

# VIDHI SPECIALTY FOOD INGREDIENTS LIMITED

## (Business Responsibility and Sustainability Policy)

Name of the Document	Business Responsibility and Sustainability Policy
Version	1 <sup>st</sup>
Approval of the Board	August 11, 2023

### Scope and Purpose:

This Business Responsibility and Sustainability Policy (referred to as 'BRS Policy' or 'Policy') has been formulated in accordance with the stipulations of Regulation 34 and other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Its purpose is to ensure that the company actively participates in sustainable development and fulfils its obligations in the realms of social, environmental, and economic responsibility.

This Policy affirms the company's dedication to adhering to the principles and core elements outlined in the National Guidelines on Responsible Business Conduct (NGRBC) 2018, as issued by the esteemed Ministry of Corporate Affairs.

Considering the aforementioned, the Company's Board of Directors (referred to as 'the Board') sanctioned this Policy during its meeting convened on August 11, 2023.

### Applicability:

This Policy applies to all the directors and employees of the Company across all its functions. This Policy shall be effective from August 11, 2023

### Principle I: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable:

1. The directors, management, and employees at all organizational levels are obligated to adhere to the Company's Code of Business Conduct & Ethics. This commitment is essential to uphold principles of good governance, ethical conduct, transparency, and accountability in conducting the Group's affairs and dealings with stakeholders throughout the value chain.
2. The company has established and implemented well-structured policies, programs, and procedures designed to uphold the fundamental principle of ethical behaviour across all organizational levels. These measures aim to prevent any breaches of ethics and ensure prompt and fair actions are taken in response to any violations.
3. The company will regularly organize training sessions to promote awareness of this code of conduct and ethics, including a comprehensive understanding of the nine principles established by NGRBC, among both its employees and stakeholders.
4. The company is committed to transparent disclosure and communication, ensuring accessibility to information pertaining to policies, procedures, performance (both

financial and non-financial), and the decisions that impact relevant stakeholders. This commitment serves as the cornerstone for implementing responsible business conduct.

5. The company shall ensure that its business operations abstain from unlawful and harmful practices, including bribery, anti-competitive behaviour, and corruption activities. It will promptly and impartially address any such violations when identified.
6. The company shall adopt the necessary framework, policies, and protocols to effectively manage conflicts of interest concerning its members, employees, and business associates.
7. The company shall establish a Vigil Mechanism to enable individuals to responsibly and confidentially report genuine concerns regarding misconduct or unlawful behaviour.
8. The company will uphold ethical conduct in every facet of its operations, functions, and processes. Additionally, it will promote adherence to this policy among its business partners and third parties with whom it conducts business.
9. The company shall refrain from being associated with any third-party actions that contravene any of the principles outlined in this Policy.

**Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe:**

1. The company shall ensure that its products and services comply with all applicable statutes and regulations.
2. The company will periodically assess and enhance the process of developing, deploying, and commercializing new technologies, taking into account a range of both external and internal factors.
3. The company shall educate customers about their rights through informative and responsible marketing communications, full details about product contents and composition, and the promotion of safe usage.
4. When designing a product, the company shall ensure that the manufacturing processes and technologies needed for its production are both resource-efficient and sustainable. It will also strive for ongoing enhancements that achieve a balance between social, economic, and environmental impacts.
5. The company will adhere to the Quality Policy throughout the procurement, manufacturing, and delivery of goods and services.
6. The company shall regularly review and improve the process of developing, deploying, and commercializing new technologies, integrating considerations related to social, ethical, and environmental factors.
7. The company shall continue to acknowledge and honour the rights of individuals who may hold traditional knowledge and other types of intellectual property, as applicable.

