



PUNJAB CHEMICALS
AND CROP PROTECTION LTD.

Principles and Policies of Business Responsibility

[Regulation 34(2) (f) of SEBI Listing
Regulations, 2015]

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Introduction:

In line with the nine principles of the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of business issued by the Ministry of Corporate Affairs and requirement under Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Punjab Chemicals and Crop Protection Limited (PCCPL) has formed the Business Responsibility Policies for its successful and sustainable business.

The enterprises are not merely accountable to their shareholders but also to the larger society as important stakeholders. Therefore adoption of responsible business practices are vital not only for financial and operational performance but also in the interest of the social set up and environment.

PCCPL is fully committed to the Business Responsibility Policy and will work for the benefit of its stakeholders. This policy will ensure that PCCPL contributes towards the sustainable development and fulfils its social, environmental, human rights, equitable development and economic responsibilities.

Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligation and Disclosure Requirements), as amended, it has become mandatory for the top one thousand listed companies based on market capitalisation (calculated as on 31st March of every financial year) to include in its Annual Report, Business Responsibility Report (BRR) describing the initiatives taken by them from an environmental, social and governance perspective in a specific format provided by Securities and Exchange Board of India (SEBI) from time to time.

Key principles:

Nine key principles of the Business Responsibility envisaged in National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of business issued by the Ministry of Corporate Affairs and requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been adopted by PCCPL.

This policy is applicable on all the business divisions / units of PCCPL, its business associates, Subsidiaries, suppliers, contractors and other entities which are dealing with the Company either in the business operations or in its CSR activities.

The Business Responsibility Policy is therefore based on the following principles:

Ethics Transparency & Accountability:	Policy 1
Product Life Cycle Sustainability:	Policy 2
Wellbeing of all Employees:	Policy 3
Stakeholder Engagement:	Policy 4
Human Rights:	Policy 5
Preservation of Environment:	Policy 6
Responsible advocacy:	Policy 7
Inclusive growth and equitable development:	Policy 8
Customer Value:	Policy 9

POLICY 1: ETHICS TRANSPARENCY & ACCOUNTABILITY

PCCPL believe that a company without ethics is like a body without soul. A strong foundation of ethical corporate citizenship and good corporate culture are the utmost requirement to run the business. The core value of PCCPL's ethical policy and practices are trustworthiness, respect, responsibility, transparency, fairness and caring for all the stakeholders. The ethical behavior has to be depicted by all of its Directors, Managers and employees towards the stakeholders of the Company viz. Investors, Creditors, Customers, Employees, Government and the Society at large.

The measurement of ethical behavior revolves around the following:

- i. Fairness to all stakeholders,
- ii. Transparency in all business dealings;
- iii. Raising the trust and confidence of the stakeholders in company's way of working;
- iv. Understanding and discharging social responsibility;
- v. Long term thinking;
- vi. Overcoming from greed, insecurity, and lack of confidence.
- vii. Following every law of the land even when the law enforcers may not be able to detect the violation.

Therefore, General obligations and Professional responsibilities are:

1. Contribute to society for human well-being;
2. Avoid harms to others;
3. Be honest and trustworthy;
4. Be fair and take action without discrimination;
5. Practice integrity in inter-personal relationships;
6. Honour confidentiality;
7. Live upto the company's values;
8. Take the ownership;
9. Ensure development of the people;
10. Acquire & maintain professional competence;
11. Teamwork;
12. Best Services to consumers;

13. No compromise on Integrity;
14. Strive to achieve the highest quality, effectiveness and dignity in both the processes and products of professional work;
15. Respect laws of the land and abide by the laws;
16. Be upright and avoid undue inducements;
17. Be accountable to company's other stakeholders;
18. Identify, mitigate and manage business risks;
19. Protect company's properties

Additional Responsibilities for Board Members and Sr. management:

It is expected from every members of the Board and Sr. management including the functional heads:

- i. To participate in a company meeting, depending upon their eligibility and/ or requirement, and do not involve in related party transactions.
- ii. Do not take directorship in competitor's company.

