

BUSINESS RESPONSIBILITY POLICY

1. INTRODUCTION:

Lux Industries Limited ('the Company') is a public limited company incorporated on 21st July, 1995 under the Companies Act, 1956 (Corporate Identity Number- L17309WB1995PLC073053).

The equity shares of the Company are listed on the 30th November, 2015 and as such the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') are applicable and binding on it.

2. SCOPE AND PURPOSE:

This Policy on Business Responsibility ('BR Policy' or 'Policy') has been framed in line with the requirements of Regulation 34 of the Listing Regulations and is intended to ensure that the Company contributes towards sustainable development and fulfills its social, environmental and economical responsibilities.

This Policy endorses the Company's commitment to follow principles laid down in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of Business published by the Ministry of Corporate Affairs towards conducting its business.

In view of the above, the Board of Directors of the Company (Board) approved this Policy at its meeting held on 10th November, 2016.

3. APPLICABILITY:

This Policy applies to all the directors and employees of the Company across all its functions, units and depots.

This Policy shall be effective from 10.11.2016.

4. COMMITTEE:

The Corporate Social Responsibility (CSR) Committee of the Board of Directors is responsible for implementation of BR policies.

5. IMPLEMENTATION:

The Executive Directors of the Company shall have the authority to oversee the implementation of this Policy. The Business Responsibility Head shall be responsible for implementing the

Business Responsibility initiatives and assisted by a team having multi-disciplinary backgrounds. He shall be responsible for, providing clarifications on the Policy, guiding the staff in implementation, reviewing the results, audit, impact assessment, etc.

The [Executive Director] of the Company and the [Business Responsibility Head] shall be the reviewing authority of this Policy, subject to the approval of the Board.

6. KEY PRINCIPLES:

6.1 ETHICS, TRANSPARENCY AND ACCOUNTABILITY

The Company maintains highest standards of ethics in all spheres of its business activities. The Board of Directors and Senior Management strive and endeavor to set examples of utmost ethical behavior. The Management aims at inculcating ethical behavior at all levels across the Company making it an essential part of the work culture so that every employee of the Company conduct himself and lead on behalf of the Company with professionalism, honesty and integrity, and confirm to high moral and ethical ground.

Apart from the Code of Conduct required as per various laws, rules and regulations from time to time, the Company additionally has in place the Code of Conduct for all its directors and employees applicable across the Company. The directors and employees of the Company are required to strictly adhere to this Code of Conduct. Any violation of any Code of Conduct shall be viewed strictly and lead to disciplinary action. All business decisions and transactions shall be fair, transparent, amenable to disclosure and be visible to the concerned stakeholder. The Company shall ensure maximum appropriate disclosure to its various stakeholders without impacting its strategic intent.

The Company shall strive to ensure that transparent, correct and relevant information, pertaining to its products and services, is disseminated through its advertising material and information displayed on the digital platforms. The Company shall ensure that the disclosures required to be made in business documents, statutory forms, declarations, advertisements are correct and complete in all sense. Disclosures shall be governed by the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Determination of Materiality Policy and such other applicable policy as may be framed by the Company, from time to time. The Company shall inform all relevant stakeholders of the operating risks and address and redress the issues raised.

The Company shall have a zero tolerance for bribery and corruption in its business dealings. The Code of Conduct of the Company clearly spells out that the Directors and employees shall not accept any gift, hospitality or material benefits from any agent/contractor/vendor or party with whom the Company has a business relationship. Gifts customarily given on special occasions like New Year, Diwali, Pujas, Christmas, etc., not expensive in value or distributed generally and

openly at ceremonies and a business lunch or dinner shall not come under purview of this Clause. Participation by employees in general customer meets, seminars, conferences organized by business partners under an open invitation will also not fall under the purview of this clause. All the employees of the Company shall not, directly or indirectly, solicit or accept any personal fee, commission or any form of remuneration arising out of a transaction involving the Company which might be extended at times to influence business decisions. Any offer, promise or grant of gift may be made only if it is customary and / or are of a commemorative nature.

The Company believes in free and open competition and shall not indulge in any anti-competitive or unfair practice or abuse its dominant position in the market.

The Company shall avoid, to the extent possible involvement in practices, either by itself or by any third party that are in violation of this Policy.

6.2 SAFETY AND SUSTAINABILITY OF GOODS AND SERVICES

The Company shall, at all times, ensure that the goods it produces are safe and sustainable. The Company shall continuously make efforts to improve the quality of life of the people by adding value to its goods and services keeping in mind the impact of the same. The Company shall strive to minutely evaluate and recognise the risks and concerns related to its products and services and communicate the same to its consumers adequately through proper product labelling. The Company shall take all steps to maximise the use of such packaging material which are environmental friendly and further communicate the adequate manner of disposal / reuse of such packaging material which are not environmental friendly such that any adverse impact on the environment can be minimised. The Company should endeavour to educate the customers about the products manufactured by the Company.

