

## **BUSINESS RESPONSIBILITY POLICY**

### **1. Introduction:**

AVT Natural Products Limited ('AVT Natural' / 'the Company') is a public limited Company (CIN: L15142TN1986PLC012780). The equity shares of the Company are listed on the BSE Limited, and the National Stock Exchange of India Limited.

AVT Natural Manufactures Marigold Extracts for Eye care, Food Colouring & Poultry pigmentation, Colours and flavours from spices, Decaffeinated Tea, Instant Tea, Animal Nutrition Products etc.,

The Company has a robust backward integration network for marigold cultivation and works with more than 20,000 marginal farmers in South India.

The Company's businesses are indisputably founded on its core values. It strives to create long term sustainable value for all its stakeholders including its customers, shareholders, employees and the community it operates in.

### **2. Purpose:**

The Company recognizes that its accountability is not limited only to its investors from a financial perspective but also to the society at large. Hence, this Business Responsibility Policy ("Policy") lays down the broad principles to guide the Company in delivering its various responsibilities to its stakeholders. The Policy is intended to ensure that the Company adopts responsible business practices in the interest of the social ecosystem and the environment while striving to meet its financial and operational performance goals.

### **3. Scope :**

This Policy is formulated in accordance with Regulation 34 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time. This Policy also reiterates the Company's commitment to follow the nine principles laid down in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of Business published by the Ministry of Corporate Affairs while conducting its business to the extent these are relevant.

### **4. Authority and Responsibility :**

Mr. P. Shankar, Non-Executive & Independent Director of the Company shall have the authority to oversee and implement this Policy. The CEO / CFO are responsible for implementing the Business Responsibility initiatives stated in this Policy.

This Policy may be reviewed and amended from time to time by the above Director of the Company in line with changes in the regulatory requirements as well as changes in Company policies. All material changes may be placed before the Board of Directors of the Company ("Board") for its approval.



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## 5. Effective Dates :

This Policy shall be implemented with effect from such date as the Board may in its approval indicate.

## 6. Principle wise Policies / Practices

The Company shall conduct its business practices / activities in alignment with the following Key Principles which are broadly based on the Principles envisaged in the National Voluntary Guidelines in the interest of social set up, environment and governance:

### **Principle 1: The Company should conduct and govern itself with ethics, transparency and accountability**

The Company is committed to developing governance structures, procedures and practices that ensure ethical conduct at all levels; and promote the adoption of this principle across its value chain. Commitment to ethical and lawful business conduct is a fundamental shared value of the Board of Directors, senior management and all employees of the Company. All relevant communication must be transparent. The Company should ensure access to information about its decisions that impact relevant stakeholders. The Company should not engage in practices that are abusive, corrupt or anti-competition and should truthfully discharge its responsibility on financial and other mandatory disclosures. Due care should be taken to avoid complicity with the actions of any third party that violates any of the principles contained in this Policy.

The Company is committed to the highest standards of corporate governance in all its activities and processes. The above principle is enshrined in the various policies laid down by the Company from time to time including the Code to regulate, monitor and report trading by Insiders in the Company's securities and the AVT Natural Code of Conduct that shall act as a guide and govern the actions of its employees.

### **Principle 2: The Company should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

The Company assures safety and optimal resource use over the life-cycle of its products. Efforts will be made to ensure that everyone connected with it including the developers, producers, value chain members, customers and recyclers are made aware of their responsibilities.

Conscious efforts will be made to raise consumer awareness through appropriate product labelling and marketing communication, full disclosure of contents and composition as well as promote safe usage and disposal of its products and services. The Company will conduct regular reviews to incorporate social, ethical, and environmental considerations in the process of new technology development, deployment and commercialization. The rights of people who may be owners of traditional knowledge, and other forms of intellectual property will be recognized and respected. Duly recognizing that over-consumption results in unsustainable





exploitation of the planet's resources, the CEO / CFO will promote sustainable consumption, including recycling of resources.

The Company is primarily engaged in manufacturing business, which also includes extensive agro backward integration. It continuously strives to reduce its own carbon footprint, as well as influence all its stakeholders to do the same through various initiatives.

The Company shall at all times strive to create consumer awareness about their rights as required under the regulatory norms and the AVT Natural Code of Conduct.

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

**Principle 3: The Company should promote the well-being of all employees**

The Company will respect the right to freedom of association, participation and collective bargaining. It will provide access to appropriate grievance redressal mechanisms. It will provide 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.

None of the Company's factory /plant and other business units shall use child labour, forced labour or any form of involuntary labour, whether paid or unpaid. Further, the Company will ensure timely payment of fair living wages to meet basic needs and economic security of its employees. The Company will take cognizance of work-life balance of all its employees, especially that of women. It will provide appropriate facilities for the well-being of its employees including those with special needs.

The Company will strive to keep the workplace environment safe, hygienic, and humane, upholding the dignity of the employees. It will conduct necessary trainings and issue suitable communications in this regard on a regular basis.

The Company will concentrate on continuous skill and competency upgradation of its employees by providing access to necessary learning opportunities on an equal and non-discriminatory basis. It will strive to promote employee morale and career development through appropriate human resource interventions.

