



HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED

Principles and Policies of Business Responsibility

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Introduction:

This is an overarching policy in line with the nine principles of the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of business issued by the Ministry of Corporate Affairs and requirement under Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Himachal Futuristic Communications Limited ("HFCL") is fully committed to the introduction of Business Responsibility Policy and intends that business responsibility initiatives should become embedded where appropriate into its policies and practices, to the benefit of its internal and external stakeholders. This policy is intended to ensure that the HFCL contributes towards the sustainable development and fulfils its social, environmental and economic responsibilities.

As required under Regulation 34(2)(f) it has become mandatory for the top five hundred listed companies based on market capitalisation (calculated as on 31st March of every financial year) to include in its Annual Report, Business Responsibility Report (BRR) describing the initiatives taken by them from an environmental, social and governance perspective in the format as specified by the Securities and Exchange Board of India (SEBI) from time to time.

Key principles:

The Company has adopted the following nine key principles of the Business Responsibility envisaged in National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of business issued by the Ministry of Corporate Affairs and requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Policy 1 : Ethics Transparency & Accountability

- 1.1 The Company believes in value based governance and practices. The Board of Directors and senior management have a responsibility to set exemplary standards of ethical behaviour, both internally within the organization, as well as in their external relationships. Every employee of HFCL shall conduct himself and deal on behalf of the company with professionalism, honesty and integrity, while conforming to high moral and ethical standards.
- 1.2 HFCL believes that transparency means explaining Company's policies and actions to those to whom it has responsibilities. The Company shall ensure maximum appropriate disclosures without jeopardizing the Company's strategic interests. Internally, transparency means openness in Company's relationship with its employees as well as the conduct of its business.
- 1.3 The Company shall create / develop necessary governance structures, procedures and practices to ensure ethical conduct at all levels; and to promote the adoption of this principle across the value chain.
- 1.4 The Company shall assure access to information about its decisions that impact



relevant stakeholders.

- 1.5 The Company shall not engage in practices that are abusive, corrupt, or anti-competition.
- 1.6 The Company shall discharge its responsibility on financial and other mandatory disclosures.
- 1.7 The Company shall ensure that genuine concerns of misconduct/ unlawful conduct can be reported in a responsible and confidential manner through its Vigil Mechanism.
- 1.8 The Company shall encourage its business partners and third parties with whom it conducts business to abide by this policy.
- 1.9 The Company shall report on the status of adoption of these Guidelines, as necessary.

Policy 2: Safety and Sustainability of Good and Services

- 2.1 The Company shall assure safety and optimal use of resources over the business lifecycle i.e. from design to disposal and ensure that everyone connected with it - designers, producers, value chain members, customers and recyclers are aware of their responsibilities;
- 2.2 The Company shall work towards ensuring that all goods and services are procured, manufactured and delivered embedding the principles of labour practices, human rights, ethics, occupational health, safety and environment.
- 2.3 The Company shall continue to progressively factor in relevant social and environmental considerations during the process of development of products / services;
- 2.4 The Company shall continue to recognise and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property.
- 2.5 In designing the products, the Company shall ensure that the processes and technologies required to produce it are resource efficient and sustainable.
- 2.6 The Company shall work with supply chain members that comply with applicable laws and regulations related to labour practices, human rights, bribery & corruption, occupational health, safety and environment ;
- 2.7 The Company shall encourage resource efficiency in the supply chain and shall guide supply chain members towards becoming more sustainable.
- 2.8 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 sensitised and empowered to fulfil their roles and responsibilities towards sustainability ;

- 2.9 The Company shall raise the consumer's awareness of their rights through education, product labelling, appropriate and helpful marketing communication, full details of contents and composition as per the applicable laws and promotion of safe usage and disposal of their products and services.
- 2.10 The Company shall encourage its business partners and third parties with whom it conducts business to abide by this policy.
- 2.11 The Company shall regularly review and improve upon the technological advancement & commercialization of, incorporating Social, Ethical & Environmental consideration.

Policy 3: Well-being of all Employees

- 3.1 The Company shall respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance Redressal mechanisms.
- 3.2 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.
- 3.3 The Company shall not use child labour, forced labour or any form of involuntary labour, paid or unpaid.
- 3.4 The Company shall take a cognizance of the work-life balance of its employees, especially that of women.
- 3.5 The Company shall provide facilities for the wellbeing of the employees including those with special needs
- 3.6 The Company shall ensure timely payment of fair living wages to meet basic needs and economic security of the employees.
- 3.7 The Company shall provide a workplace environment that is safe, hygienic, humane, and which upholds the dignity of the employees. The Company shall create awareness of these provisions to the employees and training them on a regular basis.
- 3.8 The Company would ensure skill and competence up-gradation of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis and promote employee morale and career development through enlightened human resource interventions.
- 3.9 The Company shall implement necessary systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities.



