

# **RUCHI SOYA INDUSTRIES LIMITED**

## **BUSINESS RESPONSIBILITY POLICIES**



# RUCHI SOYA INDUSTRIES LIMITED

Effective Date: November 10, 2020

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## 1. BACKGROUND:

Pursuant to regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ruchi Soya Industries Limited (“Company”) is required to include Business Responsibility Report as a part of its Annual Report. In view of such requirement policies on Business Responsibility reporting, encompassing the nine principles of the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by the Ministry of Corporate Affairs in July, 2011 (“NV Guidelines”) read with SEBI notification dated 04<sup>th</sup> November, 2015, has been formulated. The Business Responsibility policies comprises of below sub-policies (collectively “BR Policies”) *inter-alia* covering the principles laid down in NV Guidelines:

- i. Policy on Ethics, Transparency and Accountability
- ii. Policy on Sustainability in Lifecycle of Product
- iii. Policy on Promotion of Well-being of Employees
- iv. Policy on Stakeholder Engagement
- v. Policy on Promotion of Human Rights
- vi. Policy on Environmental Protection
- vii. Advocacy Policy
- viii. Policy on Inclusive Growth and Equitable Development
- ix. Policy on Value to the Customers and Consumers

## 2. OBJECTIVES:

The key objective of BR Policies is to reaffirm the Company’s commitment to follow the principles laid down in NV Guidelines. The objective of BR Policies is also to help businesses to reach out to their stakeholders with necessary information and data demonstrating the adoption of the NV Guidelines.

## 3. APPLICABILITY:

The BR Policies apply to all the employees of the Company across all its functions including its branch offices and shall also be applicable to other stakeholders of the Company.



#### 4. **IMPLEMENTATION:**

The Board of Directors of the Company in its meeting held on 10<sup>th</sup> November, 2020 approved the BR Policies. The Business Responsibility Head (as may be appointed from time to time in the Company) may take support of such functional head and internal and external experts as he deems fit, for the effective implementation of BR Policies. The BR Policies are also strengthened and supported by other existing, statutory and/ or non-statutory policies of the Company.

#### 5. **POLICIES:**

##### (i) **Policy on ethics, transparency and accountability:**

Principle 1- Businesses govern themselves with Ethics, Transparency and Accountability.

This policy is in addition and supplemental to existing Code of Conduct for Board Members and senior management of the Company and shall be made applicable to:

- Employees;
- Vendors and service providers.

##### **Policy for Employees**

It shall be the first and foremost duty of every employee:

- To uphold the best interest of the Company and its stakeholders.
- To act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct and exercise utmost good faith, due care and integrity in performing their duties.

##### **Guidelines for conduct:**

The employees shall:

- act within the authority conferred upon them.
- dedicate sufficient time and attention to the Company's business to ensure diligent performance of their duties.
- actively participate in the discussion and decision making in meetings or at appropriate forums to ensure the best interest of the Company.

##### **Legal compliance:**

The employees shall comply with:

- All applicable legal requirements, rules and regulations as per the law of the land.
- All applicable policies, rules and regulations adopted by the Company, with the highest standard of personal and professional integrity, honesty and ethical conduct.



## **Conflict of Interest**

Employees are expected to conduct themselves with utmost discretion and refrain from any suspicious behaviour. Therefore, each employee must avoid the occurrence or appearance of a conflict of interest (self or with any relatives). Following are certain examples which may lead to conflicts of interest and thus should be avoided:

- Accepting loans, fees or services from suppliers, customers or others dealing with the Company.
- Accepting a recreational or entertainment opportunity from a person or organization, that does business with the Company, whose value is such as to make it appear that the donor is attempting to influence the recipient. If an employee believes that the gift must be returned, a tactful and appreciative letter should be sent to the donor asking that no gifts be forwarded in the future. In case the employee is not able to return the gift, he should deposit the gift in the office. Any substantial gift of perishables should be donated to a charitable organization and the donor notified tactfully by letter of such action.
- Working for competitors, suppliers or customers whether as a full time or part time employee or as a consultant or otherwise.
- Attempting to influence the placing of orders or contracts for any purpose other than for exclusive benefit of the Company.
- Acquiring real estate, leaseholds, patents or other rights in which the Company may conceivably have interest.
- Receiving kickbacks (the return of any part of compensation to which another person or organization is entitled) whether by threat, force or on a voluntary basis.
- Appropriating, receiving, giving out or conspiring to appropriate, receive, and give out confidential information relating to the Company, a customer, a supplier, or a competitor where the disclosure of such information is unauthorized. Each employee should discuss with the Human Resources (HR) department any situation, which is or may appear/likely to be a conflict of interest before making any decisions/arrangements.

