



ESG Policy

For Value Chain Partners

HERITAGE FOODS LIMITED

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Introduction

Heritage Foods Limited (hereinafter referred to as HFL/Company) committed to sustainable and ethical practices, we align our operations with the 9 principles of the National Guidelines for Responsible Business Conduct (NGRBC).

Definitions:

Value chain partner: An organization's value chain encompasses the full range of an organization's upstream and downstream activities that convert input into output by adding value. It includes entities with which the organization has a direct or indirect business relationship and which either

- (a) Supply products or services those contribute to the organization's own products or services, or
- (b) Receive products or services from the organization.

NGRBC: The National Guidelines on Responsible Business Conduct in short NGRBC, has been designed by the Ministry of Corporate Affairs (MCA) to assist businesses to perform above and beyond the requirements of regulatory framework.

Trading house: is a specialized legal entity primarily engaged in the business of export, import, and/or domestic trade of goods and services, facilitating such import, export and/or domestic trade and providing related services to support these transactions.

The definitions of the other word mentioned here are the same as defined in NGRBC

Scope:

For HFL more than 75% of the upstream value chain partners are individual small farmers, marginal cattle farmers and women for whom supplying milk is one of the sources of earning livelihood rather than a business.

The major portion of the downstream value chain partners are individual distributors, vendors and consumers.

This policy extends these principles to all upstream and downstream value chain partners of HFL especially to the value chain partners in any form of registered entities /trading houses, dealers, setting clear expectations to ensure consistency in our shared commitment to responsible business practices.

Value Chain Partners are expected to implement the expectations listed herewith in their business practices wherever applicable and feasible

Principles of the Policy

1. Ethics, Integrity and Transparency

Expectations:

- i. **Ethical Behavior:** Promote ethical behavior throughout the organization
- ii. **Anti-Corruption:** Promote anti-corruption practices to prevent bribery and unethical conduct
- iii. **Reporting Mechanisms:** Establish secure and confidential channels for employees to report unethical behavior without fear of retaliation
- iv. **Financial Transparency:** Maintain accurate and transparent financial records, ensuring all transactions are properly documented and reported
- v. **Open Communication:** Communicate openly and honestly with all the stakeholders, including employees, customers, suppliers, and regulators
- vi. **Disclosure of Information:** Disclose relevant information in a timely and accurate manner, including financial performance, business practices, and any potential conflict of interest
- vii. **Responsibility:** Accept responsibility for the impact of business decisions and activities on stakeholders, society, and the environment
- viii. **Compliance:** Adhere to applicable laws, regulations, and standards governing business operations
- ix. **Corrective Actions:** Implement effective mechanisms to address and remediate any violations of ethical, transparency or accountability standards

2. Sustainable and Safe Provision of Goods and Services

Aim to provide goods and services that are sustainable and safe, ensuring they meet high standards for environmental stewardship and consumer safety.

Expectations:

- i. **Resource Efficiency:** Utilize resources efficiently to minimize waste and environmental impact. This includes adopting practices that reduce energy, water consumption, and material use
- ii. **Sustainable Sourcing:** Source materials responsibly, prioritizing renewable resources and suppliers that adhere to sustainable practices
- iii. **Environmental Impact:** Continuously assess and mitigate the environmental impact of products and services throughout their lifecycle, from design to disposal
- iv. **Innovation:** Invest in and adopt innovative

3. Respecting and Promoting Employee Well-Being

Respect and promote the well-being of employees, ensuring a safe, healthy, and inclusive working environment.

Expectations:

- i. **Health and Safety Standards:** Comply with applicable health and safety regulations and strive to exceed these standards where possible
- ii. **Regular Audits:** Conduct periodical health and safety assessments if necessary to identify and mitigate potential hazards
- iii. **Emergency Preparedness:** Develop and maintain emergency preparedness and response plans.
- iv. **Training:** Provide regular health and safety training for employees to ensure they understand and adhere to safety protocols
- v. **Non-Discrimination:** Implement practices that prevent discrimination based on race, gender, age, religion, disability, or other protected characteristics
- vi. **Equal Opportunity:** Ensure equal opportunity in hiring, promotion, and professional development
- vii. **Diversity and Inclusion:** Promote diversity and inclusion at all levels of the organization
- viii. **Harassment-Free Workplace:** Enforce a zero-tolerance practice towards harassment, sexual harassment and bullying, providing a safe and respectful environment for employees
- ix. **Fair Wages:** Ensure employees receive fair wages that meet or exceed the local labour laws
- x. **Benefits:** Try and provide comprehensive benefits that support the well-being of employees and their families, including health insurance, paid leave, and retirement plans
- xi. **Feedback Mechanism:** Establish regular feedback mechanisms to understand employee needs and concerns, and take appropriate action to address them

