

GUFIC BIOSCIENCES LIMITED

**Business Responsibility & Sustainability
Reporting Policy**

Introduction:

The Ministry of Corporate Affairs (MCA), Government of India, released a set of guidelines called the National Voluntary Guidelines on the Social, Environmental and Economic Responsibilities of Business (NVGs). Further Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021 has made Business Responsibility & Sustainability Reporting (BRSR) mandatory for Top 1000 listed entities by market capitalization with effect from the Financial Year 2022-23. The BRSR is a notable departure from the existing Business Responsibility Report (“BRR”) and a significant step towards bringing sustainability reporting at par with financial reporting. SEBI Circular further states that the BRSR is an initiative towards ensuring that investors have access to standardized disclosures on ESG parameters. Access to relevant and comparable information will enable investors to identify and assess sustainability-related risks and opportunities of companies and make better investment decisions.

Scope and Purpose:

Gufic Biosciences Limited (“the Company”/ “Gufic”) has formulated the Business Responsibility and Sustainability Reporting Policy (“BRSR Policy”) in view of the requirements of SEBI for BRSR and is intended to ensure that the Company contributes towards sustainable development and fulfils its social, environmental and economical responsibilities.

This Policy endorses the Company’s commitment to follow principles and core elements, in conducting its business, as laid down in the NVGs issued by Hon’ble Ministry of Corporate Affairs.

In view of the above, the Board of Directors of the Company (“the Board”) approved this Policy at its meeting held on November 11_, 2022.

Applicability:

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

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

Philosophy:

- Gufic believes in conducting its affairs in a fair, transparent and professional manner and maintaining the good ethical standards, transparency and accountability in its dealings with all its constituents.
- The Company believes in value based governance and practices. It is committed to maintain highest standards of ethics in all sphere of its business activities. The Board of Directors and the Senior Management have the responsibility to set exemplary standards of ethical behavior, both internally within the organization as well as in their external



relationship. Management shall constantly endeavor to inculcate this ethical behavior at all levels in the organization so that it becomes essential part of the work culture among all the employees in the Company.

Policy:

- a. The Company shall develop governance structures, procedures and practices that ensure ethical conduct at all levels; and promote the adoption of its principle across its value chain.
- b. The Company shall communicate transparently and assure access to information about its decisions that impact relevant stakeholders.
- c. The Company shall not engage in practices that are abusive, corrupt or anti-competition.
- d. The Company shall avoid complicity with the actions of any third party that violates any of the principles contained in this Policy.
- e. The Company adheres to timely and appropriate disclosure of information that may impact stakeholders, maintaining high standards of transparency and accountability. The Company also ensures to update its website regularly
- f. The Company has developed a Code of Conduct for Directors and Senior Management Personnel to ensure good governance and ethical practices for conducting business activities.
- g. The Company's financial reports indicate transparency and accountability, ensuring timely and complete payment of all applicable taxes levied by appropriate statutory bodies.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Philosophy:

- The Company understands that mutual trust and respect is the essence of its human values. It will always conduct its business with unyielding integrity and ethics.
- The Company endeavors to align business operations to the highest standard of safety, quality and sustainability.
- The Company understands the importance of change and sees it as an opportunity and not as a threat. It will consider speed as a competitive advantage in a changing and uncertain world, delivering better, faster and more competitive products and services.

- The Company believes in integrating our business values and operations to meet the expectations of our customers, employees, partners, investors, communities and public at large.

Policy:

- a. The Company shall work towards building capacity such that all the value chain partners, namely the third party manufacturers, service providers including transporters and suppliers of significant raw materials, are sensitized and empowered to fulfil their roles and responsibilities towards sustainability.
- b. The Company shall on a regular basis review and improve upon the process of new technology development, deployment and commercialization, incorporating various external and internal considerations.
- c. The Company shall raise the customer's awareness of their rights through education, appropriate and helpful marketing communication, full details of contents and composition and promotion of safe usage.
- d. In designing the product, company shall ensure that the manufacturing processes and technologies required to produce it are resource efficient and sustainable and continuously improve the balance between social, economic and environmental impacts and works;
- e. The Company remains committed in ensuring compliance with all applicable quality regulations and standards. We regularly monitor our performance in our endeavor to improve existing processes and minimize any adverse impact of our operations across safety, health and environment parameters.
- f. The Company shall regularly review and improve upon the process of new technology development, deployment and commercialization, incorporating social, ethical, and environmental considerations.
- g. The Company shall continue to recognise and respect the rights of people who maybe owners of traditional knowledge, and other forms of intellectual property, wherever relevant.
- h. The Company will uphold the values of honesty, partnership and fairness in its relationship with stakeholders.

