



SOCIAL RESPONSIBILITY POLICY



SOCIAL RESPONSIBILITY POLICY

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AMENDMENT HISTORY

| Date | Description of Change/Action Taken | Rev. No. |
|----------------|--|----------|
| April 1, 2024 | <ul style="list-style-type: none">• Updated Scope, Goals, Responsibility Allocation To social team and Review Mechanism.• Included Objectives, Governance, ESG Committee and Employee Acknowledgement form. | 1.0 |
| April 12, 2024 | <ul style="list-style-type: none">• Updated Logo | 1.1 |
| June 10, 2025 | <ul style="list-style-type: none">• Name and Logo Change | |

SOCIAL RESPONSIBILITY POLICY

INTRODUCTION

Acutaas Chemicals Limited plays the pivotal role in fostering sustainable and responsible business practices. Our Social Responsibility Policy underscores our commitment to Environmental, Social, and Governance (ESG) principles, guiding our operations towards a harmonious balance between economic success and social and environmental well-being. At the core of our ethos is a dedication to upholding workers' rights and ensuring optimal working conditions, affirming our belief that a healthy and empowered workforce is essential for sustainable growth.

Our stakeholder relationships are built on transparency, engagement, and mutual respect. We actively seek feedback from employees, customers, communities, and other stakeholders to continually improve our practices. Embracing ethical business conduct, we uphold the highest standards of integrity and accountability in all aspects of our operations. Our commitment extends beyond compliance, as we strive to proactively contribute to the betterment of the communities in which we operate.

Furthermore, we pledge to proactively address environmental concerns, minimizing our ecological footprint and advancing responsible resource management. Through these collective efforts, we aim to set a benchmark for social responsibility in the chemical industry, fostering a culture of sustainability and ethical conduct that aligns with our vision for a better and more inclusive future.

SCOPE

This Policy is applicable to all below mentioned sites and all of its employees, workers, sub-contractors and other stakeholders who are directly and indirectly associated with the company:

| Sr. No. | Acutaas Chemicals's | Address |
|---------|--|---|
| 1 | Registered office | Plot No. 440/4, 5 & 6, Road No. 82/A, GIDC Sachin, Surat Gujarat 394230 India |
| 2 | Factory Unit 1 | Plot No. 440/4, 5, 6 & 8206/B, Road No. 82/A, GIDC Sachin, Surat 394230, Gujarat, India |
| 3 | Factory Unit 2 | Plot No. 127/1, Industrial Estate, GIDC, Ankleshwar-393002, Gujarat, India |
| 4 | Factory Unit 3 | Plot No. 910/1/B, GIDC, Jhagadia- 393110, Bharuch, Gujarat, India |
| 5 | Research & Development Unit | Plot No. C1B-469 Road No. 82-C GIDC Sachin, Surat, 394230 Gujarat |
| 6 | Warehouse I | Plot No. 478, 479 & 494, 495 Road No. 82-C GIDC, Sachin, Surat, 394230 Gujarat |
| 7 | Warehouse II (for future expansion) | Plot No. 5538, Road No. 8, GIDC Sachin, Surat, Gujarat 394230, India |

POLICY STATEMENT

At Acutaas Chemicals Limited, we are committed to a Social Responsibility Policy that integrates ESG principles, safeguards workers' rights, and ensures ethical business conduct. Embracing our responsibility

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as a chemical industry leader, we actively engage in community development initiatives, promoting a sustainable and socially conscious approach to our operations.

OBJECTIVES

- To ensure fair wages and benefits for all employees, meeting or exceeding industry standards.
- To eliminate all forms of child labor, forced labor, and human trafficking within our operations and supply chains.
- To provide a safe, healthy, and harassment-free work environment for all employees, promoting respect and dignity.
- To uphold freedom of association, ensuring that employees can join or form unions without fear of retaliation.
- To support diversity, equity, and inclusion, fostering a workplace where all employees are treated with fairness and respect.
- To ensure equal opportunities for all employees, irrespective of their gender, race, religion, or other personal characteristics.
- To regularly assess and address labor and human rights risks in our operations and supply chains, ensuring continuous improvement.

OUR AREA OF FOCUS

Employee Health & Safety:

- **Preventive Measures:** We implement proactive measures to identify and mitigate potential health and safety hazards in the workplace. Regular safety audits, risk assessments, and the provision of necessary protective equipment are integral to fostering a secure work environment.
- **Employee Training:** We prioritize ongoing training programs to educate employees on safety protocols and emergency procedures. Regular drills and workshops ensure that our workforce is well-prepared to handle various situations, promoting a safety-conscious culture throughout the organization.

