



Environmental, Social and Governance (ESG) Policy

Table of Contents

Introduction.....	2
Our ESG Vision.....	2
ESG Mission.....	2
Objectives of the policy	2
Applicability of policy	3
Areas covered	3
Governance structure.....	4
Policy updates on ESG topics	5
Consultation and feedbacks.....	5
Linkage to other Astral’s policies	6
Applicable reference framework	6
Annexure I: Astral’s ESG Governance Framework.....	7
Annexure II: Key responsibilities of ESG committee	8

Introduction

Astral Limited is one of India's leading brands, operating across diverse business verticals including Pipes & Fittings, Bathware, Adhesives, and Paints. With a robust manufacturing presence across India and abroad, we deliver innovative and high-quality products. Our commitment to sustainable growth is deeply embedded in our vision, mission, and values, driving us to create lasting value for our customers, employees, and society.

Our ESG Vision

To deliver quality products and services to our customers through sustainable value creation and demonstrate market/ethical leadership.

ESG Mission

We aspire to build an institution that stands strongly on the principles of:

- Excellence- to ensure delivery of quality products and services to our customers
- Safety- a promise made to our employees and develop products that meet the highest safety standards to our stakeholders
- Resource optimization- to ensure that our products are developed through sustainable consumption of natural resources and have minimal environmental impact
- Equitability- to ensure that we promote and encourage diversity in our organization and respect the human rights of all our employees and value chain partners across all geographies
- Resilience- To plan and develop mitigating actions to emerge successfully out of any kind of risks pertaining to ESG

Objectives of the policy

The high-level objective of this policy is to incorporate environmental and social considerations into business activities, thereby mitigating material impacts and risks. The approach towards ESG integration includes the development of a robust governance mechanism, implementation framework, systems for risk management and controls, and integrating ethical business practices, environmental and social considerations into our business activities. The objectives of the ESG policy include:

- Institutionalizing a robust governance mechanism to ensure effective implementation of this policy's objectives
- Acting ethically and transparently in compliance with all applicable laws and regulations
- Establishing systems and controls to manage the environmental and social impacts of business activities across the value chain
- Establishing effective monitoring and reporting systems for continuous improvement in our performance on ESG parameters mentioned in Annexure II

- Implementing mechanisms to achieve an equitable, healthy and safe working environment for employees
- Driving a culture of excellence and growth in the workforce, while empowering our employees to achieve their aspirations
- Engaging with relevant stakeholders to identify and manage, on a continuous basis, our impacts on them and their expectations from us

Applicability of policy

The ESG Policy is applicable to all our employees and will encourage the relevant stakeholders like vendors, suppliers, customers and value chain partners to apply relevant aspects of this policy. Moreover, our employees will be trained on the policy and the requirements will be communicated to our stakeholders across the value chain.

Areas covered

This policy will cover the following areas:

Corporate Governance:

- We will adopt best-in-class corporate governance practices to ensure strategic guidance for the company, effective monitoring of management by the Board, and the Board's accountability to the Company and the stakeholders.
- We will incorporate ESG parameters in our business operations and regular activities. We are responsible for developing and implementing relevant policies required for establishing effective governance mechanism to drive ESG across the value chain.
- We will ensure transparency and accountability in our ESG disclosures and engagements with stakeholders.

Stakeholder Relationship:

We are committed to:

- Adopt a structured process for stakeholder identification, analysis and engagement to manage risks and facilitate a constructive dialogue with our stakeholders.
- We will follow best practices pertaining to employee health, safety and wellbeing and human rights aspects relevant to our business.
- We will undertake initiatives to ensure employee development throughout their tenure in the organization.

Compliance:

- We shall comply with all applicable statutory requirements and are committed to go beyond compliance wherever applicable.

Controls and Systems:

- We will establish a Board appointed ESG Committee to implement, monitor and review ESG performance.

Risk Management:

- We will ensure a robust risk management process to identify, assess and mitigate material risks.
- We are committed to assess ESG risks and impacts associated with our business and ensure adoption of appropriate mitigation measures.

Impact of business on environment:

- We are committed to developing and implementing an Environment Management System, to measure and monitor the various environmental parameters while ensuring compliance to our ESG commitments.
- We will implement best practices in areas such as energy management, carbon emission reduction, waste management and water management.
- We will ensure compliance to all applicable national/international regulations to measure and monitor our environmental performance.
- We will also identify climate change related risks and develop a mitigation strategy to reduce the carbon intensity across the value chain.

