KHEMANI

KHEMANI DISTRIBUTORS & MARKETING LIMITED

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) POLICY

[Pursuant to company's values]

KHEMANI

1. PREAMBLE

Khemani Distributors & Marketing Limited ("the Company"), as a responsible SME listed entity in the distribution sector, is committed to integrating Environmental, Social, and Governance (ESG) principles into its strategy, operations, and decision-making processes. We recognize that sustainability and long-term value creation go hand-in-hand, and that our stakeholders, customers, employees, shareholders, suppliers, and regulators expect us to operate responsibly while contributing positively to society and the environment.

This ESG Policy outlines the framework under which the Company will conduct its business ethically, sustainably, and transparently, ensuring compliance with applicable laws and alignment with global best practices.

2. OBJECTIVE

- ✓ To minimize the environmental footprint of our distribution operations.
- ✓ To foster a workplace culture that is safe, inclusive, and people-centric.
- ✓ To promote ethical governance, compliance, and transparent disclosures.
- ✓ To create long-term value for shareholders while benefiting communities and society at large.
- ✓ To build resilience against environmental and social risks that may impact our business.

3. SCOPE OF THE POLICY

This Policy covers concerns which include but are not limited to:

- ✓ Breach of the Company's Code of Conduct.
- ✓ Misappropriation of Company's assets.
- ✓ Financial irregularities, including fraud or suspected fraud.
- ✓ Misuse or abuse of authority.
- ✓ Violation of any applicable laws or regulations.
- ✓ Breach of confidentiality or disclosure of proprietary information.
- ✓ Any other unethical or improper conduct.

4. SCOPE

This Policy applies to the Company, its employees, management, and Board of Directors. It also extends to contractors, vendors, and business partners wherever feasible.

5. ENVIRONMENTAL RESPONSIBILITY

As a company engaged in distribution, we recognize that our activities impact energy usage, packaging, transportation, and waste. The Company commits to:

- ✓ **Resource Efficiency:** Reduce energy consumption in warehouses, offices, and logistics through efficient technologies and practices.

- ✓ **Sustainable Transport**: Optimize transportation routes to minimize fuel consumption and carbon emissions; explore the use of cleaner fuel alternatives.

- ✓ **Waste Management:** Reduce, reuse, and recycle packaging materials wherever possible; promote digital documentation to minimize paper usage.

- ✓ **Compliance:** Adhere strictly to environmental laws and regulations applicable in our jurisdiction.

- ✓ **Continuous Improvement:** Regularly assess environmental risks and set measurable targets to improve performance.

6. SOCIAL RESPONSIBILITY

We value our employees, customers, and communities as core stakeholders. The Company undertakes to:

- ✓ **Employee Well-being:** Provide a safe, healthy, and inclusive workplace; ensure compliance with occupational health and safety norms.

- ✓ **Diversity & Inclusion:** Promote equal opportunity irrespective of gender, religion, age, or background; support skill development and fair treatment.

- ✓ **Human Rights:** Respect and uphold human rights across our operations and supply chain; prohibit child labor, forced labor, and harassment.

- ✓ **Customer Focus:** Ensure reliable and ethical distribution practices, delivering quality products and services responsibly.

- ✓ **Community Engagement:** Support local communities through volunteering, donations, and partnerships that enhance education, health, and livelihood opportunities.

7. GOVERNANCE & ETHICAL PRACTICES

The Company is committed to the highest standards of corporate governance and ethical business conduct. Our governance framework is based on transparency, accountability, and compliance. We will:

- ✓ **Board Oversight:** The Board of Directors will oversee ESG implementation, ensuring alignment with business strategy and stakeholder interests.

- ✓ **Ethical Business Conduct:** Maintain a strict Code of Conduct applicable to all employees, emphasizing integrity, fairness, and anti-bribery principles.

- ✓ **Compliance & Risk Management:** Ensure adherence to all applicable laws, listing regulations, and statutory requirements; proactively identify and manage ESG-related risks.

- ✓ **Data Privacy:** Safeguard the confidentiality and privacy of stakeholders' information.

- ✓ **Whistleblower Mechanism:** Provide a secure and confidential channel for reporting unethical or unlawful behavior without fear of retaliation.

8. AMENDMENTS AND UPDATES

This Policy may be reviewed and amended by the Board from time to time, as deemed necessary or in line with applicable laws, regulations, or guidelines. In case of any regulatory changes inconsistent with this Policy, the provisions of such regulatory updates shall prevail.

9. COMMITMENT STATEMENT

By adopting this ESG Policy, Khemani reaffirms its commitment to sustainable and responsible growth. We believe that responsible business conduct strengthens our competitive advantage, enhances stakeholder trust, and secures long-term value creation.

#This policy was reviewed and approved by Board of directors in their meeting held on 21/05/2025#