The Company shall ensure that it keeps balance of the social, environmental and economic impact of the business it conducts. The Company should ensure that its business goals are pursued without compromising any of the three elements. Such balance should be ensured throughout the life cycle of the goods, from design to disposal / delivery i.e. from acquisition of raw materials through manufacturing and processing, smart packaging, distribution and transportation, use and reuse, recycling and disposal. There should be monitoring done of product and services such that the quality, safety and environmental requirements are met through a series of milestone reviews. The Company shall remain committed to provide satisfaction to its customers with respect to quality, reliability and delivery and attain quality leadership for all products that are offered by it..

The Company should strive to use all the resources viz. raw materials, natural resources and other resources like electricity, air, power etc sustainably with maximum optimisation at all stages and also recycle the same to the extent possible. The Company shall regularly advice and train its employees, workers, engineers, value chain members including suppliers and distributors, customers and recyclers, on optimum utilisation of resources. The Company should strive to

continuously review and improve its manufacturing process and technology used so as to increase the productivity with reduced usage of resources without any compromise on the quality of the goods and services.

The Company shall make sure that the waste products generated during the process of manufacturing are re-cycled or the by-products generated are put to best possible use to safeguard the environment from over utilisation of resources and minimize the hazards.

The Company shall strive to reduce its own environmental footprints, influence the stakeholders in order to encourage them to reduce their footprints and engage with the employees to help reduce their personal foot prints.

While designing its products the Company shall give due regard to social, ethical and environmental considerations as also respect the rights of people who may be the owners of traditional knowledge and other forms of intellectual property.

The Company shall always strive to treat all its stakeholders and customers with dignity, respect and due understanding.

The Company shall, at all times, strive to upgrade the work culture and take such initiatives that work towards the conservation of the surrounding environment.

6.3 WELL BEING OF ALL EMPLOYEES

The Company understands the worth of a healthy and sound human resource. The Company should ensure an environment which generates sense of belongingness, loyalty and commitment amongst the employees. The Company shall ensure that there is a systematic chain or hierarchy which allows better flow of information, ideas, suggestions and understanding amongst the employees and the senior management and there is in place a proper channel through which the grievances of the employees are taken up and addressed by senior management.

The Company shall refrain from employing child labour, forced labour or any form of involuntary labour, paid or unpaid in any of its offices, units or depots. The Company shall advocate a business environment that favors the concept of equal employment opportunities both at the time of recruitment as well as during the course of employment for all without any discrimination with respect to caste, creed, gender, race, religion, disability or sexual orientation. The Company shall strictly abide with the rules and regulations stipulated by local governments or Central Government on minimum wages to be paid to employees.

The Company shall promote work-life balance among all its employees specially its women. The Company shall ensure payment of minimum wages to the workers to support their livelihood and provides financial security to them. The Company shall strive to provide a safe working

environment to all employees and protect them from sexual and mental harassment by all means. Any such instance shall be dealt promptly, sensitively and confidentially in the most judicious and unbiased manner. The Company shall at times have a policy for sexual harassment of women at workplace.

The Company shall provide a workplace environment that is hygienic, humane, comfortable, facilitating and which upholds the dignity of the employees. It shall provide facilities for the well being of its employees including those with special needs. The Company shall comply with the statutory provisions with regard to health, safety and well being of its employees. Specific provisions contained in the labour laws ensuring health, safety, hygiene, comforts and well being of employees shall be complied in letter and spirit. The Company commits to regularly communicate the safe and hygienic health habits to its employees on a continuous basis.

The Company shall continuously make efforts in the development of human resource through a series of employee-friendly measures aimed at talent acquisition, development and motivation. The Company shall conduct programs for enhancing the skills of its employees through various sensitization programs, on-the-job training, job rotation or training through various programmes – internal, external or international shall be offered to employees to upgrade their skills and competencies which shall include training to workers in units to handle machines and products used during manufacturing of the products. Such training shall be imparted on non-discriminatory basis based on the need of the business. The Company should have programmes to regularly boost the morale of its employees. The Company shall have effective system for attracting and retaining talents including awards, recognitions, appraisals, stock options, employee engagement, mentoring, training and career development. The knowledge so acquired by the individual should supplement his/her domain expertise as well as blend with the business goals of the Company. Employees mentoring would help in spreading and blossoming talent.

The Company shall at all times have a whistle blower/vigil mechanism policy in place wherein detailed procedure would be mentioned for the employees to make disclosure regarding any unfair, unethical practice or improper activity observed within the organisation in an undisclosed manner, which will then be investigated by such person / group of person / committee as may be mentioned therein and such disciplinary actions may be taken against the person who has done such wrongful / unethical activity.