Governance structure

The ESG policy will be governed by the Chief Financial Officer (CFO) of Astral. He is responsible for appointing the ESG committee, which will be responsible for the review and implementation of the ESG policy. The CFO will oversee the activities of the ESG committee in close consultation with the ESG Head. The ESG policy document will be version controlled and it will be reviewed annually (or as needed) in consultation with the designated ESG Head. The recommended changes, if any, would be placed and discussed in ESG Committee review meeting to be held in the third quarter of the given financial year. Once agreed upon, the changes to the document will require an approval of the CFO, followed by the Risk Committee, and will be subsequently presented to the Board of Directors in the fourth quarter of the financial year. The ESG Head is responsible for sharing the updated versions of the document with all the relevant stakeholders

1.1. Risk Committee

The risk committee oversees the activities of the ESG committee. The risk committee, on a yearly basis, also reviews the report on ESG performance and the status of closure of observations raised during the internal audit of the ESG management system.

2.2 CFO and ESG Committee

The CFO chairs the ESG committee. He will also review the ESG performance on a monthly basis and present the same to the risk committee on an annual basis. The CFO will commit to embracing and championing the company's ESG mission, values, strategy, code of conduct; and policies and standards to ensure high standards are met and ESG performance is managed in an appropriate and consistent manner across the business.

The CFO will ensure:

- a) ESG-related matters are given equal priority to other business functions;
- b) A positive and proactive ESG culture is promoted among all employees and third parties as appropriate to drive enhanced value creation;
- c) ESG matters are communicated through effective channels and relevant stakeholders are consulted where required;
- d) Objectives and targets are established and integrated throughout the company and performance against objectives and targets is monitored;
- e) Periodic reviews are undertaken of ESG programs to ensure they remain relevant to the extent of associated risks

2.3 ESG Head

The ESG head is the head of ESG department. The ESG head is the owner of ESG policy and manages the ESG committee. He is responsible for organizing regular meetings of the ESG Committee for review of ESG performance and will present the monthly ESG performance to the ESG Committee

The ESG Head will ensure:

- a) Organization's commitment to continual improvement and building on ESG related performance;
- b) Employees and contractors are competent to undertake their activities through the provision of an effective training program;
- c) Visible participation in program reviews and audits;
- d) Good practices and lessons learnt are identified and, where possible, are shared within the Company

Policy updates on ESG topics

The policy is currently aligned to the material ESG topics identified by Astral's internal stakeholders and is subject to regular updates and revisions as the Company sees prudent. Any change with respect to Astral's material topics will be reflected in its policy statement. Further, this policy is subject to periodic reviews and the information therein is updated by incorporating feedback from relevant stakeholders.

Consultation and feedback

All relevant stakeholders will be consulted on an annual basis (or as needed) to seek feedback on the policy. An appropriate grievance mechanism will be made available to all stakeholders.

Linkage to other Astral's policies

The Company has developed other policies that should be adopted along with this policy. List of policies mentioned below:

