

ESG POLICY			
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## INTRODUCTION:

In today's business landscape, an Environmental, Social, and Governance (ESG) Policy is a strategic imperative for organisations looking to thrive besides statutory compliances to applicable companies. It enables companies to manage risks, seize opportunities, and build a more sustainable and responsible future. CJ Darcl Logistics Limited (“CJ Darcl” or “Company”) firmly believes that ESG principles are vital for building a resilient business and assets that provide long-term value to its investors and relevant stakeholders. This ESG Policy outlines the Company’s comprehensive approach to incorporating ESG into its business operations and processes.

## OBJECTIVE:

This Policy aims to:

- (i) Clarify CJ Darcl stance on ESG matters and integrate ESG factors into business operations.
- (ii) Function as a guiding document for the Company’s ESG initiatives and actions.
- (iii) Inform all employees, workers and pertinent stakeholders about the Company's ESG targets, enhancing their awareness of their roles and responsibilities.
- (iv) Inspire all stakeholders of CJ Darcl to create applicable ESG systems and encourage their involvement in activities that contribute meaningfully to the Company's sustainability objectives.

## SCOPE:

The policy framework expresses CJ Darcl commitment to ESG. It applies to all employees, workers and staff at the Company, including contractual and part-time staff, visitors, the public and the community around the Company’s existing and upcoming facilities.

## GOVERNANCE MECHANISM:

The Company shall establish a dedicated ESG Committee tasked with implementing the overarching ESG policy framework, assessing ESG performance across various functions and communicating ESG advancements to internal and external stakeholders. Additionally, the Committee shall ensure compliance with ESG-related regulations, monitor progress towards objectives and review the ESG disclosures.

## ENVIRONMENT

Environmental management is of paramount importance to CJ Darcl. Addressing environmental concerns not only ensures long-term business viability but also helps reinforce the Company’s commitment to good corporate citizenship. As a responsible company, we are cognizant and resilient of the fact that energy and resources are required across business operations in significant amounts. CJ Darcl is committed to help conserve resources, reduce waste, and protect ecosystems by introducing practices that reduce energy

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consumption and waste production. Similarly, by implementing sustainable practices and opting for sustainable travel options, the Company can significantly cut down on Greenhouse Gas (GHG) emissions arising from travel, which forms a significant portion of the Company's operations. Furthermore, implementing environmentally friendly practices can save fuel consumption and energy usage.

## EMISSION MANAGEMENT

CJ Darcl is dedicated to reducing energy and carbon footprints since climate change is one of the biggest threats to our planet.

### I. Regulatory Compliance and Permits

In cases where it is relevant, CJ Darcl will adhere to all pertinent laws and regulations concerning greenhouse gas (GHG) emissions, which may encompass emission limits, trading schemes, or reduction mandates. Examples include:

- i. Meeting the obligation to report and/or register the inventory of GHG emissions as mandated by local or national authorities.
- ii. Managing GHG emissions to stay below any regulated emission thresholds.
- iii. Maintaining records of permits and information related to GHG emissions.

### II. Reporting of GHG Emissions

For every emission source that is part of the GHG emission inventory, CJ Darcl shall establish a plan or formulate a method to assess and oversee GHG emissions. This encompasses the collection of data and the regular updating of emission calculations.

### III. Emission Reduction Targets and Monitoring Progress

Annually, CJ Darcl shall review its GHG emissions inventory and establish objectives for reducing emissions through alterations in processes, mitigation efforts, enhanced energy efficiency, the adoption of sustainable energy, or alternative tactics. The Company shall specify goals for an overall reduction, reduction based on intensity, or a combination of both.

## ENERGY MANAGEMENT

CJ Darcl shall make efforts to optimise energy efficiency and reduce energy wastage in all forms. The Company shall establish Key Performance Indicators (KPIs) for energy consumption and regularly monitor and report on energy usage to track progress and identify areas for improvement.

### I. Energy Optimisation

The Company shall:

- i. Upgrade lighting systems to energy-efficient options such as LED lighting.



- ii. Implement motion sensors and timers to control lighting in warehouses, offices and outdoor areas to reduce unnecessary energy consumption.
- iii. Invest in fuel-efficient vehicles,
- iv. Optimise route planning to reduce mileage
- v. Optimise packaging materials and design to reduce shipping weight and volume, leading to fuel savings during transportation.
- vi. Replace or upgrade outdated equipment and machinery with energy-efficient models. This includes conveyors, forklifts and material handling equipment.
- vii. Work with suppliers to reduce the energy footprint of inbound materials and products. It shall also collaborate on sustainable transportation practices and packaging solutions.

## II. Renewable Energy

The Company shall explore and integrate opportunities for harnessing renewable energy sources, such as solar panels on rooftops of large logistics sites. These sources can offset electricity costs and reduce carbon emissions.

