



**ESG Reporting
Standards' Policy
in
Beaufond Plc**



Preface:

In the past, institutional investors' primary objective and the investee company's primary obligation were to maximize short term returns for shareholders, without regard for other factors like social and environmental impacts.

Businesses today face increasing scrutiny of their Environmental, Social, and Governance (ESG) strategies from regulators, investors, consumers, NGOs, and other key stakeholders who want—often require—a commitment to social and environmental responsibility and sound corporate governance. A robust ESG program provides a competitive advantage for businesses that make it a top priority. While ESG has potential to create new business opportunities, it can also pose legal, reputational, and operational risks.

Embracing ESG practices within, an organization offers a wealth of benefits: it improves productivity, business performance, and adaptability to evolving technology or new regulations, boosts financial indicators, and enables corporations to promote environmental sustainability.

In this regard, we have made this policy which encompasses our philosophy for delineating our responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large and is titled as the "ESG Policy".

In addition to an inclusive approach for economic, social and environmental impacts of the organisation, we aim to present our governance framework for robust business processes and long-term growth.

Beaufond Plc helps market participants easily assess the ESG risks and opportunities in portfolios, benchmark against peer companies and make more informed investment decisions with a socially responsible investment mandate or interest.

The Policy shall be made effective from Financial Year 2020-21.

Dated:29.07.2019

Managing Director & CEO



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Integrated Reporting Standards

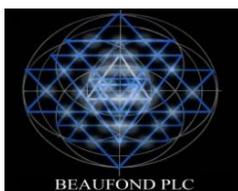
The International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, standard setters, the accounting profession, academia and NGOs. The coalition promotes communication about value creation, preservation and erosion as the next step in the evolution of corporate reporting.

Integrated reporting aims to:

- Improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital,
- Promote a more cohesive and efficient approach to corporate reporting that draws on different reporting strands and communicates the full range of factors that materially affect the ability of an organization to create value over time,
- Enhance accountability and stewardship for the broad base of capitals (financial, manufactured, intellectual, human, social and relationship, and natural) and promote understanding of their interdependencies and
- Support integrated thinking, decision-making and actions that focus on the creation of value over the short, medium and long term.

Environmental, Social and Governance data provides to help wealth management advisors to integrate ESG factors into the investment workflow, including portfolio analysis, equity research, screening or quantitative analysis. The ESG data enables them to screen over 70% of global market cap across 100s of granular and reliable ESG metrics so they can efficiently meet investment mandates and provide insight into sustainable investments to customers.

Beaufond Plc believes that driving sustainable and socially responsible investing business, ethics and corporate governance are now moving to the forefront as metrics to identify how well a company is performing. Investors are increasingly demanding that environmental issues be factored into their portfolios and financial professionals in response, are differentiating their services using environmental, social and governance (ESG) criteria into the screening workflow.



Also achieve sustainability goals through efficient collection and management of environmental and corporate social responsibility (CSR) data. Ensure quality and auditability of ESG data to calculate and report on sustainability performance. Create comprehensive ESG Policy Reports to communicate transparently with stakeholders, suppliers, customers, partners, and investors about progress on sustainability goals. Drive overall business improvements through enhanced sustainability performance.

Beufond Plc's Integrated Annual Report generally elaborates on the organisation's inclusive approach of creating value for stakeholders. The Report presents our governance, strategy, performance and outlook of business.

Financial and statutory information reported is aligned to leading frameworks and adheres to reporting requirements of IFRS standards. It covers information in the period of 1st July to 30th June of succeeding year. For the Report, we have adopted the Integrated Reporting (IR) framework of the International Integrated Reporting Council (IIRC).

The Policy provides a comprehensive overview of how we create financial and non-financial value in terms of six capitals of IR, for our stakeholders. The six capitals are financial, contract manufactured, natural, human, intellectual, and social and relationship capital.

In addition, it is an inclusive approach for economic, social and environmental impacts of the organisation; we aim to present our governance framework for robust business processes and long-term growth.

The Policy also elaborates the method of engagement with identified key stakeholders and material topics discussed with them and also describe our corporate governance, risk management framework and strategies to mitigate risks.



BRR mapping and linking with GRI Sustainability Reporting Standards

Most of the International market regulators have prescribed 'Business Responsibility Report' (BRR) as a mandatory requirement which must be submitted as a part of the Annual Report. BRR is an enabling instrument for the Companies to integrate Environmental, Social and Governance ("ESG") framework into their core business practices.

Business Responsibility Report is a disclosure of adoption of responsible business practices to all its stakeholders. This is important considering the fact that the companies have accessed funds from the shareholders, have an element of shareholders' interest involved, and are obligated to make exhaustive disclosures on a regular basis.

Globally accepted standards, such as the GRI Sustainability Reporting Standards, provide a common language and credible set of disclosures for organizations to communicate about their impacts on the economy, the environment, and society. The GRI Standards relate to many other reporting ESG frameworks and sustainability initiatives.

