



BUSINESS RESPONSIBILITY AND SUSTAINANBILITY REPORTING POLICY

INTRODUCTION

The Ministry of Corporate Affairs (MCA), Government of India, issued a set of guidelines in 2011 known as the National Voluntary Guidelines on the Social, Environmental and Economic Responsibilities of Business (NVGs). This was issued in order to provide guidance to businesses on what constitutes responsible business conduct. In order to align the NVGs with 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 updating, the new principles are known as the National Guidelines on Responsible Business Conduct (NGRBC), 2018

Further Securities and Exchange Board of India (SEBI) vide Circular dated May 10, 2021, has made Business Responsibility & Sustainability Report (BRSR) which was earlier known as a Business Responsibility Report (BRR), mandatory for Top 1000 listed entities by market capitalization with effect from FY 2022-23.

Listed Entities can submit the BRR till the Financial Year 2021-22 and it will be discontinued thereafter. Filing of BRSR is voluntary for the financial year 2021- 22. Pursuant to the said Regulation, the Company is covered under top 1000 Companies by market capitalization as on 31st March 2022 and hence, the publication of the BRSR by the Company shall be applicable for the Financial Year 2022-23 onwards.

SEBI Circular further states that the BRSR is an initiative towards ensuring that investors have access to standardized disclosures on ESG parameters. Access to relevant and comparable information will enable investors to identify and assess sustainability-related risks and opportunities of companies and make better investment decisions.

OBJECTIVE & SCOPE

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 Shaily Engineering Plastics Limited ("Shaily" or "Company") and act as a strategic driver that will help Shaily 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 Shaily 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 Company 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.

APPLICABILITY

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 FY 2022-23 for the Company. In view of the Business Responsibility & Sustainability Reporting, the company formulates this Business Responsibility and Sustainability Development Policy. The subsidiary companies, if any, may participate in the Business Responsibility Initiatives of the Company to the extent required under the laws of the country in which they operate.

IMPLEMENTATION

The Board of Directors of the company (herein after referred to as 'Board') shall be jointly and severally responsible for implementing the BRSR Policy. The Managing Director of the Company shall be Head for BRSR policy and will oversee the implementation of the Policy. The BRSR Policy shall be appropriately communicated within the Company across all levels and shall be displayed on the Company's website. Compliance with the Policy shall be monitored and evaluated on a regular basis. Any grievances / complaints with respect to non-compliance with the Policy shall be reported to Chief Financial Officer or Company Secretary.

BOARD APPROVAL

The Business Responsibility Policy has been formulated by the management of the Company in consultation with the relevant stakeholders and are approved by the Board of Directors of the Company and it is further amended and renamed as Business Responsibility and Sustainability Policy by the Board of Directors of the Company at its 249th Board Meeting held on February 8, 2023

MONITORING

On an annual basis, the Board of Directors of the Company shall monitor & assess the performance of the Company.

POLICY AMENDMENTS

Any subsequent amendment / modification in the Listing Regulations, NGRBC and / or other laws in this regard shall automatically apply to these Policy. The same shall be added / amended / modified from time to time. The Board is authorized to amend or modify the BRS Policy, in whole or in part, from time to time.

GUIDING PRINCIPLES

Shaily 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 Shaily 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 businesses are urged to address them holistically.

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

- i. The Company shall develop and put in place structure, policies, programs and procedures that promote the principle of ethical conduct at all levels, prevent its contravention and effect prompt and fair actions against any transgressions.
- ii. 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.
- iii. The Company shall put in place appropriate code, policies and procedures to ensure that the business does not engage in illegal and abusive practices, bribery, anti-competition and corruption, and ensure timely and fair action in case such transgressions are detected.
- iv. Every employee of the company shall abide by the values and the commitment to ethical business practices reflected in the Company's Code of Conduct.
- v. The Company shall put in place appropriate structure, policies and procedures to address conflicts of interest involving its members, employees and business partners.
- vi. The company shall ensure that genuine concerns of misconduct/ unlawful conduct can be reported in a responsible and confidential manner through its Vigil Mechanism.
- vii. The Company shall ensure ethical behavior in all operations, functions and processes, and encourage its business partners and third parties with whom it conducts business to abide by this policy.

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

- i. The Company shall always strive to treat all its stakeholders and customers with dignity, respect, and due understanding.
- ii. The Company shall ensure that its products and services comply with all applicable statutes

and regulations.

- iii. 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.
- iv. The company shall work towards sourcing significant raw materials, products and services in a manner so as to continuously improve the balance between social, economic and environmental impacts.
- v. The company shall continue to progressively factor in relevant social and environmental considerations during the process of development of products / services.
- vi. The Company shall regularly review and improve upon the process of new technology development, deployment and commercialization, incorporating social, ethical, and environmental considerations.
- vii. The Company shall recognize and respect the rights of people who may be owners of traditional knowledge and other forms of intellectual property, wherever relevant.
- viii. In designing the products, the company shall ensure that the manufacturing processes and technologies required to produce it are resource efficient and sustainable.
- ix. The company shall work towards safe and optimal resource use over the lifecycle of its products and services, including recycling and safely disposal of resources wherever possible.
- x. 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 the environment.
- xi. 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 sensitized and empowered to fulfil their roles and responsibilities towards sustainability.
- xii. The Company shall encourage its business partners and third parties with whom it conducts business to abide by this policy.