POLICY - 2: PRODUCT LIFE CYCLE SUSTAINABILITY

The Company endeavours to develop the principles of sustainability, as far as practicable, into the various stages of product or service lifecycle. The stages of the product life cycle are procurement of raw material / service, manufacturing of product or delivery of service, transportation of raw materials and finished goods, and disposal to consumers.

PCCPL believes that sustainable development calls for concerted efforts towards building an inclusive, sustainable and resilient future for people and planet. In order to achieve sustainable development, the Company believes that economic growth, social inclusion and environmental protection must be harmonised. It is the endeavour of the Company to introduce the process of change whenever required to remain in harmony and enhance both current and future potential to meet the human needs and aspirations.

Keeping in view the above, the Company endeavours to do the following:

2.1 The company shall work towards building capacity such that all the value chain partners, namely the third party manufacturers, service providers including transporters and raw materials suppliers, are empowered to fulfill their roles and responsibilities towards sustainability.

2.2 The company shall raise the consumer's awareness of their rights through education, product labeling, appropriate and helpful marketing communication, full details of contents and composition as per the applicable laws and promotion of safe usage and disposal of their products and services.

2.3 The company shall ensure that the manufacturing processes and technologies required to produce are resource efficient and sustainable.

2.4 The company shall work towards ensuring that products are procured, manufactured and delivered embedding the principles of legal labour practices, human rights, ethics, occupational health, safety and environment.

2.5 The company shall continue to recognise and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property, wherever relevant.

2.6 The company shall continue to progressively factor in relevant social and environmental considerations during the process of development of products;

2.7 The company shall work towards safe and optimal resource use over the lifecycle of its products and services, including recycling of resources wherever possible;

2.8 The company shall work with supply chain members that comply with applicable laws and regulations related to labour practices, human rights, bribery & corruption, occupational health, safety and environment;

2.9 The Company shall encourage its business partners and third parties with whom it conducts business to abide by this policy.

Fundamental Principle of Sustainable Development:

The United Nations Conference on Environment and Development (UNCED) held in Rio de Janeiro in 1992 laid the following principles on sustainable development. PCCPL endeavours to adhere these principles as a good corporate citizen during its business operations;

(a) Principle of Inter-generational equity: PCCPL endeavours to protect the natural resources for future generation.

(b) Principle of Sustainable Use: PCCPL endeavours to use the natural resources in a prudent manner without or with minimum tolerable impact on nature.

(c) Principle of equitable use inter-generational equity: PCCPL endeavours to use the natural resources but at the same time would take into account its impact on other stakeholders.

(d) Principle of Integration: PCCPL would take all possible actions, while using the natural resources, to take care of environmental aspects and impact of socio-economic activities in such a manner that prudent use of natural resources is ensured.

PCCPL believes that environmental protection does not preclude economic development and that economic development must be ecologically viable now and in the long run. Therefore, it is firm belief of PCCPL that sustainability encompasses ideas and values that inspire people to become custodian of the environment without compromising economic growth.

POLICY - 3: EMPLOYEE WELL BEING

PCCPL endeavours to ensure the well-being of all its employees. At PCCPL, the safety, health and work life balance of employees are extremely important. The company believes in giving its employees ample opportunities and working environment so that they shall be motivated, result oriented and committed to achieve excellence in their domain.

- 3.1 The company shall respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance Redressal mechanisms.
- 3.2 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.
- 3.3 The company shall not use child labour, forced labour or any form of involuntary labour, paid or unpaid. Further, the company shall ensure that no person below the age of eighteen years is employed in the workplace.
- 3.4 The company shall take cognizance of work and life balance of its employees especially that of women.
- 3.5 The company is committed to provide facilities for the wellbeing of its employees including those with special needs.
- 3.6 The company shall ensure timely payment of fair living wages to meet basic needs and economic security of the employees.
- 3.7 The company is committed to provide a workplace environment that is safe, hygienic and humane which upholds the dignity of the employees. Further, company shall communicate this provision to their employees and train them on regular basis.
- 3.8 The company shall ensure up gradation of skill and competence of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. The company shall promote career development through enlightened human resource interventions.
- 3.9 The company shall create systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities.

