



Environment, Social and Governance Policy

Laxmi Organic Industries Limited



A. Introduction & Policy Objectives:

Laxmi Organic Industries Limited (LOIL) endeavors to be a responsible corporate that plays a proactive role in positively impacting society through its operations and activities. As a growing international player in the chemical industry, we play a key role in the economic development of our nation and at the same time recognize the need for urgent action on climate change, pollution control, resource conservation and social responsibility.

The objectives of the Environment, Social and Governance (ESG) Policy of LOIL are the following:

- a) Ensure compliance to all relevant local, Indian and global regulations with respect to LOIL's operations.
- b) Prepare ESG baseline and aim to be consistently above or at least at par with industry standards and best practices.
- c) Embed ESG considerations into corporate strategy, capital and resource allocation to positively impact society and the environment.

ESG risks and opportunities can emanate from areas including but not limited to the following:

- a) Local, National and International laws and regulations
- b) Climate change and resource management including energy, water and waste
- c) Customer buying behavior
- d) Investor preferences
- e) Employee and labour relations
- f) Supply chain linkages
- g) External communities in the areas of operations

The ESG considerations of LOIL are implemented through multiple policies on specific areas and the ESG Policy shall be read in conjunction with the following:

- a) EHS Policy
- a) Human Rights Policy
- b) Sustainable Procurement Policy
- c) CSR Policy
- d) The Whistleblower Policy
- e) Code of Conduct
- f) Any other relevant policy as may be implemented from time to time

B. Applicability:

This Policy is applicable to the Company and all individuals working at all levels and grades, including directors, senior management, officers and employees. The scope of the Policy is also applicable in relevant areas for investors, customers, vendors, community and other stakeholders.



C. IMPLEMENTATION OF THE POLICY

The Risk committee of the Board shall review and approve the ESG policy and provide oversight for its implementation within the organization. An ESG Steering committee with senior management representation from all departments such as manufacturing, HR, finance, investor relations, and sales and marketing shall be formed to adopt the policy and implement the same in conjunction with the ESG Roadmap.

The ESG Steering committee shall also be responsible for the following:

- a) Appoint a chairperson from within the members to make representations to the Risk committee and other stakeholders.
- b) Report to the Risk committee on a periodic basis to appraise on progress on ESG goals as well and management of key ESG risks. The periodicity of such reporting is recommended to be once in three months, with a minimum of one meeting in a six month duration.
- c) Review and implement the scope as defined in Section C of the Policy.
- d) Make efforts to keep the ESG Policy current with respect to national and global developments in ESG with respect to the chemical industry.

D. SCOPE OF THE POLICY

This Policy is applicable to the entire organization and considers key stakeholders such as investors, customers, employees, supply chain and the community.

The scope of the Policy shall include:

- a) Identify, document and incorporate material ESG risks and opportunities in LOIL strategy and operations, through research and stakeholder engagement.
- b) Develop an ESG vision and roadmap for LOIL with ESG goals, Key Performance Indicators (KPIs), specific targets, initiatives and capacity building plan.
- c) The ESG Roadmap shall be refreshed periodically to reflect the growing ambition and impact of LOIL's ESG initiatives.
- d) Conduct periodic materiality surveys with key stakeholders. Frequency of such surveys is recommended once in three years.
- e) Develop and periodically refresh material ESG topics for consideration in the ESG Roadmap.
- f) Benchmark LOIL with Indian as well as international peers on key material topics on a periodic basis.
- g) Address stakeholder concerns and queries related to ESG in a transparent and time-bound manner.
- h) Identify collaborative research, development and project opportunities with customers and vendors on ESG for e.g. on decarbonization, diversity, material recovery, water management, etc.



- i) Conduct trainings and awareness programs to sensitize employees and workers, and build capacity of LOIL to address key ESG issues.
- j) Implement data capture, tracking and reporting systems to accurately measure and internally report progress on ESG metrics covering the entire operations of LOIL.
- k) Publicly disclose and report ESG metrics across mandatory and chosen voluntary frameworks in a fair, transparent and comprehensive manner.
- l) Participate and represent LOIL in relevant national and international fora on ESG.

E. INTERNAL & EXTERNAL REPORTING

ESG reporting and disclosures shall be planned on a periodic basis both on mandatory as well as voluntary frameworks. The objective of the ESG disclosures is to provide all stakeholders with a fair and clear representation of the management of ESG risks as well as progress related to ESG goals and actions.

- a) Mandatory external disclosures shall include reporting on SEBI's Business Responsibility and Sustainability Reporting (BRSR) framework whereas voluntary disclosures shall be decided on an ongoing basis.
- b) Voluntary external disclosures could include sustainability reporting on the Global Reporting Initiative (GRI) / Sustainability Accounting Standards Board (SASB) framework, Climate Disclosure Project (CDP) reporting, or any other framework that may be deemed fit by the Steering committee. Participation in ratings frameworks such as the Corporate Sustainability Assessment (CSA) of the Dow Jones Sustainability Index (DJSI) could also be considered.
- c) LOIL will endeavor to enhance the quality and comprehensiveness of internal and external ESG reporting on an ongoing basis and also plan for external assurance for sustainability reporting at an appropriate stage.

End of Document
