



BUSINESS RESPONSIBILITY POLICIES

1. INTRODUCTION:

Cheviot Company Limited (**'the Company'**) is a public limited company listed on BSE Limited. The provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'the Listing Regulations'**) are applicable and binding on the Company.

2. SCOPE AND PURPOSE:

This Policy on Business Responsibility (**'BR Policy'**) has been framed in line with the requirements of Regulation 34 of the Listing Regulations and is intended to ensure that the Company contributes towards sustainable development and fulfills its social, environmental and economic responsibilities.

This BR Policy endorses the Company's commitment to follow the principles and core elements, in conducting its business, as laid down in the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by the Ministry of Corporate Affairs. A yearly report on the status of the adoption / implementation of this BR Policy shall be included in the Annual Report of the Company. This BR Policy shall be in addition to the existing Code of Conduct of the Company.

3. APPLICABILITY:

This BR Policy applies to all the directors and employees of the Company across all its functional units, jute mills and offices. This BR Policy shall be effective from February 14th, 2020.

4. DIRECTORS RESPONSIBLE FOR BR:

The Managing Director of the Company shall be responsible for the implementation of the BR Policy. The Managing Director may take support of such other directors and functional heads and internal and external experts, which he may deem fit, for the effective implementation of the BR Policy.

The Board may make suitable changes in BR Policy from time to time, however, such alterations shall not be inconsistent with the provisions of any law for the time being in force.

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5. THE COMPANY'S BUSINESS PRACTICES WOULD BE GOVERNED BY THE FOLLOWING PRINCIPLES

5.1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Company shall maintain high standard of business ethics in all spheres of its business activities. The Board of directors shall encourage ethical behavior as an essential part of the work culture so that every employee develop high moral with honesty and integrity.

The Company has in place a Code of Conduct for Board of Directors and Senior Management of the Company. All business decisions and transactions shall be carried out in fair and transparent manner with zero tolerance for abusive, corrupt or anti-competitive activities. The Company shall make timely and proper disclosure in financial reports and other statutory filings to reflect the true and fair view of the financial position. The Company shall avoid any involvement in activity either by itself or by any third party that are in violation of this BR Policy.

5.2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company is engaged in manufacturing of jute goods. Jute Bags are used for packaging of food material. The jute goods are sustainable, bio degradable and safe for the environment. No hazardous waste is generated in the manufacturing process.

The Company shall not compromise with the standard of its products. To uphold the quality of the goods produced, the Company shall carry out inspection and testing throughout the manufacturing process.

The Company shall take measures to conserve energy. Jute waste shall be used as fuel in boiler. The Company shall gradually install modern looms to improve the production process throughout the value chain. The Company shall remain committed to provide assistance to its customers for safe usage and disposal of the products.

The Company shall give adequate attention to the social, environmental and economic factors while pursuing its business goals. The Company shall strive to use all the resources viz. raw materials, natural resources and other resources like electricity, transportation etc. sustainably with maximum optimization at all stages and also recycles the same to the extent possible. The Company shall impart training to its employees, workers, engineers, value chain members, customers on optimum utilization of resources. The Company shall make effort to improve its manufacturing process and technology so as to increase the productivity with reduced usage of resources without any compromise on the quality of the goods.

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The Company shall respect the rights of people who may be the owners of traditional knowledge and other forms of intellectual property. Due recognition and appreciation shall be given to employees of the Company for their efforts and ideas. The Company shall always treat its stakeholders and customers with dignity, respect and due understanding.

5.3 Businesses should promote the wellbeing of all employees

The Company understands the worth of a healthy and sound human resource. The working environment generates a sense of belongingness, loyalty and commitment amongst the employees. The Company maintains a hierarchy-chain which allows better flow of information, ideas, suggestions and understanding between the employees and the senior management. There is a proper channel through which the grievances of the employees are taken up and addressed by the senior management.

The Company shall not employ child labour, adolescent labour, forced labour or any form of involuntary labour, paid or unpaid in any of its offices and mills. The Company has a Remuneration Policy for directors, KMP and SMP, which deals with the employment norms and remuneration to be followed by the Company.

The Company shall promote work-life balance among all its employees especially that of women employees. The Company has a Policy on Prevention of Sexual Harassment, which deals extensively on providing a safe working environment and protection from sexual harassment.

The Company shall provide 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 and ensure that the workplace environment is safe, hygienic, humane, and which upholds the dignity of the employees.

It shall provide facilities for the well-being of its employees including those with special needs. The Company shall ensure timely payment of fair living wages to meet basic needs and economic security of the employees. The Company shall at all-time have a safety and environment policy as per the provisions of Factories Act and other applicable laws.

The Company shall conduct programs for enhancing the skills of its employees, improve their morale and for their overall career development.

It is the duty of the company to create systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities.



BUSINESS RESPONSIBILITY POLICIES (Contd...)