The Company's policies, systems and practices will ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities. The above Principles have been appropriately enshrined in its policies put in place from time to time by the Company to ensure well-being of its employees which includes the following:

- Whistle blower policy
- Policy on Sexual Harassment at workplace
- Policy on gender equality and anti-discrimination
- Policy on freedom of association and right to collective bargain





- Occupational Health & Safety policy
- Policy on Labour Employment.

**Principle 4: The Company should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged(s), vulnerable and marginalized**

The Company should acknowledge, assume responsibility and be transparent about the impact of its policies, decisions, product & services and associated operations on the stakeholders. It should resolve differences with stakeholders in a just, fair and equitable manner. The systems and processes in place to systematically identify stakeholders, understand their concerns and to engage with them will be reviewed from time to time. Special attention will be given to stakeholders in areas that are underdeveloped.

The Company's Corporate Social Responsibility (CSR) policy which drives its initiatives intended to benefit the disadvantaged, vulnerable and marginalized stakeholders adhere to the above principles

The grievance redressal and the feedback mechanism available for shareholders and customers shall follow the spirit laid down herein.

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

The Company appreciates that human rights are inherent, universal, indivisible and interdependent in nature. Conscious efforts should be taken to understand the regulatory aspects of human rights. Care should be taken to integrate respect for human rights in its management systems, wherever applicable, by assessing and managing human rights impacts of its operations. Access to grievance redressal mechanism will be provided to all individuals impacted by the business.

The Company will recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups and the business units within its sphere of influence. It will endeavour to promote the awareness and realization of human rights across the value chain and will not complicit with human rights abuses by a third party.

The Company in its business operations shall treat all customers with fairness and shall adhere to the AVT Natural Code of Conduct. The Company will recognize and respect the human rights of all relevant stakeholders, including that of its customers, shareholders, investors and the public at large. The Company will strive to abide with the aforesaid principle and discourage practices of violation by any third party to the extent possible.

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

In its effort to respect, protect and restore the environment, the factory / plant and other business units will utilize their resources in an optimal and responsible manner





ensuing sustainability through reduction, re-use, re-cycling and managing waste. Appropriate measures to check and prevent pollution will be undertaken based on assessment of environmental impact, if any, Equitable sharing of access and commercialization of natural resources and associated traditional knowledge will be encouraged. The Company will also seek to improve its environmental performance by adopting cleaner production methods as well as through promotion of energy efficient and environment friendly technologies. Suitable processes and systems may be developed with contingency plans and processes that help in preventing, mitigating and controlling environmental damages caused due to the Company's operations. Wherever possible, the Company will be involved in proactive persuasion and support to the value chain to adhere to this principle.

The Company shall facilitate and adhere to the principle of respecting, protecting and restoring the environment. The Company shall promote ecological sustainability and green initiatives by adopting energy saving mechanisms and sensitize employees to reduce the carbon footprint of the Company.

The Company shall commit itself to take all necessary initiatives towards continued reduction in the utilisation of natural resources as well as man-made resources. The Company shall proactively promote the same across the value chain by mandating compliance by various stakeholders.

The Company shall also persuade and encourage its vendors to reduce the carbon footprint.

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

While pursuing policy advocacy, the Company will ensure that its advocacy position is consistent with this Policy, and to the extent possible, it will collaborate with the trade and industry chambers and associations and other such collective platforms, to undertake such policy advocacy.

As a corporate citizen, the Company shall operate within the democratic setup and constitutional framework.

The Company, being a part of various chambers and associations shall strive to make recommendations / representations before regulators and associations for advancement and improvement of the businesses it operates in.

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

**Principle 8: The Company should support inclusive growth and equitable development**

Every factory /plant and other business units should understand the impact of its operations on social and economic development and accordingly, take appropriate





action to minimize adverse impact, if any. They should innovate and invest in products, technologies and processes that promote the wellbeing of society.

The factory / plant and other business units operating in regions which are underdeveloped should be sensitive to local concerns and make efforts to complement and support the development priorities at local and national levels. In case the business operation causes any displacement of communities, appropriate resettlement and rehabilitation of communities must be ensured by the CEO / CFO.

The Company has always been known for its tradition of philanthropy and community service long before it was mandated under the Companies Act, 2013. The Company shall continue with its philosophy to reach out to the community. The Company shall be guided by its Corporate Social Responsibility Policy for inclusive growth and equitable development.

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

The overall well-being of the customers and that of society must be taken into account while serving the needs of customers. The Company should refrain from restricting the freedom of choice or free competition while developing, promoting and selling of its products.

Care should be taken that all requisite information be truthfully and factually, disclosed through labelling or other means, including wherever required, 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 of choice to consume its products in a responsible manner. Wherever possible, the Company should educate their customers on the safe and responsible usage of its products and services. Product promotion or advertisement should be done in a manner which is not misleading or violating the principles of this Policy. Due care and caution should be exercised while providing goods and services that result in over exploitation of natural resources or which lead to excessive conspicuous consumption.

There should be adequate grievance handling mechanisms to address customer concerns and feedback.

The Company has a robust mechanism in place for the redressal and escalation of grievances of its customers and shareholders. Senior personnel are assigned the role of Redressal Officers to ensure timely redressal of such grievances.

The Company shall ensure that the promotion and advertisement of its products do not mislead or confuse the customers and other stakeholders in any way which violates the principles of this Policy.

