

BALRAMPUR CHINI MILLS LIMITED



Environmental, Social and Governance Policy



Preamble

The Environmental, Social and Governance (“ESG”) Policy (“The Policy”) describes the Company’s commitment to sustainability, including mitigating environmental impacts, addressing relevant social issues, and maintaining sound governance procedures. This policy is documented to synthesize the Company's commitment to overall ESG strategy that aligns with our business objectives, engage stakeholders, report results and endeavors to achieve long-term sustainable outcomes for its stakeholders.

Regulatory Background

India’s commitment to sustainable growth is reflected in the rise of ESG regulations. In India, the regulatory framework related to ESG is not governed by just a single piece of legislation but encompasses various laws and regulations.

Here are some key aspects:

- Companies Act, 2013 (Companies Act) requires companies to report on energy conservation efforts, emphasizes directors’ duty to promote the company’s objectives while considering environmental protection and mandates eligible companies to allocate a portion of profits for Corporate Social Responsibility (CSR) activities
- Various laws under the Environmental Legislations, including the Environment Protection Act, 1986; Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974
- SEBI mandated the top 100 listed entities as per market capitalisation to file Business Responsibility Reports (BRR) as part of their annual report for FY 2012-13, as per the disclosure requirement emanating from the ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business’ (NVGs)
- To keep pace with global developments viz. the UN Sustainable Development Goals (SDGs), Paris Agreement on Climate Change and the United Nations Guiding Principles on Business and Human Rights (UNGPs), the NVGs were revised and released as the National Guidelines on Responsible Business Conduct. SEBI then replaced the existing BRR with Business Responsibility and Sustainability Report (“BRSR”), thereby mandating top 1000 listed entities by market capitalisation to report it on a voluntary basis for FY 2021-22 and on a mandatory basis from FY 2022-23
- Subsequently, from FY 2023-24 the top 1000 listed entities in India as per market capitalisation are required to prepare BRSR Core disclosures. The BRSR Core is a subset of the BRSR. The new format has additional Key Performance Indicators, relevant for the Indian economy, under nine ESG attributes

Objective & Scope

This Policy applies to all the Company’s operating business activities. It sets out the sustainability commitments and intents for all employees and other stakeholders of the Company.



The following principles guide the approach to the sustainability of the Company:

- Integrating ESG considerations into the product cycle
- Implement sustainable practices, where feasible, through innovation and the sharing of best practices across the product chain
- Act responsibly as a steward of the natural environment by addressing environmental impacts whilst also enhancing operational efficiency
- Recognize the social impact and have consideration for the local communities in the areas which the Company operates
- Accountability, transparency and integrity forms core driver of the governance procedure

To ensure that the above principles are met, the Company has established a sustainability management system approach. In simple terms, the Company reviews performance to define material issues, develops improvement objectives, implements & tracks progress through-

1. Environmental Commitment

The Company is committed to the protection of the environment in which it operates, compliance with all applicable legal obligations, and integrating sustainability and climate risks mitigation into all processes and stages of the product life cycle and waste management.

The key focus areas are:

- Sustainable Procurement
- Waste Management
- Climate Change Mitigation
- Environment Management System

2. Commitment to Employees and a Sustainable Society

Sustainability is a core part of the Company's business culture and a central pillar of the Company's business strategy. The key focus areas as per the respective policies, subject to applicable laws in India, are:

- Occupational Health and Safety
- Community Engagement
- Promotion of human rights
- Equality and diversity among employees
- Responsible supply chain engagement

3. Governance Focus

The Company implements a comprehensive approach to ensure the governance of the Company is carried out with the highest standards of accountability and integrity across all levels of the organization. The key focus areas are:

- Business Ethics
- Board Diversity
- ESG Oversight
- Stakeholder Engagement
- Operation Efficiency



Policies that guide our ESG Responsibility

The Company has various policies in place to guide the ESG commitments of our management, employees, suppliers and other stakeholders. The list of policies is enclosed herewith as an Annexure.

Responsibility and Administration of the Policy

At the highest level, the Board of Directors of the Company, led by the Chairman & Managing Director has the strategic supervision on the Policy. The ESG Committee of the Board is responsible for providing direction to the Management on formulation of ESG initiatives and monitoring the Company's progress and performance on its long term ESG commitments and targets. All the Company's senior employees are responsible for ensuring adherence to the Company's ESG policy. This Policy is communicated to all employees and is made publicly available on the Company's website.

Independent Third-Party Assurances

Our Business Responsibility and Sustainability Report and Green House Gas (GHG) emissions are externally verified by independent third parties. We continue to seek third party assurance on our ESG disclosures to demonstrate credibility of our publicly available information.

Policy Review

This Policy shall be reviewed periodically to maintain its relevance and effectiveness to align with changes in the business environment, legal requirements and industry standards. This Policy has been reviewed and approved by the Board of Directors of the Company.

