



BUSINESS RESPONSIBILITY AND SUSTAINABILITY POLICY

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BUSINESS RESPONSIBILITY AND SUSTAINABILITY POLICY

1. INTRODUCTION

Tarsons Products Limited (hereinafter referred to as “Tarsons” or “Company”) has formulated this “Business Responsibility and Sustainability Policy” (the “Policy”) in accordance with the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as “Listing Regulations”) and is based on National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (‘Guidelines’) published by Ministry of Corporate Affairs (MCA).

This Policy reaffirms the Company’s commitment to follow the guidelines and ensures that the Company contributes towards sustainable development and fulfill its social, environmental and economic responsibilities. The Company aims to develop itself as a long term, sustainable business that delivers value for all its Stakeholders. For sustainable development, the management of the Company will endeavor to strike proper balance between economic, social and environmental performance in dealings with various stakeholders of the Group, namely, customers, investors, lenders, deposit holders and the society. The policy and its elements are applicable to all Departments and Verticals in the Company.

While Tarsons’ existing policies address the requirements of the NGRBC principles, the Company has formulated this Policy to address the core requirements more comprehensively. Tarsons will continue to periodically assess its Company-level policies and enhance the policy framework to further strengthen its commitment towards Business Responsibility and Sustainability Report (“BRSR”).

This Policy is adopted by the Board of Directors at its meeting held on 27th May, 2023 and is effective from the said date.

2. KEY PRINCIPLES

The Business Responsibility and Sustainability Report is based on the disclosures related to 9-principles developed by The Ministry of Corporate Affairs (MCA) as National Voluntary Guidelines (NVG). These principles cover a wide range of topics such as ethics and transparency, human rights, product responsibility, environment performance, health and wellbeing, corporate social responsibility, customer satisfaction etc. The purpose of this policy manual is to create policy statements which summarize our commitments towards each of these nine principles.

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

The Company is committed to conduct 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. Ethics, transparency and accountability are the founding principles of our organization.

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.

Terms:

- a. The Company will follow its governance structures, practices and procedures that ensures ethical conduct at all levels and promote the adoption of this principles across its value chain.
- b. The Company will endeavor transparent communication with its stakeholders and assure access to information relating to decisions that impact the stakeholders.
- c. The Company will not engage in practices that are abusive, corrupt, or anti- competition.
- d. The Company will truthfully discharge their responsibility on financial and other mandatory disclosures.
- e. The Company shall avoid complicity with the actions of any third party that violates any of the principles contained in these Guidelines.
- f. 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 in a manner that is sustainable and safe.

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, product design and manufacturing till its delivery to the customers.

The principle emphasizes that in order to function effectively and profitably, businesses should work to improve the quality of life of people. Responsible businesses should engineer value in their goods and services by keeping in mind the impacts it may cause on the people and community around. The principle, while appreciating that businesses are increasingly aware of the need to be internally efficient and responsible, exhorts them to extend their processes to cover the entire value chain.

Terms:

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

- a. Work towards safe and optimal use of resources over the life-cycle of its products and services, including recycling of resources wherever possible.
- b. 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 and disposal of their products and services.
- c. Ensure that the manufacturing processes and technologies required to produce its products are resource efficient and sustainable.
- d. Regularly review and improve upon the process of new technology development, deployment and commercialization, incorporating social, ethical, and environmental considerations.
- e. Recognize and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property.
- f. Recognize that over-consumption results in unsustainable exploitation of our planet's resources, and should therefore, promote sustainable consumption, including recycling of resources.
- g. Ensure compliance with the applicable laws with respect to product manufacturing and sales.

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

Employees are the most valuable stakeholders who contribute significantly towards the growth of business. Hence creating an environment of comfort and welfare for our employees is very crucial to us. Our 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 growth and inculcating the culture of mutual faith and accountability. Our 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.

