

VIDHI SPECIALTY FOOD INGREDIENTS LIMITED

(Business Responsibility Policy)

Introduction:

Vidhi Specialty Food Ingredients Limited ('the Company') is a public limited company incorporated on January 19, 1994 under the Indian Companies Act, 1956 (Corporate Identity Number L24110MH1994PLC076156). The equity shares of the Company are listed on the BSE Limited and National Stock Exchange of India Ltd 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.

Scope and Purpose:

Regulation 34(2)(f) of the Listing Regulation has made reporting of Business Responsibility report in its Annual Report mandatory for the top 1000 listed companies based on market capitalization vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015. This Policy on Business Responsibility ('BR Policy' or 'Policy') has been framed in line with the suggested framework as provided by the SEBI based on the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of Business published by the Ministry of Corporate Affairs and is intended to ensure that the Company contributes towards sustainable development and fulfills its social, environmental and economic 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) was pleased to approve this Policy at its meeting held on 11th February, 2020.

Applicability:

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

This Policy shall be effective from 11th February, 2020.

Implementation:

The Chairman & Managing Director of the Company shall have the authority to oversee the implementation of this Policy and shall be responsible for implementing the Business Responsibility initiatives. He shall be responsible for, providing clarifications on the Policy, guiding the staff in implementation, reviewing the results, audit, impact assessment, etc.

In view hereof:

Mr. Mihir B. Manek, Joint Managing Director of the Company is nominated as the Director responsible for implementation of the Business Responsibility policy/policies and as the Business Responsibility Head.

The Joint Managing Director of the Company shall be the reviewing authority of this Policy, subject to the approval of the Board.

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has in place the Code of Conduct ("Code") for its Directors and Senior Management Personnel and their confirmations to the Code is obtained by the Company on periodical basis. This Policy is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. The objective is to ensure the highest standards of ethical conduct, transparency and accountability while dealing with the stakeholders.

Policy:

1. The Company will follow its governance structures, practices and procedures that ensure ethical conduct at all levels and promote the adoption of these principles across its value chain.
2. The Company will endeavor transparent communication with its stakeholders and assure access to information relating to decisions that impact the stakeholders.
3. The Company will not engage in practices that are abusive, corrupt, or anti-competition.
4. The Company will truthfully discharge their responsibility on financial and other mandatory disclosures.

5. The Company shall avoid complicity with the actions of any third party that violates any of the principles contained in these Guidelines.
6. The Company shall ensure that genuine concerns of misconduct/ unlawful conduct can be reported in a responsible and confidential manner through its Vigil Mechanism.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company has intertwined the principles of safety and sustainability into its processes and products throughout its lifecycle which covers various stages beginning from procurement of raw material and manufacturing till its delivery to the customers.

Policy:

As a part of the Policy on Product Lifecycle Sustainability, the Company will:

1. Work towards safe and optimal use of resources over the life-cycle of its products, including recycling of resources wherever possible.
2. Take appropriate steps to raise the consumer's awareness of their rights through education, product labelling, appropriate and helpful marketing communication, full details of contents and composition and promotion of safe usage.
3. Ensure that the manufacturing processes and technologies required to produce its products are resource efficient and sustainable.
4. Regularly review and improve upon the process of new technology development, deployment and commercialization, incorporating social, ethical, and environmental considerations.
5. Recognize and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property.
6. Recognize that over-consumption results in unsustainable exploitation of our planet's resources, and should therefore, promote sustainable consumption, including recycling of resources.
7. Ensure compliance with the applicable laws with respect to product manufacturing and sales.

Principle 3: Businesses should promote the wellbeing of all employees

The Company is committed to professional development and growth of employees through selecting the right candidate for right job, monitoring performance for optimum utilization of their potential, providing growth opportunities and inculcating the culture of mutual faith and accountability. The Company is also committed to the holistic growth of employees by motivating them to perform at the peak of their potential by imparting necessary guidance and training at all levels and providing them with opportunities for enhancing their knowledge and honing their skills.

The policies, procedures and practices in the Company are aligned to meet employees' well-being, diversity, non-discrimination, safety and health so as to have a healthy, cordial and harmonious relationships and value enhancement at all levels.

Policy:

1. 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.
2. The Company shall respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance redressal mechanisms.
3. The Company shall not use child labour, forced labour or any form of involuntary labour, paid or unpaid.
4. 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.
5. The Company shall provide a work environment that is free from any form of discrimination, exploitation and harassment including but not limited to sexual harassment.
6. The Company shall create systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities.
7. The Company shall strive to instill a sense of duty in every employee including those of service providers at the Company's premises, towards their personal safety, as well as that of their co-workers.