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

Philosophy:

- Gufic's Corporate Philosophy is to encourage practice "to do what is right as a human being". It offers employment with a sense of certainty for successful long term career that would be driven by boundless growth opportunities and exposure to immense learning opportunities, and widening the knowledge horizon.
- It nurtures a cohesive team culture that inspires employees to actively participate in all organizational development initiatives with no limitation of opportunities which makes Gufic an exhilarating place to begin.
- The Company intends to create a safe environment for the well being of the employees at all times and spread the message of safety to one and all. The Company has spent lot of time, resources and money to inculcate the safety aspect in the organization.
- With the intent of connecting people for fostering and building people interaction, Company encourages employees to express their concerns in a free and informal manner thereby creating a sense of bonding within the company. The Company gives due importance to the safety and health of employees. The Company has formulated the Safety, Occupational and Health Policy.
- The Company implicitly advocates and follows the human resource management policy comprising of the values and ethics followed in the Company with respect to Human resources.

Policy:

- a. The Company understands the worth of a healthy and sound human resource. The Company shall ensure an environment which generates belongingness, loyalty and commitment amongst the employees. The Company shall ensure that there is a systematic chain or hierarchy which allows better flow of information, ideas, suggestions and understanding amongst the employees and the senior management and there is in place a proper channel through which the grievances of the employees are taken up and addressed by the senior management.

- b. The Company shall not employ child labour, adolescent labour, forced labour or any form of involuntary labour, paid or unpaid in any of its offices and units. The Company has a Policy on Selection & Remuneration of Directors, KMP and other Senior Managerial Personnels, which deals extensively with the employment and remuneration practices to be followed by the Company. The Company shall promote work- life balance among all its employees specially its women employees. The Company has a Policy on Prevention of Sexual Harassment, which deals extensively on providing a safe working environment and protection from sexual harassment. Furthermore, the Company's whistleblower policy outlines the mechanism for grievance redressal of non-discrimination incidents.
- c. The Company shall provide a workplace environment that is safe, hygienic, humane, and which upholds the dignity of the employees. It shall provide facilities for the well-being of its employees including those with special needs. The Company shall comply with the statutory provisions with regard to health, safety and wellbeing of its employees. The Company shall at all time have a safety and environment policy as per the provisions of Factories Act, and other applicable laws.
- d. The Company strives to regularly communicate to its employees all the policies related to them so as to keep them aware of the same and allow them to take optimum advantage of the same.
- e. The Company shall respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance redressal mechanisms.
- f. 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.
- g. It will ensure timely payment of fair living wages to meet basic needs and economic security of the employees.
- h. The Company ensures continuous skill and competence upgrading of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. They will 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

Philosophy:

- Gufic recognises the interest of all communities including those of disadvantaged, vulnerable, marginalized and weaker sections of the society and proactively engage with them. We further align our business activities and strategy to stakeholder interests in order to maximize impact and deliver value-generated outcomes.

Policy:

- a. The Company shall understand the concerns of its stakeholders, define its purpose and scope of engagement, and commit to engaging with them.
- b. The Company shall acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, product & services and associated operations on the stakeholders.
- c. The Company values the support of its stakeholders and endeavours to maintain a cordial relationship and safeguard the interests of all the stakeholders. The Company shall regularly and systematically identify its internal stakeholders like employees and workers and external stakeholders like shareholders, suppliers, customers, government bodies including regulators, banks and financial institutions. The management of the Company shall remain accessible to all stakeholders in order to understand their concerns and respond accordingly. The Company shall endeavour to maintain healthy stakeholder's engagement, allow stakeholders participation and shall promote collective decision making process as far as practically possible. The Company constantly endeavors to share and disclose material information to its stakeholders as recommended by statutory guidelines.
- d. The Company endeavors to make prompt public disclosure of all unpublished price sensitive information(s) that may impact price discovery, as soon as credible and concrete information comes into being.
- e. The Company's CSR policy drives initiatives towards the benefit of the disadvantaged, vulnerable and marginalized stakeholders. The website of the Company shall display all such policies and other relevant information from time to time to keep the stakeholders aware about position of the Company. The Company shall resolve differences with stakeholders in a just, fair and equitable manner.

