

# **Lumax Industries Limited**

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## **Business Responsibility Policy**

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## 1. SCOPE AND PURPOSE:

This Policy on Business Responsibility ('BR Policy' or 'Policy') has been formulated in line with the requirements of Regulation 34 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is intended to ensure that the Company contributes towards sustainable development and fulfil its social, environmental and economical responsibilities.

This Policy reaffirms the Company's commitment to follow principles laid down in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of Business published by the Ministry of Corporate Affairs towards conducting its business.

In view of the above, the Board of Directors of the Company (Board) approved this Policy at its meeting held on June 18, 2020.

## 2. DEFINITIONS

2.1 **"Board"** shall mean Board of Directors of the Company.

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

2.3 **"Listed Entity / Company"** shall mean Lumax Industries Limited.

2.4 **"Policy"** means Business Responsibility Policy.

2.5 **"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.

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

## 3. IMPLEMENTATION

- The policy shall be appropriately communicated within the Company across all levels and shall be displayed on the Company's website.
- Mr. Vineet Sahni, Chief Executive Officer (CEO) & Senior Executive Director, is nominated as the Director responsible for implementation of the Business Responsibility policy/policies and is nominated as Business Responsibility Head as well. Mr. Vineet Sahni through the Domain/Functional heads of the Departments/Unit Heads of the Company shall be responsible for ensuring that the policy is implemented throughout the Company.
- Compliance with the Policy shall be monitored and evaluated by the Company Secretary on a regular basis.
- Any grievances/ complaints with respect to violation of the policy shall be reported to the CEO/Company Secretary.

#### 4. PRINCIPLE POLICIES

##### Policy 1: Ethics Transparency & Accountability

###### **Philosophy:**

Lumax Industries Limited (Company) endeavours to be recognized as an organization committed to the highest ethical standards in business and hence lays strong emphasis on ethical corporate citizenship and establishment of good corporate culture. It has always believed in adhering to the best governance practices to ensure protection of interests of all stakeholders of the Company.

###### **Policy:**

(i). The Company shall develop necessary governance structures, procedures and practices to ensure ethical conduct at all levels; and to promote the adoption of this principle across the value chain.

(ii). The Company shall assure access to information about its decisions that impact relevant stakeholders.

(iii). The Company shall not engage in practices that are abusive, bribery, corrupt, or anticompetition.

(iv). The Company shall truthfully discharge its responsibility on financial and other mandatory disclosures timely.

(v). The Company shall ensure that genuine concerns of misconduct/ unlawful conduct can be reported in a responsible and confidential manner through its Vigil Mechanism.

(vi). The Company shall encourage its business partners and third parties with whom it conducts business to abide by this policy.

(vii). The Company shall report on the status of adoption of these Guidelines, as necessary.

The Company has already adopted the Code of Conduct for Directors and Senior Management of the Company and also the Company has Vigil Mechanism/Whistle Blower Policy to report to the management occurrence of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct.

Additionally, the Company has also enabled an Employee App through which the employees have been empowered to directly report to the Corporate Head HR regarding any concern or issue with respect to the violation of the Company's Code of Conduct. The grievances received are reviewed on a regular basis by team and issues are resolved with full confidentiality.

## **Policy 2: Product Lifecycle Sustainability**

### **Philosophy:**

Lumax Industries Limited (Company) endeavours to embed the principles of sustainability, as far as practicable, into the various stages of product or service lifecycle including procurement of raw material / service, manufacturing of product or delivery of service, transportation of raw materials and finished goods.

### **Policy:**

(i). The Company shall assure safety and optimal use of resources over the business lifecycle and ensure that everyone connected with it are aware of their responsibilities;

(ii). The Company shall work towards ensuring that all goods and services are procured, manufactured and delivered embedding the principles of labour practices, human rights, ethics, occupational health, safety and environment.

(iii). The Company shall continue to progressively factor in relevant social and environmental considerations during the process of development of products / services;

(iv). The Company shall continue to recognize and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property, wherever relevant.

(v). In designing the products, the company shall ensure that the processes and technologies required to produce it are resource efficient and sustainable.

(vi). The Company shall work with supply chain members that comply with applicable laws and regulations related to labour practices, human rights, bribery & corruption, occupational health, safety and environment;

(vii). The Company shall encourage resource efficiency in the supply chain and shall guide supply chain members towards becoming more sustainable.

(viii). The Company shall work towards building capacity such that all the value chain partners, namely the third-party manufacturers, service providers including transporters and suppliers of significant raw materials, are sensitised and empowered to fulfil their roles and responsibilities towards sustainability;

(ix). The Company shall raise the consumer's awareness of their rights through education, product labelling, appropriate and helpful marketing communication, full details of contents and composition as per the applicable laws and promotion of safe usage and disposal of their products and services.

