



National Plywood Industries Limited

Codes & Policies

BUSINESS RESPONSIBILITY POLICY

Introduction

National Plywood Industries Limited (“the Company”), conscious about its social, environmental and economic responsibilities has already adopted various practices and formulated various policies, codes of conduct to discharge its corporate social responsibility and to deal with all its stakeholders in ethical, transparent and fair manner as a responsible corporate citizen. This Policy is framed in line with requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and re-affirms the Company’s commitment to follow the principles laid down in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of Business brought out by the Ministry of Corporate Affairs in conduct of its business. These principles form part of the Business Responsibility Policy of the Company.

Policy Statement and Scope

National Plywood Industries Limited is committed to:

- Enhancing stakeholder’s value through value-driven engagement
- Economic and social well-being of the society, particularly the less fortunate and under-privileged members of the society
- Minimize the direct and indirect impact of its operations on the environment

For sustainable development, the management of the Company will endeavour to strike proper balance between economic, social and environmental performance in dealings with various stakeholders of the Group, namely, customers, investors, lenders, deposit holders and the society. The Policy and its elements are applicable to all Departments and Verticals in the Company. The Company will also make its best efforts to impress upon other entities in the value chain and its subsidiaries to participate in the Business Responsibility initiatives depending upon their means and resources.

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Company’s Philosophy

It is the general Policy of National Plywood Industries Limited to conduct its business activities and transactions with the highest level of integrity and ethical standards and in accordance with all applicable laws including proper and ethical procedures in dealing with actual or apparent conflicts of interest between personal and professional relationships.

Policy

- The Company has developed a Code of Conduct for its Directors and Senior Management personnel. It shall develop good governance structures, procedures and practices that ensures ethical practices, transparency and accountability in conduct of affairs and dealing with stakeholders at all levels across the value chain
- The Company shall constantly endeavour to inculcate this ethical behaviour at all levels in the organization so that it becomes an essential part of the work culture among all its employees



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- The Company shall communicate transparently and assure access to information about its decisions that impact relevant stakeholders. All business decisions and transactions shall be fair, transparent and amenable to disclosure and be visible to relevant stakeholders. The Company shall ensure maximum appropriate disclosures without jeopardizing the Company's strategic interests
- The Company shall not engage in practices that are abusive, corrupt, or anti-competition
- The Company shall truthfully discharge its responsibility on financial and other mandatory disclosures
- The Company shall avoid complicity with the actions of any third party that violates any of the principles contained in these Guidelines.
- The Company shall ensure that genuine concerns of misconduct/unlawful conduct are reported in a responsible and confidential manner through its 'Whistle Blower Policy/Vigil Mechanism' Policy

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle

Company's Philosophy

The Company is committed to conduct its business in an environmentally responsible manner. The Company recognises the need for social and ecological challenges and the concept of Triple Bottom Line (TBL) forms an integral part of our approach to responsible Corporate Citizenship. This Policy is rooted in the Company's core values of quality, reliability and trust guided by the best practices and is driven by our aspiration for excellence in the overall performance of our business.

The environmental custodianship and Corporate Citizenship are an integral part of the Company's goal to achieve ecological development along with people development. The Company recognises the responsibility to assess and minimize the ecological impact of our business activities and protecting the ecosystem.

Policy

- The Company shall provide and maintain a clean, healthy and safe working environment for employees, customers, partners and the community
- The Company shall strive to consistently enhance its value proposition to the customers and adhere to its promised standards of service delivery
- The Company shall work towards safe and optimal resource use over the life-cycle of the product – from design to disposal – and ensure that everyone connected with it- designers, producers, value chain members, customers and recyclers are aware of their responsibilities
- 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 and promotion of safe usage and disposal of their products and services
- In designing the product, the Company shall ensure that the manufacturing processes and technologies required to produce it are resource efficient and sustainable
- The Company shall regularly review and improve upon the process of new technology development, deployment and commercialization, incorporating social, ethical, and environmental considerations



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- The Company shall recognize and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property, wherever relevant
- The Company shall strive to use scarce natural resources efficiently in its facilities
- The Company shall lay emphasis on sourcing significant raw materials in a manner so as to continuously improve the balance between social, economic and environmental impacts
- The Company shall ensure that its products and services comply with all applicable standards
- The Company shall strive to reduce and minimize the ecological footprint of the Company's operations and focus on dimensions of energy and water efficiency, sustainable waste management and preserving and enhancing biodiversity at all its works
- The Company shall work to prevent pollution and minimise adverse environmental impacts of its activities through the selection and use of appropriate materials, processes, equipment and services
- The Company believe that environmental regulations have a critical role to play as catalysts for sustainable development strives to comply in both letter and spirit with all environment and related laws, regulations, codes of practice and directives, as relevant and applicable to us.
- The Company shall encourage its business partners and third parties with whom it conducts business to abide by this Policy

Principle 2: Businesses should promote the wellbeing of all employees

Company's Philosophy

The Company focuses on ensuring the well-being of all its employees, their safety and health. It considers employee well-being as imperative ingredient to achieve a profitable growth. The Company has migrated from an era of industrial relations to employee relations. It respects the employees' right to freedom of association, participation and collective bargaining. Employees at all levels shall have freedom of association and be free to participate in collective bargaining.

