Bharat Aluminium Company Limited

ASSET OPTIMIZATION POLICY

<u>**POLICY No.- BALCO/POLICY/AO/08**</u> | <u>**ISSUE No.- 04**</u> | <u>**ISSUE Date- 01/06/2026**</u>

Balco Believes in having structured approach to asset optimization through implementation of focused initiatives for improving asset life and increasing throughput and reliability with minimum cost in sustainable manner which involves all stakeholders to achieve the vision of company and sustainable competitive advantage. We are committed to cost-effectively managing our assets throughout their lifecycles to ensure that they:

- Operate when needed, Perform safely and without harm to the environment
- Produce at their required capacity, produce a quality product that meets customer expectations.

The policy is applicable to all individuals responsible and accountable for the operation and maintenance of all assets in Balco.

Balco Strives to:

- ❖ Respective assets and asset systems remain aligned with operational strategies (growth, lifecycle, etc.), and performance levels support annual business plan delivery. To deliver these outcomes, the asset optimisation function is required to create and maintain an effective asset optimisation strategy aligned and supportive of the site's operational strategy and annual business plans.
- ❖ AO Strategy to be executed to drive and deliver required business capability and performance. Performance measurement and continuous improvement to be done to support the ongoing strategy development and execution process.
- ❖ Engaged and supportive leadership at all levels of the business to ensure the asset optimisation function and supporting organisation is aligned, appropriately resourced and capable.
- ❖ Design an effective AO organization which ensure the organization has value driven focus. Clear accountability for optimising asset performance, risk and expenditure across the asset lifecycle. Ensuring a balanced effort between work management and reliability improvement.
- ❖ Fostering collaboration on improvement and optimisation opportunities.
- ❖ Clearly defined roles, responsibilities and core competencies for each position including business Partners. These role descriptions must be regularly reviewed and tie directly to incumbent responsibilities supporting key asset optimization business processes and activities.
- ❖ Critical asset integrity management and performance requirements to protect the Group against material risks including Catastrophic or systemic failure of critical production or infrastructure assets, Inability of assets to achieve performance levels required to support business plans, Inefficient allocation or prioritization of asset-related spend
- ❖ Effective work management, material and hydrocarbon management process supported by strong defect elimination culture and effective maintenance tactics which enables operation to consistently meet business goals by operating with high levels of equipment reliability and performance whilst effectively managing maintenance costs, downtime, failure risk and eliminate environmental hazards.
- ❖ Effective Business Partner Management, Careful consideration of Business Partner capability and suitability to perform the work tasks and must be supported by periodic evaluations of their performance.
- ❖ Continuous process improvement through collaboration, Digitalization, Innovation, FIPs, SGA and lean concepts

We Shall measure and report progress against this policy and review performance on periodic basis to ensure the effective implementation of asset optimization strategy and communicate the same to all relevant stakeholders.

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