(x). The Company shall encourage its business partners and third parties with whom it conducts business to abide by this policy.

(xi). The Company shall regularly review and improve upon the technological advancement & commercialization of, incorporating Social, Ethical & Environmental consideration.

The Company is following the principles of environment, ethics, occupational health and safety and All products are manufactured keeping in view the said Principles. Also the Optimal use of resources is done through various cost down activities, enhanced automation, Value Analysis/Value Engineering (VAVE)

### **Policy 3: Wellbeing of all Employees**

#### **Philosophy:**

Lumax Industries Limited (Company) endeavours to ensure the well-being of all its employees. The Safety, health and work life balance of employees is extremely important to the Company. The Company believes in giving its employees ample opportunities so that they shall be motivated, result oriented and committed to achieve excellence growth. Company endeavours to provide work environment in which all individuals are treated with mutual respect and dignity without any discrimination.

#### **Policy:**

(i). The Company shall Respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance Redressal mechanisms.

(ii). The Company shall provide & maintain 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.

(iii). The Company shall not use child labour, forced labour or any form of involuntary labour, paid or unpaid.

(iv). The Company shall take cognizance of the work-life balance of its employees, especially that of women.

(v). The Company shall Provide facilities for the wellbeing of the employees including those with special needs and Ensure timely payment of fair living wages to meet basic needs and economic security of the employees.

(vi). The Company would Provide a workplace environment that is safe, hygienic, humane, and which upholds the dignity of the employees. The Company shall create awareness of these provisions to the employees and training them on a regular basis.

(vii). The Company would Ensure continuous skill and competence up-gradation of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis and promote employee morale and career development through informed human resource interventions.

(viii). The Company shall implement necessary systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities.

The Company already has an existing Safety, Health and Environment Policy and the same is also displayed at Company's Plants/Facilities for awareness of the all its workforce/employees.

We, at Lumax, are committed to achieve and maintain World-Class Health and Safety standards and protect the Environment through continual improvement for all its employees by:

- Proper design of all the processes.
- Complying with statutory & regulatory requirements.
- Consultation & Participation of Workers & their representatives.
- Develop, Improve and Sustain Processes for systematic prevention & elimination of ill health, injuries, safety & environment hazards & the risks involved.
- Prevention of Pollution and Conservation of Natural Resources.
- Prevention of Generation of Waste By 3R (Reduce, Reuse and Recycle).

## **Policy 4: Stakeholder Engagement**

### **Philosophy:**

Lumax Industries Limited (Company) believe in the principle that the interest of all stakeholders must be protected and at the same time, company must be responsive towards them, especially those who are disadvantaged, vulnerable and marginalised. Company believes that stakeholder engagement leads to increased transparency, responsiveness, compliance, organisational learning, quality management, accountability and sustainability.

### **Policy:**

- (i). The Company would Systematically identify stakeholders, understand their concerns, define the purpose and scope of engagement, and commitment to engage with them.
- (ii). The company shall Acknowledge responsibility and be transparent about the impact of the policies, decisions, product & services and associated operations on the stakeholders.
- (iii). The Company would strive to give special attention to stakeholders in areas that are underdeveloped.
- (iv). The Company shall resolve differences with stakeholders in a just, fair and equitable manner.



## **Policy 5: Human Rights**

### **Philosophy:**

Lumax Industries Limited (Company), fundamental responsibility is to respect and promote human rights and their dignity. The Company is committed to respect fundamental human rights and to conduct the operations with honesty, integrity and openness with respect for human rights and interests of employees.

### **Policy:**

(i). The company shall integrate respect for human rights in management systems, in particular through assessing and managing human rights impacts of operations, and ensuring all individuals impacted by the business have access to grievance mechanisms.

(ii). The company shall recognize and respect the human rights of all relevant stakeholders and groups, including that of communities, consumers and vulnerable and marginalized groups.

(iii). The company shall, within its sphere of influence, promote the awareness and realization of human rights across their value chain.

(iv). The Company shall encourage its business partners and third parties with whom it conducts business to abide by this policy.

The Company do follow the Principles of Equality for promoting the Human Rights and their Dignity. Model Standing order is duly followed. The Company has also enabled an Employee App through which the employees have been empowered to directly report to the Corporate Head HR regarding any concern or issue and it is an easy access which is provided to every employee of the Lumax.

## **Policy 6: Preservation of Environment**

### **Philosophy:**

The Company places highest corporate priority in ensuring and adhering to best procedures relating to environment protection. Lumax Industries Limited (Company) sets high standards in the area of environmental responsibility — striving for performance that does not merely comply with regulations but reduces environmental impacts. Company believes that it has a responsibility to take care of the planet and preserve its beauty, resources and strength for future generations.