Policy

- 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
- The Company shall not use child labour, forced labour, or any form of involuntary labour, paid or unpaid
- The Company shall take cognizance of the work-life balance of its employees, especially that of women
- The Company shall provide facilities for the wellbeing of its employees including those with special needs. They should ensure timely payment of fair living wages to meet basic needs and economic security of the employees
- The Company shall provide a workplace environment that is safe, hygienic, humane, and which upholds the dignity of the employees. Business should communicate this provision to their employees and train them on a regular basis
- The Company shall ensure continuous skill and competence upgrading of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory



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basis. It shall focus on learning and development, to enhance the knowledge & skill and preparing its people to face challenges

- The Company shall promote employee morale and career development through enlightened human resource interventions
- The Company shall create stringent policies systems practices to ensure that employees, especially female employees, do not suffer harassment, and shall create an environment where they feel safe and secure in discharging their responsibilities
- The Company shall provide its employees and workers access to appropriate Grievance Redressal Mechanisms
- The Company shall take initiatives to maintain its talent pool to match organisational growth, creating a performance culture and encouraging learning element across the organisation
- The Company shall instil a sense of duty in every employee at the Company's premises, towards their personal safety, as well as that of their co-workers
- The Company shall ensure timely payment of fair living wages to meet basic needs and economic security of employees

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Company's Philosophy

The Company's stakeholders include employees, suppliers, dealers, stockists, retailers, customers, business associates, investors, regulatory agencies and local communities around its sites of operations. Our Investors comprise of shareholders (including Institutional Investors). The Company values the support of its stakeholders and respects the interests and concerns they have towards it. The Company and its employees shall provide value-based services to all the stakeholders.

The Company has continuous engagement with its various stakeholders to understand their concerns and assess their requirements and respond to their needs in an effective manner.

Policy

- The Company shall systematically identify their stakeholders, understand their concerns, define purpose and scope of its engagement, and commit to engaging with them
- The Company shall acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, product & services and associated operations on the stakeholders
- The Company shall give special attention to stakeholders in areas that are underdeveloped
- The Company shall resolve differences with stakeholders in a just, fair and equitable manner
- The Company, through its CSR arm and its partnering organisations shall focus on catering to the needs of common people and especially of marginalised group
- The Company shall undertake initiatives to engage with and ensure sustainable development of the marginalised groups in the local communities around its sites of operations
- The employees of the Company shall be motivated to offer assistance, encouragement and service to the customers in fair, equitable and consistent manner



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Principle 5: Businesses should respect and promote human rights

Company's Philosophy

The Company is committed to respect and protect the human rights of all individuals and strive to them with honesty, just management and fairness. The Company understands that human rights are inherent, universal, indivisible and interdependent in nature. The Company upholds the fundamental human rights in line with the legitimate role of business. Its approach includes adherence to corporate business policies and compliance with applicable laws, human rights content of the Constitution of India, National laws and policies and the content of International Bill of Human Rights.

Policy

- 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
- The Company shall strive to recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups
- The Company shall seek to identify adverse human rights impacts and take appropriate steps to avoid, minimise and/or mitigate them
- The Company shall, within its sphere of influence, promote the awareness and realization of human rights across their value chain
- The Company shall not be complicit with human rights abuses by a third party
- The Company shall encourage its business partners and third parties with whom it conducts business to abide by this Policy
- The Company shall ensure compliance and adherence to all the applicable human rights laws and national laws and to strive to percolate these values at all levels in the organisation

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

Company's Philosophy

The Company is committed to conduct its business in an environmentally responsible manner. This commitment is consistent with the corporate objectives of the Company and is essential to sustainable development. It constantly endeavours to embed environmental sustainability right at the design and development stage. The Company regularly assesses potential environmental risks posing the organisation and strategize actions to mitigate the same. This approach helps us champion green endeavours that go beyond regulatory compliance. To ensure optimal use of resources, the Company endeavours to reduce over-consumption of resources, reusing and recycling of waste, which has been embedded in its processes. Efforts to improve performances have resulted in considerable reduction in the use of energy and natural resources.

