



**THE FERTILISERS AND CHEMICALS TRAVANCORE
LIMITED**

Business Responsibility and Sustainable Development Policy

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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). These guidelines provide guidance to business entities for 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. After revision and updation, 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.

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.

OBJECTIVE, SCOPE AND APPLICABILITY

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

The policy is in accordance with the 9 Principles of the of National Guidelines on Responsible Business Conduct (NGRBC), as proposed by the Ministry of Corporate Affairs, and in line with SEBI requirements. This policy manual is in line with the other existing policies of the Company.

This policy aims to enhance the trust and confidence of all stakeholders, directly and indirectly associated with FACT for their business operations. The policy is applicable to FACT’s business operations and value chain partners.

Business Responsibility and Sustainable Report (BRSR) Framework

FACT is committed to operate and grow its business in a socially responsible way. The business of FACT shall be governed by the following 9 Principles of BRSR, prescribed in the National Guidelines on Responsible Business Conduct:

Principle 1

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

Principle 2

Businesses should provide goods and services in a manner that is sustainable and safe

Principle 3

Businesses should respect and promote the wellbeing of all employees, including those in their value chain

Principle 4

Businesses should respect the interests of and be responsive to all its stakeholders

Principle 5

Businesses should respect and promote human rights

Principle 6

Business should respect and make efforts to protect and restore the environment

Principle 7

Business, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Principle 8

Businesses should promote inclusive growth and equitable development

Principle 9

Businesses should engage with and provide value to their consumers in a responsible manner

Mapping of Company Policies to NGRBC Guidelines

The table below maps FACT's policies with the 9 Principles of NGRBC on Environmental, Social, and Governance (ESG) Responsibilities of the Company:

| | |
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| <p>Principle 1 Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable</p> | <ol style="list-style-type: none"> 1. Policy on Business Ethics and Governance 2. Code of conduct for Board of Directors and Senior Management 3. Whistle Blower Policy |
| <p>Principle 2 Businesses should provide goods and services in a manner that is sustainable and safe</p> | <ol style="list-style-type: none"> 1. Policy on Product Responsibility and Sustainability 2. Policy on Environmental Sustainability 3. Environmental Policy –Udyogamandal Complex 4. Quality, Environment, Health and Safety –Cochin Division |
| <p>Principle 3 Businesses should respect and promote the wellbeing of all employees, including those in their value chain</p> | <ol style="list-style-type: none"> 1. Policy on Employee Well being 2. Health and Safety Policy – Udyogamandal Complex 3. Quality, Environment, Health and Safety –Cochin Division |
| <p>Principle 4 Businesses should respect the interests of and be responsive to all its stakeholders</p> | <ol style="list-style-type: none"> 1. Policy on Stakeholder engagement and inclusiveness |
| <p>Principle 5 Businesses should respect and promote human rights</p> | <ol style="list-style-type: none"> 1. Policy on Human Rights |
| <p>Principle 6 Business should respect and make efforts to protect and restore the environment</p> | <ol style="list-style-type: none"> 1. Policy on Product Responsibility and Sustainability 2. Policy on Environmental Sustainability 3. Environment Policy –Udyogamandal Complex 4. Energy Policy - Udyogamandal Complex 5. Quality, Environment, Health and Safety –Cochin Division |
| <p>Principle 7 Business, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent</p> | <ol style="list-style-type: none"> 1. Policy on Responsible Advocacy with Public and Regulatory bodies |
| <p>Principle 8 Businesses should promote inclusive growth and equitable development</p> | <ol style="list-style-type: none"> 1. CSR Policy 2. Policy on Equitable Development |
| <p>Principle 9 Businesses should engage with and provide value to their consumers in a responsible manner</p> | <ol style="list-style-type: none"> 1. Policy on Consumer Welfare 2. Quality Policy – Udyogamandal Complex 3. Health and Safety Policy - Udyogamandal Complex 4. Quality, Environment, Health and Safety –Cochin Division |

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

Policy on Business Ethics and Governance

Philosophy

Ethical practices and conduct are critical to the company and its operations. The company is dedicated to conducting business in a transparent, ethical, and accountable manner.