### **Policy:**

(i). The Company shall utilize the resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.

(ii). The Company shall take measures to check and prevent pollution and assess the environmental damage and bear the cost of pollution abatement with due regard to public interest.

(iii). The Company shall continuously seek to improve environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.

(iv). The Company shall develop Environment Management Systems and contingency plans and processes that shall help it in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to its operations.

The Company has already an existing Safety, Health and Environment Policy and the same is also displayed at Company's Plants/Facilities for awareness of all its Workforce/employees.

## **Policy 7: Responsible advocacy**

### **Philosophy:**

Lumax Industries Limited (Company) believes that a lot can be achieved by the company as it works according to the Government, legislators, trade bodies and regulators to create positive social and environmental outcomes. Company has always strived to create a positive impact in the business ecosystem and communities by practicing pro-active advocacy not for securing certain benefits for industry, but for advocating certain best practices for the benefit of society at large. Company engages with industry bodies and associations to influence public and regulatory policy in a responsible manner.

### **Policy:**

- (i). The Company shall work with industry organisations that are engaged in policy advocacy in a responsible manner and in an ethical manner
- (ii). To the extent possible, the company shall, engage, to the extent possible, trade and industry chambers and associations and other such collective platforms to undertake policy advocacy.
- (iii). Recognise our responsibility to respect human rights and avoid complicity in human rights abuses.

Lumax is a non-political organisation and does not support any political ideology.

All employees are advised to interact with external public in an ethical and transparent manner be it customer, supplier, Industry Association, government agencies.

## **Policy 8: Inclusive growth and Equitable development**

### **Philosophy:**

Lumax Industries Limited (Company) has always believed to ensure protection of interests of all stakeholders of the Company at the same time maintaining healthy growth of the Company. In compliance with section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the company has adopted a CSR Policy through which it undertakes the projects in accordance with Schedule VII of the Companies Act, 2013.

### **Policy:**

(i). The Company shall innovate and invest in products, technologies and processes that promote the wellbeing of society.

(ii). The Company shall make efforts to complement and support the development priorities at local and national levels, and assure appropriate resettlement and rehabilitation of communities who have been displaced owing to their business operations.

(iii). The Company shall be sensitive to local concerns while operating in regions that are underdeveloped.

(iv). The Company shall undertake CSR activities in accordance with Schedule VII of the Companies Act, 2013 as per the recommendation of the CSR committee and as per the CSR policy of the company

The Company has already adopted the Corporate Social Responsibility Policy and the Company is adhering to the Compliance of the said Policy by implementation of the CSR Projects, Programs and activities. The Company has also a dedicated CSR Committee with a mix of Independent Directors and Executive Directors who periodically reviews and allocates the Budget for the CSR activities to be undertaken for the financial year. The Company has been making positive interventions in the lives of the beneficiaries in sync with the CSR policy and compliance. Regular reviews are conducted with the partnering agencies to ensure compliance and proper implementation.

Through Lumax Charitable Foundation, the company engages in Corporate Social Responsibility initiatives for improving access towards Education and Healthcare of the disadvantaged communities in the vicinity of it's plants.

## **Policy 9: Customer Value**

### **Philosophy:**

Lumax Industries Limited (Company) is a consumer centric company and the foundation of the Company is based on the trust, satisfaction and loyalty of our customers across the globe. The Company's manufacturing units with advanced technologies are producing automotive lighting products in huge quantities in sync with the customer's requirements & standards, being at par with the world's best plant engineering standards

### **Policy:**

- (i). The Company shall take into account the overall well-being of the customers and that of society.
- (ii). Ensure that we do not restrict the freedom of choice and free competition in any manner while designing, promoting and selling our products.
- (iii). The Company shall ensure that promotion and advertisements of our products do not mislead or confuse the consumers or violate any of the principles in these policies.
- (iv). The Company shall exercise due care and caution while providing goods and services that result in over exploitation of natural resources.
- (v). Providing adequate grievance handling mechanisms to address customer concerns and feedback.

The Company works closely as a team with the customer and any concerns raised by the customer are addressed on priority.

Utmost care is taken to ensure that all the promotional material and content is factually accurate and does not make false claims.

## **5. DISCLOSURES**

The Business Responsibility Policy shall be disclosed on the website of the Company i.e. <https://www.lumaxworld.in/lumaxindustries>.

## **6. POLICY REVIEW AND AMENDMENTS**

This Policy would be subject to modification in accordance with the guidelines / clarifications as may be issued from time to time by relevant statutory and regulatory authorities. The Board may modify, add, delete or amend any of the provisions of this Policy. Any exceptions to the Business Responsibility Policy must be consistent with the Regulations and must be approved in the manner as may be decided by the Board of Directors.