Policy

- The Company shall utilize natural and manmade resources in an optimal and responsible manner and ensure the sustainable use of resources by reducing, reusing, recycling and managing waste



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- The Company shall take measures to check and prevent pollution. It shall assess the environmental damage and bear the cost of pollution abatement with due regard to public interest
- 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
- The Company shall continuously seek to improve its environmental performance by adopting cleaner production methods, promoting use of energy efficient environment friendly technologies and use of renewable energy
- The Company shall develop Environment Management Systems (EMS) contingency plans and processes that help them in preventing, mitigating controlling environmental damages and disasters, which may be caused due to operations or that of a member of its value chain
- The Company shall report their environmental performance, including the assessment of potential environmental risks associated with their operations, to the stakeholders in a fair and transparent manner
- The Company shall encourage environmental responsibility and awareness among staff and stakeholders through modelling good practice, training, education and communication
- The Company shall proactively persuade and support its value chain to adopt this principle

Principle 7: Businesses, when engaged in influencing public and regulatory Policy, should do so in a responsible manner

Company's Philosophy

The Company believes in participation with stakeholders, consultations with Governments, including interactions between industry/business associations and relevant ministries to support short, medium and long-term planning exercises where inputs are invited from each sector.

The Company has always strived to create a positive impact in the business eco-system and communities by practicing proactive advocacy not for securing certain benefits for industry, but for advocating certain best practices for the benefit of society at large.

We are engaged in promoting common good and prosperity of the community, which is the purpose of our enterprise.

Policy

- The Company, while pursuing Policy advocacy, shall ensure that their advocacy positions are consistent with the principles and core elements contained in this Policy enhancing business responsibility and transparency
- To the extent possible, the Company shall utilize the trade and industry chambers and associations and other such collective platforms to undertake such Policy advocacy

Principle 8: Businesses should support inclusive growth and equitable development

Company's Philosophy

The Company focuses on responsible business practices that emphasize on social and economic issues to achieve inclusive growth. It believes in equitable development, taking into account the interests of the business community and local developers, fairness in the treatment of employees, and



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sustainability in protecting and enhancing resources (human and others) in responding to an array of social and environmental needs. The Company is committed to establishing competitive and sustainable value chains linked to the businesses which create sustainable livelihoods, especially among the poor in rural India.

Policy

- The Company shall assess the impact of its operations on social and economic development, and respond through appropriate action to minimise the negative impacts
- The Company shall innovate and invest in products, technologies and processes that promote the wellbeing of society
- The Company shall make 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 their business operations
- The Company shall, in regions that are underdeveloped, be especially sensitive to local concerns

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

Company's Philosophy

The Company is committed to continuously exceed customer expectations. Customer satisfaction is the key to our growth and success in this line of business. The Company strives hard to provide better services and greatest value to its customers.

Our customers have been our strong pillar of support & over the years of our existence have become our true brand ambassadors. The Company carries out periodic customer satisfaction surveys to fine tune its products and other offerings. This foundation is supported by our continuous efforts to provide the best quality product, accompanied by the best marketing and technical support.

Policy

- The Company, while serving the needs of their customers, shall take into account the overall well-being of the customers and that of society
- 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
- The Company shall disclose all information truthfully and factually, through labelling and other means, including the risks to the individual, to society and to the planet from the use of the products, so that the customers can exercise their freedom to consume in a responsible manner. Where required, the company will also educate customers on the safe and responsible usage of its products and services
- The Company shall promote and advertise products in ways that do not mislead or confuse the consumers or violate any of the principles in these Guidelines.
- 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



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- The Company shall provide adequate training to employees continuously to meet the challenges of a dynamic business environment and will also provide adequate grievance handling mechanisms to address customers concerns and feedback
- The Company shall maintain privacy of consumer's confidential data in the normal course of its business

Implementation & Monitoring

- 1) The Business Responsibility Policy of the Company is circulated across all Departments and verticals and is also displayed on the Company's intranet
- 2) The Corporate Social Responsibility Committee (CSR Committee) shall monitor implementation of this Policy through various projects/activities/initiatives undertaken for this purpose
- 3) The Managing Director, through the Functional Heads of the Departments/Unit Heads of the Company shall be responsible for ensuring that the Policy is implemented throughout the Company
- 4) The Managing Director will update the CSR committee on the implementation of the Policy and feedbacks and suggestions received in connection therewith
- 5) Compliance with the Policy shall be monitored and evaluated by the respective Functional Heads of the Departments/Unit Heads of the Company on a regular basis
- 6) Any grievances/complaints with respect to violation of the Policy shall be reported to the Head - Internal Audit or the Company Secretary who would in turn place the same before the CSR Committee

Review

The CSR Committee shall time to time review implementation of this Policy and consider amendments therein in the light of changes in applicable laws, rules and regulations.