4. Respect for Stakeholders

Respect the interests of all stakeholders and be responsive to their needs and concerns, ensuring open communication and active engagement

Expectations:

- i. **Stakeholder Mapping:** Identify relevant stakeholders, including employees, customers, suppliers, communities, investors, and regulatory bodies

- ii. **Regular Engagement:** Engage with stakeholders regularly to understand their interests, needs, and concerns
- iii. **Inclusive Dialogue:** Ensure that engagement processes are inclusive, allowing stakeholders to participate and voice their opinions
- iv. **Clear Communication:** Provide clear, accurate, and timely information to stakeholders about business practices, performance and impacts
- v. **Accessibility:** Ensure communication channels are accessible to stakeholders, allowing them to reach out with their inquiries and feedback
- vi. **Regular Updates:** Keep stakeholders informed about important developments, changes and decisions that may affect them
- vii. **Respect and Fairness:** Treat stakeholders with respect and fairness, acknowledging their rights and interests
- viii. **Sustainability:** Consider the long-term impacts of business decisions on stakeholders and prioritize sustainable practices

5. Promoting and Respecting Human Rights

Respect and promote human rights, ensuring that all business practices are conducted in a manner that protects and upholds the dignity and rights of individuals

Expectations:

- i. **Adherence to Standards:** Comply with human rights standards as per local labour laws
- ii. **Non-Discrimination:** Implement practices that prevent discrimination based on race, gender, age, religion, disability etc.
- iii. **Equal Opportunity:** Ensure equal opportunity in hiring, promotion, and professional development
- iv. **Diversity and Inclusion:** Foster a diverse and inclusive work environment that respects and values individual differences
- v. **Prohibition of Forced Labour:** Ensure that no forced, bonded, or involuntary labour is used in business activities
- vi. **Prohibition of Child Labour:** Adhere to local labour laws on child labour, ensuring that no child labour is used in business activities
- vii. **Workplace Safety:** Provide a safe and healthy working environment for employees, ensuring compliance with relevant health and safety regulations

- viii. **Health and Safety Training:** Offer periodic health and safety training to employees wherever applicable
- ix. **Risk Mitigation:** Identify and mitigate potential health and safety risks in the workplace
- x. **Prevention of Sexual Harassment (POSH):** Implement and adhere to the POSH regulations ensuring a safe, respectful and inclusive workplace.

6. Protecting the Environment

Respect the environment and make efforts to protect and restore it, ensuring that all business practices contribute to environmental sustainability.

Expectations:

- i. **Compliance:** Adhere to relevant environmental laws, regulations, and standards
- ii. **Environmental Impact Assessment:** Conduct environmental impact assessments to identify and mitigate potential environmental risks wherever applicable.
- iii. **Resource Efficiency:** Use resources efficiently, aiming to reduce energy, water, and material consumption.
- iv. **Waste Reduction:** Implement practices to minimize waste generation and promote recycling and reuse.
- v. **Hazardous Waste Management:** Ensure proper handling, storage, and disposal of hazardous waste to prevent environmental contamination
- vi. **Green House Gas (GHG) Reduction:** Monitor and reduce greenhouse gas emissions across all operations where feasible
- vii. **Energy Efficiency:** Invest in energy-efficient technologies and practices where feasible
- viii. **Renewable Energy:** Increase the use of renewable energy sources where feasible
- ix. **Biodiversity Conservation:** Protect and conserve biodiversity in areas impacted by business operations
- x. **Habitat Restoration:** Engage in activities that restore and rehabilitate natural habitats
- xi. **Sustainable Land Use:** Adopt sustainable land use practices to prevent habitat destruction and degradation.
- xii. **Air and Water Quality:** Implement measures to prevent/reduce air and water pollution, ensuring emissions and effluents meet regulatory standards

- xiii. **Noise and Light Pollution:** Minimize noise and light pollution to reduce the impact on local communities and wildlife
- xiv. **Employee Training:** Provide training to employees on environmental practices and sustainability.
- xv. **Stakeholder Engagement:** Engage with stakeholders to raise awareness and promote environmental initiatives.