Normally, the GRI guidelines have been linked to the BRR. GRI's linkage documents are designed to highlight these connections and enable organizations to fulfil multiple reporting requirements. This linkage document is designed to show companies how requirements under the BRR Framework correspond to the GRI Standards and disclosures.

The information collected for these disclosures allows companies to create a sustainability report based on the GRI Standards at the same time as complying with the BRR Framework, without duplicating effort.

The Business Responsibility Report contains a standardized format to report the actions undertaken towards adoption of responsible business practices. Business Responsibility Report has been designed to provide basic information about the company, information related to its performance and processes, and information on principles and core elements of the Business Responsibility Reporting.



As a public limited company, we have also mapped our sustainability initiatives with the United Nation’s Sustainable Development Goals. The goals are a blueprint to achieve a better tomorrow. Our aim is to efficiently adopt these goals and address the global challenges, which includes poverty, inequality, climate, environmental degradation, prosperity, and peace and justice. The UN SDG goals are interconnected, and we intend to implement them in order to make the world a better place. We believe that businesses can have a positive impact on the societies they serve.

Verification of ESG implementation

Beaufond Plc strongly believes that sustainable community development is essential for harmony between the community and the business. We endeavor to make a positive contribution to the underprivileged communities by supporting a wide range of socio-economic, educational and health initiatives. Also, we are committed to integrate our business values and operations to meet the expectations of all our stakeholders.

The idea to make this policy to encompass Beaufond Plc’s philosophy for delineating our responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large and is titled as the “ESG Policy” and helps market participants easily assess the ESG risks and opportunities in portfolios, benchmark against peer companies and make more informed investment decisions with a socially responsible investment mandate or interest.

Beaufond Plc shall engage third party for Independent Assurance who shall independently study the Impact Assessment and observed and all business units in the company and assesses the Economic, Social, Cultural and Environmental impact at varying levels. The Company thus engages to study the economic, social, cultural and environmental impact that has created through its business operations on various stakeholders like beneficiaries, employees, and shareholders etc.



ISO CERTIFICATIONS:

Beaufond Plc has obtained the following certifications which are in force and shall be renewing on the renewal dates:

I.

ISO 14001:2015 (ENVIRONMENT MANAGEMENT SYSTEM)

**TRADING IN ACTIVE PHARMA INGREDIENTS
(API), CHEMICALS, MEDICALCONSUMABLES,
PERFUMES, TELECOM SERVICES AND
GENERAL MERCHANDISE**

II.

ISO 18001:2007 (OCCUPATIONAL, HEALTH AND SAFETY MANAGEMENT SYSTEM)

**TRADING IN ACTIVE PHARMA INGREDIENTS
(API), CHEMICALS, MEDICALCONSUMABLES,
PERFUMES, TELECOM SERVICES AND GENERAL
MERCHANDISE**

III.

ISO 9001:2015 (QUALITY MANAGEMENT SYSTEM)

**TRADING IN ACTIVE PHARMA INGREDIENTS
(API), CHEMICALS, MEDICALCONSUMABLES,
PERFUMES, TELECOM SERVICES AND GENERAL
MERCHANDISE**



Beaufond Plc and Sustainability

The expanding ambit of sustainability is paving the way for creation of wealth without compromising on superlative innovations and ever evolving customer needs, improved stakeholder awareness and integration of environment, social and governance factors with ultimate vision of the company.

Sustainability reports are being used for benchmarking and assessing sustainability performance with regards to existing frameworks, demonstrating how the organisation influences and is influenced by expectations about sustainable development, and also facilitating peer comparison over time and enabling communication with stakeholders. The company's adoption of regulatory framework across all verticals of the organisation enables long term thinking, broader understanding of risks and opportunities and improves connectivity between financial and non-financial drivers.

Catering to voluntary adoption of certain norms is our contribution to the seriousness about respecting interests of various stakeholders. This ESG Guidance document is a product of joint cooperation of various stakeholders. It intends to capture the best of progressive ESG thinking and will be updated on an ongoing basis.

Importance of ESG reporting:

Raises Corporate Transparency

It broadens organisational disclosure beyond traditional financial metrics and raises corporate transparency on environmental and social metrics.

Sustainability reporting allows a balanced and understandable assessment of the company's performance by stakeholders to facilitate corporate accountability, as promulgated by one of the principles under the Code of Corporate Governance.

Strengthens Risk Management

Sustainability reporting allows Beaufond Plc to consider emerging risk areas and to identify opportunities presented by risks that are overlooked by other analytical and system driven approaches.



A risk management approach that incorporates sustainability provides management with useful data for identifying emerging issues and developing appropriate responses that help protect corporate reputation and improve shareholder value.

Promotes Stakeholder Engagement

Identification of and engagement with stakeholders are fundamental to sustainability reporting and are cited as critical steps by various international sustainability frameworks.