POLICY - 4: POLICY ON STAKEHOLDERS ENGAGEMENT

PCCPL believes in the principle that the interest of all stakeholders must be protected. The company must be more responsive towards disadvantaged, vulnerable and marginalised stakeholders. The Company believes that stakeholder engagement leads to increased transparency, responsiveness, compliance, organisational learning, quality management, accountability and sustainability.

4.1 The Company shall identify their stakeholders, understand their concerns, define purpose and scope of engagement and commit to engage with them.

4.2 The company shall acknowledge, assume responsibility and be transparent about the impact of its policies, decisions, product & services and associated operations on the stakeholders.

4.3 The company shall strive to give special attention to stakeholders in areas that are underdeveloped.

4.4 The company shall resolve differences with stakeholders in a just, fair and equitable manner.

POLICY - 5: POLICY ON HUMAN RIGHTS

PCCPL respects the human rights for all individuals. It is committed to identify, prevent, and mitigate adverse human rights impacts resulting from or caused by the business activities of the Company.

The Company recognizes its impact on the communities in which it operates and ensure listening, considering views for the conduct of business. The Company make sure that the local issues are appropriately addressed at the local level. The Company is committed to create economic opportunity and fostering goodwill in the communities in which it operates through relevant initiatives.

5.1 The company shall have respect for human rights in the management systems. The Company shall ensure that all individuals impacted by the business have access to grievance mechanisms.

5.2 The company shall recognize and respect the human rights of all relevant stakeholders and groups, including that of communities, consumers and vulnerable and marginalized groups.

5.3 The company shall, within its sphere of influence, promote the awareness and realization of human rights across their value chain.

5.4 The Company shall encourage its business partners and third parties with whom it conducts business to abide by this policy.

POLICY - 6: PRESERVATION OF ENVIRONMENT

PCCPL is committed to adopt business practices that creates long term stakeholders value by implementing opportunities and managing risks arising from economic, environmental and social developments. PCCPL places highest corporate priority in ensuring and adhering to best procedures relating to environment protection. It is committed to respect, protect, and make efforts to restore the environment.

PCCPL is focussed for performance that does not merely comply with regulations but reduces environmental impacts. The Company believes that it has a responsibility to take care of the planet and preserve its beauty, resources and strength for future generations.

6.1 PCCPL shall utilize natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.

6.2 PCCPL 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.

6.3 PCCPL shall ensure that benefits arising out of access and commercialization of biological and other natural resources and associated traditional knowledge are shared equitably.

6.4 PCCPL shall continuously seek to improve their environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies.

6.5 PCCPL shall develop Environment Management Systems and contingency plans and processes that shall help it in preventing, mitigating and controlling environmental damages and disasters which caused due to its operations.

6.6 PCCPL shall strive to report its environmental performance, including the assessment of potential environmental risks associated with their operations, to the stakeholders in a fair and transparent manner.

6.7 PCCPL shall proactively persuade and support its value chain to adopt these principles.

POLICY - 7: RESPONSIBLE ADVOCACY

PCCPL understands that it operates in a sector which requires consistent, balance and transparent interaction with various regulatory authorities and social organisations. PCCPL believes that the engagement with the relevant authorities is guided by the values of commitment, integrity and transparency.

7.1 PCCPL engages and shall work with industry bodies, associations, industry chambers to influence public and regulatory policy in a responsible manner.