## III. Employee Training

All employees shall be trained in energy optimisation techniques. All persons engaged in energy management shall receive training on proper procedures and regulatory compliance.

## IV. Documentation

The Company shall maintain:

- i. Records related to energy efficiency certifications, such as Energy Star certifications for buildings and products, should be maintained to validate energy efficiency claims.
- ii. Documentation pertaining to employee training programs related to energy efficiency, safety, and energy-saving practices. These are essential to verify that employees know and comply with energy management procedures.
- iii. Documentation demonstrating compliance with energy-related regulations, permits, and reporting requirements. This is essential to avoid legal issues and fines. This may include emissions reports, energy benchmarking data, and regulatory correspondence.

## WASTE MANAGEMENT

Waste management and proper disposal is our prime responsibility. The Company is committed towards the management of all wastes appropriately.

### I. Waste streams



CJ Darcl shall identify and characterize waste streams as Hazardous or Non-Hazardous Waste per applicable regulations. The Company is responsible for developing and maintaining a Waste inventory for all waste generated. The waste inventory must contain the following:

- i. the amount of waste created each month,
- ii. the classification of the waste (hazardous or non-hazardous),
- iii. the method of disposal, recycling, or alternative disposal for all waste,
- iv. names of waste transport and disposal providers.

## II. Waste storage and disposal

CJ Darcl shall ensure that:

- i. All waste storage areas are clearly labelled and marked with appropriate signage to indicate the types of waste stored, storage instructions, and emergency contact information
- ii. Waste storage areas, especially those containing hazardous materials, should have secure locks and access control measures to prevent unauthorised access and ensure safety.
- iii. Proper PPE kits comprising disposable gloves and masks are to be worn by personnel when dealing with hazardous waste.
- iv. Waste storage areas may also be equipped with emergency response equipment such as spill kits, fire extinguishers and eye wash stations to address emergencies promptly.

Waste disposal mechanisms are crucial for properly managing and removing waste materials generated during daily operations and effective waste disposal helps ensure regulatory compliance, environmental responsibility and overall efficiency. The Company shall maintain detailed records of waste disposal activities, including quantities, disposal methods, and compliance with regulatory requirements. These records are essential for auditing and regulatory reporting.

## III. Employee Training:

All employees involved in waste management shall receive training on proper procedures and regulatory compliance related to waste management.

## IV. Documentation

All Waste management records and documentation shall be maintained. CJ Darcl shall retain the documentation related to Waste management, such as:

- i. Documentation of employee training programs and certifications related to waste management for a period of 3 years
- ii. Copies of all permits, licenses, and registrations required for waste management activities, as required by current legislation
- iii. Information on vendors and service providers involved in waste management, including those responsible for waste transportation, recycling, treatment or disposal.



- iv. Any other documentation that demonstrates compliance with waste management regulations and standards. This may include audit reports, inspection records and any correspondence with regulatory agencies.

## **WATER AND WASTEWATER MANAGEMENT**

CJ Darcl is committed to enhancing water efficiency by minimising waste and exploring opportunities for water reuse. The Company shall monitor water withdrawal and consumption and report on its performance regularly.

### **I. Reducing and managing Wastewater:**

CJ Darcl shall take steps to decrease and manage Wastewater generated through the following methods:

- i. Implementing water conservation measures in its offices, such as installing low-flow faucets, toilets and sensor taps.
- ii. Implement wastewater recycling systems wherever feasible
- iii. Ensuring proper maintenance and timely equipment repairs to prevent leaks and spills.
- iv. Ensuring compliance with all relevant regulations governing wastewater management. This includes obtaining the necessary permits and adhering to discharge limits and reporting requirements.
- v. Continuously assessing wastewater management practices for opportunities to reduce wastewater generation, improve treatment efficiency and enhance environmental performance.

### **II. Employee Training:**

All employees involved in wastewater management shall receive training on proper procedures and regulatory compliance related to wastewater management.

### **III. Documentation:**

CJ Darcl shall keep records of all wastewater testing outcomes and disposal activities. It shall also maintain records of employee trainings conducted in this regard.

## **SOCIAL**

Management of social aspects is extremely pertinent to CJ Darcl. A wide range of issues related to the Company's impact on society and its treatment of employees, customers, communities, and other stakeholders can be included within this parameter. As a good corporate citizen, the Company shall endeavour to provide and make available all relevant mechanisms to improve performance in this regard.



## OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

Maintaining occupational health and safety (OHS) at CJ Darcl is crucial for protecting employees, minimising workplace accidents, ensuring regulatory compliance and promoting a safety culture.