The company identifies their stakeholders to effectively engage those that are interested in and affected by the company's sustainability performance. Given the varied nature and interests of stakeholders such as shareholders, employees, customers, suppliers and communities, stakeholder engagement enables the company to take into account the Information needs of various stakeholders with regards to the disclosure of sustainability related information.

Improves Communications with Stakeholders

By broadening disclosure beyond financial disclosure to include non-financial disclosure of environmental and social interaction and impact, the company provides a framework for measuring non-financial performance. It also gives guidance on the opportunities and threats faced in managing non-financial risks.

ESG KEY PERFORMANCE INDICATORS

Beaufond Plc's sustainability reporting standards have been developed under the respective frameworks that are given below:

The Global Reporting Initiative (GRI) is an international, non-profit organization working in the public interest towards a sustainable global economy where organizations manage their economic, environmental, social, and governance performance and impacts responsibly. Corporate and public sector reporters in over 90 countries use the GRI Guidelines. More than 24,000 reports have been registered in GRI's Sustainability Disclosure Database.



The International Integrated Reporting Council (IIRC) is a group of international leaders with a mission to create the “Integrated Reporting framework”. The framework provides material information about an organization’s strategy, governance, performance and prospects in a concise and comparable format, a fundamental shift in corporate reporting.

The Sustainability Accounting Standards Board (SASB) is a UN non-profit U.S.-based organization on a mission to create and disseminate accounting standards that reporting issuers can use to disclose material sustainability factors in filings with the Securities and Exchange Commission.

CDP (formerly the Carbon Disclosure Project) is a global non-profit organization, founded in 2000 with headquarters in London. CDP requests standardized climate change, water and forest information from some of the world’s largest listed companies through annual questionnaires sent on behalf of institutional investors that endorse them as ‘CDP signatories’.

The United Nations Global Compact (UNGC) is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. Business participants are expected to publicly report on their progress in an annual Communication on Progress.

Beaufond Plc has always been on a forefront to back various initiatives that promote sustainability by creation of a linkage document that is designed to show the company’s requirements to the GRI Standards and disclosures.

- There are some ESG Key Performance Indicators we believe should be the focal point of ESG reporting.
- For each of these ESG Key Performance Indicators that are suggesting a specific measurement.
- It should be noted that, depending on the nature of the business, some of the ESG Key Performance Indicators are more critical than others.



Beaufond Plc therefore considers expanding on the disclosures on those ESG Key Performance Indicators that are considered material to the nature of the business, beyond what is suggested in the following:

ENVIRONMENT:

ESG Key Performance Indicators

1.	Environmental Policy
2.	Environmental Impacts
3.	Carbon/GHG Emissions
4.	Water management
5.	Waste Management

SOCIAL:

ESG Key Performance Indicators

1.	Full time employees
2.	Monetary and non-monetary benefits for employees
3.	Attrition Rate
4.	Health care benefits
5.	Training and development hours
6.	Human Rights Policy
7.	Human Rights Violations
8.	Child & Forced Labour
9.	Gender parity ratio at workforce
10.	Community and social work
11.	Local Procurement



GOVERNANCE

ESG Key Performance Indicators

1.	Gender diversity on Board
2.	Board - Independence
3.	Board - Separation of Powers
4.	Voting Results
5.	Gender Pay Ratio
6.	Incentivized Pay
7.	Business Ethics and Code of Conduct
8.	Supplier Code of Conduct
9.	Bribery/Anti-Corruption Code
10.	Corporate Governance

PREPAREDNESS OPINION

1.	Sustainability Performance
2.	Sustainability Reporting
3.	Engage Stake holders

ESG REPORTING GENERALLY

1.	Sustainable Reporting Frameworks
2.	External Assurance
3.	BRR as per the framework



Conclusion

Independent Survey and Reporting on Sustainability

Beaufond Plc shall engage Independent Assurance by Third Party for verification & quality analysis and to study the ESG Factors such as economic, social, cultural and environmental impact it has created through its business operations on various stakeholders like beneficiaries, employees and shareholders etc. They shall be advised to conduct independent physical survey and reporting on sustainability.

During the verification & quality analysis by the Third Party, Beaufond Plc shall be submitting the relevant documents required for independent survey to the Agency and also reports performance of six capitals in terms of Key Performance Indicators (KPIs).

Beaufond Plc shall engage Independent Assurance third Party survey from the ensuing financial year 2020-21 for Sustainable Development to study the ESG Factors such as economic, social, cultural and environmental impact that has created through its business operations on various stakeholders like beneficiaries, employees, business partners and shareholders and also the GT Impact Assessment study to observe and study all business units in various countries and assesses the Economic, Social, Cultural and Environmental impact at varying levels and plans to be continued every year.

Beaufond Plc shall advise the Independent Assurance Agency to provide the third Party Assurance statement as per ISAE3000 and Type 1 moderate assurance as per AA1000AS assurance on select KPIs for the referred financial year.

Beaufond Plc has committed for verification & quality analysis of the cause of sustainable development and sustainably sensitive in best interest of the society in the present and the future.

