



FINEOTEX CHEMICAL LIMITED

ENVIROMENT SOCIAL GOVERNANCE

POLICY

<i>Adopted on</i>	<i>20th May, 2023</i>	<i>Policy on ESG – 1</i>
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1. PREAMBLE:

Every business, is deeply intertwined with environmental, social, and governance (ESG) concerns. It makes sense, therefore, that a strong ESG proposition can create value. Environmental, Social, and Governance (ESG) has gained increasing attention over the past few years, with many institutional investors investing only in those companies that provide ESG performance reporting.

Meeting Environmental, Social and Governance (ESG) criteria has become an important goal for organizations. Customers and market demands are placing increased pressure on corporations to engage in more sustainable business practice, and investors are increasingly using ESG criteria to evaluate the companies in which they might want to invest or do business with. Environmental, social, and governance (ESG) criteria create a framework for helping investors who want to incorporate personal values into their investment approach. The ESG screening process identifies companies that have built sound environmental practices, strong social responsibility tenets, and ethical governance initiatives into their corporate policies and everyday operations. Environmental criteria consider if a company operates with concern towards nature.

ESG processes and procedures focus on non-financial performance indicators that address a company's approach towards responsible investment, sustainability, its impact on society and the environment, as well as other ethical and corporate governance considerations.

Fineotex Chemical Limited (FCL) understands that Environmental, Social & Governance (ESG) performance and management of ESG risks is a key consideration for all our stakeholders. ESG investing continues to gain momentum as - customers and market demands necessitate corporations to engage in more sustainable business practices and a growing number of institutional investors look to align financial returns with ethical and other non-financial considerations.

Therefore, the Company consider adoption of ESG principles as imperative and not just a reporting requirement. ESG is increasingly becoming an integral part of our functioning, going beyond the realms of reporting to becoming part of the Company's culture.



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2. ESG FRAMEWORK:

FCL's ESG Policy is driven by our vision to be a leader in sustainable business. We envision integration of ESG aspects into our business operations which will help in generating superior long-term value, and reducing risks faced by the business.

Through our ESG Policy, we aim to:

- Define our position on ESG matters; and
- Guide employees on the manner to integrate ESG aspects in their decision making processes relating to activities of the Company.

The purpose of this policy is to (i) define Company's position regarding ESG and (ii) provide the employees with guidelines related to ESG for our decision-making processes. The policy will also be used as a tool to communicate to clients and stakeholders how the Company integrates ESG considerations into business decision-making processes across all service and product offerings.

The Policy has also been framed in tune with the various principles of National Guidelines on Responsible Business Conduct (NGRBC) applicable with respect to environmental, social, and governance concerns such as efforts of business organization to protect and restore environment, provide good and services in a manner that is sustainable and safe to the environment, promoting inclusive and equitable growth.

3. FOCUS AREA:

The Company works with the firm belief that sustainable business and financial performance go hand-in-hand. This belief coupled with a robust governance mechanism, ensures that we are continually working towards our ESG commitments to lead change and make a positive difference to people and the planet.

A) Environmental Commitments

Through our time bound commitments and initiatives in the environmental realm, and in line with our sustainability initiatives, the Company aims to grow the business while decoupling the environmental footprint from growth and increasing the positive social impact. We are committed to improving the health of our planet.



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Key focus areas under Environmental Commitments are:

- Climate Action
- Protect and regenerate nature
- Waste-free world

The company recognises its responsibility to protect environment and is committed to regulate all its activities so as to follow best practicable means for minimising adverse environmental impact arising out of its operations. The vision is to continue to be an environmentally responsible organisation making continuous improvements in the management of the environmental impact of our operations.

The Management of the Company is committed to conduct the company operations in an environmentally sound manner

The aim of the Company is to:

- Ensure safety of its products and operations for the environment by using standards of environmental safety, which are scientifically sustainable and commonly acceptable.
- Develop, introduce and maintain environmental management systems across the company to meet the company standards as well as statutory requirements for environment.
- Verify compliance with these standards through regular auditing.
- Assess environmental impact of all its activities and set continual improvement objectives and targets and review these periodically to ensure that these are being met at the individual unit and corporate level.
- Reduce waste, conserve energy and explore opportunities for reuse and recycle.

B) Social Commitments

Inclusion, diversity and equality are becoming more important considerations in relation to the way in which businesses operate and can generate competitive advantage; with these areas attracting increasing scrutiny from a range of stakeholders. In particular, there are increasing commercial benefits for businesses which have inclusive and diverse work ethics and practices; and we look at the impact a company has on its employees, local communities and society. The main areas of consideration are:



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- Preservation of human rights, and avoidance of any complicity in human rights abuses
- Equality and diversity amongst employees
- Non-discriminatory employment practices
- Ensuring there is no exploitation of child labour or indentured servitude
- Health and safety
- Corporate donations

C) Governance Commitments

Corporate governance covers the rights and responsibilities of the management of a company – its structures, corporate values and accountability processes. Conducting our operations with integrity and respect for people and the planet has always been core to our corporate behaviour and governance. Our Corporate Governance framework has evolved over the years - however, our values & principles continue to be our guiding force and have always held us in good stead. This relates to the following areas:

- Management structure
- Employee relations and workplace grievances
- Executive remuneration
- Corporate Codes of Conduct

4. ADMINISTRATION OF POLICY:

The Board of Directors of the Company shall oversee this and shall have the authority to make any interpretations regarding the operation of this Policy.

5. REVIEW AND REVISION:

The Board of Directors will review and amend/modify the Policy, from time to time, as deemed necessary and appropriate.