### I. Maintenance of Occupational Health and Safety systems

CJ Darcl shall:

- i. Identify and assess potential hazards in the workplace, including warehouses, transportation, and office areas.
- ii. Regularly conduct risk assessments to identify new hazards and evaluate existing controls.
- iii. Develop and communicate emergency response plans, including evacuation procedures, first aid stations, and fire safety protocols.
- iv. Conduct regular emergency drills to ensure employees are familiar with procedures.
- v. Depending on job roles, provide and require appropriate PPE, such as safety helmets, gloves, and safety footwear.
- vi. Regularly inspect and replace damaged or outdated PPE
- vii. properly store, label, and handle hazardous materials according to relevant regulations.
- viii. Conduct regular workplace inspections to identify safety deficiencies and implement corrective actions.
- ix. Encourage employees to report safety concerns and incidents promptly.
- x. Conduct internal audits to assess compliance and address any non-compliance issues.
- xi. Foster a safety-first culture where employees understand the importance of OHS and actively contribute to maintaining a safe working environment.
- xii. Maintain emergency plans up to date with information specific to a given place, such as a fire or bomb threat, as well as contingency plans to keep the Company's key services running during an event or emergency scenario.

### II. Establishment of Health and Safety Committees

CJ Darcl shall:

- i. Form safety committees involving employees from different departments to discuss safety issues and recommend improvements.
- ii. Hold quarterly safety meetings to review incidents and share best practices.

### III. Incident Reporting and Investigation

The Company shall promptly initiate an unbiased investigation if a safety incident or accident occurs. CJ Darcl is committed to treating injured staff (permanent and non-permanent) and their families with dignity

and shall expedite the necessary paperwork to ensure that affected staff or visitors receive prompt medical attention.

#### IV. Avoiding Injuries

The Company shall implement measures to prevent injuries within its premises by:

- i. conducting regular ergonomic assessments to ensure the prevention of musculoskeletal and other injuries
- ii. ensuring that equipment and facilities are well-maintained to minimise the risk of accidents

#### V. Employee trainings

CJ Darcl shall ensure that it conducts yearly trainings for all employees and workers on fostering a safety-first culture. Personnel handling equipment shall also be trained in their proper operation and safety protocols, as per requirement.

#### VI. Documentation

The Company shall maintain all required accurate records of safety training held, incidents (including near-misses), inspections, and corrective actions. It shall ensure compliance with all relevant regulatory requirements and keep records accessible for regulatory reviews and audits.

### **PREVENTION OF CHILD/FORCED LABOUR**

CJ Darcl shall ensure adherence to all legal regulations and laws and maintain a strict policy against employing children and involuntary labour. No child below the age of 14 years and no adolescent under the age of 18 years shall be engaged in any hazardous activities. CJ Darcl shall also ensure that employment conditions are clearly defined in contracts and other employment-related documents and that these terms are effectively communicated to the individuals at the time of their joining.

#### I. Document Verification

CJ Darcl shall verify and maintain records of nationally accepted identity documents for its employees without requiring them to surrender their original documentation or limit their access to such documents.

#### II. Monitoring and Assessment

CJ Darcl shall conduct regular checks across its operations to ensure that no employee or worker is subjected to working conditions that violate relevant labour codes and laws.

#### III. Disciplinary Measures

In cases of non-compliance, CJ Darcl shall take immediate and decisive action. Guilty individuals may face consequences, including dismissal, suspension, contract termination with CJ Darcl, and any penalties or actions required by applicable regulations and laws.



#### IV. Communication and Training

The Company is committed to communicating its firm stance against child and forced labour not only within its business operations but also to its suppliers, vendors, and business partners on an ongoing basis. Through training programs and other educational resources, CJ Darcl shall ensure the dissemination of information about employee and worker labour rights effectively and regularly to all relevant stakeholders to enhance the overall effectiveness of this clause.

### EMPLOYEE WELL-BEING

CJ Darcl is deeply committed to the physical and mental well-being of both its permanent and temporary staff. It takes substantial steps to create an environment that fosters their growth and overall welfare. This dedication involves motivating them through rewards, offering counselling support, and providing additional perks, all while assisting them in achieving a healthy work-life balance.

#### I. Time Off

The Company recognises the importance of allowing employees, including contractual staff, time away from work. It is dedicated to ensuring that all its personnel receive adequate leave entitlements. The Company shall ensure strict adherence to its leave policy.

#### II. Overtime Work

CJ Darcl shall ensure that all overtime work is voluntary and no employee or worker is compelled to work extra hours due to fear or threats, including but not limited to the fear of losing wages, facing suspension, dismissal, or strict disciplinary action for refusing overtime.