Working Conditions:

- **Fair Compensation:** We are committed to providing fair and competitive compensation packages that reflect the skills, experience, and contributions of our employees. Our aim is to ensure that working conditions align with industry standards and support the financial well-being of our workforce.
- **Work-Life Balance:** We recognize the importance of a healthy work-life balance and actively encourage practices that support it. Flexible work arrangements, reasonable working hours, and policies that promote employee well-being contribute to a positive and sustainable working environment.

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Social Dialogue:

- **Open Communication Channels:** We establish open lines of communication, including regular feedback sessions, town hall meetings, and employee forums. These channels provide opportunities for employees to express their opinions, share concerns, and contribute to the decision-making process, fostering a culture of transparency and collaboration.
- **Conflict Resolution Mechanisms:** In addition to open communication, we have established effective conflict resolution mechanisms. Grievance procedures and mediation processes are in place to address any concerns or disputes promptly and fairly, ensuring that social dialogue remains constructive and conducive to a harmonious workplace.

Career Management & Training:

- **Professional Development Opportunities:** We offer a range of professional development opportunities, including workshops, training sessions, and mentorship programs. These initiatives are designed to enhance the skills and knowledge of our employees, enabling them to achieve their career goals within the organization.
- **Performance Reviews and Goal Setting:** Regular performance reviews and goal-setting sessions are conducted to align individual career aspirations with organizational objectives. This collaborative approach helps employees chart their career paths, receive constructive feedback, and identify opportunities for growth and advancement.

Child Labor, Forced Labor & Human Trafficking:

- **Supplier Due Diligence:** We conduct thorough due diligence on our suppliers to ensure they adhere to our strict policies against child labor, forced labor, and human trafficking. Collaborative efforts with suppliers include regular audits and assessments to maintain the highest ethical standards throughout our supply chain.
- **Education and Awareness:** We actively promote awareness and education within our organization regarding the consequences of child labor, forced labor, and human trafficking. Employee training programs emphasize the importance of ethical sourcing and the role each individual plays in upholding our commitment to eradicating these practices.

Diversity, Equity and Inclusion:

- **Inclusive Recruitment Practices:** Our recruitment processes prioritize diversity, employing inclusive strategies to attract candidates from various backgrounds. We actively seek to eliminate biases in hiring, ensuring equal opportunities for all qualified individuals, irrespective of their gender, ethnicity, or background.
- **Diversity Training:** We provide ongoing diversity training to all employees to cultivate an inclusive workplace culture. These programs address unconscious biases, promote understanding and appreciation of differences, and create an environment where diversity is celebrated as a strength.

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GOALS

Employee Health & Safety:

- **Zero Preventable Incidents:** Strive for a workplace environment with zero preventable accidents or incidents through continuous improvement of safety protocols, regular training, and fostering a culture where every employee actively participates in maintaining a safe work environment.
- **Enhanced Well-being Programs:** Implement and expand well-being programs that go beyond physical safety, addressing mental health and overall employee wellness. Set goals for increased employee participation in wellness initiatives, aiming for a measurable improvement in overall well-being.

Working Conditions:

- **Salary Equity:** Set a goal to achieve salary equity across all levels and departments within the organization. Regularly review and adjust compensation structures to ensure fair and competitive pay, promoting a work environment where every employee feels valued.
- **Flexible Work Adoption:** Establish a goal to increase the adoption and success of flexible work arrangements. Monitor the utilization and effectiveness of flexible schedules, remote work options, and other initiatives that support a healthy work-life balance for employees.
- **Health care plan:** We aim to provide our employee in employee health care plan.

Social Dialogue:

- **Increased Employee Engagement:** To enhance employee engagement levels by a certain percentage, we will establish open channels for dialogue between management and employees, allowing for feedback and concerns. We aim to implement effective communication strategies that provide clear avenues for employees to raise issues and contribute suggestions, fostering positive labor relations and encouraging active participation in decision-making processes.
- **Reduced Conflict Resolution Time:** Implement efficient conflict resolution mechanisms to reduce the time taken to resolve conflicts and address grievances, ensuring fair and timely resolutions in labor disputes while respecting the rights and interests of all parties involved. Measure the time required to address and resolve employee concerns.
- **Labor Relations Strengthening:** Strengthening relationships with employee representatives and labor unions is a priority, as we plan to address concerns collaboratively and constructively.

Career Management & Training:

- **Skill Development Metrics:** Set specific targets for the improvement of key skills within the workforce. Monitor the success of training programs by tracking the percentage increase in employees possessing critical skills necessary for their roles.
- **Promotion from Within:** Establish a goal to increase the percentage of internal promotions. Focus on providing career development opportunities and mentorship programs that empower employees to advance within the organization.

