

SUTLEJ TEXTILES AND INDUSTRIES LIMITED
BUSINESS RESPONSIBILITY POLICY

1. Introduction

Sutlej Textiles and Industries Limited ("the Company") is a public limited company listed on the BSE Ltd. and the National Stock Exchange of India Ltd.

2. Scope and Purpose

This Policy on Business Responsibility ("BR Policy / Policy") is formulated in accordance with Regulation 34 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). This Policy also reiterates the Company's commitment to follow the principles laid down in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of a business published by the Ministry of Corporate Affairs towards conducting business by a company.

The key objective of this Policy is to ensure a unified and common approach to the dimensions of Business Responsibility across the Company and act as a strategic driver that will help the Company respond to the complexities and challenges that keep emerging and be abreast with changes in regulations.

3. Applicability

This Policy applies to all the directors and employees of the Company across all its functions and units. This Policy shall be effective from the date of approval by the Board of Directors.

4. Authority and Responsibility

The Wholetime Director of the Company shall be responsible for the implementation of the Policy. The Wholetime Director may take support of such functional heads and internal and external experts, which he may deem fit, for the effective implementation of the Policy. Foreign subsidiaries of the Company shall participate in the Policy to the extent required under the laws of the country of their operation.

This Policy may be reviewed and amended from time to time by the Wholetime Director of the Company in line with changes in the regulatory requirements as well as changes in Company policies. All material changes may be placed before the Board of Directors of the Company ("Board") for its approval.

5. Key Principles

The Company believes that business excellence can be achieved only by doing business on sound sustainable principles that address the dimension of good governance as well as environmental and social responsibility. The Company shall conduct its business practices/activities in alignment with the following Key Principles which are broadly based on the Principles envisaged in the National Voluntary Guidelines (the Guidelines) in the interest of social set up, environment and governance:

Principle 1: To conduct and govern the Company's Business with Ethics, Transparency and Accountability, by way of:

- a. Creating necessary governance structures, procedures and practices to ensure ethical conduct at all levels; and promote the adoption of this principle across the value chain.
- b. Transparently communicating and allowing access to information about the decisions that impact relevant stakeholders.
- c. Not engaging in practices that are abusive, corrupt or anti-competitive.
- d. Truthfully discharging responsibilities on financial and other mandatory disclosures.
- e. Reporting on the status of adoption of these Guidelines, as necessary.
- f. Avoiding complicity with the actions of any third party that violates any of the principles of Business responsibility contained in these Guidelines.

Principle 2: To provide goods and services that assure safety and contribute to sustainability throughout their life cycle by:

- a. Optimal resource use over the life-cycle of the product - from design to disposal - and ensure that everyone connected with it - designers, producers, value chain members, customers and recyclers are aware of their responsibilities.
- b. Raising consumer awareness with regard to their rights, through education, product labelling, appropriate and helpful marketing communication, full details of the contents and composition and promotion of safe usage and disposal of the products and services.
- c. Ensuring that the product design considers resource efficiency and principles of sustainability in the manufacturing processes.
- d. Conducting regular reviews to improve upon the process of new technology development, deployment and commercialization, as well as incorporating social, ethical and environmental considerations.
- e. Recognizing and respecting the rights of people who may be owners of traditional knowledge and other forms of intellectual property.

- f. Recognizing that over-consumption results in unsustainable exploitation of our planet's resources and therefore promote sustainable consumption, including recycling of resources.

Principle 3: To promote the well-being of all employees by:

- a. Respecting the right to freedom of association, participation, collective bargaining and provide access to appropriate grievance redressal mechanisms.
- b. Ensuring 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.
- c. Ensuring that there is no deployment of child labour, forced labour or any form of involuntary labour, paid or unpaid.
- d. Taking cognizance of the work-life balance of its employees, especially that of women.
- e. Providing facilities for the well-being of the employees including those with special needs.
- f. Ensuring timely payment of fair living wages to meet basic needs and economic security of the employees.
- g. Providing a workplace environment that is safe, hygienic and humane and which upholds the dignity of the employees.
- h. Ensuring awareness of these provisions to the employees and training them on a regular basis. Ensuring continuous skill and competence up-gradation of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis.
- i. Promoting employee morale and career development through enlightened human resource interventions.
- j. Creating systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities.

