

JAYASWAL NECO INDUSTRIES LIMITED

BUSINESS RESPONSIBILITY AND SUSTAINABILITY POLICY

1. Introduction

Jayaswal Neco Industries Limited (“The Company”) is a Company limited by shares (CIN: L28920MH1972PLC016154). The equity shares of the Company are listed on Bombay Stock Exchange (“BSE”) and National Stock Exchange (“NSE”). The manufacturing units of the Company are situated across the states of Maharashtra & Chhattisgarh.

The Board of Directors of the Company in its meeting held on 30th June, 2021 has approved this policy.

2. Applicability

The policy shall be effective from 30th June, 2021 and shall be applicable to all the stakeholders of the Company.

3. Purpose of the Policy

As per the Regulation 34(2)(f) of the Listing Regulations, annual report of listed entity (i.e. applicable to top 1000 listed entities based on its market capitalization; calculated as on March 31st of every year) shall contain, Business Responsibility Report (BRR) / Business Responsibility And Sustainability Report (BRSR) describing the initiatives taken by them from an environmental, social and governance perspective, in the format as specified by the Securities Exchange Board of India.

The Company believes that for being sustainable, it needs to generate profits, however the long-term interest and stability should not be achieved by compromising the other two pillars of sustainability i.e. People and Planet. Accordingly, the Company has framed this Policy which lays down the broad principles to guide the Company to conduct its business keeping in mind its Social, Environmental and Economic responsibilities.

This Policy is based on the principles laid down in the *National Guidelines on Responsible Business Conduct (NGRBCs) published by the Ministry of Corporate Affairs in the year 2019, towards conducting business by a Company.

4. Implementation of the Policy

The implementation of this policy shall be done by Shri M. P. Singh, Executive Director (Steel) and COO (Steel Plant Division) of the Company or any other Director of the Company as may be decided by the Board of Directors of the Company from time to time.

The Director responsible for implementation of the policy may take support of such functional head and internal and external experts as he deems fit, for the effective implementation of the policy.

5. Principle wise Policies/Practices

The Company’s Business practices shall be governed by the following guiding principles laid down in National Guidelines on Responsible Business Conduct (NGRBCs) published by the Ministry of Corporate Affairs.

Principle 1: The Company should conduct and govern itself with integrity and in a manner that is ethical, transparent and accountable.

- i. The Company should develop a governance structure and put in place structures, policies and procedures that promote this Principle, prevent its contravention and effect prompt and fair action against any transgressions.
- ii. The Company should ensure that the Principles of these Guidelines are understood, adopted and implemented throughout the operations of its business.
- iii. The Company should also promote the adoption of this Principle across its value chain.
- iv. The Company should disclose and communicate transparently and enable access to information about the policies, procedures, performance (financial and non-financial), and its decisions, that impact their stakeholders, especially those that are most at risk to business impacts and communities that are vulnerable and marginalized.
- v. The Company should take responsibility for meeting all its statutory obligations in line with the spirit of the law, enabling fair competition and ensuring it treats all its stakeholders in an equitable manner.
- vi. The Company should ensure that it avoids complicity with the actions of any third party that violates any of the Principles contained in these Guidelines.
- vii. The Company should put in place appropriate structures, policies and procedures to address conflicts of interest involving its members, employees and business partners.
- viii. The Company should put in place appropriate structures, codes, policies, and procedures to ensure that it does not engage in illegal and abusive practices, bribery and corruption, and ensure timely and fair action in case such transgressions are detected.
- ix. The Company should ensure that it contributes to public finances by timely and complete payment of all applicable taxes in the letter and spirit of the laws and regulations governing such payments.

Principle 2: The Company should provide goods and services in a manner that is sustainable and safe.

- i. The Company should, in designing, producing and making available goods and services, endeavor to ensure that resource-efficient and low-carbon processes and technologies are deployed to minimize adverse environmental and social impacts.
- ii. The Company should provide stakeholders across the value chain with adequate information about environmental and social issues and impacts across product life cycle from design to disposal. This may be done through appropriate and relevant tools such as certifications, labels, ratings and other communication and disclosure platforms including reports, websites, etc.
- iii. The Company should increasingly take responsibility for the safe collection, reuse and recycling of their products at life so as to build a circular economy as a part of the notion of extended producer responsibility that is increasingly becoming a part of regulation in India and globally.

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

- i. The Company should ensure that it complies with all regulatory requirements pertaining to its employees, and that there are systems and processes in place to enable this to be done by its value chain partners.
- ii. The Company should ensure equal opportunities at the time of recruitment, during the course of employment, and at the time of separation without any discrimination.
- iii. The Company should promote and respect the right to freedom of association, participation of workers, and collective bargaining of all employees including contract and casual labour and provide access to appropriate grievance redressal mechanisms.
- iv. The Company should not use child labour, coercive or forced labour, or any form of involuntary labour, paid or unpaid.
- v. The Company should put systems and processes in place to support the work-life balance of all its employees.
- vi. The Company should ensure fair, timely and transparent payment of statutory wages of all its employees, including contract and casual labour without discrimination.
- vii. The Company should aspire to pay fair living wages to meet basic needs and economic security of all employees, including casual and contract labour.
- viii. The Company should provide a workplace environment that is safe, hygienic, accessible to the differently abled and which upholds the dignity of the employees. Company should engage and consult with their employees on this provision.
- ix. The Company should ensure continuous upgradation of skill and competence of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. It should promote career development through human resource interventions.
- x. The Company should create systems and practices to ensure a humane workplace free from, violence and harassment (including sexual harassment); a workplace where employees feel safe and secure, with adequate provisions for grievance redressal.