Any violation of this policy shall lead to disciplinary action as the Company may deem fit and decision/s in the matter shall be final and binding on the defaulting employee.

## **Confidentiality:**

- Any information concerning the Company's business, its customers, suppliers, etc. shall be considered as confidential.
- No employee shall provide any information concerning the Company or its business or its customers, suppliers etc., either formally or informally, to any person including press or publicity media, unless such information is –
  - already in public domain at the time of disclosure; or
  - authorized or required to be disclosed pursuant to a decision of the Board / Committee thereof; or
  - required to be disclosed in accordance with applicable laws or requirement of any government authority.



## **Enforcement**

Any violation of this policy and Company's other policies or procedures by employee(s) should be promptly reported to head of BRR for the redressal of grievances. The Company will take appropriate action against any person whose actions are found to violate this policy. Disciplinary actions may also include immediate termination of employment at the Company's sole discretion. Such action may be in addition to any other penalty levied under any law for the time being in force for that particular breach or violation.

## **For vendors and service providers**

All the vendors and service providers of the Company and their facilities shall comply with all applicable laws, respect human rights, environmental conservation, the quality of products and services as well as meet the standards of this policy. The Company also expects that vendors and service providers will hold their business associates to the same standards contained in this policy.

## **Labour Practices**

The Company recognises and respects that its vendors and service providers are independent entities and the exclusive employers of their employees. However, Company expects that its all vendors and service providers shall comply with all the current labour legislations at all times and will respect the following:

- **Child Labour:**

Vendors and service providers shall only employ workers that are above the legal minimum age as per the applicable laws. If the vendors and service providers employs workers under 18 but over the legal age, they must be able to demonstrate that such employment does not expose them to undue physical risks that can harm their physical, mental or emotional development.

- **Anti-Discrimination and Fair Treatment:**

Vendors and service providers shall promote and maintain a workplace free from discrimination and treat their employees with fairness, dignity and respect. They shall not discriminate against their employees based on their caste, religion, disability, gender, sexual orientation, race, colour, ancestry, marital status or affiliation with a political group/party, religious organisation, union membership or any majority/minority group. Vendors and service providers shall adopt a strict no-tolerance policy with respect to any form of physical, sexual, psychological or verbal harassment or abuse and adequate measures are taken in case of any such incident.

- **Forced labour:**

Workers of vendors and service providers shall be free to leave work or terminate their employment upon reasonable notice. Vendors and service providers should not use forced or bonded labour in any form.



- **Safe and healthy working conditions:**

Vendors and service providers are expected to comply with all applicable laws and to make every possible endeavour to make the workplace, machinery, equipment and processes free from any risk to the personal safety of any person working in such workplace or with access to such equipment and process. Vendors and service providers should ensure, at a minimum, reasonable access to potable water and sanitary facilities, adequate lighting and ventilation and fire safety. Vendors and service providers shall manage all health and safety risks in order to prevent employment injuries as well as to provide an accident-free environment.

For all work carried out in the Company's premises, vendors and service providers shall maintain safe and hygienic working conditions in accordance with the Company's policies as provided to them.

### **Environment**

Vendors and service providers shall comply with the existing laws concerning the protection of the environment and, wherever possible, adopt environmentally friendly technologies and implement sound life-cycle practices.

### **Business Integrity**

The Company expects the highest standards of ethical conduct in all of its endeavours. Vendors and service providers should always be ethical in all aspects of their businesses, including their relationships, practices, sourcing and operations. The Company expects that vendors and service providers will comply with the applicable laws in this regard.

The Company expects that vendors and service providers will not offer any benefit, either in cash or in kind, to any officer or employee or any relative/associate of any officer or employee of the Company or of any of its associate companies, in order to facilitate its business with the Company.

### **Others**

- All value chain partners (including contractors and customers) shall abide by the Company's terms of contract and existing legal and other regulations.
- All value chain partners shall endeavour to protect and preserve the natural resources and strive towards public good.
- The Company should make aware its value chain partners of this policy in order to promote the same and also encourage adoption of initiatives under the same.

### **(ii) Policy on sustainability in lifecycle of product:**

Principle 2- Business to provide goods and services that are safe and contribute to sustainability throughout their life cycle.