8. The Company shall strive to take cognizance of the work-life balance of its employees, especially that of women.
9. The Company shall strive to provide facilities for the well being of its employees including those with special needs.
10. The Company shall ensure timely payment of fair living wages to meet basic needs and economic security of the employees and shall provide a workplace environment that is safe, hygienic humane, and which upholds the dignity of the employees.

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

The Company gives utmost importance to the healthy engagement with its various stakeholders like employees, suppliers, customers, shareholders / investors, communities surrounding the operations and government / regulatory authorities. The Company continues its engagement with them through various mechanisms and communication channels involving consultations with local communities time to time.

Policy:

1. The Company shall understand the concerns of its stakeholders, define its purpose and scope of engagement, and commit to engaging with them.
2. The Company shall acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, product and associated operations on the stakeholders.
3. The Company shall strive to give special attention to stakeholders in areas that are underdeveloped.
4. The Company shall resolve differences with stakeholders in a just, fair and equitable manner.

Principle 5: Businesses should respect and promote human rights

The Company believes that human rights are fundamental, inherent, universal, indivisible and interdependent in nature and hence, continuously strive to ensure that employees' basic human rights are protected.

Policy:

1. The Company will observe that basic human rights of the employees are respected, valued and protected keeping in mind the Constitution of India, Laws, Policies and the International Laws of Human Rights and accordingly, formulate all policies, practices, procedures and rules of the Company.
2. 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.
3. The Company recognizes and respects the human rights of all relevant stakeholders and groups, including that of communities, consumers and vulnerable and marginalized groups.
4. The Company shall, within its sphere of influence, promote the awareness and realization of human rights across their value chain.
5. The Company shall encourage its business associates and third parties with whom it conducts business to abide by this policy.
6. The Company will ensure that each employee is made aware of their basic rights and redressal mechanisms.

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

The Company is committed to safety and preservation of environment and follows the best practices to ensure the same. The Company also believes in conservation of natural resources and minimizing hazardous impact on the ecological environment.

Policy:

Company's Policy on environment protection covers:

1. The Company shall utilize natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.
2. 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.
3. 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.
4. The Company shall continuously seek to improve their environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.
5. The Company shall develop Environment Management Systems and contingency plans and processes that shall help it in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to its operations.
6. The Company shall strive to report its environmental performance, including the assessment of potential environmental risks associated with their operations, to the stakeholders in a fair and transparent manner.
7. The Company shall proactively persuade and support its value chain to adopt these principles.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company believes that to protect overall interest of its business and the diverse stakeholders, the Company has to express its fair views, opinions, representations, concerns etc on the policies framed by the competent authorities. The Company, may either itself or through various association/forums/chambers make such representations etc before the competent authorities. The Company's engagement with the relevant association/forums/chambers etc is guided by the values of commitment, integrity, transparency and the need to balance interests of diverse stakeholders.

Policy:

1. The Company as a corporate citizen understands its responsibility to operate within the democratic setup and constitutional framework.

2. The Company recognizes that it operates within the specified legislative and policy frameworks prescribed by the Government, which guide its growth and also provide for certain desirable restrictions and boundaries.
3. The Company while pursuing any advocacy of any matters for the improvement of the public good takes care that it shall not advocate any policy change to benefit the Company or select few alone.

Principle 8: Businesses should support inclusive growth and equitable development

Company's philosophy for delineating its responsibility as a corporate citizen is covered through its CSR policy which encompasses guidelines and mechanism for undertaking socially relevant programs for welfare and sustainable development of the community at large.

Policy:

1. The Company undertakes CSR activities in accordance with Schedule VII of the Companies Act, 2013, as per the recommendation of the CSR committee and as per the CSR policy of the company.
2. Identification of the impact of the Company's operations on social and economic development and to minimize the negative impacts, if any on the same.
3. The Company makes efforts to innovate and invest in the processes and technologies to promote the wellbeing of society, putting the locals and the underdeveloped regions in priority.

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

Customers are one of the most important stakeholders. The foundation of the Company is based on the trust, satisfaction and loyalty of our consumers across the world. The Company's products are food colours and hence, it continuously strive to make available its products that are safe and competitively priced for the benefits of its customers / end users.

Policy:

Our policy to enhance customer value and satisfaction covers:

1. The Company, while serving the needs of their customers, will take into account the overall well-being of the customers and that of society.
2. The Company will disclose all information truthfully and factually, through labelling and other means, including the risks to the individual, to society and to the planet from the use of the products, so that the customers can exercise their freedom to consume in a responsible manner. Where required, the Company shall also educate their customers on the safe and responsible usage of their products.
3. The Company will promote and advertise their products in ways that do not mislead or confuse the consumers or violate any of the principles in these Guidelines.
4. The Company will exercise due care and caution while providing goods that result in over exploitation of natural resources or lead to excessive conspicuous consumption.
5. The Company will provide adequate grievance handling mechanisms to address customer concerns and feedback.