Our Policy

1. The Company shall comply with all applicable laws, rules, and regulations. It shall acquire full knowledge of the legal/ regulatory framework to fulfill its statutory compliances on time. Meeting the statutory requirements would promote healthy and fair competition while garnering the trust of all stakeholders.
2. The Company expects all its employees and third-party partners (*suppliers and vendors*) to act in accordance with highest standards of personal and professional integrity, honesty, and ethical conduct. The Company shall create a conducive working environment which is respectful and inclusive.
3. The Company shall put in place a governance structure, mechanism, and procedure to ensure compliance with the policy framework at all levels.
4. The Company shall make requisite disclosure of its Policies in Public Domain.
5. The Company shall put in place appropriate code, policies and procedures to ensure that the business does not engage in illegal and abusive practices, anti-competition and corruption, and ensure timely and fair action in case such transgressions are detected.
6. The Company shall maintain high standards while complying with financial payments and applicable taxes.
7. The Company shall ensure ethical behavior in all operations, functions and processes and encourage its business partners and third parties when it conducts business, to abide by this policy.

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

Policy on Product Responsibility and Sustainability

Philosophy

The Company endeavors to ensure responsible and sustainable business operations across the entire supply chain- sourcing, procurement, manufacturing, packaging, transportation, marketing, and end-product use. The company is committed to managing and mitigating risks through the entire product lifecycle and improve its value offerings to meet the needs and aspiration of all its stakeholders.

Our Policy

1. The Company shall identify, assess and manage environmental & social risks, and its impact across its entire product lifecycle. Additionally, ensure that integrated and appropriate strategies are adopted to minimize and mitigate the negative externalities.
2. The Company shall adopt responsible communication and marketing strategies to spread awareness about the products and services and empower the consumers to make informed decisions.
3. The Company will seek to achieve a responsible business position by implementing resource-efficient and low-carbon strategies, technologies, and processes in its operations, while encouraging our value chain partners to adopt the same.
4. The Company shall engage in sensitizing and disseminating appropriate information with its value chain partners on the environmental, social concerns and impacts arising across the various stages of product development and deployment.
5. The Company shall ensure that its products and services meet all applicable statutory environment and safety standards, regulations, and requirements and regularly report to the stakeholders through appropriate product labels, disclosures, and certifications.
6. The Company shall endeavor in enhancing the reusability of the product packaging and ensure responsible disposal of packaging, post consumption to drive circularity in waste management practices.

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

Policy on Employee Well-being

Philosophy

Employees are the backbone of the company. Employees that are engaged and empowered are more likely to do their best for the organization's growth. We believe that employees who are satisfied and motivated, don't just work in the company, rather they work for their company. FACT recognizes all its employees and business partners as the most valuable resource and strives to build a conducive, trustworthy, meaningful, and inter-cultural environment.

Our Policy

1. The Company shall have appropriate governance mechanism and processes in place to ensure compliance with the policy requirements and statutory provisions.
2. The Company shall ensure the provision of equal opportunity by following a transparent recruitment process based on qualification, competency, without any form of discrimination or favoritism.
3. The Company shall ensure that there is no discrimination amongst its employees, based on caste, religion, gender, race, age, colour, marital status, disability, etc. during the course of employment and at the time of separation.
4. The Company shall engage in continuous training and skill development programs that makes the employee future-ready and enhance their employability level in the long run, without discrimination.
5. The Company shall create systems and practices to ensure humane work place, free from violence and harassment (including sexual harassment) where employees feel safe and secure in discharging their responsibilities and a workplace with adequate provisions of Grievance Redressal.
6. The Company shall recognize the right of the employees to form representative bodies (trade unions or associations) to voice their opinions to management wherever needed.
7. The Company shall endeavor to provide employees with a favorable work-life balance.
8. The Company shall ensure fair, timely and transparent payment of statutory wages to all employees, including contract and casual labor without discrimination
9. The Company shall ensure the prohibition of child labour, coercive/ bonded/ forced labour, or any form of involuntary, paid or unpaid labour across its locations.

