

ANNEXURE VII

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : L28113MH2010PLC312871
2. Name of the Company : RHI Magnesita India Limited
3. Registered address : Unit No. 705, 7th Floor, Lodha Supremus,
Kanjurmarg Village Road, Kanjurmarg (East)
Mumbai, Maharashtra - 400042
4. Website : www.rhimagnesitaindia.com
5. E-mail id : corporate.india@RHIMagnesita.com
6. Financial Year reported : 1 April 2021 to 31 March 2022
7. Sector(s) that the Company is engaged in (industrial activity code-wise)

Group	Class	Sub-class	Description	Sector
239	2399	23993	Manufacturing of refractory products	Refractory

8. List three key products/services that the Company manufactures/provides (as in balance sheet) : Refractory and Monolithics
9. Total number of locations where business activity is undertaken by the Company
 - (a) Number of International Locations (Provide details of major 5) : Nil
 - (b) Number of National Locations : The Company carries manufacturing operation at 3 (three) locations in India
10. Markets served by the Company : Local/State/National/International - All markets

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR in lacs) : INR 1,609.96
2. Total Turnover (INR in lacs) : INR 199,070.53
3. Total profit after taxes (INR in lacs) : INR 26,792.32
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : 0.88%
5. List of activities in which expenditure in 4 above : For details, please refer Corporate Social has been incurred Responsibility Report (Annexure II of Board Report)

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? : Yes
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? : Yes
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] : The Company does business with reputed organizations who undertake BR initiatives as per their respective organizational policies.

SECTION D: BR INFORMATION**1. Details of Director/Directors responsible for BR****a. Details of the Director/Directors responsible for implementation of the BR policy/policies**

DIN Number	:	06500871
Name	:	Mr. Parmod Sagar
Designation	:	Managing Director & CEO

b. Details of the BR head

DIN Number (if applicable)	:	Not Applicable
Name	:	Mr. Purshottam Dass
Designation	:	Senior Vice President
Telephone number	:	+91 1493 2222 66
e-mail id	:	Purshottam.Dass@RHIMagnesita.com

2. Principle-wise (as per NVGs) BR Policy/policies**a. Details of compliance (Reply in Y/N)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
i.	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
ii.	Has the policy being formulated in consultation with the relevant stakeholders?	The policy(ies) has been framed keeping in mind the interests of the stakeholders at large.								
iii.	Does the policy conform to any national / international standards?	Various practices/processes emanating out of the policy(ies) conform to national/international standards.								
iv.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
v.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
vi.	Indicate the link for the policy to be viewed online?	https://www.rhimagnesitaindia.com/investors/corporate-governance/policies								
vii.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policy(ies) has been disseminated on the Intranet and website of the Company.								
viii.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
ix.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	The individual policies by and large prescribe a grievance redressal mechanism for the stakeholders concerned. Wherever, the individual policies do not explicitly state the grievance redressal mechanism, grievances can be addressed to corporate.india@RHIMagnesita.com								
x.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Internal Auditors of the Company review the implementation of policies and effectiveness of controls from time to time. No dedicated Business Responsibility audit has been conducted.								

b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**3. Governance related to BR****a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

The assessment is a continuous process and there is no defined frequency at which this assessment is done.

- b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report?

How frequently it is published?

The Company annually upload BRR to its web site. BRR are available at <https://www.rhimagnesitaindia.com/investors/financials-reports/business-responsibility-report>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

Businesses should conduct and govern themselves with ethics, transparency and accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Our long-standing reputation for integrity is our most important asset. At RHI Magnesita, every employee, suppliers, contractors and Joint Ventures are responsible and accountable for upholding our high ethical values. In these challenging times, our unwavering commitment to integrity remains steadfast. We do not engage in, nor do we tolerate, corrupt behavior by our employees or suppliers. We employ a multi-faceted approach to prevent corruption. We have clear and unequivocal policies concerning improper payments, facilitation payments, gifts and hospitality, sponsorships and donations, and other areas of risk for public and private corruption.