7.2 PCCPL shall ensure that advocacy position remains consistent with its values and philosophy;

7.3 PCCPL shall ensure that policy advocacy is conducted ethically.

POLICY - 8: INCLUSIVE GROWTH & EQUITABLE DEVELOPMENT

PCCPL believes that the sustainable development calls for concerted efforts towards building an inclusive, sustainable and resilient future for people and planet. In order to achieve inclusive growth and equitable development, PCCPL believes that economic growth, social inclusion and environment protection must be harmonised. PCCPL is committed to ensure protection of interest of all stakeholders. In order to achieve inclusive growth and equitable development, the Company do various CSR projects in accordance with Schedule VII of the Companies Act, 2013.

8.1 PCCPL endeavour to take appropriate actions for understanding the impact of its business operations on social and economic development and shall respond through suitable actions to minimise the negative impact, if any.

8.2 PCCPL shall innovate and invest in products, technologies and processes that promote the well-being of the society.

8.3 PCCPL shall make efforts to complement and support the development priorities at local and national levels and ensure appropriate resettlement and rehabilitation of communities who have been displaced owing to their business operations.

8.4 PCCPL shall undertake its CSR activities as per the recommendation of the CSR Committee and in accordance with CSR policy. Further, PCCPL shall ensure that the CSR policy be kept updated in line with the requirement of Section 135 read with Schedule VII of the Companies Act, 2013.

POLICY - 9: CUSTOMER VALUE

PCCPL believes that for a successful business, a consistent efforts are essential to engage with and provide value to their customers and consumers in a responsible manner. PCCPL is committed to engage with and provide value to their customers and consumers in a responsible manner.

9.1 PCCPL shall take into account the overall well-being of the customers and that of society while serving the needs of its customers.

9.2 PCCPL shall ensure that it does not restrict the freedom of choice and free competition in any manner while designing, promoting and selling its products.

9.3 PCCPL shall disclose all information truthfully and factually as per applicable laws through labelling and other means, including the risks to the individual, society and to the planet from the use of the products, so that the customers can exercise their freedom to consume in a responsible manner. Further, wherever required, the Company shall educate their customers on the safe and responsible usage of its products and services.

9.4 PCCPL shall promote and advertise its products in a way that do not mislead or confuse the consumers.

9.5 PCCPL shall exercise due care and caution to manufacture products and ensure that no over exploitation of natural resources and excessive conspicuous consumption.

9.6 PCCPL shall provide an adequate consumer feedback mechanism to address consumer concerns and feedback.

Implementation:

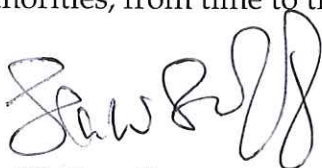
- i. The policy shall be appropriately communicated within the Company across all levels and shall be displayed on the Company's website.
- ii. The Managing Director, through the Functional Heads of the Departments/ Unit Heads of the Company shall be responsible for ensuring that the policy is implemented throughout the Company.
- iii. Compliance with the Policy shall be monitored and evaluated by the Company Secretary / Authorised Persons on a regular basis.
- iv. Any grievances/ complaints with respect to violation of the policy shall be reported to the Managing Director / Company Secretary.
- v. Company Secretary shall report the non-compliance of code to the Board of Directors or duly constituted committee of the Board. The Board / Committee shall take appropriate action against the wrongdoer.

General:

- i. In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to the Company Secretary.
- ii. Company secretary in consultation with the Managing Director and / or Director (Operations) & Business Development shall clarify the doubt and communicate the same to the respective person. In case, clarification or doubt is subject matter of policy then, Company Secretary shall refer the matter to the Board of Directors for their direction. On receipt of direction/ clarification, Company Secretary shall communicate the same to the respective person / division.

Modification / Amendment in the Policy:

Any or all provisions of this Policy would be subject to revision / amendment in accordance with the guidelines on the subject as may be issued by the Central Government, or Ministry of Corporate Affairs or SEBI and / or any other statutory authorities, from time to time.

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Shalil Shroff

Managing Director

Date: 29th June, 2020