10. The Company shall ensure compliance with occupational health and safety regulations and maintain an accessible and inclusive working environment or condition and uphold the dignity of its employees.

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

Policy on Stakeholder Engagement and Inclusiveness

Philosophy

FACT recognizes employees, business partners (*suppliers, vendors, and service providers*), shareholders/ investors, bankers, regulatory authorities, customers /consumers, and surrounding communities as their key stakeholders. The Company is committed to establishing a strong foundation of engagement with its stakeholders based on mutual understanding, trust, and responsiveness. Effective stakeholder engagement process is crucial for achieving effective sustainable development in an equitable and inclusive manner.

The Policy on Stakeholder Engagement and Inclusiveness, provides the company's approach and framework in identifying stakeholders, engaging, managing stakeholder needs and aspirations.

Our Policy

1. The Company shall identify and engage with its stakeholders in a consistent, transparent, and systematic manner ensuring that their interests are protected and balanced.
2. The Company shall understand the concerns and expectations of the stakeholders, including those coming from vulnerable and marginalized communities.
3. The Company shall acknowledge, assume responsibility and be transparent about the impact of its policies, decisions, product & services and associated operations on the stakeholders and the natural environment.
4. The Company shall strive to ensure that benefits accrued from the value generated by the business fairly benefits all stakeholder groups and any issue arising due to conflict are resolved in a fair and equitable manner.
5. The Company shall work towards addressing the stakeholder differences or grievances in an equitable, just, timely, and constructive manner.

Principle 5: Businesses should respect and promote human rights

Policy on Human Rights

Philosophy

The Company recognizes that human rights have no set boundaries, and it runs through every aspect of business operation, human relationship management, vendor management, and day to day operations. Therefore, it is both business case and moral responsibility of the company to protect and uphold the human rights of its employees and value chain partners. Human rights are moral principles and norms that describe certain standards of human behavior.

The Human Rights Policy is based on the Indian Constitution, relevant national laws, and regulations, as well as international mandates and principles such as the International Bill on Human Rights and the UN Guiding Principles for Business and Human Rights.

Our Policy

1. The Company shall recognize and respect the human rights of all relevant stakeholders and groups, including communities coming from vulnerable and marginalized sections of the society.
2. The Company shall effectively communicate the Policy on Human Rights to all its employees and value chain partners to familiarize them with its key elements.
3. The Company shall, within its sphere of influence, promote awareness and realization of human rights across their value chain partners.

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

Policy on Environmental Sustainability

Philosophy

Environment sustainability and conducting business operations in a responsible manner is prerequisite for sustained economic growth and social development. FACT recognizes global environmental concerns such as pollution, global warming, climate change, biodiversity loss, and waste, and prioritizes environmental conservation and preservation as a company objective. The Company understands its responsibility and accountability towards environment and has devised the Policy on Environmental Sustainability in line with national and international commitments, policies, regulations, and standards.

1. The Company shall identify environmental risks and opportunities in all its locations during the entire operational lifecycle.
2. The Company shall ensure appropriate governance structures and processes to set environmental goals and targets in line with the environmental priorities identified by the Company.
3. The Company shall work on developing key performance indicators (KPIs) for specific environmental areas like water, waste, emissions, land-use, energy, and climate change and so on to track and monitor the company's performance location wise which is later reported to its stakeholders.
4. The Company shall strive continuously to improve its environmental performance by adopting cleaner production methods, promote use of energy efficient equipment, use of renewable energy and resource-efficient practices to reduce carbon footprint, and optimize material consumption which in turn creates positive externalities on the environment, society, and economy.
- 5.. The Company shall continue to disseminate knowledge and engage in raising awareness on best industry practices on environment sustainability and encourage its stakeholders, specifically consumers and business partners to adopt sustainable practices like reduce, reuse, recycle, recover materials and resources.

