHARI PROCESSORS PVT. LTD.

AN ISO 9001-2008 COMPANY

Kothari Processors

- ❖ Development and upholding of an open dialogue with external stakeholders on labour matters.

The implementation of the Policy is a joint effort on two levels: at Corporate level to set direction and to give guidance to local operations to live up to this framework and at local level to take all necessary actions to implement the Policy. Local management must ensure collaboration and consistency between all Kothari Processors Businesses within the country as well as to enforce company principles, policies and standards. Employee relations remain a clear responsibility of the local management. Therefore, they will be handled at the appropriate level, first at site level (factories, warehouse, etc.) and subsequently at national level, according to law and practices.

4. Corporate culture

Our commitment to long-term collective relationships with our employees is guided by the implementation of a set of Principles which have governed our Company since its foundation. We will therefore continually seek to improve our employees' knowledge, understanding and engagement with our Corporate Business Principles.

5. Corporate labour priorities

Kothari Processors Pvt Ltd promotes a continuous improvement of the working conditions, giving special attention to the following corporate labour priorities:

- ❖ Respect the right of our employees to establish and join organizations of their own choosing and engage in constructive negotiations.
- ❖ Offer competitive wages and benefits that allow our employees to cover their needs according to local standards of living.
- ❖ Respect Corporate guidelines regarding "outsourced activities" which indicate that only those activities which are non-core to the business may be outsourced and that the people performing them will be treated fairly at all times.
- ❖ Implement the Corporate guidelines regarding working time for our employees to assure a safe and healthy workplace and a working environment respectful of their family lives.
- ❖ Treat every employee with dignity and without any tolerance for discrimination, harassment or abuse.



6. Compliance

Our operations shall take all necessary steps and put mechanisms in place in order to ensure compliance of its employees with the Kothari Processors Business Principles. Kothari Processors makes programme which verifies, through independent auditors, that Kothari Processors operations comply with this Policy and the social and environmental aspects of the company Business Principles and of local legislation.

7. Collective dialogue

We ensure that direct and frequent communication is established at the workplace between management and our employees. While dialogue with various committees is essential, it does not replace the close relationship that our management shall maintain with our employees.

Regular dialogue with our employees and committee representatives creates an opportunity to discuss matters of mutual concern and allows our employees to acquire a full understanding of the business activities and the objectives of the Company

In the spirit of continuous improvement, we encourage dialogue with our employees that goes beyond the traditional aspects of collective bargaining in order to share knowledge and to find jointly opportunities related to other important matters such as the health and safety at the workplace and our concern for the environment.

Kothari Processors Pvt Ltd favours a policy of long-term employment. In the case that the closure or alienation of a Kothari Processors Pvt Ltd operation is necessary, it will be handled with full respect to applicable legislation and our Corporate Business Principles. In such cases, employees and their representatives shall be informed within a reasonable timeframe and a social plan will be elaborated, taking into account the legitimate rights and interests of all concerned.

Shailendra Kumar Jha

Shailendra Kumar Jha

General Manager