Subject to the rules of the Company with regard to association of its employees with organization, the Company should strive to respect the right to freedom of association and participation of the employees.

The Company is expected to promote collective bargaining so as to allow healthy negotiation between the employee/ employee association and the Company's management in good faith with

a view to agree on terms and conditions of work and / or settlement of disputes and grievances of employees represented by a representative body of employees.

The Company should strive to regularly communicate to its employees all the policies related to them so as to keep them aware of the same and allow them to take optimum advantage of the same.

6.4 PROTECTION OF STAKEHOLDERS' INTEREST

The Company values the support of its stakeholders and endeavours to maintain a cordial relationship and safeguard the interests of not only its shareholders and employees, but all the stakeholders. The Company shall regularly and systematically identify its internal stakeholders like promoters, employees and workers and external stakeholders like shareholders, investors, suppliers, consumers, government including regulators, banks and financial institutions. The Company shall strive to maintain contact with all its stakeholders in order to understand their concerns and assess their requirements and subsequently respond to their needs in a most effective manner. The Company shall endeavour to maintain healthy stakeholder engagement, allow stakeholder's participation and shall promote collective decision making process as far as practically possible. The Company should follow ethical practices so as to ensure that no inconvenience is caused to any of its internal and external stakeholders.

The Company appreciates that that all its stakeholders are not equally influential or gets influenced and therefore it encourages to proactively engage with and respond to safeguard the interest of those that are disadvantaged, vulnerable and marginalized and who are at an underdeveloped area. The Corporate Social Responsibility (CSR) initiatives undertaken by the Company shall be driven towards the benefit of the disadvantaged, vulnerable and marginalized stakeholders.

Apart from statutory disclosures and subject to business confidentiality, the Company shall ensure to disclose all the relevant information with respect to the Company, its product and services to the relevant stakeholders so as to enable the stakeholders to take a reasoned decision. The Company believes that it is the responsibility of the Company to remain transparent about the impact of its products and services, its policies and decisions on its stakeholders. The Company shall ensure, while formulating any policy, that the interests of the stakeholders are not compromised.

The website of the Company shall display all such policies and other relevant information from time to time whose display as such has been mandated by any statute to keep the stakeholders aware about position of the Company. The website of the Company shall provide for feedback mechanism for stakeholders to assess the impact of the Company's policies, decisions and services.

The Company shall designate a person to address and / or receive the queries/grievances/feedback of various stakeholders within reasonable time and his name and contact details shall be displayed on the website of the Company. The Company shall resolve the differences with stakeholders in a just, fair and equitable manner.

6.5 RESPECTING AND PROMOTING HUMAN RIGHTS

The Company appreciates and believes that human rights are inherent, universal, indivisible and interdependent in nature. The Company understands and continuously strives to promote human rights as mentioned in the Constitution of India in the provisions of Fundamental Rights and Directive Principles of State Policy and also the guidelines of the International Bill of Human Rights. The Company shall ensure to inculcate and integrate values of human rights in the management systems and all departments throughout the organisation.

The Company shall respect the human rights of all stakeholders associated with it and groups including its customers, shareholders, investors, public at large within and beyond the workplace including that of communities and vulnerable and marginalized groups and ensure that all stakeholders impacted by the business shall have access to grievance redressal mechanisms.

The Company shall endeavour to promote the awareness and realization of human rights across its value chain.

The Company shall strive to abide with the aforesaid principle and discourage violating practices by any third party to the extent possible. The Company shall also not be complicit with human rights abuses by a third party.

6.6 RESPECTING, PROTECTING AND RESTORING THE ENVIRONMENT

The Company understands its responsibility towards the environment and endeavours to continuously promote environmental sustainability, ecological balance, conservation of natural resources and maintaining the quality of soil, air and water. The Company shall remain committed towards taking proper steps to replenish the resources used by it in the course of its business.

The Company commits to be responsible in the utilization and to continuously take all necessary initiatives towards optimum utilization and further reduction in the utilisation of resources, both natural and manmade. The Company shall also remain committed towards equal and fair utilisation of benefits arising out of access and commercialization of biological and other natural resources and associated traditional knowledge.

The Company shall ensure undertaking of pollution control measures not only at all stages of production but also within the workplace i.e. within the administrative offices, units, depots and such other places where the Company operates. Further, the Company shall endeavour to train its

workers including contractors to adopt such measures which help in preventing pollution and protecting environment like using paperless manner of communication as far as possible. The Company shall at all times ensure safe disposal of wastes and effluents through proper disposal channels. The Company shall ensure that the amount of emission fumes and waste water is within the permissible limits by the State Pollution Control Board and Central Pollution Control Board. The Company endeavours to assess the environmental damage and strives to bear the cost of pollution abatement with due regard to public interest.