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

1. The company recognizes the value of a robust and well-functioning human resource. It will create an environment that fosters a sense of belonging, loyalty, and dedication among its employees. The company will establish a structured chain of communication that facilitates the flow of information, ideas, suggestions, and understanding between employees and senior management. Additionally, a formal channel will be implemented to address employee grievances, ensuring they are promptly taken up and resolved by the senior management.
2. The company will refrain from utilizing child labour, adolescent labour, forced labour, or any type of involuntary labour, whether compensated or uncompensated, across all its offices and facilities. The company has established a comprehensive Policy on Selection & Remuneration of Directors, KMP (Key Managerial Personnel), and other Senior Managerial Personnel, which outlines the employment and remuneration practices to be upheld by the company. Additionally, the company will actively promote a healthy work-life balance among all its employees. Furthermore, a Policy on Prevention of Sexual Harassment is in place, focusing on ensuring a secure working environment and safeguarding employees from any form of sexual harassment.
3. The company is committed to creating a workplace environment that prioritizes safety, hygiene, and the dignity of its employees. It will also ensure the provision of facilities that cater to the well-being of all employees, including those with special requirements. The company will strictly adhere to all statutory provisions concerning the health, safety, and overall well-being of its workforce.
4. The company endeavours to consistently convey its policies to employees, ensuring they remain well-informed and can make the best use of these policies.
5. The company shall uphold the right to freedom of association and participation, including collective bargaining, while also ensuring access to suitable grievance resolution mechanisms.
6. The company shall provide and maintain equal opportunities during both the recruitment process and throughout employment, regardless of factors such as caste, creed, gender, race, religion, disability, or sexual orientation.
7. The company shall ensure that employees receive fair living wages promptly, sufficient to meet their basic needs and ensure economic security.
8. The company promotes the ongoing enhancement of skills and competence among all employees by granting them equitable and unbiased access to essential learning opportunities. This approach fosters employee morale and facilitates career development through progressive human resource initiatives.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

1. The company shall understand the concerns of its stakeholders, establish the purpose and extent of its engagement, and make a commitment to actively engage with them.

2. The company shall recognize, take responsibility for, and maintain transparency regarding the impact of its policies, decisions, products, services, and related operations on its stakeholders.
3. The company highly regards the support of its stakeholders and strives to uphold a harmonious relationship while safeguarding the interests of all involved. It will regularly and systematically identify its internal stakeholders, such as employees and workers, as well as external stakeholders, including shareholders, suppliers, customers, government bodies (including regulators), banks, and financial institutions. The company's management will remain open and accessible to all stakeholders, actively seeking to comprehend their concerns and provide appropriate responses. The company will work diligently to foster robust stakeholder engagement, encourage stakeholder participation, and promote collective decision-making processes to the extent feasible.
4. The company's CSR policy guides efforts aimed at benefiting disadvantaged, vulnerable, and marginalized stakeholders. The company's website will periodically showcase these policies and other pertinent information to ensure stakeholders are well-informed about the company's stance.
5. The Company shall resolve differences with stakeholders in a just, fair and equitable manner

#### **PRINCIPLE 5 Businesses should respect and promote human rights**

1. The company shall understand the human rights principles enshrined in the Constitution of India, as well as national laws and policies. It will recognize that human rights are intrinsic, universal, indivisible, and interdependent in nature.
2. The company will incorporate a commitment to respecting human rights into its management systems. This will include evaluating and addressing the human rights consequences of its operations and ensuring that all individuals affected by the business have access to grievance mechanisms.
3. The company shall recognise and honour the human rights of all relevant stakeholders and various groups both within and beyond the workplace. This encompasses communities, customers, as well as vulnerable and marginalized groups.
4. The company shall, to the extent of its influence, encourage awareness and realisation of human rights throughout its value chain.

#### **PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**

1. The company shall ensure the regular updating of suitable policies, procedures, and frameworks established to evaluate, gauge, and rectify any detrimental effects on the environment and natural resources at all business sites, throughout all phases from establishment to closure.
2. The company will formulate suitable strategies for the sustainable and efficient utilization of natural resources and manufactured materials, taking into account the expectations and concerns of all stakeholders. It will also work to ensure resource

sustainability through practices such as reduction, reuse, recycling, and effective waste management.

