

BUSINESS RESPONSIBILITY & SUSTAINABILITY (BRSR) POLICY

1. BACKGROUND, SCOPE, PURPOSE AND EFFECTIVE DATE:

The Securities Exchange Board of India (SEBI) has issued a notification, SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10th May 2021, which mandates the inclusion of a Business Responsibility and Sustainability Report (BRSR) in the Annual Reports of the top 1000 Listed Companies (based on market capitalization of each financial year). Starting from the financial year 2022-2023, the filing of BRSR will be compulsory and will replace the existing Business Responsibility Report (BRR).

Kewal Kiran Clothing Limited (referred to as "the Company" or "KKCL"), being one of the top 1000 listed companies as per the aforementioned criteria, has approved and adopted the Business Responsibility and Sustainability (BRSR) Policy ("the Policy") in its meeting held on January 21, 2023, which marks the effective date of the Policy.

This Policy is aligned with the principles outlined in the National Voluntary Guidelines on the social, environmental, and economic responsibilities of businesses, as published by the Ministry of Corporate Affairs, and guides the Company in conducting its business operations.

2. OBJECTIVE:

The primary aim of the Policy is to:

- i. Establish a standardized and cohesive approach towards Business Responsibility and Sustainability within KKCL.
- ii. Serve as a strategic catalyst to enable KKCL to effectively address the evolving complexities and challenges, while staying updated with regulatory changes.

3. SCOPE AND APPLICABILITY:

This policy applies to all employees, directors, and business divisions of Kewal Kiran Clothing Limited, as well as its subsidiaries and stakeholders. The Board will conduct periodic reviews of the Policy to ensure its relevance and effectiveness.

4. DEFINITIONS:

Board shall mean Board of Directors of the Company.

Companies Act shall mean the Companies Act, 2013 and Rules thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended.

Listed Entity / Company shall mean Kewal Kiran Clothing Limited.

Policy means Business Responsibility and Sustainability Policy.

Regulations shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by the SEBI, as amended, from time to time.

Stock Exchange shall mean a recognized Stock Exchange as defined under clause (f) of Section 2 of the Securities Contracts (regulation) Act, 1956.

5. IMPLEMENTATION:

The following persons shall be responsible for the purpose of implementation of Business Responsibility and Sustainability policy:

Mr. Kewalchand P. Jain, Chairman & Managing Director

Mr. Hemant P. Jain, Joint Managing Director

Mr. Kewalchand P. Jain has been designated as the Business Responsibility and Sustainability Head for the purpose of this policy.

The Head of Business Responsibility and Sustainability may seek assistance from relevant functional heads, as well as internal and external experts, as deemed necessary for the successful implementation of the policy. The policies included within the Business Responsibility and Sustainability Policy are complemented by other existing policies of the Company.

6. DISCLOSURES:

The Business Responsibility and Sustainability Policy shall be disclosed in the Annual Report and on the website of the Company i.e. <https://kewalkiran.com/>

7. POLICY REVIEW AND AMENDMENTS:

This Policy is subject to potential modifications in line with the guidelines or clarifications issued periodically by relevant statutory and regulatory authorities. The Board reserves the right to modify, add, delete, or amend any provisions within this Policy. Any exceptions to the

Business Responsibility and Sustainability Policy must comply with the Regulations and receive approval according to the process determined by the Board of Directors.

8. POLICIES BASED ON THE KEY PRINCIPLES, FORMING PART OF OUR BUSINESS RESPONSIBILITY AND SUSTAINABILITY POLICY:

The Company holds the belief that achieving business excellence necessitates conducting business operations based on robust sustainability principles that encompass good governance, environmental responsibility, and social responsibility. Consequently, the Company's business practices will be guided by the following policies:

Policy 1: Ethics, Transparency and Accountability:

KKCL places great importance on ethical corporate citizenship and the establishment of a strong corporate culture. It has always believed in adhering to the best governance practices to safeguard the interests of all stakeholders and foster the healthy growth of the Company. The Board of Directors has formulated a Code of Conduct for the Board and Senior Management Personnel, which outlines crucial corporate and organizational values that shape the Company's value system. The Board of Directors and Senior Management Personnel are required to affirm their compliance with this Code on an annual basis.

I. Key Principles:

The Company is committed to complying with the following fundamental elements of its Ethics, Transparency, and Accountability policy:

- a. Developing governance structures, procedures, and practices to ensure ethical conduct at all levels and promoting the adoption of this principle across the entire value chain.
- b. Communicating transparently and providing access to information that impacts relevant stakeholders.
- c. Refraining from engaging in abusive, corrupt, or anti-competitive practices.
- d. Fulfilling financial and other mandatory disclosure responsibilities truthfully.
- e. Reporting on the implementation status of these Guidelines, as outlined in the reporting framework within this document.
- f. Avoiding complicity with any third-party actions that violate the principles contained in these Guidelines.