Our anti-corruption program aims to prevent corrupt behavior and encourage people to report concerns. In 2020 we rolled out a system for Internal Audit, Risk & Compliance teams to monitor employees' gifts, entertainment, and hospitality requests across all regions. We also use a tool to detect excessive gifts and hospitality that could lead to conflicts of interest. Strong due diligence procedures remain in place for the appointment and extension of any contracts with third parties used in sales and promotion roles, which are subject to approval by Internal Audit, Risk & Compliance teams.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

During the year, there was no referral made under the Whistle Blower policy of the Company.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company undertakes to assure safety and optimal resource use over the lifecycle of its products. The Company, being a material science & technology-oriented company continuously innovates and strives for optimal resource use over the life cycle of the products it manufactures.

- Mono nozzles (Nozzle changers) and Mono tubes have been introduced in market.
- The old design slide gate mechanisms at customer has been replaced with new S-gate and Sx gate mechanisms and refractory.
- Production of purge plugs using shrink fit technology has been started in Company' plant at Bhiwadi.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

We are Zero Discharge Company, therefore Unit consumption is not appropriate measure.

- b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The electrical energy used for heating during process is being replaced by Piped Natural Gas (PNG). Due to which carbon generation has been reduced significantly.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

The Company's integrated operations ensure sustainable usage of the available resources. Joint project opportunities amongst various business units improve efficiencies in sourcing besides resulting in product efficiencies.

Conscious efforts are made to ensure that everyone connected with the Company be it the designers, producers, value chain members, customers and recyclers are made aware of their responsibilities. The Company's efforts through Lean methodologies and Total productive maintenance initiative help in achieving operational efficiencies also resulting in energy conservation and sustainable operations. Usage of materials which are either recycled or capable of recycling assumes top priority.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company's global and complex operations does not complement the procurement of goods and services from local and small producers in its location of manufacturing operations. However, the Company interacts with the local & small producers at regular intervals on the business and quality requirements. Assured volumes instils confidence in them to supply quality products by adopting sustainable and safe practices. More local suppliers for metal parts have been developed last year. The Company from time to time provides training and guidance on optimum use of resources, thereby saving cost and time. This has resulted in the small producers manufacturing products which are benchmarks in quality, thereby gaining an edge over the market.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).

Duly recognizing that over-consumption results in unsustainable exploitation of the planet's resources, the business units in the Company are committed to promoting sustainable consumption, including recycling of resources.

The Company has sustainable processes in place to recycle the products and waste, post completion of the manufacturing life cycle.

The Company has an integrated value cycle mapping process. For example: Use of more than 16 % of recycled raw collected from different steel plants.

The Company strives to keep the workplace environment safe, hygienic humane, upholding the dignity of the employees including conducting trainings and sending suitable communications on regular basis. The Company's strategic pillars for capability development, propelling performance, scaling up capability and the dedicated HR initiatives thereunder continue to facilitate constant upgradation of the skill and competency of the employees.

The dedicated learning and development programmes enhance the right skill sets and relevant knowledge to employees to achieve operational and futuristic benefits. The learning solutions are designed as per the training need analysis. Proactive steps and structured problem-solving mechanisms with focus on people issues and periodical communication on business related issues ensure cordial industrial relations.

Principle 3

Businesses should promote the wellbeing of all employees.

Any organization is as good as the people who work for it. The trusting and caring ecosystem allows the Company to nurture a workforce that works passionately in tandem with its core values.

The Company is committed to providing equal opportunities both at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability etc.

Providing and maintaining a safe and hygiene working environment is a continuous process at RHIM. Periodic awareness sessions, training on usage of protective equipments, identifying and eliminating unsafe conditions are given top priority. Our plant is ISO -45000 certified for occupational health and safety management systems. The Company continues its commitment to employ and empower women and its initiatives such as friendly workplace policies for women, policy for prevention of sexual harassment, redressal mechanism in the form of Internal Complaints Committee, women welfare Committees etc. augurs well.