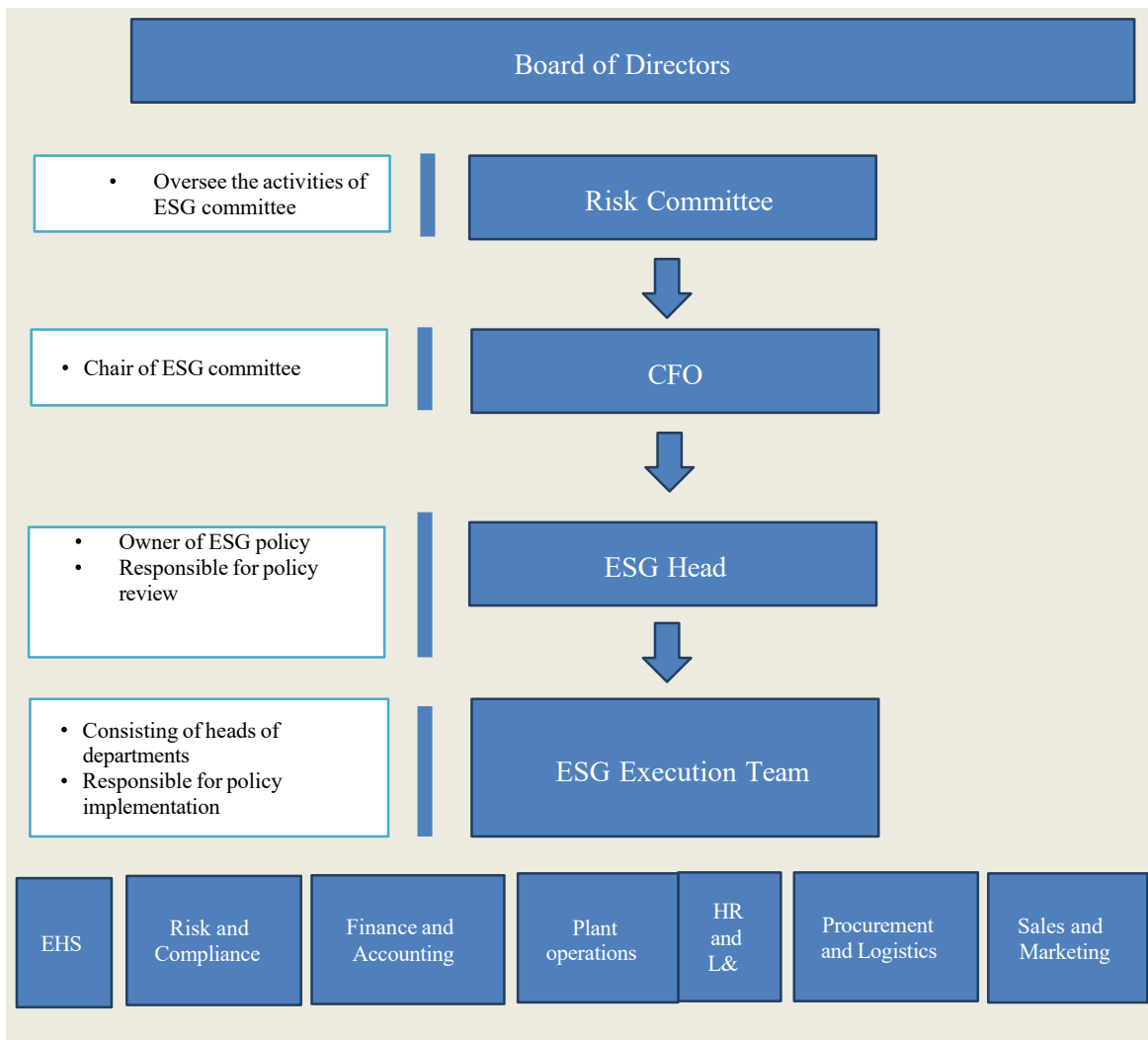
- Employee Code of Conduct
- Prevention of Sexual Harassment Policy
- Corporate Social Responsibility Policy
- Human Rights Policy
- EHS Policy
- Supplier Code of Conduct
- Board Diversity Policy
- Anti-Corruption and Anti-Bribery Policy
- Non-Discrimination and Anti-Harassment Policy

Applicable reference framework

The Policy has been developed with reference to the following standards:

- Applicable local, national and international environmental and social (including occupational health and safety) legislations;
- Global Reporting Initiative (GRI);
- Sustainability Accounting Standards Board (SASB);
- National Guidelines on Responsible Business Conduct (NGRBC)
- Dow Jones Sustainability Index (DJSI)

Annexure I: Astral's ESG Governance Framework



Annexure II: Key responsibilities of ESG committee

The ESG committee will consist of heads of the following departments:

1. Environment Health and Safety
2. Legal and Compliance
3. Plant operations
4. Finance, Accounting and Risk Management
5. Human Resources
6. Procurement and Logistics
7. Sales and Marketing

The committee is responsible for reviewing the implementation of ESG policy. The committee shall conduct monthly review of ESG performance during the first year. From second year onwards, quarterly review will be conducted. The ESG committee is also responsible for the review of ESG policy on an annual basis or as per requirement

The terms of reference of the ESG committee are:

- To review ESG projects, identified from time to time, with a view to ensure that they are in line with the objectives and the ESG Policy of Astral.
- To have oversight for ensuring that ESG projects are designed, implemented and periodically monitored based on the implementation framework.
- To review the annual ESG budget and recommend the same to the Board of Directors for approval.
- To approve the amount of expenditure to be incurred on the various ESG initiatives.
- Providing guidance in a way that ESG projects undertaken by the Company could make an impactful intervention across the communities in which the Company operates.
- To oversee and review the impact of ESG projects undertaken by Astral.
- Review and recommend to the Board for its approval the annual ESG/sustainability report.

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