3. The company will implement measures to monitor and prevent pollution. It will evaluate environmental harm and assume responsibility for the expenses associated with pollution control, considering the broader public interest.
4. The company will evaluate its energy and water consumption, as well as other natural resources, and implement measures to conserve and reduce their usage by embracing the principles of reduction, reuse, recycling, and restoration.
5. The company shall ensure that the advantages arising from the access and commercialization of biological and other natural resources, along with related traditional knowledge, are distributed fairly.
6. The company will consistently strive to enhance its environmental performance by embracing cleaner production methods, advocating for material and resource reduction, fostering reuse, recycling, and resource recovery, promoting the adoption of energy-efficient and low-carbon technologies, encouraging eco-friendly technology usage, and emphasizing the utilization of renewable energy sources.
7. The company will create and continually enhance their Environment and Social Management Systems (ESMS), as well as contingency plans and procedures. These will aid in preventing, mitigating, and controlling environmental harm and potential disasters that may result from their own operations or those of their value chain partners.
8. The company will transparently and fairly communicate its environmental performance, including the evaluation of potential environmental risks linked to its operations, to its stakeholders.
9. The Company shall proactively persuade and support its value chain to adopt this principle.

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

1. While engaging in policy advocacy, the company will uphold and enhance the public good, refraining from advocating policy changes that solely benefit the company or a select few.
2. The company will responsibly employ trade and industry chambers, associations, and similar collective platforms to engage in policy advocacy.
3. The Company shall ensure that corrective actions to be taken based on adverse orders from regulatory authorities, if any.
4. The company shall ensure that policy advocacy is conducted ethically.
5. The company acknowledges that it functions within the defined legislative and policy frameworks set by the government. These frameworks not only shape its growth but also establish certain necessary limitations and boundaries.

#### **PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

1. The company conducts CSR activities as per the guidelines outlined in Schedule VII of the Companies Act, 2013, in line with the recommendations of the CSR committee and in accordance with the company's CSR policy.
2. The company strives to foster innovation and invest in processes and technologies that advance the welfare of society, with a particular focus on prioritizing the well-being of local communities, especially farmers, and underdeveloped regions.
3. Assessing the influence of the company's activities on social and economic development and taking measures to mitigate any adverse effects, if present.
4. The Company shall respect all forms of intellectual property and traditional knowledge and make efforts to ensure that benefits derived from their knowledge are shared equitably.
5. The Company shall make efforts to complement and support the development priorities at local and national levels.

#### **PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**

1. The company shall consider the holistic welfare of both customers and society as a whole.
2. The company shall ensure that it does not restrict the freedom of choice and fair competition in any way when designing, promoting, or selling its products.
3. The company shall accurately and factually disclose all information in accordance with relevant laws, using proper labelling.
4. The Company shall promote products in ways that do not mislead or confuse the customers.
5. The company will exercise prudence and caution when delivering goods and services to prevent over-exploitation of natural resources or encouraging excessive conspicuous consumption.
6. The Company shall provide adequate grievance redressal mechanisms that are transparent and accessible, to address client concerns and feedback.
7. The Company shall maintain privacy of consumer's confidential data in the normal course of its business.

**Implementation:**

The policy shall be appropriately communicated within the Company across all levels and shall be displayed on the website of the Company [www.vidhifoodcolors.com](http://www.vidhifoodcolors.com)

The Chairman & Managing Director of the Company shall have the authority to oversee the implementation of this Policy and shall be responsible for implementing the Business Responsibility initiatives. He shall be responsible for, providing clarifications on the Policy, guiding the staff in implementation, reviewing the results, audit, impact assessment, etc.

Mr. Mitesh Manek, Chief Financial Officer (CFO) of the Company is nominated as the responsible for implementation of the Business Responsibility and Sustainability policy/policies as the Business Responsibility Head ("BR head").

Mr. Mitesh Manek shall be the reviewing authority of this Policy, subject to the approval of the Board.

The BR head, subject to the approval of the Board may make suitable changes in this policy from time to time, however such alterations shall not be inconsistent with the provisions of any law for the time being in force. In case there are any inconsistency between any of the provisions of this policy and applicable law, the applicable law shall prevail and any subsequent amendment / modification in applicable laws in this regard shall automatically apply to this policy and the policy shall be deemed to have been amended accordingly.

Such BR head will be appointed by the Board as and when required. This policy shall be valid until further modification/revision in the policy. Any directive/guideline issued by Securities and Exchange Board of India / Government of India / Ministry of Finance / Ministry of Corporate Affairs in this regard shall automatically be part of this policy, during the currency of this policy.

Compliance with the Policy shall be monitored and evaluated by the Company through Stakeholders Relationship Committee on a Yearly basis (i.e., Financial Year).

Any grievances/ complaints with respect to violation of the policy shall be reported to the BR Head.