Policy 4 : Stakeholders' Engagement

- 4.1 The Company shall systematically identify stakeholders, understand their concerns, defining the purpose and scope of engagement, and commitment to engage with them.
- 4.2 The Company shall acknowledge responsibility and be transparent about the impact of the policies, decisions, product & services and associated operations on the stakeholders.
- 4.3 The Company shall give special attention to stakeholders in areas that are underdeveloped.
- 4.4 The Company shall resolve differences with stakeholders in a just, fair and equitable manner.

Policy 5: Human Rights

- 5.1 The Company shall integrate respect for human rights in management systems, in particular through assessing and managing human rights impacts of operations, and ensuring all individuals impacted by the business have access to grievance mechanisms.
- 5.2 The Company shall recognize and respect the human rights of all relevant stakeholders and groups, including that of communities, consumers and vulnerable and marginalized groups.
- 5.3 The Company shall, within its sphere of influence, promote the awareness and realization of human rights across their value chain.
- 5.4 The Company shall encourage its business partners and third parties with whom it conducts business to abide by this policy.

Policy 6 : Protection of Environment

- 6.1 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.
- 6.2 The Company shall take measures to check and prevent pollution and assessing the environmental damage and bearing the cost of pollution abatement with due regard to public interest, wherever possible.
- 6.3 The Company shall ensure that, benefits arising out of access and commercialization of biological and other natural resources and associated traditional knowledge is shared equitably.
- 6.4 The Company shall continuously seek to improve environmental performance by



adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.

- 6.5 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.
- 6.6 The Company shall proactively persuade and support the value chain to adopt this policy.

Policy 7: Responsible advocacy

- 7.1 As a Corporate Citizen, the Company understands its responsibility to function within the democratic set up and the constitutional framework. The Company and its employees respect the legal / regulatory framework and shall comply with all the applicable provisions of existing local, state, national, and international laws. They shall also follow and obey the policies, procedures, rules and regulations relating to the business of the Company.
- 7.2 The Company believes that policy advocacy must preserve and expand public good and thus shall never advocate any policy change to benefit itself alone or a select few in a partisan manner.

Policy 8: Inclusive growth and equitable development

- 8.1 The Company shall understand its impact on social and economic development and responding through appropriate action to minimise the negative impacts.
- 8.2 The Company shall innovate and invest in products, technologies and processes that promote the wellbeing of society.
- 8.3 The Company shall make best efforts to complement and support the development priorities at local and national levels, and assure appropriate resettlement and rehabilitation of communities who have been displaced owing to our business operations.
- 8.4 The Company shall be sensitive to local concerns while operating in regions that are underdeveloped.
- 8.5 The Company shall undertake CSR activities in accordance with Schedule VII of the Companies Act, 2013 as per the recommendation of the CSR committee and as per the CSR policy of the Company.

Policy 9 : Customer Value

- 9.1 The Company shall take into account the overall well-being of the customers and that of society.

- 9.2 The Company shall ensure that it do not restrict the freedom of choice and free competition in any manner while designing, promoting and selling its products.
- 9.3 The Company shall make full disclosures of all information truthfully and factually, through labelling and other means, including the risks to the individual, to society and
- a. to the planet from the use of the products, so that the customers can exercise their freedom to consume in a responsible manner.
 - b. the Company shall educate its customers on the safe and responsible usage of its products and services.
- 9.4 The Company shall exercise due care and caution while providing goods and services that result in over exploitation of natural resources or lead to excessive conspicuous consumption.
- 9.5 The Company shall provide adequate grievance handling mechanisms to address customer concerns and feedback.

10. Implementation

- The policy shall be appropriately communicated within the Company across all levels and shall be displayed on the Company's website.
- The Company Secretary through the functional heads of the business shall be responsible for ensuring that the policy is implemented throughout the Company.
- Any grievances/ complaints with respect to violation of the policy shall be reported to the Company Secretary.

11. Amendment:

- The Business Responsibility policy would be subject to revision / amendment in accordance with the guidelines as may be issued by the regulatory authorities or Voluntary organizations in Business Responsibility field.
- The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this policy.
- The power to interpret and administer the policy shall rest with the BRR Committee whose decision will be final and binding. The BRR Committee is also empowered to do make any supplementary rules / order for effective implementation of the policy.