



RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

ENVIRONMENT, SOCIAL, GOVERNANCE (ESG) POLICY

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Effective Date of Policy: July 29, 2025

1. Statement of Intent

RCF/Company's ESG Policy fortifies our commitment to sustainable chemical and fertilizer business while protecting the environment, enabling societal good, and adhering to good corporate governance standards. We shall ensure that our stakeholders are guided by an effective ESG framework across all business operations. We shall promote transparency and accountability on ESG-related matters through periodic reporting and disclosures.

2. Scope

The scope of this ESG Policy is applicable to Company's business operations. All directors, executives, employees, workers, whether permanent or non-permanent of the Company, with partial or full access to systems and information infrastructures shall abide by this Policy

3. Our Commitment to ESG

RCF is committed to provide clean and affordable fertilizers products in a responsible and sustainable manner, ensuring optimal utilisation of resources, taking due care of environment and maximising value of stake holders. RCF believes that management of environmental, social, and governance (ESG) considerations across its business operations can create long-term sustainable value for all stakeholders.

We at RCF aim to adopt an integrated ESG approach, where economic goals will be attained through conscious efforts to conserve our planet and its natural resources while improving the quality of life for current and future generations. We shall integrate ESG principles into core decision-making processes and governance structures. The principles will also be regularly monitored with key performance indicators to ensure effective implementation across operations. We shall comply with applicable laws of the land and be responsive to existing and emerging global ESG concerns on a proactive basis. We are working towards our ESG commitments to make a positive difference to the people and planet.

4. ESG Principles

To demonstrate our approach and commitment to ESG, we shall ensure the integration of the following core principles across our operations:

Principle 1 - Ethics, Transparency and Accountability

The Company shall uphold a governance framework rooted in value-based principles, aiming to maintain the highest ethical standards across all business activities and shall commit to: -

- Ensure compliance with legal requirements, business ethos and values, Company has put in place a dedicated '**Code of Conduct**¹', that all the Directors, Senior Management, must abide by to ensure adherence to ethical standards and ensure transparency in managing affairs of the Company. This comprehensive governance approach ensures integrity, transparency, and accountability, fostering a high-performing, ethical organizational culture including adherence to anti-corruption/bribery practices. Such governance approach is also bolstered by Company **Policy of Board Diversity**²
- Prioritize national, public, and company interests above personal interests in their professional duties, avoiding conflicts of interest.
- To avoid all forms of corruption by following a system that is fair, transparent and free from any influence/prejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into for any project/works, and towards achieving this objective executing an integrity pact by contractors.
- The Company has formulated **the Whistle Blower Policy**³ to enable stakeholders including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.
- Ensure adequate safeguards against fraud and corruption at all levels and shall adhere to norms for accepting and receiving gifts. To provide a clear guidance to employees and others dealing with Company, forbidding them from involvement in any fraudulent activity and the action to be taken by them where they suspect any fraudulent activity, **Fraud prevention policy**⁴ has been adopted.

Principle 2 - Safety and Sustainability of goods & services

Company shall improve its safety, sustainability of goods & services and shall commit to:

- Ensure that all its products and services comply with applicable regulations and laws.
- Endeavour to integrate sustainable sourcing practices in procurement and supply chain management
- Endeavour to assess and measure the environmental and social impacts of its products (to the extent possible) to enable optimal resource usage over the lifecycle of products including reusing, recycling and disposing at end of life for various types of wastes generated and complying with requirements of Extended Producer Responsibility (EPR)
- Focus on product and process innovation to enhance product safety and reduce environmental footprint for which Company has adopted **R&D policy**⁵
- Provide transparent, accurate, and timely communication to relevant stakeholders with respect to the safe usage and responsible disposal of its products.

¹ [Code of Conduct](#)

² [Board Diversity Policy](#)

³ [Whistle Blower Policy](#)

⁴ [Fraud Prevention Policy](#)

⁵ [R&D Policy](#)

- Promote Environmental and Safety Awareness among all the employees, vendors and contractors.

