

FINOLEX INDUSTRIES LIMITED

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)
POLICY STATEMENT

Finolex Industries Limited

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Introduction

Finolex Industries Ltd. (Finolex) is India's largest backward integrated and most trusted manufacturer for PVC pipes and fittings, catering to the plumbing-sanitation and agricultural sectors. Our product portfolio includes:

i. PVC Pipes and Fittings used for Agricultural and Plumbing and Sanitation purposes

PVC ResinWe have manufacturing plants located at Ratnagiri, Urse and Masar and our wide distribution network of dealers and retail touchpoints are interconnected through our branch offices across the country.

Over our journey since 1981, we have developed quality and long-lasting products which has earned us the trust of our customers. We are committed towards ensuring sustainable growth for our business as well as the society while ensuring environmental preservation. We have focused on uplifting communities across India through various CSR initiatives.

This document focuses on Finolex's approach towards environmental, social and governance (ESG) aspects and acts as a guiding framework to manage related impacts and risks for continued value creation.

Our ESG Vision

To deliver quality products and services, maintain transparent and fair relationships with all stakeholders and ensure minimal environmental impact.

ESG Mission

We will:

- Create sustainable value across all our operations as well as for our stakeholders
- Carry out our business activities in ethical and transparent manner by implementing best in class policies and procedures
- Ensure that our products are developed through sustainable consumption of natural resources and have minimal environmental impact
- Achieve highest degree of compliance by adhering to laws and regulations relevant to our industry
- Continue to be an equal opportunity employer, invest in developing diverse and high-quality workforce and prohibit all sort of discrimination against any of our employees
- Plan and develop mitigating actions to emerge successfully out of any kind of risks pertaining to ESG

Objectives of the policy

This policy brings out Finolex's approach to ESG integration in business operations, as well as helps to identify, mitigate and manage ESG specific risks. The aim of this policy is to:

- Strengthen Finolex’s ESG agenda by setting up a robust governance mechanism to manage its ESG impacts
- Engaging with all relevant stakeholders to identify and manage our impacts on them and their expectations from us on a continuous basis
- Acting ethically and transparently in compliance with all applicable laws and regulations
- Establishing systems and controls to manage environmental and social impacts of business activities across the value chain
- Implementing mechanisms to achieve a nurturing, healthy and safe working environment for employees
- Guide towards the formulation of ESG roadmap, goals and targets
- Develop effective mechanisms to monitor and report on ESG performance on an ongoing basis

Applicability of policy

The ESG Policy is applicable to all our employees and will encourage the relevant stakeholders including vendors, suppliers, customers and value chain partners to apply relevant aspects of this policy. Moreover, our employees will be trained on the policy and the requirements will be communicated to our stakeholders across the value chain.

Areas covered

This policy will cover the following areas:

Ethics and Corporate Governance

- Inculcate and nurture a culture of transparency and accountability throughout Finolex
- Comply with all applicable laws, standards, and regulations
- Promote ethically sound business practices and effective monitoring mechanisms
- Focus on board diversity in all its facets, including but not limited to skills, experience, gender, ethnicity and race
- Ensure accountability and transparency in engagement with the key stakeholders and all its disclosures
- Establish responsibility and accountability around Finolex’s ESG performance

Employment Practices

- Develop and maintain a safe, healthy and conducive work environment that promotes diversity, eliminates bias, and encourages equitable career development for all employees
- Create a culture of continuous learning and development in the organization
- Comply with internationally recognized human rights principles and promote human rights
- Nurture potential leaders through proper talent management and professional development tools

- Enhance the employee engagement measures and set up a feedback and grievance forum for employees

Health and Safety

- Provide trainings and awareness sessions to employees on emergency preparedness
- Encourage compliance with applicable health and safety regulations and continue to reduce work related health and safety issues at all offices and locations
- Ensure that all safety measures are in place across the operations at all times
- Minimize the incidents and injuries and take necessary corrective actions

Product Stewardship

- Minimize negative environmental impacts of our processes and products without compromising the quality of the products

Stakeholder Relationships

- Cater to the needs of the shareholders and continue to enhance customer satisfaction
- Maintain ethical and transparent relationships with the suppliers. Ensure the adoption of responsible practices as per the suppliers/vendors Code of Conduct (CoC) while onboarding the suppliers.
- Empower communities by investing in the identified focus areas, that include but are not limited to community development, education and entrepreneurship, financial literacy, healthcare and sanitation, relief and rehabilitation, sports and environment
- Ensure availability of appropriate feedback mechanisms for all key stakeholders and incorporate the relevant suggestions to build a secure brand image and reputation

Environment Strategy

- Measure and monitor the various environmental parameters while ensuring alignment to our ESG commitments
- Implement best practices in areas such as resource management, energy management, emission reduction, waste management and water management
- Align systems to applicable national/international frameworks and guidelines to measure and monitor our environmental performance
- Identify climate change related risks and develop a mitigation and adaptation strategy to manage risks across the value chain