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- **Career Growth:** We aim to provide regular performance reviews and career development plans to all employees, ensuring their career progression and security.

Child Labor, Forced Labor & Human Trafficking:

- **Supplier Compliance Rate:** Ensure that all suppliers conduct their business ethically, with zero tolerance for practices such as child labor, forced labor, discrimination, and corruption.
- **Employee Awareness:** Establish a goal to increase employee awareness and understanding of ethical sourcing practices. Implement training programs and track the percentage of employees who demonstrate a clear understanding of the company's commitment to eradicating exploitative labor practices.

Diversity, Equity and Inclusion:

- **Diverse Hiring Targets:** Set specific targets for the recruitment of underrepresented groups within the organization. Track progress by measuring the percentage increase in the representation of diverse candidates at all levels.
- **Inclusive Leadership Development:** Establish a goal to enhance the diversity of leadership roles within the organization. Implement targeted leadership development programs to cultivate a pipeline of diverse leaders, measuring the increase in representation at leadership levels over time.

KEY MILESTONES

Employee Health & Safety:

- **Milestone 1:** Implement a comprehensive safety training program.
Target: Achieve 100% employee participation in safety training by FY 2026-27 from baseline FY 2021-22.
- **Milestone 2:** Establish a proactive safety reporting system.
Target: Reduce the average response time to address safety concerns by 30% by FY 2026-27 from baseline FY 2021-2022.
- **Milestone 3:** Conduct regular safety audits and improvements.
Target: Achieve a 20% reduction in the number of workplace accidents by FY 2026-27 from baseline FY 2021-2022.

Working Conditions:

- **Milestone 1:** Ensure compliance with fair labor standards.
Target: Achieve 100% adherence to local and international labor laws by FY 2026-27 from baseline FY 2021-2022.
- **Milestone 2:** Implement flexible work arrangements.
Target: Increase the adoption of flexible work options by 15% by FY 2026-27 from baseline FY 2021-2022.
- **Milestone 3:** Conduct employee satisfaction surveys on working conditions.
Target: Attain a satisfaction rating of 70% or higher by FY 2026-27 from baseline FY 2021-2022.

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Social Dialogue:

- **Milestone 1:** Establish regular communication channels for feedback.
Target: Conduct monthly town hall meetings with at least 70% employee participation by FY 2026-27 from baseline FY 2021-2022
- **Milestone 2:** Implement a feedback incorporation system.
Target: Address and resolve minimum 80% of employee feedback within two weeks of submission by FY 2026-27 from baseline FY 2021-2022
- **Milestone 3:** Develop and maintain relationships with relevant external stakeholders.
Target: Establish partnerships with three local community organizations focused on social responsibility within the next 6 months.

Career Management & Training:

- **Milestone 1:** Implement a mentorship program.
Target: Achieve At least 50% of new employees matched with mentors by FY 2026-27 from baseline FY 2021-2022
- **Milestone 2:** Increase investment in employee training and development.
Target: Allocate a budget increase of 15% for training programs in the next fiscal year from baseline FY 2021-22.
- **Milestone 3:** Establish clear career paths and progression plans.
Target: Ensure that 50% of employees have a personalized career development plan by 2026-27.

Child Labor, Forced Labor & Human Trafficking:

- **Milestone 1:** Conduct a thorough supply chain audit.
Target: We strive to achieve 70% coverage of our major suppliers in CSR self-assessments and by FY 2029-30, with FY 2021-22 as the baseline year.
We strive to conduct ESG performance reviews for 70% of major suppliers annually, starting from FY 2029-30.
- **Milestone 2:** Implement a strict supplier code of conduct.
Target: We are committed to ensuring that 100% of our major suppliers sign the "Supplier Code of Conduct" by FY 2029-30.
- **Milestone 3:** Collaborate with industry initiatives against human trafficking.
Target: Become an active member of at least one anti-human trafficking initiative within the next 9 months.

Diversity, Equity, and Inclusion:

- **Milestone 1:** Establish diversity and inclusion training programs.
Target: Ensure 100% employee participation in diversity and inclusion training by FY 2026-27 from baseline FY 2021-22.
- **Milestone 2:** Implement inclusive hiring practices.

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Target: Increase the representation of underrepresented groups in leadership positions by 2% (of the total number of leadership positions) within the next 2 years.

➤ **Milestone 3:** Complaint resolution.

Target: Address and resolve 100% DEI-related complaints within 30 days.