Principle 3 - Human Resources Development and Well-being of employees

The evolving global business landscape has transformed Human Resource Management (HRM) from traditional roles of control to functions based on consensus and commitment. The HR agenda shall commit to focus on several key areas as under:

- Fostering a great place to work that has an environment free from all forms of physical and verbal abuse and any form of harassment. Company has also adopted **Policy on Zero Tolerance to Sexual Harassment at Workplace**⁶
- Maintaining a safe and enriching environment to drive and maintain eco-efficient business operations and operating in compliance with all statutory provisions on occupational health and safety to ensure safety and well-being of all employees and contract workers in alignment with **Policy on Quality, Environment, Health and Safety (QEHS)**⁷. **Integrated Management System Policy**⁸ has been adopted for upgrading quality of human resources by training programs, and minimizing adverse impact of operations on occupational health and safety
- Conducting various health and wellness programs including healthcare infrastructure to promote physical and mental wellbeing.
- Providing equal opportunity for all employees as per **the Policy on Gender Equality**⁹ and as per the Rights of Persons with Disabilities Act, 2016 and shall ensure that all the Company's premises/offices are accessible to differently abled employees
- Creating a mechanism to receive and redress grievance for all employees
- Providing transition assistance programs to manage career endings arising from retirement

Principle 4 - Protection of Stakeholders' Interest

Company supports its stakeholders and respects the interests and concerns they have towards Company and is committed to:

- Establish a robust process for identifying stakeholders both internal as well as external. Company shall identify stakeholders key to its business through their impact on the organization and the value creation for them in return.
- Continuous engagement with its various stakeholders to understand their concerns and assess their requirements and respond in an effective manner.
- Have conscious of the impact of its policies, decisions, products and services and associated operations on the stakeholders and shall avoid such actions which adversely affect the health, safety and welfare of the stakeholders.

⁶ [Policy on Zero Tolerance for Sexual Harassment at Workplace](#)

⁷ [QEHS](#)

⁸ [Integrated Management Policy](#)

⁹ [Policy on Gender Equality](#)

- Proactive engagement with and responding to those sections in the society that are disadvantaged, vulnerable and marginalized as per the **CSR**¹⁰ policy of Company.
- Resolve differences with stakeholders in a just, fair and equitable manner.

Principle 5 - Promoting Human Rights

The Company appreciates that human rights are inherent, universal, indivisible and interdependent in nature and is committed to:

- Protecting and promoting human rights and other applicable local and global norms and statutes. Company shall have zero tolerance against any form of child or forced or compulsory labour in its business operations and adopt measures to ensure compliance.
- Integrate respect for human rights in management systems and ensure that all individuals impacted by the business have access to grievance redressal mechanism related to human rights issues and there be a focal point for addressing human rights impacts. Company has put in a **Whistle Blower Policy**¹¹ wherein the employees can report to the management concerns about unethical behaviour, any form of harassment, actual or suspected fraud or violation of the Company's code of conduct. Company has also adopted **Policy on Zero Tolerance to Sexual Harassment at Workplace**¹²
- Comply with all applicable statutory, regulatory, and other requirements of labour laws to ensure that its employees are fairly and reasonably paid with an assurance of minimum wages, and that the remuneration structure is compliant with the statutory obligations of the jurisdiction.
- Recognize, respect and values differences of individuals based on race, religion, caste, gender, age, nationality, disability, and any other characteristics, without discrimination in any form.

Principle 6 - Protection of Environment

Company shall implement initiatives to reduce environmental risks in the production, storage, distribution and usage of its products and disposal of waste. It shall commit to:

- Efficient use of energy and resources and continuous improvement of its systems and processes to minimize the impact of its business operations on the environment. Company shall invest in projects relating to reduction of GHG emissions.
- Effectively manage its energy footprint, thereby, taking appropriate measures to diversify the energy mix to move towards renewable and clean sources of energy in operations, improve energy efficiency, and reduce reliance on fossil fuels.
- Improving efficient water usage and reducing third party water withdrawal in its own business operations. It shall also focus on the use of recycled effluent and

¹⁰ [CSR Policy](#)

¹¹ [Whistle Blower Policy](#)

¹² [Policy on Zero Tolerance to Sexual Harassment at Workplace](#)

implement a mechanism for zero liquid discharge thereby, adopting measures to minimize the adverse impact of effluent on biodiversity. It shall further commit to adopt measures to understand the potential ecological, and ecosystem risks, and thereby, identify mitigation measures.

- Encourage adoption of principles of a circular economy throughout its business operation, as a critical measure to responsible waste management. Company is committed to operating its business on the principles of the 3Rs, i.e., Reduce, Reuse, Recycle. Company shall endeavour to reduce usage of hazardous and toxic chemicals in its products and processes.
- Endeavour to set, maintain, and monitor environmental objectives and targets, fostering a culture of environmental responsibility and continuous improvement. Company shall also undertake specific initiatives/use innovative technology/solutions to reduce impact due to emissions/effluent discharge/waste generated.