The Company endeavours to embed the principles of sustainability, as far as practicable, into the various stages of product or service life-cycle including procurement of raw material / service, manufacturing of product or delivery of service, transportation of raw materials and finished goods, and disposal by consumers. The Company's policy is to:



- ensure that its products and services comply with all applicable statutes and regulations;
- work towards safe and optimal resource use over the life-cycle of its products and services, including recycling of resources wherever possible;
- work towards ensuring that all goods and services are procured, manufactured and delivered through a system embedding its policies in terms of labour practices, human rights, ethics, occupational health, safety and environment;
- work towards sourcing significant raw materials, products and services in a manner so as to continuously improve the balance between social, economic and environmental impacts;
- work towards building capacity such that all the value chain partners, service providers including transporters and suppliers of significant raw materials, are sensitised and empowered to fulfil their roles and responsibilities towards sustainability;
- raise the awareness of consumers on responsible disposal of products and packaging;
- take into account relevant social and environmental considerations during the process of development of products / services;
- review and implement new developments in FMCG technologies, practices and sourcing, which have lower impact on environment and boost community development with complete respect for intellectual property rights and related issues;
- continue to recognise and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property, wherever relevant;
- produce quality products in environmental friendly manner.

### **Values**

Company's commitment to do business responsibly is built into the core values of the Company to conduct every aspect of business responsibly and sustainably. It relies on following values to conduct its business sustainably:

- Dynamic leadership
- Adherences to core values
- Well-articulated Risk Management framework
- Practices that seek to sustain and enhance the long term competitive advantage of the Company with care for the society and environment

### **(iii) Policy on promotion of well-being of employees:**

Principle 3- Business to promote the wellbeing of all employees.

The Company believes all employees are important stakeholders in the enterprise and it is imperative to build a culture of mutual trust and respect, interdependence and meaningful engagement to create an environment conducive for engagement, alignment, innovation and high performance. The Company endeavours to be an "employer of choice", by fostering an environment of individual goal setting, continuous improvement, awareness of health and safety and corporate sustainability.





This approach helps in building, strengthening and sustaining harmonious employee relations across the organisation. The Company's policy is as follows:

- **Right to freedom of association:**

The Company respects the dignity of the individual and the freedom of employees to lawfully organise themselves into interest groups, independent of supervision by the management to understand issues, and plan actions to resolve them. Further to ensure that employees are not discriminated against for exercising this freedom in a lawful manner adequate mechanism is established to resolve all grievances in this regard within a reasonable period.

- **Equal opportunity:**

The Company recognizes and values the differences in employee "backgrounds and skills" and promotes equal access to employment and opportunities without any discrimination as to race, colour, age, gender, sexual orientation, gender identity and expression, ethnicity, religion and disability. Any alleged violation of the equal opportunity clauses in the recruitment policy, is investigated and if found valid, acted upon. All candidates are assessed based on merit, job related skills and competencies. The recruitment process makes it mandatory to define the job requirements clearly, in terms of role and responsibility, background, qualification and competencies, number of years of work experience, as well as industry background.

- **Promoting a just and fair workplace:**

The level of wages and salaries of all employees are well-defined and determined by periodic compensation benchmarking exercises, strictly in compliance with rules and regulations stipulated under applicable laws on wages and salaries paid to employees. Further, the Company discourages child labour and forced labour.

- **Encouraging work-life balance for employees:**

Employees are encouraged to participate in healthcare programmes for self and colleagues. One such approach adopted by the Company, to ensure that its employees remain fit, agile and alert, at all times, is to encourage employees for self-health development and maintenance, as a part of discussion on annual performance appraisal process. To encourage the employees in this regard, all plant and office locations of the Company promote gymnasiums and sports facilities, encouraging employees and their families to participate in various recreational activities. For women employees specifically, maternity leave is granted, as per the existing law, to take care of themselves during both pre and post-natal period.

- **Caring for the well-being of its employees:**

The Company firmly believes in investing for the well-being of its employees through various initiatives from time to time such as all employees are mandatorily required to undergo medical test as per Company's policy in company sponsored health check-ups at company hospital or outside, once in a year.

- **Providing a safe hygienic and humane workplace:**

The management is responsible for training and supervising employees on safe procedures and healthcare, providing information on safety hazards and providing safety equipment. It is also responsible for compliance with statutory provisions on



health and safety. Health and safety is of paramount importance for the Company and it has always been in the forefront for environmental care and industrial safety.

- **Skill and Competence Development through learning opportunities**

The Company believes in developing a fully competent workforce which is capable of supporting the Company to meet its goals effectively and efficiently. This is done through various functional, technical and behavioural training programmes held across the year to cover all the employees. The training programmes are organized / conducted based on training needs identified by the individual and his / her immediate superiors. The participants are nominated for both in-house and external training programmes. Specific competencies to be developed are identified for development during the annual performance appraisal process. Training calendars and programmes are organized to fulfil all the identified needs.