The Company shall continuously endeavour to use the latest energy efficient technologies to ensure optimal utilisation of the resources without having to compromise with the quality of its products.

The Company endeavours to conduct environmental audit periodically/ yearly to assess existing practices and procedures adopted by the Company and the extent to which practices can be modified so as to mitigate the environmental damage and to reduce adverse impact on environment by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.

The Company shall have in place an Environment Management Systems (EMS) which shall deal with the preventing, mitigating and controlling environmental damages and disasters and also devise plans to deal with contingencies. The Company strives to implement such EMS within the entire organisation including amongst its group.

The Company shall also persuade and encourage its external stakeholders to move towards environmentally friendly practices.

The Company shall report to the stakeholders in a fair and transparent manner, the environmental risks associated with the products and process of manufacturing of the products and the steps undertaken by the Company to minimise the same.

6.7 RESPONSIBILITY TOWARDS PUBLIC AND REGULATORY POLICY

As a corporate citizen, the Company understands its responsibility to operate within the democratic setup and constitutional framework. The Company recognizes that it operate within the specified legislative and policy frameworks prescribed by the Government, which guide its growth and also provide for certain desirable restrictions and boundaries. The Company acknowledges that in a democratic set-up, such legal frameworks are developed in a collaborative manner with participation of all the stakeholders including peer players.

The Company shall strive to engage with the Government and be a part of various chambers and associations to make recommendations / representations before regulators and associations for advancement and improvement of the industry it does business. The executives of the Company

shall participate and play an active role in committees, associations etc constituted for industry reforms and advancement.

The Company shall in case of any grievance with any legislative / regulatory authority or framework, seek redressal of the same and resort to policy advocacy consistent with the principles and policies contained in the policy through the trade and industry chambers and other such collective platforms related to the products of the Company.

The Company shall perform the function of policy advocacy in a transparent and responsible manner while engaging with all the authorities and shall take into account the Company's as well as the larger national interest.

The Company believes that policy advocacy must preserve and expand public good and thus shall never advocate any policy change to benefit itself alone or a select few.

6.8 INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

The Company considers the society as its integral part and believes that it cannot work in isolation without society and therefore, as it develops, the society should also progress. The Company is committed towards minimising the negative impact on society, if any being created by the Company in the course of its business.

The Company therefore, through its CSR activities, shall continuously participate in activities related to making available drinking water, eradicating poverty, promoting health care including preventive health care, education, livelihood enhancement projects etc. The Company shall also ensure for resettlement and rehabilitation of communities who have been displaced owing to the business operations of the Company, if any.

The Company shall make efforts to innovate and invest in the process and technologies to promote the wellbeing of society, putting the local and the underdeveloped regions in priority. The Company shall strive to increase its presence in remote areas and rural parts of the country including through its distribution channels.

6.9 ENGAGING AND ENRICHING CUSTOMER / CONSUMER VALUE

The Company acknowledges that no business can survive in absence of customers. The Company shall continuously strive to provide such goods and services to its consumers in a manner that creates value for both. The Company shall strive to make available such goods and services that are safe, competitively priced, easy to use and safe to dispose off, for the benefit of its customers. The Company shall not indulge in any unfair or disruptive trade practice that can in any way and at any stage while designing, promoting and selling their products affect the right of freedom of choice of customers from the range of other competitive products available in the market.

The Company understands the importance of fair disclosure of the description of its products and thereby ensures to disclose, truthfully and factually, such relevant information including risks about the product, as may be required statutorily, through labelling so that the consumers can exercise their freedom to consume in a responsible manner.

The Company shall take initiative to educate its consumers regarding the responsible and proper usage of its products through various workshops etc.

The Company shall also ensure that the advertisements and promotions of its products should not mislead or confuse the customers or in any way violate the any of the principles of this Policy.

The Company commits to exercise due care and caution while providing goods and services that result in over exploitation of natural resources or lead to excessive conspicuous consumption.

The Company shall establish adequate grievance redressal mechanisms for the consumers and also address customer concern and feedbacks. The Company shall maintain a specific section in its website where the customers can post their queries, grievances, suggestions, feedback for the products of the Company. Wherever required, the Company shall escalate the complaints to the level of business heads, regional heads/ functional heads and the Managing Director.

7. REVIEW AND AUTHORITY TO MAKE ALTERATIONS IN THE POLICY

The Board or such other person / committee authorised by the Board may review the Policy from time to time as may be required, subject, however, to the condition that such alterations shall not be inconsistent with any provision of any law for the time being in being. Changes, if any, shall be effective only upon approval by the Board.

By order of the Board

Lux Industries Limited



Director

Place: Kolkata

Date of Approval: 10.11.2016.