GOVERNANCE OF THIS POLICY

The ESG Committee is responsible for overseeing the implementation, monitoring, and continuous improvement of this Policy. The Committee ensures that the policy's objectives and targets are met effectively and transparently while aligning with the company's long-term sustainability goals. This will be achieved with the active support of the Chief Sustainability Officer, who will play a pivotal role in ensuring alignment with procurement processes and practices.

ESG COMMITTEE

| Sr. No. | Name | Position |
|---------|------------------------|-------------|
| 1. | Mr. Ram Mohan Lokhande | Chairman |
| 2. | Mr. Girikrishna Maniar | ID - Member |
| 3. | Mr. Hemant Patel | Member |
| 4. | Mr. Pratik Thakor | Member |
| 5. | Mr. Uday Desai | Member |

RESPONSIBILITY ALLOCATION TO SOCIAL TEAM

In a Social Responsibility Working Team, individuals from various designations and departments collaborate to ensure the effective development, implementation, and monitoring of social responsibility initiatives.

1. ESG Committee Chairman:
 - Evaluates and identifies areas for improvement within the policy and associated sustainability practices.
 - Review the policy annually.
 - Leads the development as mentioned in the below review mechanism and alignment of the policy with Environment, Social, and Governance (ESG) principles.
 - Ensures that the policy aligns with and meets all relevant social laws, regulations, and standards.
 - Develop and communicate the company's social responsibility strategy.
 - Ensure alignment with the overall business strategy.
 - Report to senior leadership and stakeholders on social responsibility initiatives.

Name of ESG Committee Chairman: Ram Mohan Lokhande (Whole Time Director)

2. Environment Health & Safety Head:
 - Develop and enforce environmental sustainability policies.
 - Oversee safety protocols and compliance with regulations.
 - Conduct audits to ensure adherence to environmental and safety standards.

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Name of Environment Health & Safety Head: Pratik Thakor (AGM EHS)

3. Supply Chain Manager
 - Develop and enforce a supplier code of conduct.
 - Conduct regular audits of suppliers to ensure compliance with social responsibility standards.
 - Collaborate with suppliers to improve sustainability and ethical practices.

Name of Supply Chain Manager: Nainesh Desai (AGM Purchase)

4. Community Relation Manager
 - Identify and support community development projects.
 - Communicate transparently with local communities about the company's activities.
 - Address community concerns and feedback.

Name of Community Relation Manager: Hemant Patel (Sr. GM HR)

5. Legal and Compliance Manager
 - Stay informed about changes in laws related to social responsibility.
 - Provide legal guidance to ensure compliance with ethical standards.
 - Investigate and address any legal or compliance issues related to social responsibility.

Name of Legal and Compliance Manager: Milan Dobariya (Manager – Liaisoning)

6. Director - Operations
 - Endorses the integrated environmental policy, demonstrating commitment from the top leadership.

Name of Director - Operations: Ram Mohan Lokhande

REPORTING

Reporting is crucial for transparency, accountability, and continuous improvement. Acutaas Chemicals Limited is committed for communicating its performance and progresses in implementing various ESG principles in its operations. The below reporting mechanism is developed for better understanding on current scenario and future improvement requirement. The following outlines the key components of our reporting mechanism:

1. Monitoring and Audit Reports:

Reports from internal monitoring, audits, or external assessments related to above social responsibility performance.

2. Employee Feedback Surveys:

Surveys or feedback mechanisms used to gather input from employees on the effectiveness and impact of social responsibility initiatives.

3. External Stakeholder Communication Records:

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Records of communication with external stakeholders regarding social responsibility initiatives, partnerships, and collaborations.

4. Legal and Regulatory Compliance Documents:

Documentation ensuring compliance with all relevant local, national, and international laws and regulations related to social responsibility.

CONTINUOUS IMPROVEMENT

The policy will be reviewed basis changes in legal and market guidelines.

The responsibility for this annual review lies with the Social Team, comprising representatives from key departments within the organization. Their task is to evaluate the policy's implementation, assess the achievement of set targets, and recommend adjustments or enhancements to align with emerging social standards and best practices.

The final approval of any policy adjustments shall be given by the Director - Operational of Acutaas Chemicals Limited, ensuring the highest level of leadership endorsement for our social initiatives.

REVIEW MECHANISM

This policy will be reviewed by ESG Committee Chairman every year or as and when required by the next review date mentioned to track the progress on every issue and its targets.

REV. No. 1.2

APPROVED BY:

EFFECTIVE FROM: 01.04.2023

Director – Acutaas Chemicals Limited

LAST REVIEW DATE: 01.01.2025

NEXT REVIEW DATE: 01.01.2026