- 1. Total number of employees : 827
- 2. Total number of employees hired on temporary/contractual/casual basis : 1,412
- 3. Number of permanent women employees : 24
- 4. Number of permanent employees with disabilities : Nil
- 5. Do you have an employee association that is recognized by management? : Yes. There is recognized trade union affiliated to trade union bodies
- 6. What percentage of your permanent employees is members of this recognized employee association? : 100 % workmen (which is 11.25 % of the permanent employees) are members of recognised employee association.
- 7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
Child labour/forced labour/involuntary labour	Nil	Nil
Sexual harassment	Nil	Nil
Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Category of employees	Safety	Skill Upgradation
Permanent Employees	90%	80%
Permanent Women Employees	100%	100%
Casual/Temporary/Contractual Employees	100%	90%
Employees with Disabilities	Nil	Nil

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders?

Yes. The Company has identified its internal and external stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

The Company's Corporate Social Responsibility (CSR) policy drives the initiatives undertaken by the Company towards the benefit of the disadvantaged, vulnerable and marginalized stakeholders. The systems and process in place to systematically identify stakeholders and for understanding their concerns and for engaging with them is reviewed from time to time. The feedback mechanism available for shareholders and customers to assess the services levels and other complaints follows the spirit laid down herein.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?

The Company on a periodical basis undertakes dedicated activities as a part of its CSR initiatives for the disadvantaged, vulnerable and marginalized stakeholders in and around the Company's factories/plants. Education, sports and health aids are provided to schools in rural/under-developed areas and to schools supporting differently abled children.

Principle 5

Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company's policy on human rights is imbibed in its values represented in the Five Ethics and Four Cultural values of the Company. The alignment with this value system is expected out of any person dealing with the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? Nil.

Principle 6

Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

Safeguarding and protecting the environment is a shared value of the Company and its subsidiaries, joint ventures and associates. However, these companies have their own Safety, Health and Environment policies depending on the nature of their business and the local regulatory requirements. The

Company's suppliers and contractors would be governed by their respective policies. The Company exercises due diligence in the selection of suppliers/contractors/others who are aligned with its value system.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?

Being in the manufacturing business, the Company has mechanisms in place to ensure compliance with the applicable environmental laws. The Company is committed to be an environment friendly organization and has a dedicated Environmental Policy. The Company is an active player in practicing initiatives to address environmental issues and ensuring sustainable development. For Bhiwadi Plant the Company has received the ISO 14001 certificate for their Environment Management Systems, ISO 45000 certificate for safety and occupational health Management System and ISO 9001 for Quality Management Systems. Plant is maintaining zero water discharge. Further, the Risk Management framework covering the Environmental risks is reviewed on a periodical basis and the steps that are required to be taken for mitigating the related risks are analyzed and implemented.

The Company also recognizes the significance of a greener belt by which several saplings are planted on a yearly basis to reduce the carbon footprint.

The Company has removed cooling towers from few applications to reduce water intake from ground. The Company is also using all recycled water.

The Company continues to pursue decarbonization initiative. Usage of cleaner fuel, recycled material and process innovation are key methodologies of the Company to address global environmental issues.

3. Does the company identify and assess potential environmental risks?

Yes. Identification of potential environmental risks and the mitigation plan thereon is a continuous process. Further, the Company also ensures that the effluent/ emissions are within the permissible limits as prescribed by the statutory authorities.

4. Does the company have any project related to Clean Development Mechanism?

No, the Company has not undertaken any specific project related to the Clean Development Mechanism as per the Kyoto Protocol. However, Bhiwadi Plant is already certified for ISO 14001 & ISO 45001.

5. Has the company undertaken any other initiatives on — clean technology, energy efficiency, renewable energy, etc.?

The Company utilizes its resources in an optimal and responsible manner ensuring sustainability through reduction, reuse, re-cycling and managing waste. Appropriate measures to check and prevent pollution are undertaken and wherever required assessment of environmental consequences, if any, is taken up with due regard to public interest. Equitable sharing of access and commercialization of biological and other natural

resources and associated traditional knowledge is encouraged. The Company seeks to improve its environmental performance by adopting cleaner production methods, promotion of energy efficient and environmentally friendly technologies. Suitable processes and systems are developed with contingency plans and processes that help in preventing, mitigating and controlling environmental damages caused due to the Company's operations.