Terms:

- a. 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.
- b. The Company shall respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance redressal mechanisms.
- c. The Company shall not use child labour, forced labour or any form of involuntary labour, paid or unpaid.
- d. 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.
- e. 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.
- f. The Company shall create systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities.
- g. 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.
- h. The Company shall strive to take cognizance of the work-life balance of its employees, especially that of women.
- i. The Company shall strive to provide facilities for the well-being of its employees including those with special needs.
- j. The Company shall ensure timely payment of fair living wages to meet basic needs and economic security of the employees.
- k. The Company shall provide a workplace environment that is safe, hygienic humane, and which upholds the dignity of the employees.
- l. The Company shall ensure continuous skill and competence upgrading of all employees by providing access to necessary learning opportunities, on an equal and nondiscriminatory basis.
- m. The Company shall promote employee morale and career development through enlightened human resource interventions.

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

The principle recognizes that businesses have a responsibility to think and act beyond the interests of its shareholders to include all their stakeholders. The principle, while appreciating that all stakeholders are not equally influential or aware, encourages businesses to proactively engage with and respond to those that are disadvantaged, vulnerable and marginalized. Businesses should systematically identify their stakeholders, understand their concerns, define purpose and scope of engagement, and commit to engaging with them. Businesses should acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, product & services and associated operations on the stakeholders.

Our Company gives utmost importance to the healthy engagement with its various stakeholders like employees, suppliers, stockists, dealers, customers, shareholders/investors, communities surrounding the operations and government/regulatory authorities. The Company continues its engagement with them through various mechanisms such as supplier/vendor meets, customer/employee satisfaction surveys, investor forums, consultation with local communities etc.

Terms:

- a. The Company shall identify all the key stakeholders which are directly or indirectly associated with our business.
- b. The Company shall understand the concerns of its stakeholders, define its purpose and scope of engagement, and commit to engaging with them.
- c. The Company shall acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, product & services and associated operations on the stakeholders.
- d. The Company shall strive to give special attention to stakeholders in areas that are underdeveloped.
- e. The Company shall resolve differences with stakeholders in a just, fair and equitable manner.

Principle 5: Businesses should respect and promote human rights.

The principle recognizes that human rights are the codification and agreement of what it means to treat others with dignity and respect. Over the decades, these have evolved under the headings of civil, political, economic, cultural and social rights. This holistic and widely agreed nature of human rights offers a practical and legitimate framework for business leaders seeking to manage risks, seize business opportunities and compete in a responsible fashion. The principle imbibes its spirit from the Constitution of India, which through its provisions of Fundamental Rights and Directive Principles of State Policy, enshrines the achievement of human rights for all its citizens. In addition, the principle is in consonance with the Universal Declaration of Human Rights, in the formation of which, India played an active role.

Our 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.

Terms:

- a. 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 Bill of Human Rights and accordingly, formulate all policies, practices, procedures and rules of the Company.
- b. 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.
- c. The Company recognizes and respects the human rights of all relevant stakeholders and groups, including that of communities, consumers and vulnerable and marginalized groups.
- d. The Company shall, within its sphere of influence, promote the awareness and realization of human rights across their value chain.
- e. The Company shall encourage its business partners and third parties with whom it conducts business to abide by this policy.
- f. The Company will ensure that each employee is made aware of their basic rights and redressal mechanisms.

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

The principle recognizes that environmental responsibility is a prerequisite for sustainable economic growth and for the well-being of society. The principle emphasizes that environmental issues are interconnected at the local, regional and global levels which makes it imperative for businesses to address issues such as global warming, biodiversity conservation and climate change in a comprehensive and systematic manner. The principle encourages businesses to understand and be accountable for direct and indirect environmental impacts of their operations, products and services and to strive to make them more environment friendly.

The principle urges businesses to follow the precautionary principle and not go ahead with a particular action if it is unsure of its adverse impacts.