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

Policy on Responsible Advocacy with Public and Regulatory Bodies

Philosophy

Governments, regulators, and legislative agencies at the international, national, regional, and municipal levels all have an impact on a country's social, environmental, and economic domains. Interactions and engagements with these bodies need to be guided with values of commitment, integrity, transparency, and by authorized trained individuals. The Policy on Responsible Advocacy with Public and Regulatory Bodies provides detailed guidance on how FACT engages, influences public and regulatory policies with diverse experience and in a transparent manner.

Our Policy

1. The Company shall ensure that its advocacy position is consistent with its values of commitment, integrity, honesty, transparency, and based on inputs from its stakeholders.
2. The Company shall take continuous measures to function within the democratic setup and recognized legislative and policy frameworks.
3. The Company shall ensure consistency of its public communications, disclosures with the Code of Conduct and the principles as outlined in the relevant regulatory frameworks.
4. The Company shall work together with industry organizations, chambers, forums, and associations to influence public and regulatory policies, frameworks, and suggest amendments for improvement of public good.
5. The Company shall promote consensus, co-operation, compliance, persuasion, and meaningful discussions instead of conflict on policy and regulatory matters.

Principle 8: Businesses should promote inclusive growth and equitable development

Policy on Inclusive and Equitable Development

Philosophy

The Company recognizes that societal welfare and community development are integral to business growth and building economy. This policy recognizes the importance of energy and business agility and encourages companies to innovate and contribute to the country's overall growth, particularly for the poor, vulnerable, and marginalized. This policy reiterates that business prosperity, inclusive growth, and equitable development are interdependent.

This Policy on Inclusive and Equitable Development reinforces the Company's commitment to societal welfare and community development. This Policy supplements the existing Corporate Social Responsibility (CSR) Policy of the Company.

Our Policy

1. The Company shall develop appropriate systems and processes to identify, measure, and mitigate any adverse impact that its operations have, on social, cultural and economic aspects of society.
2. The Company shall assess, measure and understand the impact that its operations have on social and economic development, and respond through appropriate action to minimize negative impact, if any, on the society.
3. The Company shall strive to stay committed to the betterment of all community segments including the vulnerable and marginalized sections of the society.
4. The Company shall undertake CSR activities in accordance with the Schedule VII of the Companies Act, 2013.

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

Policy on Consumer Welfare

Philosophy

Our company's basic aim is to provide products and services to its customers with utmost quality, safety, and in a manner that creates value for both the parties. FACT strives to make available products that are safe, competitively priced, accessible, easy to use and safe to dispose.

The Policy on Consumer Welfare underlines the foundation of the company i.e., trust, satisfaction, and loyalty of its consumers. The Company is dedicated in delivering products that meet the needs of consumers for the present and future.

Our Policy

1. The Company shall adopt responsible communication strategy to disclose information honestly, accurately through trademarks, labels, standards, and graphics in adherence with applicable laws and regulations to mitigate unfair competition practices.
2. The Company shall maintain high standards of fairness while designing, advertising, marketing, and selling its products and services. The Company shall promote free and healthy competition in the market to ensure freedom of choice and competitiveness for consumers to choose from.
3. The Company shall ensure that the product advertisements follow the relevant regulations and do not mislead the consumers.
4. The Company shall strive to ensure that standards and processes are in place to minimize and mitigate negative impact, if any, of its business operations on all aspects of the society, including consumers. The Company shall strive to enhance health, safety, and well-being of its consumers and society at large.
5. The Company shall engage in raising consumer awareness on product safety, responsible consumption including guidance on reuse and recycling of the products & materials.

VALIDITY, REVIEW AND AMENDMENTS

The Business Responsibility & Sustainable Development Policy shall be displayed on the website of the Company www.fact.co.in

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 in this regard shall automatically be part of this policy, during the currency of this policy. This Policy shall be reviewed periodically in line with the regulatory guidelines/ internal requirements or as and when considered necessary. The Board may modify, add, delete or amend any of the provisions of this Policy. Any modifications, exceptions to the Policy shall be consistent with the Regulations and be approved in the manner as may be decided by the Board of Directors.