For more details on the energy conservation initiatives – please refer Annexure IV of the Directors' report for the FY 2020-21.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the Company being in manufacturing business, at all times ensures compliance with the applicable environmental laws. The Environment Policy of the Company and the ISO-14001 certification of its facilities reiterates its commitment to be an environment friendly organization setting standards in environment management.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year : Nil

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: Yes

- Indian Refractory Manufacturers Association
- World Refractory Association through ultimate holding company RHI Magnesita N.V.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?

The Company is not actively involved in lobbying. However, as a responsible corporate citizen, the Company as a part of industry association makes recommendations/ representations before regulators and associations for advancement and improvement of industrial climate in India.

Principle 8

Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?

No, the Company does not have any specified programmes/initiatives/projects in pursuit of the policy related to Principle 8. The Company believes that social responsibility is not just a corporate obligation that has to be carried out, but it is one's dharma. Therefore, our philanthropic endeavors are a reflection of our spiritual conscience, and this provides us a way to discharge our responsibilities to the various sections of the society.

The CSR Committee, constituted for implementation of the well-defined CSR policy laid out by the Company, reviews the spend to be made and the projects for which such funds need to be allocated. The CSR policy highlights the responsibility statement of the Company towards CSR, the principles guiding the initiative, the manner of implementation and the reporting thereof. Skill Development, education and health care are the priority focus areas for the CSR initiatives of the Company.

During Covid wave-2 Company has Vaccinated more than 4,000 persons as a part of CSR. In health care domain the Company has organized health check-up camps to offer curative services and conducted awareness programmes on

health issue. The Company has incurred running expenses of ambulance to provide health support to the society. Water and sanitation facilities were also provided under CSR activities at various places. The Company has contributed to Clean Ganga Fund for cleanliness of water and manage drinking water. To promote the education facility, the Company has renovated school building and toilets in surrounding areas, further provided necessary infrastructure & reading materials to girl hostel to promote girl child education.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

The Corporate Social Responsibility initiatives of the Company are implemented through an in-house team as well as direct contribution to various external NGOs e.g. Rotary foundation, Rotary Club of Bhiwadi-Shakti Center for human care, The Earth Saviours Foundation etc.

3. Have you done any impact assessment of your initiative?
No

4. What is your company's direct contribution to community development projects?

Please refer the CSR report in Annexure II of the Board's report for the FY 2021-22 for complete details on the spend made by the Company during the FY 2021-22.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

The Company's dedicated CSR team focuses education of under privileged girl students. Therefore, various schools in Bhiwadi and Vizag, have been adopted by the Company and provided various necessary items and other financial support to these schools. Also, various cleanliness drive and health checkup programmes for nearby communities have been undertaken by the Company. The Company also set up RO water plant in nearby villages in Vizag.

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

The total number of customer complaints across all businesses which were pending at the end of the year where work was in progress constitutes less than 5% which have been subsequently resolved. Robust customer complaint Management system is in place.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

Yes. Wherever relevant, the Company encourages that its packaging/labeling contain detailed information regarding safe handling, storage, and use, which is over and above what is mandated as per local laws.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year.

None

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes. The Company on a periodical basis conducts various consumer survey/satisfaction trends. The Company put its customers at the fulcrum of its business strategy. The Company

understands their requirements and provides them holistic solutions rather than merely supplying materials. The Company collaborates meaningfully with its customers for co-creating sustainable products and solutions. Dedicated customer/dealer meetings, customer plant visits, transparent and compliant product labeling ensures awareness creation for the product usage and safe disposal. Customer visits are not necessarily confined to their product needs but also extends to sharing of best practices like TQM, TPM etc. It is also worthy to note that a significant portion of the Company's business pertains to offering customized products. Hence, customer's requirements rank very high to the Company.

The Business Responsibility Policy of the Company governing its business sustainability efforts is available on the Company's website <https://www.rhimagnesitaindia.com/investors/corporate-governance/policies>

On behalf of the Board of Directors

Parmod Sagar
Managing Director & CEO
(DIN: 06500871)

Dr. Vijay Sharma
Chairman
(DIN: 00880113)

Gurugram, 10 August 2022