II. Implementation:

- a. The Company has developed an "Anti-Bribery Policy" to conduct all business activities ethically and honestly. It maintains a zero-tolerance stance towards fraud, bribery, and

corruption, and is committed to conducting business in an ethical, fair, and professional manner in all interactions and partnerships.

- b. The Company has established Codes of Conduct for its employees and suppliers to prevent conflicts of interest in business.
- c. The Managing Director and Joint Managing Director of the Company jointly and severally hold responsibility for implementing the Business Responsibility and Sustainability Policy. The Managing Director serves as the Head for Business Responsibility and Sustainability and oversees policy implementation.
- d. The Business Responsibility and Sustainability Policy will be effectively communicated across the Company at all levels and will be publicly available on the Company's website.
- e. Compliance with the Policy will be regularly monitored and evaluated. Respective Functional Heads will develop action plans and checklists to ensure adherence to the various principles outlined in the Business Responsibility and Sustainability Policy.

III. Grievance Redressal:

Any grievances or complaints related to non-compliance with the Policy should be reported to the Chief Financial Officer or Company Secretary who will in turn report to the Managing Director and the Joint Managing Director.

Policy 2: Sustainable and Safe Products and Services:

KKCL is committed to integrating sustainability and safety principles into all aspects of its operations, including workplace management, production stages, and service lifecycle. This encompasses the procurement of raw materials/services, manufacturing/delivery of products/services, and transportation of raw materials and finished goods. The policy for sustainable products and services aims to strike a balance between environmental protection, social well-being, and economic growth.

I. Key Principles:

In line with the Sustainable and Safe Products and Services policy, the company strives to achieve the following:

- a. Optimal resource utilization throughout the product's lifecycle, ensuring that all stakeholders involved - designers, producers, value chain members, customers, and recyclers - are aware of their responsibilities.
- b. The company's Sustainable Procurement Policy communicates expectations and positions regarding sustainable sourcing of input materials, fostering partnerships and improved communication with vendors.

- c. Enhancing consumer awareness of their rights through education, product labeling, effective marketing communication, comprehensive information about product composition, and promoting safe usage and disposal of products and services.
- d. Incorporating resource efficiency and sustainability principles into product design and manufacturing processes.
- e. Adopting the 3R (Reduce, Reuse, Recycle) principle to optimize resource usage and minimize reliance on new resources and energy.
- f. Ensuring proper and safe waste disposal in accordance with standard and mandatory regulations.
- g. Conducting regular reviews to enhance the development, deployment, and commercialization of new technologies, while considering social, ethical, and environmental aspects.
- h. Recognizing and respecting the rights of individuals who possess traditional knowledge and other forms of intellectual property.
- i. Promoting sustainable consumption practices, including resource recycling, to address the issue of over-consumption and its unsustainable impact on the planet's resources.

II. Implementation:

- a. The Managing Director and Joint Managing Director of the Company jointly and severally hold responsibility for implementing the Business Responsibility and Sustainability Policy. The Managing Director serves as the Head for Business Responsibility and Sustainability and oversees policy implementation.
- b. The Business Responsibility and Sustainability Policy will be effectively communicated throughout the Company at all levels and made available on the Company's website.
- c. Compliance with the Policy will be regularly monitored and evaluated. Respective Functional Heads will develop action plans/checklists to ensure compliance with the various principles outlined in the Business Responsibility and Sustainability Policy.

III. Grievance Redressal:

Any grievances or complaints related to non-compliance with the Policy should be reported to the Chief Financial Officer or Company Secretary who will in turn report to the Managing Director and the Joint Managing Director.

Policy 3: Employee Well-Being:

KKCL recognizes the pivotal role of employees as the backbone of the organization, and believes that fostering a culture of mutual trust, respect, fairness, and transparency is essential for the company's success. The company's policy is centered around ensuring the well-being of all employees, as a healthy and motivated workforce is key to achieving business objectives.

KKCL is committed to supporting the professional growth of its employees and rewarding their performance.

I. Key Principles:

The company's employee well-being policy aims to accomplish the following:

- a. Respecting employees' right to freedom of association, participation, collective bargaining, and providing access to appropriate grievance redressal mechanisms.
- b. Ensuring equal opportunities during recruitment and employment, regardless of caste, creed, gender, race, religion, disability, or sexual orientation.
- c. Prohibiting the use of child labor, forced labor, or any form of involuntary labor, whether paid or unpaid.
- d. Recognizing and addressing the work-life balance of employees, with particular attention to women.
- e. Providing facilities for the well-being of employees, including those with special needs, and ensuring timely payment of fair living wages that meet their basic needs and provide economic security.
- f. Establishing a safe, hygienic, and humane workplace environment that upholds employees' dignity, and regularly training employees on awareness of these provisions.
- g. Promoting continuous skill and competence development for all employees, offering equal and non-discriminatory access to necessary learning opportunities. Encouraging employee morale and career advancement through enlightened human resource interventions.
- h. Creating systems and practices to ensure a harassment-free workplace where employees feel safe and secure in carrying out their responsibilities.