7. Responsible and Transparent Engagement in Public and Regulatory Policy

Engage in influencing public and regulatory policy in a manner that is responsible, transparent, and aligned with ethical standards

Expectations:

- i. **Integrity:** Conduct policy engagement activities with integrity and honesty.
- ii. **Ethical Conduct:** Avoid any practices that could be perceived as corrupt or unethical, such as bribery or undue influence.
- iii. **Compliance:** Adhere to laws and regulations governing lobbying and political engagement
- iv. **Reporting:** Regularly report on policy engagement activities, including the objectives, stakeholders involved, and outcomes
- v. **Alignment with Values:** Ensure that policy positions and advocacy efforts align with the company's values and commitment to sustainability, human rights and ethical conduct
- vi. **Responsibility:** Accept responsibility for the impact of policy engagement activities on society, environment, and the economy.
- vii. **Feedback Mechanism:** Implement mechanisms for stakeholders to provide feedback on policy positions and engagement activities
- viii. **Continuous Improvement:** Regularly review and improve policy engagement practices based on stakeholder feedback and changing regulatory landscapes

8. Promoting Inclusive Growth and Equitable Development

Promote inclusive growth and equitable development, ensuring that business practices contribute to creating opportunities for all stakeholders and reducing disparities.

Expectations:

- i. **Diversity and Inclusion:** Foster a diverse and inclusive work environment that values and respects the contributions of all employees.
- ii. **Equal Hiring Practices:** Implement fair and non-discriminatory hiring practices to ensure equal opportunity for employment.
- iii. **Professional Development:** Provide opportunities for professional development and advancement for all employees, regardless of background or identity.
- iv. **Diverse Supplier Network:** Promote diversity and inclusion in the supply chain by actively seeking out and partnering with minority-owned, women-owned and other diverse suppliers.
- v. **Community Investment:** Invest in community development projects and initiatives that promote economic empowerment, education, healthcare, and environmental sustainability.
- vi. **Partnerships:** Collaborate with local organizations, governments, and other stakeholders to address community challenges and foster inclusive growth.
- vii. **Education Programs:** Provide access to education and training programs that equip individuals with the skills and knowledge needed to succeed in the workforce.

9. Responsible Engagement and Value Creation for Customers

Engage with consumers in a responsible manner, prioritizing well-being, safety, and satisfaction, while delivering products and services that provide tangible value.

Expectations:

- i. **Product Safety:** Ensure that all products meet safety standards and regulations to protect consumers from harm
- ii. **Quality Assurance:** Maintain high standards of quality and integrity in product manufacturing and distribution
- iii. **Transparency:** Provide clear and accurate information about products, including ingredients, manufacturing processes, and potential risks
- iv. **Fair Pricing:** Set prices that are fair and reasonable, reflecting the value provided by the product or service
- v. **Consumer Education:** Educate consumers about the value and benefits of products and services to help them make informed purchasing decisions

- vi. **Honesty and Integrity:** Ensure that marketing and advertising practices are honest, transparent, and free from deceptive or misleading claims
- vii. **Respect for Privacy:** Respect consumer privacy and adhere to data protection regulations in all marketing activities
- viii. **Social Responsibility:** Avoid promoting harmful or unhealthy behaviors and contribute to positive social change through marketing campaigns.
- ix. **Accessibility:** Provide accessible channels for consumers to provide feedback, ask questions, and seek support
- x. **Responsive Customer Service:** Respond promptly and effectively to consumer inquiries, complaints, and feedback
- xi. **Continuous Improvement:** Use consumer feedback to identify areas for improvement and enhance products and services
- xii. **Sustainable Practices:** Promote responsible consumption by offering sustainable products and encouraging environmentally friendly behaviors
- xiii. **Waste Reduction:** Implement initiatives to minimize packaging waste and encourage recycling and reuse.

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