In line with the above policy statements, Company has already adopted **Quality, Environmental, Health & Safety (QEHS) Policy**¹³, **Energy policy**¹⁴ and **E-waste Policy**¹⁵, **Integrated Management Policy**¹⁶

Principle 7 - Responsible and Transparent Policy Advocacy

Company when engaging in influencing public and regulatory policy, will do so in a manner that is responsible and transparent and commits to:

- Preserve and enhance public good, avoiding any partisan efforts to benefit itself or select few. Advocacy efforts shall align with its ethical principles and the broader interest of society enhancing business responsibility and transparency.
- Actively engage with industry associations, and other trade relevant bodies for peer learning and promoting industry cooperation for collaborative & inclusive growth and development, or a sustainable future for all stakeholders.
- Providing inputs in policy-making decisions to various governmental authorities and agencies which concern the business as well as the society in general, either directly or through the trade and industry chambers and such other collective platforms.

Principle 8 - Inclusive growth and equitable development

Company is committed for delivering sustainable impact and is consistently striving to create a better living standard and environment for the society. Company shall commit to:

- Actively contributing to the welfare of society by undertaking social, economic and sustainable development programmes in accordance with its **CSR Policy**¹⁷

¹³ [QEHS](#)

¹⁴ [Energy Policy](#)

¹⁵ [E waste Policy](#)

¹⁶ [Integrated Management Policy](#)

¹⁷ [CSR Policy](#)

- Participate in local economic development. In this endeavour the Company shall prefer local suppliers and vendors after ensuring quality, competitiveness, and ESG value propositions. The Company shall also comply with the Public Procurement Policy for Micro Small and Medium Enterprises (MSMEs) as stipulated by the Government of India, prioritizing procurement from MSMEs.
- Create a conducive business environment to achieve growth and development of marginalized sections of society.
- Not enter into any activity constituting anti-competitive behaviour such as abuse of market dominance, collusion, participation in cartels

Principle 9 - Value to Customers and Consumers

Customer Value creation and Security of Data by commitment to:

- Ensure that customers receive the best value by offering high-quality products. Customer personal safety should be adequately addressed when handling fertilizers products, and product recalls on account of safety issues should be minimised.
- Dealings with customers in a professional, fair and transparent manner.
- Offer products complying with applicable laws, including packaging and labelling
- Ensure health and safety of consumers and provide **guidance on safe use of fertilizers**¹⁸, along with best agricultural practices for increasing yield of food grains through **Policy of Protect and Sustain**¹⁹.
- Customer Relations Management by Implementing effective systems to register, address, and track customer complaints.
- Cyber-security and information security system shall be aimed to prevent - unauthorized access, data confidentiality breaches, and misuse of private information of stakeholders. Company shall adopt systems and processes for continual improvement for maintaining data integrity. Framework on cyber security and risk related to data privacy is adopted as a part of **Information Security Policy**²⁰.

5. Policy Applicability and Communication

This policy applies to all business units of RCF including subsidiaries, associate companies, and joint ventures that are under its control. This policy applies to and shall be communicated to all staff (both permanent and third-party) at all levels and all functions of the organization. RCF shall allocate appropriate resources and conduct in-house training to ensure the effective implementation of the ESG policy. The policy shall be communicated to vendors and customers of the company. Disclosure of this policy shall be maintained on RCF's website for general viewing.

¹⁸ [Guide to the safe use of fertilizer and equipment on farm](#)

¹⁹ [Protect and sustain Policy](#)

²⁰ [Information Security Policy](#)

6. Applicable Reference Frameworks

With respect to ESG metrics and performance, while we ensure compliance with applicable local and national regulations/guidelines such as such as National Guidelines on Responsible Business Conduct (NGBRC), this ESG Policy and its principles are also aligned with various leading global ESG standards and frameworks inter-alia Sustainable Development Goals (SDGs) and Universal Declaration of Human Rights (UDHR).

7. Linkages to Other Internal Policies

In addition to this ESG policy, RCF has also established other policies which complement this ESG Policy and demonstrate our commitment to good governance practices and to promote a sustainable, environmentally conscious, diverse, fair, transparent and decent working culture, as listed below:

- Whistle Blower Policy
- Protect & Sustain Policy
- Equal Opportunity Policy
- Zero Tolerance Policy
- Information Security Policy
- Energy Management Policy
- E Waste Policy
- R & D Policy
- Fraud Prevention Policy
- Integrated Management System Policy

8. Policy review and approval

This policy shall be reviewed at opportune time, but not later than once in three years. CMD, RCF is the approving authority and has reviewed and authorized this ESG policy document.