The Company shall encourage healthy negotiation and settlement of disputes and grievances of employees. The Company shall provide access to all employees to report under whistle blower/vigil mechanism policy regarding any unfair, unethical practice or improper activity observed within the organization.

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

The Company values the support of its stakeholders and ensures to safeguard the interests of all the stakeholders. The Company shall identify its internal stakeholders like employees and workers and external stakeholders like shareholders, investors, suppliers, consumers, banks and financial institutions, regulators and other government agencies. The Company shall remain accessible to all stakeholders in order to understand their concerns and respond accordingly.

The Company shall disclose the policies and other relevant information from time to time to keep the stakeholders aware about position of the Company and remain transparent about the impact of the policies, decisions, product and associated operations on the stakeholders.

The Company shall give special attention to stakeholders in areas that are underdeveloped and safeguard the interest of stakeholders who are in disadvantaged, vulnerable, or marginalized. The Company shall resolve differences with stakeholders in a just, fair and equitable manner.

5.5 Businesses should respect and promote human rights

The Company appreciates and believes that human rights are inherent, universal, indivisible and interdependent in nature. The Company understands and continuously strives to promote human rights as per the Constitution of India to uphold the Fundamental Rights. The Company shall ensure to inculcate and integrate values of human rights in the management systems and throughout the organization.

The Company shall respect the human rights of all stakeholders associated within and beyond the workplace including that of communities and vulnerable and marginalized groups.

The Company shall endeavour to promote the awareness and realization of human rights across its value chain. The Company shall discourage violating practices by any third party to the extent possible. The Company shall also not be complicit with human rights abuses by a third party.



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5.6 Business should respect, protect, and make efforts to restore the environment

The Company understands the importance of the resources and its responsibility towards the environment.

The Company shall remain committed in the utilization of natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste. Benefits arising out of access and commercialization of biological and other natural resources and associated traditional knowledge will be shared equitably.

The Company shall ensure pollution control measures not only at all stages of production but also across all locations where the Company operates. The Company shall continue to provide personal protective equipment to employees. The Company shall at all times ensure safe disposal of wastes and effluents through proper disposal channels. The Company shall ensure that the amount of emission fumes and waste water is within the permissible limits by the State Pollution Control Board and Central Pollution Control Board.

The Company shall assess the environmental damage and strives to bear the cost of pollution abatement with due regard to public interest. The Company shall continuously seek to improve the environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy without having to compromise with the quality of its products.

The Company shall develop Environment Management Systems (EMS) and contingency plans and processes to help in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to its own operations or that of any stakeholder in the value chain. The Company shall also persuade and encourage its external stakeholders to move towards environmentally friendly practices.

The Company shall report to the stakeholders in a fair and transparent manner, the environmental risks associated with the products and process of manufacturing of the products and the steps undertaken by the Company to minimize the same.



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5.7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company understands its responsibility to operate within the democratic setup and constitutional framework. The Company recognizes that it operates within the specified legislative and policy frameworks prescribed by the Government, which guide its growth and also provide for certain desirable restrictions and boundaries.

The Company shall in case of any grievance with any legislative / regulatory authority or framework, seek redressal of the same and resort to policy advocacy consistent with the principles and policies laid down under the law through the trade and industry chambers and other such collective platforms related to the business of the Company.

Any policy advocacy shall be undertaken in a transparent and responsible manner, without any political affiliation / biasness, while engaging with all the authorities and shall take into account the Company's as well as the larger national / industry interest.

5.8 Businesses should support inclusive growth and equitable development

The Company considers the society as an integral part of its business and therefore, as it grows, the society should also progress. The Company is committed towards minimizing the negative impact on social and economic development.

The Company shall assure appropriate resettlement and rehabilitation of communities who have been displaced owing to their business operations. However, efforts shall be taken to avoid displacements.

The Company shall make efforts to innovate and invest in the processes and technologies to promote the wellbeing of society (primarily the local in the underdeveloped regions on priority).

5.9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

The Company acknowledges that no business can survive in absence of customers. The Company shall continue to provide such goods to its consumers in a manner that creates value for both. The Company shall attempt to make available such goods that are safe and competitively priced for the well-being of its consumers and the society.



BUSINESS RESPONSIBILITY POLICIES (Contd...)

The Company shall not indulge in any unfair or disruptive trade practice that can in any way and at any stage while selling its products affect the right of freedom of choice of customers from the range of other competitive products available in the market. The Company shall promote and advertise their products in ways that do not mislead or confuse the consumers or violate any of the principles of Business Responsibility.

The Company shall ensure that wherever applicable all the information that is statutorily required to be disclosed in relation to its products are disclosed truthfully and factually to the consumers so that the consumers can exercise their freedom to consume in a responsible manner.

The Company commits to exercise due care and caution while providing goods that result in over exploitation of natural resources.

REVIEWED AND ADOPTED BY THE BOARD OF DIRECTORS AT THEIR MEETING HELD ON 14TH FEBRUARY, 2020.

CHEVIOT COMPANY LTD.

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