Compliance

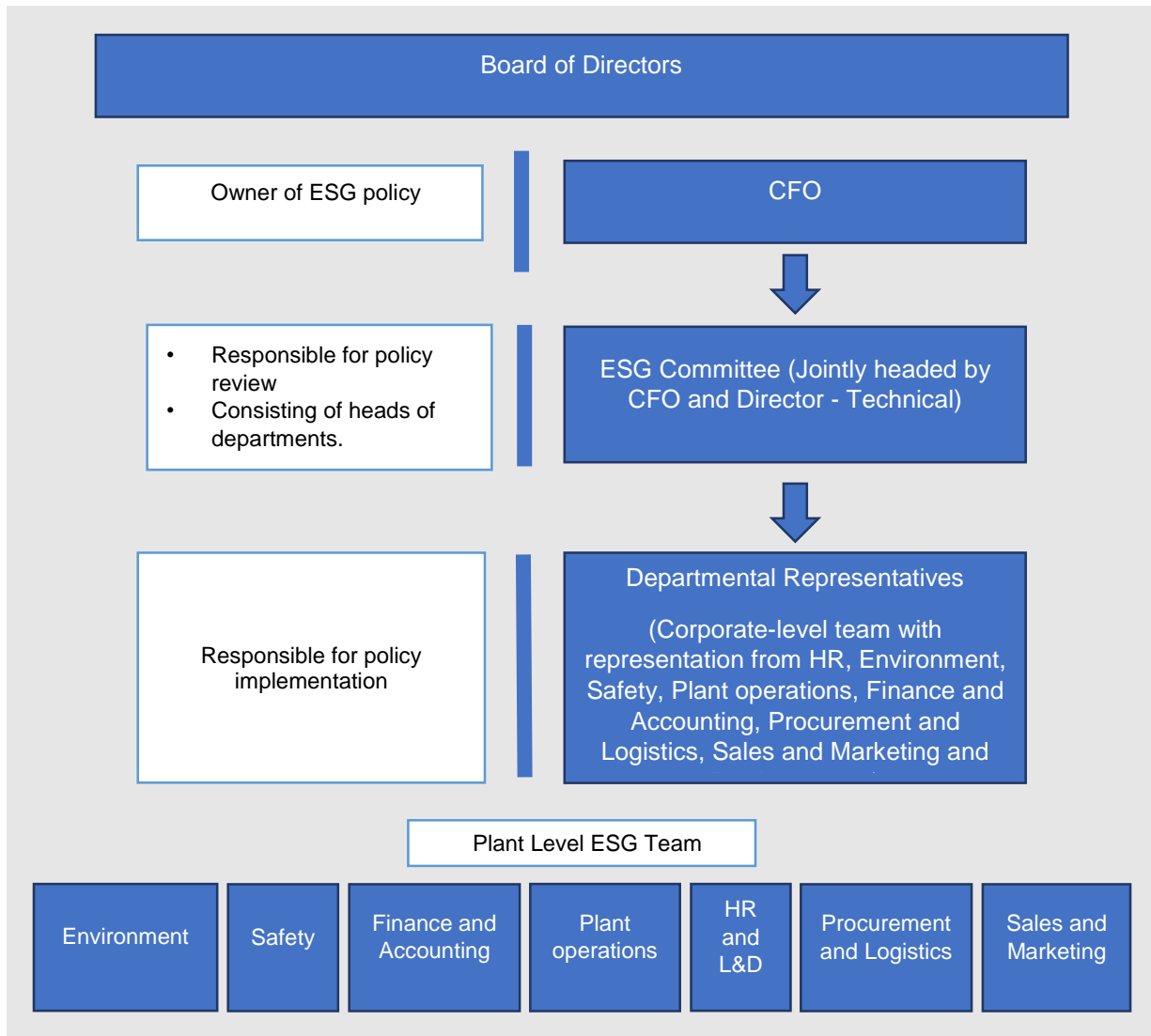
- Comply with all applicable statutory requirements and go beyond compliance in our actions and disclosures

Risk Management

- Ensure a robust risk management process to identify, assess and mitigate material risks

- Assess ESG risks and impacts (including climate-related risks) associated with our business and ensure adoption of appropriate mitigation and adaptation measures

Governance structure



Policy updates on ESG topics

This policy document will be subject to annual review (or as per the need) by the ESG Committee. Any changes concerning Finolex’s focus areas and commitments will be reflected in this policy statement. Further, updates with regards to the policy will be communicated to all relevant stakeholders through the authorized channels at Finolex.

Linkage to other policies of Finolex

List of related company policies that have a linkage to the ESG Policy:

- Integrated Management System (IMS) Policy
- Quality Management System (QMS) Policy
- Safety, Health and Environment, (SHE) Policy
- Responsible Care Policy
- Energy Policy
- Employee Code of Conduct
- Prevention of Sexual Harassment Policy
- Corporate Social Responsibility Policy
- Human Rights Policy
- Supplier Code of Conduct
- Board Diversity Policy
- Anti-Corruption and Anti-Bribery Policy
- Non-Discrimination and Anti-Harassment Policy
- Biodiversity Policy
- No-Deforestation Policy

Grievance Redressal

Finolex has established a robust communication and grievance procedures for addressing stakeholder concerns and inquiries. By having clear procedures for the handling of ESG grievances or complaints, Finolex shall deal with issues or concerns in a consistent and appropriate way.

In case of any grievances or complaints, employees are advised to write on investors@finolexind.com or reach out on the below contact No +91(0) 20 2740 8572

Applicable reference framework

The Policy has been developed with reference to the following standards:

- Applicable local, national and international environmental and social (including occupational health and safety) legislations
- Global Reporting Initiative (GRI)
- Sustainability Accounting Standards Board (SASB)
- National Guidelines on Responsible Business Conduct (NGRBC)