Principle 5: Businesses should respect and promote human rights

Philosophy:

- Gufic recognises the human rights and treat others with dignity and respect. It believes that it is one's fundamental rights to live with dignity and respect. Company has adopted
 - a. Vigil mechanism policy which covers aspects ensuring human / safety rights of its employees.
 - b. Policy on "Prevention of Sexual Harassment at workplace"(POSH) to provide safe and healthy work environment to its employees by establishing a guidelines to deter any sexual harassment at work.

Policy:

- a. The Company shall understand the human rights content of the Constitution of India, national laws and policies. It shall appreciate that human rights are inherent, universal, indivisible and interdependent in nature
- 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 that all individuals impacted by the business have access to grievance mechanisms.
- c. The Company shall recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, customers and vulnerable and marginalized groups.
- d. The Company shall within their 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.

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

Philosophy:

- Gufic is cognizant of the responsibility etched to our business activities and its consequent impact on the environment and society at large and is committed towards manufacturing of products in a way that ensures entitlement of all to clean environment. The Company has an environment policy document.

Policy:

- 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. It shall also 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

Philosophy:

- The Company as a corporate citizen understands its responsibility to operate within the democratic setup and constitutional framework. The Company endeavor to maintain an ethical conduct, respecting the values of equity, integrity and transparency across all our policy advocacy positions.

Policy:

- a. 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.
- b. 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.
- c. The Company ensures that it does not undertake any adverse activities in line with the nation's interest or those that will have any negative social impact and remains ethical, unbiased and transparent.

Principle 8: Businesses should promote inclusive growth and equitable development

Philosophy:

- Gufic from its inception has a charitable disposition. The Company serves society by taking forward this philosophy and catalyzing societal welfare through projects in the healthcare, education focusing on the needy and weaker sections of the Society.

Policy:

- a. The Company endeavor to take appropriate actions for understanding the impact of its business operations on social and economic development and shall respond through suitable actions to minimise the negative impact, if any.
- b. The Company shall innovate and invest in products, technologies and processes that promote the well-being of society.
- c. The Company shall make efforts to complement and support the development priorities at local and national levels and ensure appropriate resettlement and rehabilitation of communities who have been displaced owing to their business operations.
- d. The Company strives to identify and address the needs of local communities, particularly vulnerable and marginalized groups through the implementation of focused CSR programs.
- e. The Company shall undertake its CSR activities as per the recommendation of the CSR Committee and in accordance with CSR policy. Further, the Company shall ensure that the CSR policy be kept updated in line with the requirement of Section 135 read with Schedule VII of the Companies Act, 2013.

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

Philosophy:

- Gufic has long standing relationships with its customer. The Company acknowledges that no business can survive in absence of customers. In this regard, we consistently strive to ensure responsible and transparent communication with all our consumers, across parameters of product pricing, quality and accessibility.
- The driving force behind the Company's management is Quality and Customer Satisfaction. Gufic quality policy is "To satisfy customer needs and retain leadership by manufacturing and supplying quality products and services through continuous improvement by motivated employees".

Policy:

- a. The Company shall take into account the overall well-being of the customers and that of society.
- b. The Company shall ensure that it does not restrict the freedom of choice and free competition in any manner while designing, promoting and selling its products.



- c. The Company shall disclose all information truthfully and factually as per applicable laws, through labeling.
- d. The Company shall promote and advertise its products in a way that do not mislead or confuse the consumer.
- e. The Company shall exercise due care and caution while providing goods that result in over exploitation of natural resources or lead to excessive conspicuous consumption.
- f. The Company shall provide an adequate consumer feedback mechanism to address consumer concerns and feedback.

Implementation:

1. The policy shall be appropriately communicated within the Company across all levels and shall be displayed on the website of the Company at www.gufic.com.
2. The Managing Director and Whole Time Director shall be responsible for the implementation of the Business Responsibility and Sustainability initiatives and assisted by the Business units heads of the Company who shall be the reviewing authority of this policy, shall oversee the implementation of the Policy.
3. Compliance with the Policy shall be monitored and evaluated by Mr. Nagesh Y., Chief Operating Officer of the Company and BR Head on a periodic basis.
4. Any grievances/ complaints with respect to violation of the policy shall be reported to the BR Head.

Modification /Amendment in the Policy:

Any or all provisions of this Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by the Central Government, or Ministry of Corporate Affairs or SEBI and /or any other statutory authorities, from time to time.