- **Offering a harassment-free workplace to all:**

The Company aims to have a discrimination-free workplace and take a “zero-tolerance” approach against sexual harassment. The Company acknowledges that it is its legal responsibility to provide a safe working environment for everyone, free from sexual harassment and discrimination. Sexual harassment can have a devastating effect upon the health, confidence, morale and performance of those affected by it. Appropriate timely disciplinary action is taken, which could be as stringent as termination of service, against the guilty, depending upon the severity of the offence. The Company’s policy ensures that there is no discrimination or harassment against any person on the grounds of race, colour, religion, disability, age, sex or marital status.

**(iv) Policy on stakeholder engagement:**

Principle 4 - Responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

The Company believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. The Company’s aim is to understand and address stakeholder concerns and expectations and earn their trust and respect, thereby strengthening the position as responsible FMCG Company in the market. The Company’s policy is to:

- identify and engage with all its stakeholders in a consistent and systematic manner;
- create awareness amongst the employees about importance of listening to the stakeholders and appropriate addressal of their concerns;
- demonstrate empathy towards all stakeholders and show visible and active leadership in addressing concerns and meeting their expectations;
- understand the concerns of stakeholders including those who are disadvantaged, vulnerable and marginalised and prioritise their concerns;
- work towards addressing these concerns in an equitable and transparent manner;
- establish clear roles and responsibilities for employees involved in stakeholder engagement activities along with a mechanism to hold the senior management accountable for all actions planned or executed;
- manage business, operations and projects in a manner that protects stakeholder interests (including those who are: not influential/ disadvantaged/ vulnerable/



marginalized), upholds Company's values, minimize the negative impact and create long-term value for all stakeholders;

- provide employees with appropriate and adequate capabilities and resources to represent the Company, interact with the stakeholders, resolve issues and escalate when essential;
- provide stakeholders with appropriate and adequate information on Company's policies and values along with necessary guidance, wherever required to uphold the sanctity of the policies and values;
- measure, monitor and report on the various stakeholder engagement activities conducted across operations along with detailed action plans and regular updates;
- work with industry associations and regulatory bodies, to develop guidelines and best practices around stakeholder engagement in the FMCG industry;
- communicate this policy to all the stakeholders and seek their support for the continuous development in this regard.

**(v) Policy on promotion of human rights:**

Principle 5- Business to respect and promote human rights.

The Company provides products and services of superior quality and value by sourcing its technologies, equipment, inputs and finished goods from reputed international and Indian manufacturers and suppliers. The Company expects its business partners to establish a human rights compliant business environment at their workplace. The Company's policy lays emphasis on:

- **Human Rights**  
The Company plays a positive role in building awareness on human rights for its key stakeholders. The Company is committed to respect the economic, social, cultural, political and civil rights of individuals involved in and impacted by its operations. The Company contributes to the fulfilment of human rights through compliance with local human rights legislation wherever it has operations, as well as through its policies, programs and grievance addressal mechanism.
- **Anti-discrimination:**  
A discrimination free workplace for employees provides the environment in which diverse talents can bloom and be nurtured. The Company employs people on the basis of their ability to do the job and prohibits discrimination based on race, colour, age, gender, sexual orientation, gender identity and expression, ethnicity, religion, disability etc.
- **Freely chosen employment:**  
The Company does not use forced, bonded or involuntary prison labour in the production of Products or Services. The Company ensures that the overall terms of Employment are voluntary.
- **No child labour:**  
In compliance with applicable minimum age laws and requirements and the Company does not employ child labour.



- **Fair working hours:**  
The Company manage operations so as to ensure that the working hours do not exceed levels that create inhumane working conditions. Flexible working practices recognising the need for employees to balance their working life with other interests and responsibilities are provided.
- **Fair remuneration:**  
The Company provides compensation and benefits that are competitive and comply with applicable laws for minimum wages, overtime hours and mandated benefits.
- **Safe and healthy working conditions:**  
The Company provides a healthy and safe working environment for employees. The safety and security of employees at the facilities is a key priority. In cases where housing or eating facilities are provided, the Company operates and maintains them in a safe, sanitary and hygienic manner.
- **No harsh or inhumane treatment:**  
The Company prohibits the physical abuse and harassment of employees, as well as the threat of either. It discourages human rights abuses by such parties.