II. Implementation:

- a. The responsibility for implementing the Business Responsibility and Sustainability Policy lies jointly and severally with the Managing Director and Joint Managing Director of the Company. The Managing Director serves as the Head for Business Responsibility and Sustainability and oversees policy implementation.
- b. The Business Responsibility and Sustainability Policy will be effectively communicated throughout the company at all levels and displayed on the company's website.
- c. Compliance with the policy will be regularly monitored and evaluated. Respective Functional Heads will develop action plans/checklists to ensure compliance with the various principles outlined in the Business Responsibility and Sustainability Policy.

III. Grievance Redressal:

Any grievances or complaints related to non-compliance with the policy should be reported to the Chief Financial Officer or Company Secretary who will inturn report to the Managing Director and the Joint Managing Director.

Policy 4: Stakeholder Engagement

KKCL considers its employees, customers, business associates, suppliers, shareholders/investors, communities surrounding its operations, and regulatory authorities as key stakeholders. The company believes that effective stakeholder engagement is built on trust and goes beyond mere public relations. KKCL is aware of and respects the interests and needs of all its stakeholders.

I. Key Principles:

To foster continuous stakeholder engagement, the company aims to:

- a. Systematically identify stakeholders, understand their concerns, define the purpose and scope of engagement, and commit to engaging with them.
- b. Acknowledge and take responsibility for the impact of policies, decisions, products, services, and associated operations on stakeholders, while maintaining transparency.
- c. Pay special attention to stakeholders in underdeveloped areas.
- d. Resolve differences with stakeholders in a fair, just, and equitable manner.

II. Implementation:

- a. The responsibility for implementing the Business Responsibility and Sustainability Policy lies jointly and severally with the Managing Director and Joint Managing Director of the Company. The Managing Director serves as the Head for Business Responsibility and Sustainability and oversees policy implementation.
- b. The Business Responsibility and Sustainability Policy will be effectively communicated throughout the company at all levels and displayed on the company's website.
- c. Compliance with the policy will be regularly monitored and evaluated. Respective Functional Heads will develop action plans/checklists to ensure compliance with the various principles outlined in the Business Responsibility and Sustainability Policy.

III. Grievance Redressal:

Any grievances or complaints related to non-compliance with the policy should be reported to the Chief Financial Officer or Company Secretary who will in turn report to the Managing Director and the Joint Managing Director.

Policy 5: Human Rights:

KKCL upholds and promotes human rights for all individuals. The company's commitment to human rights and fair treatment is reflected in its Code of Conduct, which emphasizes conducting operations with honesty, integrity, and openness. The principles stated in the code and policies, including the respect for human rights and dignity of all stakeholders, extend to the group, joint ventures, suppliers, and all those associated with the company.

I. Key Principles:

The company firmly believes in the following:

- a. Understanding the human rights content of the Indian Constitution, national laws and policies, and the International Bill of Human Rights. Recognizing that human rights are inherent, universal, indivisible, and interdependent.
- b. Integrating and respecting human rights principles into management systems, particularly by assessing and managing the human rights impacts of operations and ensuring individuals affected by the business have access to grievance mechanisms.
- c. Recognizing and respecting the human rights of all relevant stakeholders and groups, both within and beyond the workplace, including communities, consumers, and vulnerable and marginalized groups.
- d. Promoting awareness and realization of human rights across the value chain within the company's sphere of influence.
- e. Avoiding complicity in human rights abuses by third parties.

II. Implementation:

- a. The responsibility for implementing the Business Responsibility and Sustainability Policy lies jointly and severally with the Managing Director and Joint Managing Director of the Company. The Managing Director serves as the Head for Business Responsibility and Sustainability and oversees policy implementation.
- b. The Business Responsibility and Sustainability Policy will be effectively communicated throughout the company at all levels and displayed on the company's website.
- c. Compliance with the policy will be regularly monitored and evaluated. Respective Functional Heads will develop action plans/checklists to ensure compliance with the various principles outlined in the Business Responsibility and Sustainability Policy.

III. Grievance Redressal:

Any grievances or complaints related to non-compliance with the policy should be reported to the Chief Financial Officer or Company Secretary who will in turn report to the Managing Director and the Joint Managing Director.