Principle 4: The Company should respect the interests of and be responsive to all its stakeholders.

- i. The Company should ensure that it acknowledges, assumes responsibility, and is transparent about the impact of its policies, decisions, products and associated operations on all stakeholders, and the natural environment.
- ii. The Company should develop systems, processes and mechanisms to identify its stakeholders, understand their expectations and concerns, define the purpose and scope of the engagement, consult with them in developing policies and processes that impact them, and commit to resolving any differences and redressing grievances in a just, fair and constructive manner.

- iii. The Company should enable all stakeholders to benefit fairly from the value generated by It, and any conflicts or differences arising from the impact of business operations or the sharing of the value generated by the Company should be resolved in a just, fair and equitable manner.

Principle 5: The Company should respect and promote human rights.

- i. The Company should ensure that it undertakes to make its employees aware of the human rights content of the Constitution of India, relevant national laws and policies, and the International Bill of Human Rights and their application to the Company as outlined in the United Nations Guiding Principles for Business and Human Rights. It should further ensure that the responsibility for addressing such impacts is assigned to the appropriate level and function within the Company.
- ii. The Company should ensure that it has in place such policies, structures and procedures that demonstrate respect for the human rights of all stakeholders impacted by its business. This includes carrying out human rights due diligence to identify, prevent, mitigate and account for how they address adverse human rights impacts.
- iii. The Company should ensure that its business, where it is causing, contributing or otherwise linked to adverse human rights impacts, takes corrective actions to address such impacts.
- iv. The Company should promote the awareness and realization of human rights across its value chain.
- v. The Company should ensure that all individuals and groups whose human rights are impacted by it have access to effective grievance redressal mechanisms.

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

- i. The Company should ensure that it formulates appropriate policies, procedures and structures to assess, measure and address its adverse impacts on the environment at all its locations, at all stages of its life cycle from establishment to closure. Special care should be taken where these impacts occur in eco-sensitive areas.
- ii. The Company should develop appropriate strategies for sustainable and efficient use of natural resources and manufactured materials, giving due consideration to expectations and concerns of all stakeholders.
- iii. The Company should define measurable key performance indicators and targets to monitor its performance on environmental aspects such as water, air, land-use, forest, energy, materials, waste, biodiversity, built environment and so on.
- iv. The Company should focus on addressing climate change through development of both mitigation and adaptation measures and build climate resilience and in line with India's Nationally Determined Contributions to the Paris Climate Change Agreement and the National/State Action Plans on Climate Change.
- v. The Company should learn from industry best practices for promoting reduction, reuse, recycling and recovery of material and resources, and encourage and motivate its stakeholders, particularly consumers and business partners, to do the same.

- vi. The Company should seek to improve its environmental performance by adopting innovative, resource-efficient and low-carbon technologies and solutions resulting in lower resource footprint, lesser material consumption and more positive impact on environment, economy and society.

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

- i. The Company should ensure that its advocacy positions are consistent with the Principles contained in these Guidelines and publicly disclosed.
- ii. The Company should, to the extent possible, undertake policy advocacy through trade and industry chambers and associations, and other similar collective platforms.
- iii. The Company should ensure that its policy advocacy positions promote fair competition and respect for human rights.

Principle 8: The Company should promote inclusive growth and equitable development.

- i. The Company shall ensure that it takes appropriate actions to minimize any adverse impacts that it has on social, cultural and economic aspects of society including arising from land acquisition and use, construction of facilities and operations.
- ii. The Company should assess, measure and understand its impact on social, and economic development, and respond through appropriate action to minimize and mitigate its negative impacts on society.
- iii. The Company should innovate and invest in products, technologies and processes that promote the well-being of all segments of society, including vulnerable and marginalized groups.
- iv. The Company should respond to national and local development priorities and understand the needs and concerns of local communities, particularly vulnerable and marginalised groups and in regions that are underdeveloped, while designing and implementing its CSR programmes.
- v. The Company should make efforts to minimize the negative impacts of displacement of people and disruption of livelihoods through its business operations and where displacement is unavoidable, this process must be undertaken in a humane, participative, informed and transparent manner, where just and fair compensation is paid to those impacted.
- vi. The Company should respect all forms of intellectual property and traditional knowledge and make efforts to ensure that benefits derived from the knowledge are shared equitably.

Principle 9: The Company should engage with and provide value to its consumers in a responsible manner.

- i. The Company should ensure that it minimizes and mitigates any adverse impact of its goods and services on consumers, the natural environment and society at large.
- ii. The Company should ensure that it do not restrict the freedom of choice and free competition in any manner while designing, promoting and selling its products.
- iii. The Company should disclose all information accurately, 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 consumers can exercise their freedom to consume in a responsible manner.
- iv. The Company should manage consumer data in a way that does not infringe upon their right to privacy.
- v. The Company should make consumers aware of, and provide information and guidance to them on, safe and responsible usage and disposal of its products (including reuse and recycling), and to eliminate over-consumption.
- vi. The Company should promote and advertise its products in ways that do not mislead or confuse the consumers or violate any of the Principles in these Guidelines.
- vii. The Company should provide appropriate grievance redressal mechanisms that are transparent and accessible, to address consumer concerns and feedback.
- viii. Company should enable universal access, including to those whose services have been discontinued for any reason, in a non-discriminatory and responsible manner.

Policy Review and Amendments

This Policy will be subject to modification in accordance with the guidelines / clarifications as may be issued from time to time by relevant statutory and Regulatory Authorities. The Board may modify, add, delete or amend any of the provisions of this Policy. Any exceptions to the Business Responsibility Policy must be consistent with the Regulations and must be approved in the manner as may be decided by the Board of Directors.