Our Company is committed to safety and preservation of environment and believes in conservation of natural resources and minimizing hazardous impact on the ecological environment.

Terms:

- a. 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.
- b. 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.
- c. 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.
- d. 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.
- e. 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.
- f. 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.
- g. The Company shall proactively persuade and support its value chain to adopt these principles.

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

The principle recognizes that businesses operate within the specified legislative and policy frameworks prescribed by the Government, which guide their growth and also provide for certain desirable restrictions and boundaries. The principle acknowledges that in a democratic set-up, such legal frameworks are developed in a collaborative manner with participation of all the stakeholders, including businesses.

Our 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.

Terms:

- a. The Company will make reasonable efforts to ensure that its advocacy positions are consistent with the principles and core elements enhancing business responsibility and transparency.
- b. Interact with Government and strive to provide support to shaping public policy related to our business.
- c. The Company may, in the best interest of all stakeholders, provide inputs in policy making decisions to various governmental authorities and agencies which concern the business and as well as the society in general, either directly or through the trade and industry chambers and such other collective platforms.
- d. Participate in policy and regulatory framework design and amendments thereof impacting the industry in transformational manner.

Principle 8: Businesses should promote inclusive growth and equitable development.

The principle recognizes the challenges of social and economic development faced by India and builds upon the development agenda that has been articulated in the government policies and priorities. The principle recognizes the value of the energy and enterprise of businesses and encourages them to innovate and contribute to the overall development of the country, especially to that of the disadvantaged, vulnerable and marginalized sections of society. The principle also emphasizes the need for collaboration amongst businesses, government agencies and civil society in furthering this development agenda. The principle reiterates that business prosperity and inclusive growth and equitable development are interdependent.

Our 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.

Terms:

Our core principles for inclusive growth and equitable development are:

- a. 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.
- b. Innovation and investment in products, technologies and processes on continuous basis for the overall wellbeing of the society.
- c. The Company endeavors to undertake various community development activities at local and national level and to ensure that appropriate mechanism for resettlement and rehabilitation of communities who have been displaced due to business operations are in place.
- d. The Company will endeavor to give priority to the regions that are underdeveloped near the business operations of the Company.
- e. Take initiatives towards understanding and addressing social impacts through volunteer programs, philanthropic contributions and other engagements

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

This principle is based on the fact that the basic aim of a business entity is to provide goods and services to its customers in a manner that creates value for both. The principle acknowledges that no business entity can exist or survive in the absence of its customers. The principle recognizes that customers have the freedom of choice in the selection and usage of goods and services, and that the enterprises will strive to make available goods that are safe, competitively priced, easy to use and safe to dispose of, for the benefit of their customers. The principle also recognizes that businesses have an obligation to mitigating the long-term adverse impacts that excessive consumption may have on the overall well-being of individuals, society and our planet.

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 industrial chemical products and hence, it continuously strives to make available its products that are safe and competitively priced for the benefits of its customers/end users.

Terms:

Our policy to enhance customer value and satisfaction covers:

- a. The Company, while serving the needs of their customers, will take into account the overall well-being of the

customers and that of society.

- b. The Company will ensure that they do not restrict the freedom of choice and free competition in any manner while designing, promoting and selling their products.
- c. 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 and services.
- d. 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.
- e. The Company will exercise due care and caution while providing goods and services that result in over exploitation of natural resources or lead to excessive conspicuous consumption.
- f. The Company will provide adequate grievance handling mechanisms to address customer concerns and feedback.

3. REVIEW AND AMENDMENT OF THE POLICY

The Board of Directors has the right to amend or modify this Policy in whole or in part, at any time, without assigning any reason whatsoever, subject, however, to the condition that such alterations shall be in consonance with the provisions of the Applicable Law.

In any circumstance where the terms of this Policy differ from any Applicable Law governing the Company, such Applicable Law will take precedence over this Policy and procedures until such time as this Policy is modified in conformity with the Applicable Law.