Policy 6: Environmental Conservation:

KKCL places utmost importance on ensuring and adhering to the best practices for environmental protection. The company is continuously striving to enhance energy efficiency, utilize renewable energy sources, procure eco-friendly products, and effectively manage waste in order to minimize its environmental impact. It is committed to optimizing resource consumption in its operations and recognizes its responsibility to preserve the planet's beauty, resources, and strength for future generations.

I. Key Principles:

The Environmental Policy is guided by the following principles:

- a. Utilizing natural and man-made resources responsibly and sustainably by reducing, reusing, recycling, and managing waste.
- b. Taking measures to prevent and control pollution, assessing environmental damage, and bearing the cost of pollution abatement in the interest of the public.
- c. Ensuring equitable sharing of benefits arising from access and commercialization of natural resources, including traditional knowledge.
- d. Continuously improving environmental performance through cleaner production methods, energy-efficient and environmentally friendly technologies, and renewable energy adoption.
- e. Developing Environment Management Systems (EMS) and contingency plans to prevent, mitigate, and control environmental damages and disasters caused by the company's operations or its value chain.
- f. Reporting environmental performance and potential risks transparently to stakeholders.
- g. Striving for Zero Liquid Discharge.
- h. Pollution abatement.
- i. Efficient use of energy, water, and other resources.
- j. Encouraging and supporting the adoption of this policy throughout the value chain.

II. Implementation:

- a. The responsibility for implementing the Business Responsibility and Sustainability Policy lies jointly and severally with the Managing Director and Joint Managing Director of the Company. The Managing Director serves as the Head for Business Responsibility and Sustainability and oversees policy implementation.
- b. The Business Responsibility and Sustainability Policy will be effectively communicated throughout the company at all levels and displayed on the company's website.
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Policy 7: Responsible and Transparent Advocacy:

KKCL believes in collaborating with the government, legislators, trade bodies, and regulators to create positive social and environmental outcomes. The company advocates for best practices that benefit society at large, rather than solely seeking advantages for the industry.

I. Key Principles:

The company aims to:

- a. Ensure that its advocacy positions align with the principles and guidelines mentioned.
- b. Utilize trade and industry chambers, associations, and collective platforms for policy advocacy.
- c. Make decisions in an open, accountable manner, leaving no room for abuse.

II. Implementation:

- a. The responsibility for implementing the Business Responsibility and Sustainability Policy lies jointly and severally with the Managing Director and Joint Managing Director of the Company. The Managing Director serves as the Head for Business Responsibility and Sustainability and oversees policy implementation.
- b. The Business Responsibility and Sustainability Policy will be effectively communicated throughout the company at all levels and displayed on the company's website.
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Policy 8: Inclusive Growth and Equitable Development:

KKCL has always been dedicated to fostering community growth and development, with providing healthcare being a core part of its mission. The company carries out initiatives through its CSR committee in accordance with the CSR policy and guidelines defined in the Companies Act, 2013.

I. Key Principles:

To fulfill its commitment, the company aims to:

- a. Understand the social and economic impact of its operations and take appropriate actions to minimize negative effects.
- b. Innovate and invest in products, technologies, and processes that promote societal well-being.
- c. Support local and national development priorities and ensure proper resettlement and rehabilitation of communities affected by business operations.
- d. Respect local concerns in the areas of its operations.

II. Implementation:

- a. The responsibility for implementing the Business Responsibility and Sustainability Policy lies jointly and severally with the Managing Director and Joint Managing Director of the Company. The Managing Director serves as the Head for Business Responsibility and Sustainability and oversees policy implementation.
- b. The Business Responsibility and Sustainability Policy will be effectively communicated throughout the company at all levels and displayed on the company's website.
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Policy 9: Consumer Value:

The foundation of the company is built on trust, satisfaction, and loyalty from consumers worldwide. The company strives to meet the diverse needs of its customers and contribute to the apparel industry. By understanding consumer requirements, the company aims to grow and stay ahead in the competitive global market.

I. Key Principles:

The company is guided by the following principles:

- a. Considering the overall well-being of customers and society while serving customer needs.
- b. Ensuring freedom of choice and fair competition in designing, promoting, and selling products.
- c. Providing truthful and factual information, including product risks, through labeling and other means to enable responsible consumer choices. Educating customers on safe and responsible product usage when necessary.
- d. Avoiding misleading or confusing promotions and advertisements that violate ethical principles.
- e. Exercising caution in providing goods and services to avoid overexploitation of natural resources or excessive conspicuous consumption.
- f. Establishing effective grievance handling mechanisms for addressing customer concerns and feedback.

II. Implementation:

- a. The responsibility for implementing the Business Responsibility and Sustainability Policy lies jointly and severally with the Managing Director and Joint Managing Director of the Company. The Managing Director serves as the Head for Business Responsibility and Sustainability and oversees policy implementation.
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