



MANALI PETROCHEMICALS LIMITED

**POLICY ON BUSINESS RESPONSIBILITY AND
SUSTAINABILITY REPORT**

Approved by the Board of Directors on 09th August 2023

Background

The Ministry of Corporate Affairs (MCA), Government of India, in July 2011, came out with the “National Voluntary Guidelines on the Social, Environmental and Economic Responsibilities of Business” (NVGs).

This was expected to provide guidance to businesses on what constitutes responsible business conduct. In order to align the NVGs with the emerging global concerns, the Sustainable Development Goals (SDGs) and the ‘Respect’ pillar of the United Nations Guiding Principles (UNGP), the process of revision of NVGs was started in 2015.

Some of the key drivers of the NGRBC are given below

1. The UN Guiding Principles for Business and Human Rights (UNGPs)
2. UN Sustainable Development Goals (SDGs)
3. Paris Agreement on Climate Change (2015)
4. Core Conventions 138 and 182 on Child Labour by the International Labour Organization (ILO)
5. Annual Business Responsibility Reports (ABRRs)
6. Companies Act, 2013

The new principles were released as the National Guidelines on Responsible Business Conduct (NGRBC) in March 2019. In November 2018, the Ministry of Corporate Affairs (MCA) constituted a Committee on Business Responsibility Reporting (“Committee”) for finalizing Business Responsibility Reporting formats for listed and unlisted companies, based on the framework of the NGRBCs.

SEBI was also part of this Committee and worked on the report. The report of the Committee was released on August 11, 2020. The Committee recommends that the Business Responsibility Report be called the Business Responsibility and Sustainability Report (BRSR). Further Securities and Exchange Board of India (SEBI) vide Circular no. SEBI/HO/CFD/CMD2/P/CIR/2021/562 (“SEBI Circular”) dated May 10, 2021 has made Business Responsibility & Sustainability Report (BRSR) mandatory for Top 1000 listed entities by market capitalization with effect from financial 2022- 23. The report was voluntary for the year 2021-22.

The BRSR is a notable departure from the existing Business Responsibility Report (“BRR”) and a significant step towards bringing sustainability reporting at par with financial reporting. SEBI Circular further states that the BRSR is an initiative towards ensuring that investors have access to standardized disclosures on ESG parameters.

Purpose

The Company falls within the list of top 1000 listed entities by market capitalization. Hence, the submission of Business Responsibility & Sustainability Report (BRSR) is mandatory with effect from 01st April 2022 for the Company. In view of the Business Responsibility & Sustainability Reporting, the company formulates this Policy.

The objective of this policy is to adopt the principles and guidelines on Social, Environmental, Governance and Economic responsibilities promoted by the regulators and to ensure a unified and common approach to the dimensions of Business Responsibility across Manali Petrochemicals Limited (“MPL” or “Company”) and act as a strategic driver that will help MPL respond to the complexities and challenges that keep emerging, to align the company with the best of global business conduct principles and be abreast with changes in regulations.

The National Guidelines for Responsible Business Conduct (“NGRBC”) are to be used across MPL and provide a useful framework for guiding our overseas operations, in addition to aligning with applicable local national standards and norms governing responsible business conduct.

Furthermore, the NGRBC encourages us to ensure that not only do we follow these guidelines in business contexts directly within our control or influence, but that we also encourage and support our suppliers, vendors, distributors, business partners/associates and other stakeholders to follow them.

The Policy will also be a part of the training/ awareness program for all employees so that they are fully aware of its elements and are committed to its implementation.

Authority & Responsibility

The Wholetime Director of the Company shall have the authority to oversee and implement this BRSR Policy. This Policy may be reviewed and amended from time to time by the Wholetime Director of the Company in line with changes in the regulatory requirements as well as changes in Company policies. All material changes may be placed before the Board of Directors of the Company (“Board”) for its approval.

Guiding Principles and Policy Statements

MPL is committed to operating and growing its business in a socially responsible way. Our Business Practices shall be governed by the guiding principles of NGRBC. In line with the revised guidelines of the National Guidelines on Responsible Business Conduct 2018, issued by MCA, the sustainable development and business responsibility of MPL will be primarily based on nine thematic pillars that are known as Principles, which are mentioned below. These principles are interdependent, interrelated and non-divisible and all business are urged to address them holistically.

Principle 1: Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable.

- The Company shall develop and put in place structure policies, programs and procedures that promote the principle of ethical conduct at all levels, prevents its contravention and effect prompt and fair actions against any transgressions.
- The Company shall disclose and communicate transparently and assure access to information about the policies, procedures, performance (financial and non-financial) and their decisions, that impacts the relevant stakeholders form the fundamental basis of operationalizing responsible business conduct.
- The Company shall have a 'zero tolerance' approach to bribery and corruption and is committed to act professionally, fairly and with integrity in all the business dealings and relationships, wherever it operates
- Due care should be taken to avoid complicity with the actions of any third party that violates any of the principles contained in this Policy.
- The Company is committed to the highest standards of corporate governance in all its activities and processes.
- The above principle is enshrined in the various policies laid down by the Company from time to time including the Code to regulate, monitor and report trading by Insiders in the Company’s securities, MPL Code of Conduct and Whistle blower system that are in place shall act as a guide and govern the employees.