Principle 4: To respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized by:

- a. Systematically identifying stakeholders, understanding their concerns, defining purpose and scope of engagement and commitment to engage with them.
- b. Acknowledging responsibility and be transparent about the impact of the policies, decisions, product and services and associated operations on the stakeholders.
- c. Giving special attention to stakeholders in areas that are underdeveloped.
- d. Resolving differences with stakeholders in a just, fair and equitable manner.

Principle 5: To respect and promote human rights by:

- a. Understanding the human rights principles embedded in the Constitution of India, national laws and policies and the content of International Bill of Human Rights, as well as acknowledging that, human rights are inherent, universal, indivisible and interdependent in nature.
- b. Integrating the principles of human rights in management systems, in particular by way of assessing and managing human rights impacts of operations and ensuring all individuals impacted by the business have access to grievance mechanisms.
- c. Recognizing and respecting the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups.
- d. Promoting awareness and realization of human rights across the value chain, which is within the sphere of the Company's influence.
- e. Not being complicit with human rights abuses by a third party.

Principle 6: To respect, protect and make efforts to restore the environment by:

- a. Utilizing natural and manmade resources in an optimal and responsible manner and ensuring the sustainability of resources by reducing, reusing, recycling and managing waste.
- b. Taking measures to check and prevent pollution.
- c. Assessing the environmental damage and bearing the cost of pollution abatement with due regard to public interest, wherever possible.
- d. Ensuring that, benefits arising out of access and commercialization of biological and other natural resources and associated traditional knowledge are shared equitably.
- e. Continuously seeking to improve environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.
- f. Developing Environment Management Systems (EMS) and contingency plans and processes that help in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to the Company's operations or that of a member of our value chain.
- g. Reporting the Company's environmental performance, including the assessment of potential environmental risks associated with the operations, to the stakeholders in a fair and transparent manner.
- h. Proactively persuading and supporting the value chain to adopt this Policy.

Principle 7: To behave responsibly when involved in influencing public and regulatory policy by:

- a. Ensuring that while pursuing policy advocacy, our advocacy positions are consistent with this Policy and Sub Policies, if any.
- b. Utilizing to the extent possible, trade and industry chambers and associations and other such collective platforms to undertake policy advocacy.

Principle 8: To support inclusive growth and equitable development by:

- a. Understanding the impact of inclusive growth and equitable development on social and economic development and responding through appropriate action to minimise the negative impacts.
- b. Innovating and investing in products, technologies and processes that promote the well-being of society.
- c. Making best efforts to complement and support the development priorities at local and national levels and assuring appropriate resettlement and rehabilitation of communities who have been displaced owing to the Company's business operations.
- d. While operating in regions that are underdeveloped, be especially sensitive to local concerns.

Principle 9: To engage with and provide value to our customers and consumers in a responsible manner by:

- a. Ensuring that, while serving the needs of their customers, the Company will take into account the overall well-being of its customers as well as society at large.
- b. Ensuring that the Company does not restrict the freedom of choice and free competition in any manner while designing, promoting and selling its products.
- c. Making full disclosures of all information truthfully and factually, through labelling and other means, including the risks to the individual, society and the planet from the use of its products, so that the customers can exercise their freedom to consume in a responsible manner. Where required, education of customers on the safe and responsible usage of the Company's products and services will be undertaken.
- d. Ensuring that promotion and advertisements of the Company's products do not mislead or confuse the consumers or violate any of the principles in this Policy.
- e. Exercising due care and caution while providing goods and services that result in over exploitation of natural resources or lead to excessive conspicuous consumption.
- f. Providing adequate grievance handling mechanisms to address customer concerns and feedback.