Date of approval by the Board: 29th June, 2024



Annexure

Policies that guide our ESG Commitments

Name of the Policy/Code	Policy Overview	The Policy can be accessed here
ENVIRONMENTAL & SOCIAL		
EHS Policy	The Policy is based on the principle that all accidents are preventable as all hazards can be safeguarded either physically or through safe work procedures.	https://chini.com/wp-content/uploads/2023/02/EHS-Policy-2.pdf
Corporate Social Responsibility Policy	The vision for BCML’s CSR policy is to contribute to bringing social and economic change to the underprivileged sections of the society. The policy aims to embrace the responsibilities for the business actions and encourage a positive impact through its activities on the environment, communities, farmers and on the wellbeing of society at large.	https://chini.com/wp-content/uploads/2021/07/CSR-Policy.pdf
Supply Chain Policy	As a part of its commitment to sustainable supply chain management, the Company encourages its suppliers to pursue and follow good Environmental, Social & Governance standards for its supply chain infrastructure. This policy sets out the fundamental values of business conduct that the Company expects its Suppliers to uphold in all business relationships.	https://chini.com/wp-content/uploads/2024/07/Supply-Chain-and-Responsible-Sourcing-Policy.pdf
Human Rights Policy	The Company recognizes the value that business can play in the promotion of human rights across the workforce, communities, suppliers, and other business associates. The company is committed to developing an organizational culture based on a policy that supports human rights and seeks to avoid human rights abuses.	https://chini.com/wp-content/uploads/2024/07/Human-Rights-Policy.pdf
Policy on Prevention of Sexual Harassment	BCML is committed to provide a healthy working environment that enables its employees to work without fear of prejudice, gender bias and sexual harassment.	https://chini.com/wp-content/uploads/2023/02/Prevention_Sexual_Harassment_Policy-1.pdf
GOVERNANCE		
BCML Code of Conduct and Business Ethics	The Code is intended to serve as a guideline to the corporate and individual behaviour of the Directors, Senior Management & Employees in the conduct of business and the discharge of their duties. The purpose of the Code is to deter wrongdoing and promote ethical conduct in the Company.	https://chini.com/wp-content/uploads/2022/08/Code_of_Conduct.pdf



Vigil Mechanism Policy	This policy provides a framework to promote responsible and secure whistle blowing. It protects employees wishing to raise a concern about instance of serious irregularities, unethical behavior, actual or suspected fraud & violations to the prescribed authority within the Company.	https://chini.com/wp-content/uploads/2024/06/Vigil_Mechanism_Policy.pdf
Policy on Selection & Remuneration of Directors, KMP and other employees and on Board Diversity	The policy is aimed to set the criteria for determining qualifications and to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and employees of the quality required to run the Company successfully and to have a diverse Board, with people from diverse areas of expertise and experience.	https://chini.com/wp-content/uploads/2023/02/Policy-on-Selection-Remuneration-of-Directors-KMP-and-Other-Employees-T...pdf
Anti Bribery Policy	The Objective of this policy is to set responsibility for the directors and employees of BCML to maintain high standard of business practices as well as to comply with the anti-corruption laws applicable in India.	https://chini.com/wp-content/uploads/2023/02/Anti-Bribery-Policy.pdf
BCML Code for Fair Disclosures	The Company is committed to fair disclosure of information without advantage to any particular person(s). Prompt public disclosure of unpublished price sensitive information, that would impact price discovery to the Stock Exchanges where the securities of the Company are listed is done in due compliance of regulatory provisions.	https://chini.com/wp-content/uploads/2023/02/BCML-Code-of-Fair-Disclosure-1.pdf
Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons	A code of conduct to regulate, monitor and report trading by its designated persons of the Company and their immediate relatives pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015	https://chini.com/wp-content/uploads/2023/02/Code-of-conduct.pdf
Dividend Distribution Policy	The object of this Policy is to strike a balance between dividend payout and the need to retain earnings for future growth. This Policy broadly specifies the external and internal factors that shall be considered while declaring dividend.	https://chini.com/wp-content/uploads/2022/08/Dividend_Distribution_Policy_2020.pdf
Policy on Related Party Transactions	This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws.	https://chini.com/wp-content/uploads/2022/08/Policy_on_RPT.pdf
Policy for Determination of Materiality of	The Policy assists the employees of the Company in identifying potential material events or information in an objective manner that may	https://chini.com/wp-content/uploads/2023/08/bcml_policy-for-



Events	originate at the ground level which can be promptly escalated and reported to the authorised Key Managerial Personnels of the Company for determining the materiality of the said event or information.	determination-of-materiality-of-events-information-1.pdf
Risk Management Policy	The policy forms part of BCML's internal control & governance arrangements and operates in conjunction with other business and operating / administrative practices of the Company.	https://chini.com/wp-content/uploads/2023/01/BCML-Risk-Management-Policy-Amended.pdf
Succession Policy	The objective of this Policy is to plan for orderly succession for appointment to the Board, Key Managerial Personnel and Senior Management to ensure leadership continuity in key positions and smooth functioning of the Company.	https://chini.com/wp-content/uploads/2024/07/Succession-Policy.pdf