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

- i. The Company shall ensure that all regulatory requirements pertaining to its employees and workers are complied with.

- ii. 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.
- iii. The Company shall not use child labour, forced labour or any form of involuntary labour, paid or unpaid.
- iv. 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.
- v. The Company shall put systems and processes in place to support the work-life balance of its employees, especially that of women.
- vi. The Company shall provide facilities for the wellbeing of its employees or workers, including those with special needs. The Company shall ensure fair, timely and transparent payment of statutory wages of all employees, including contract and casual labor without discrimination.
- vii. The Company shall provide a workplace environment that is safe, hygienic, humane, and which upholds the dignity of the employees.
- viii. The Company shall ensure continuous upgradation of skill and competence of all employees by providing access to necessary learning opportunities on an equal and non-discriminatory basis.
- ix. The Company shall promote employee morale and career development through enlightened human resource interventions.
- x. The company shall provide a work environment that is free from any form of discrimination, including but not limited to sexual harassment.
- xi. The Company shall create systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities and a workplace with adequate provisions of Grievance Redressal.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders
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- i. The Company should acknowledge, assume responsibility and become transparent about the impact of their policies, decisions, products, operations, and practices on all stakeholders and the natural environment.
- ii. The Company shall systematically identify its stakeholders, understand their concerns, define purpose and scope of engagement and commit to engaging with them.
- iii. The Company shall resolve differences with stakeholders in a just, fair and equitable

manner.

Principle 5: Businesses should respect and promote human rights.

- i. The Company shall observe that basic human rights of the employees are respected, valued and protected and all policies, practices, procedures and rules of the Company shall be formulated accordingly.
- ii. The Company shall integrate respect for human rights in management systems, in particular through assessing and managing human rights impacts of operations and ensuring all individuals impacted by the business have access to grievance mechanisms.
- iii. The Company should make its employees aware of basic human rights, laws and policies related to human rights and redressal mechanisms available.
- iv. The Company shall recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups.
- v. The Company shall, within their sphere of influence, promote the awareness and realization of human rights across their value chain.
- vi. The Company shall ensure that where it is causing, contributing or otherwise linked to adverse human rights impacts, it shall take corrective actions to address such impacts and also take corrective actions to address such impacts.
- vii. The Company shall encourage its business partners and third parties with whom it conducts business to abide by this policy.

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

- i. The Company should ensure that appropriate policies, procedures and structures are formulated to assess, measures and address any adverse impacts on the environment and natural resources at all business locations, at all stages of life cycle from establishment to closure.
- ii. 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.
- iii. 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.

- iv. The Company shall assess energy consumption, water consumption or any other natural resources.
- v. 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.
- vi. 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 and environment friendly technologies and use of renewable energy.
- vii. The Company shall develop Environment Management Systems (EMS) and contingency plans and processes that help them in preventing, mitigating, and controlling environmental damages and disasters, which may be caused due to their operations or that of a member of its value chain.
- viii. The Company shall report their environmental performance, including the assessment of potential environmental risks associated with their operations, to the stakeholders in a fair and transparent manner.
- ix. The Company shall proactively persuade and support its value chain to adopt this principle. Contingency plans and processes that help them in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to their operations or that of a member of its value chain.

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

- i. 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.
- ii. 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 taken on any issues related to anti-competitive conduct by the Company based on adverse orders from regulatory authorities, if any.

- iii. The company shall ensure that policy advocacy is conducted ethically.

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

- i. The Company ensures that the business takes appropriate actions to minimize any adverse impacts that it has on social, environment and economic aspects of society including arising from land acquisition, its use, construction of facilities and operations.
- ii. The Company shall assess, measure, and understand their impact on social and economic development, and respond through appropriate action to minimize the negative impacts on society.

- iii. The Company shall innovate and invest in products, technologies and processes that promote the overall wellbeing of society, including vulnerable and marginalized groups.
- iv. The Company shall make efforts to complement and support the development activities at local and national level and ensure that appropriate mechanism for resettlement and rehabilitation of communities who have been displaced due to business operations are in place.
- v. 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.

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

- i. The Company ensures that the business takes appropriate actions to minimize and mitigates any adverse impacts that it has on public, environment and society at large.
- ii. The Company shall consider the overall well-being of the Customers and that of society and ensure that the company does not restrict the freedom of choice free competition in any manner while designing, promoting and selling their products. and do not infringe their right to privacy in any manner.
- iii. The Customer satisfaction is essential for growth and success. The Company shall strive hard to provide better products to Customers at large.
- iv. 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.
- v. The Company shall provide adequate grievance redressal mechanisms that are transparent and accessible, to address Customer concerns and feedback.

DISCLOSURES

The BRS policy is available on the website of the Company at the weblink: [Shaily - Investors - Compliances & Policies - Policies](#)