Principle 2: Businesses should provide goods and service in a manner that is sustainable and safe.

- This Principle recognizes the proposition of SDG 12 (Responsible Consumption and Production- Ensure Sustainable Consumption and Production patterns), that sustainable production and consumption are interrelated, contribute to enhancing the quality of life and towards protecting and preserving earth’s natural resources.
- The Company shall always strive to treat all its stakeholders and customers with dignity, respect and due understanding.
- The Company shall ensure that its products and services comply with all applicable statutes and regulations.
- The company shall work towards ensuring that all goods and services are procured, manufactured and delivered embedding the principles of labour practices, human rights, ethics, occupational health, safety and environment.
- The company shall work towards building capacity such that all the value chain partners, namely the subcontractors, service providers including suppliers of significant raw

materials, are sensitised and empowered to fulfil their roles and responsibilities towards sustainability.

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

- The Company shall provide and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation.
- The Company shall not use child labour, forced labour or any form of involuntary labour, paid or unpaid.
- The Company shall ensure that no employee is made to work against his / her will or to work as bonded/forced labour or subjected to corporal punishment or coercion of any kind, related to work.
- The Company shall put systems and processes in place to support the work-life balance of its employees, especially that of women.
- The Company shall ensure continuous skill and competence upgrading of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis.
- The Company should promote employee morale and career development through enlightened human resource interventions.
- The Company shall create systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.

- The Company should acknowledge, assume responsibility and is transparent about the impact of their policies, decisions, products, operations, and practices on all stakeholders and the natural environment.
- The Company shall develop systems, processes and mechanism to identify its stakeholders, understand their concerns, define purpose and scope of engagement, consult with them in developing policies and processes that impact them, and commit to resolving any differences with stakeholders in a just, fair and equitable manner.
- The Principle further recognizes that businesses have a responsibility to maximize the positive impacts and minimize and mitigate the adverse impacts of its products, operations, and practices on all their stakeholders.

Principle 5: Businesses should respect and promote human rights.

- The Company should make its employees aware of the human rights, relevant laws and policies.
- Care should be taken to integrate respect for human rights in management systems, wherever applicable, in particular through assessing and managing human rights impacts of operations.
- The Company shall not be complicit with human rights abuses by a third party.
- The Principle is further informed and guided by the UN Guiding Principles on Business and Human Rights in its articulation of the responsibility of businesses to respect human rights. It affirms that the responsibility of businesses to respect human rights requires that it avoids causing or contributing to adverse human rights impacts and that it addresses such impacts when they occur. The Principle urges businesses to be especially responsive to such persons, individually or collectively, who are most vulnerable to, or at risk of such adverse human rights impacts.

- The Company shall strictly adhere to the Factories Act, 1948 in relation to Child and Forced labor. No Child below the age of 14 shall be allowed to work in the factory.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

- The Company shall develop appropriate strategies for sustainable and efficient use of natural resources and manufactured material, giving due consideration to expectations and concerns of all stakeholders and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.
- The Company shall take measures to check and prevent pollution. The Company shall assess the environmental damage and bear the cost of pollution abatement with due regard to public interest.
- The Company shall assess the energy consumption, water consumption or any other natural resources.
- The Company shall ensure that benefits arising out of access and commercialization of biological and other natural resources and associated traditional knowledge are shared equitably.
- The Company shall continuously seek to improve their environmental performance by adopting cleaner production methods, promoting reduction, reuse, recycling and recovery of material and resources, promoting use of energy efficient, low-carbon technologies, environment friendly technologies and use of renewable energy.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

- The Company, while pursuing policy advocacy, must preserve and expand public good and shall not advocate any policy change to benefit the Company or select few alone.
- The Company shall utilize the trade and industry chambers and associations and other such collective platforms to undertake such policy advocacy in a responsible manner.
- The Company shall ensure that corrective actions to be taken based on adverse orders from regulatory authorities, if any.
- The company shall ensure that policy advocacy is conducted ethically.

Principle 8: Businesses should promote inclusive growth and equitable development.

- The Principle recognizes the value of the energy and enterprise of businesses and encourages them to innovate and contribute to the overall development of the country with a specific focus on disadvantaged, vulnerable and marginalized communities, as articulated in Section 135 of the Companies Act, 2013.
- The Principle also emphasizes the need for collaboration amongst businesses, government agencies and civil society in furthering this development agenda in line with SDG 17 (Partnerships to achieve the Goal- Strengthen the means of implementation and revitalize the global partnership for sustainable development).
- The company shall undertake CSR activities in accordance with Schedule VII of the Companies Act, 2013 and as per the CSR policy of the company.

Principle 9: Businesses should engage with and provide value to their customers in a responsible manner.

- The Company ensure that the business take appropriate actions to minimize and mitigates any adverse impacts that it has on public, the natural environment and society at large.

- The Company shall promote and advertise their products or services in ways that do not mislead or confuse the consumers or violate any of the principles in these Guidelines.
- The Company shall provide adequate grievance handling mechanisms to address customer concerns and feedback.
- The Company shall exercise due care and caution while providing goods and services that result in over exploitation of natural resources or lead to excessive conspicuous consumption.

DISCLOSURES

The Business Responsibility & Sustainable Development Policy shall be displayed on the website of the Company www.manalipetro.com

REVIEW

Board to review this policy as and when it deems fit.