**(vi) Policy on environmental protection**

Principle 6- Business to respect, protect, and make efforts to restore the environment

The Company acknowledges the importance of conserving and preserving the environment to ensure long term sustainability across value chain and around areas of operation. The Company's policy lays emphasis on:

- addressing environmental issues through efficient use of natural resources, promote use of renewable energy, minimization of wastes, water management, protecting the biodiversity and reducing carbon footprint;
- regular and periodic evaluation of the environmental impact of the operations and adoption of appropriate measures to mitigate adverse effects such as environmental pollution and damage;
- effective implementation of environmental management system to prevent, mitigate and control environmental damages;
- deploying necessary resources for use of clean technologies and to comply with applicable environmental laws, regulations and agreements;
- support and promote good environmental practices along with enhancing awareness, skills and competencies amongst its employees, associates, suppliers and communities;
- reporting the environmental performance to stakeholders in a fair and transparent manner.



**(vii) Advocacy policy:**

Principle 7- Business to engage in influencing public and regulatory policy, in a responsible manner

The Company believes that it is necessary to represent to and engage with authorities on matters concerning the various sectors in which it operates. Company's engagement with the relevant authorities is in accordance with the values of commitment, integrity, transparency and the need to balance interests of diverse stakeholders. The Company's policy is to:

- ensure that its advocacy position is consistent with its values and philosophy;
- work with industry organisations such as trade and industry chambers and associations and other collective platforms that are engaged in policy advocacy;
- ensure that policy advocacy is conducted ethically.

**(viii) Policy on inclusive growth and equitable development:**

Principle 8- Business to support inclusive growth and equitable development philosophy

The Company is committed to enhancing the quality of life of communities around its operations. The Company is conscious that the local community is not homogenous and varying layers of social deprivation, standards of living and marginalisation need to be identified, understood and valued from an anthropological and sociological perspective. The Company's policy is to:

- understand the impact its activities on the development of the society, socially and economically, and take appropriate actions to minimise the adverse impacts;
- ensure investment and innovation in products, technologies and processes that promote the overall wellbeing of society;
- make efforts to complement and support the development priorities at local and national levels, especially underdeveloped regions;
- sensitise employees to the concept of "equity" in development and its significance in the various sectoral initiatives, while encouraging and promoting their participation;
- collaborate with government programs and partner with civil society organisations for poverty alleviation and implementation of sustainable models, while ensuring effective outreach to the community.

**(ix) Policy on value to the customers and consumers:**

Principle 9- Business shall engage with and provide value to their customers and consumers in a responsible manner.

The Company is committed to providing products and services that offer best-in-class quality and consumer experience. With a continually growing portfolio of businesses that use agri products like edible oil, soya meal, vanaspati, bakery fats, soya foods, the Company endeavours to use sustainably sourced raw material in products and



internationally accepted standards of manufacturing in relevant businesses. The Company's policy is to:

- work towards sustainable consumption of natural resources while producing goods and services as well as building social and environmental capital for an inclusive and secure future for its stakeholders;
- comply with all regulatory requirements pertaining to the health and safety impacts of its products and services on the consumers and society;
- enable customers in making informed purchase decisions through factual and truthful disclosure of relevant information;
- create awareness among the consumers with respect to the usage of the products and consumer rights;
- comply with relevant regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship;
- allow freedom of choice in a competitive environment while designing, promoting and selling its products and services;
- provide appropriate mechanisms for customer / consumer feedback so as to be able to continuously improve upon its products and services.

#### **6. GRIEVANCE REDRESSAL MECHANISM:**

The adequate mechanisms has been established by the Company for timely and proper redressal of complaints with reference to BR Policies in line with the NV Guidelines and stakeholders may write their concerns, if any, to the Company through e-mail at [brhead@ruchisoya.com](mailto:brhead@ruchisoya.com)

#### **7. INTERPRETATION AND SEVERABILITY**

In case of any inconsistency in the provisions of BR Policies with any provisions of applicable law or any provisions of any statutory policies of the Company then the provisions of applicable law and/ or statutory policies of the Company shall prevail over the provisions of BR Policies and provisions in BR Policies shall be deemed to be *modified to the extent of such inconsistency till the time BR Policies are aligned in line with the provisions of applicable law and/ or and/ or any statutory policies of the Company.*

Further, in the event that any provision in BR Policies held to be in violation of any applicable law and/ or any statutory policies of the Company then the same shall deemed to be severed from the BR Policies and shall have no force and effect; and BR Policies shall remain in full force and effect as if such term, condition or provision had not originally been contained in the BR Policies.

#### **8. AMENDMENTS**

Any amendments in BR Policies shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/ or amend any part or entire BR Policies, at any time, as and when it deems fit, or from time to time, and the *decision of the Board of Directors in this respect shall be final and binding.*

*(This Policy has been approved by the Board of Directors at their meeting held on 10<sup>th</sup> November, 2020)*