#### III. Incentives and Benefits

The Company acknowledges the value of providing incentives and benefits to enhance the productivity and well-being of its workforce. It shall ensure a systematic performance appraisal process for all permanent employees. Similarly, any adjustments to minimum wage requirements shall be followed, reflecting in the compensation of the Company's contractual staff. The Company shall remain attentive to emerging and innovative methods that adapt to changing trends. Periodically, it shall implement these practices to boost employee motivation and efficiency.

#### IV. Counseling and Training Sessions

The Company shall host online programs focused on stress management and wellness sessions to safeguard the well-being of its permanent and temporary employees. It is committed to providing a suitable platform and support system for anyone within the organisation dealing with physical or mental health challenges. Additionally, the Company shall continually explore and implement more effective methods to enhance the productivity of these sessions.



## V. Feedback

The Company shall conduct periodic feedback sessions to ensure that the opinions of all personnel are taken into account when designing training programs.

## VI. Documentation

CJ Darcl shall maintain the following, among others:

- i. Documentation related to employee benefits enrollment, including health insurance, retirement plans, and other benefits.
- ii. Records of employee performance evaluations, feedback, and development plans.
- iii. Records of employee training, certifications, and skill development programs.
- iv. Documentation of safety training and certifications, especially for employees operating machinery or working in hazardous environments.
- v. Manuals and materials used for employee training and onboarding programs.
- vi. Records of employee surveys and feedback to assess job satisfaction and engagement

## COMMUNITY ENGAGEMENT

CJ Darcl is committed to building positive relationships with local communities, fostering goodwill and ensuring long-term success.

### I Regular Community Engagement

The Company shall ensure:

- i. Identify key stakeholders, including residents, businesses, government agencies, and community organisations.
- ii. Active participation in local community events, meetings, and forums.
- iii. Implementation of sustainable and environmentally responsible practices across logistics operations.
- iv. Sourcing goods and services from local businesses when feasible.
- v. Fostering partnerships with local suppliers and contractors.
- vi. Adaptation of engagement strategies as the community's needs evolve
- vii. Establishment of key performance indicators (KPIs) to measure the impact of community engagement efforts.

### II. Compliance

CJ Darcl shall ensure compliance with relevant CSR regulations and engage with relevant authorities to address any compliance issues proactively.



## GOVERNANCE

Robust governance mechanisms are essential to CJ Darcl's business conduct. Legal compliance, ethics, risk management and confidential data protection are crucial to achieving the Company's long-term sustainability goals. These provide a framework for responsible and transparent business operations, contributing to the Company's success and resilience in a competitive industry.

## RISK ASSESSMENT AND MITIGATION

Regular risk assessment is essential to a Company like ours, where operations are often complex and involve various potential risks. Implementing effective risk management measures can help a logistics company minimise disruptions, protect its assets, and ensure goods' safe and efficient movement.

### I. Risk Assessment and Identification

CJ Darcl shall:

- i. Conduct regular risk assessments to identify potential risks across all aspects of the business, including transportation, supply chain, safety, and regulatory compliance.
- ii. Consider internal and external factors that could impact operations, such as natural disasters, geopolitical events, and economic fluctuations.

### II. Risk Mitigation Strategies

CJ Darcl shall:

- i. Develop risk mitigation strategies for identified risks. These strategies should include specific actions to reduce the likelihood and impact of each risk.
- ii. Assign responsibility for implementing and monitoring risk mitigation measures to relevant teams or individuals.

### III. Contingency Planning

The Company shall:

- i. Develop comprehensive contingency plans for various disruptions, including natural disasters, strikes, and equipment failures.
- ii. Ensure that these plans address communication, alternative transportation routes, and temporary storage solutions.

### IV. Supplier Due Diligence

The Company shall:

- i. Conduct due diligence on suppliers and vendors to assess their financial stability, compliance with regulations, and reliability in delivering goods and services.
- ii. Establish contingency plans for supplier or vendor failures.



## V. Compliance

CJ Darcl shall stay up-to-date with changing regulations in the logistics industry, including transportation laws, safety standards and environmental regulations. The Company shall conduct regular audits to ensure compliance and address any potential issues promptly.

## VI. Employee Training:

The Company shall:

- i. Train employees on risk management procedures and encourage active involvement in identifying and reporting potential risks.
- ii. Foster a culture of risk awareness and responsibility among employees.

## VII. Documentation:

CJ Darcl shall maintain the following, among others:

- i. Record of training conducted
- ii. a Risk Register that identifies assesses, and records potential risks, including their likelihood, impact, and mitigation strategies.
- iii. Detailed reports outlining the results of risk assessments
- iv. and copies of insurance policies covering cargo, liability, property and other relevant aspects of the logistics business.
- v. Contracts with suppliers and vendors that outline responsibilities, service levels, and dispute resolution mechanisms.
- vi. Reports from internal and external audits assessing risk management processes, controls, and compliance
- vii. evaluations of risks associated with suppliers, including potential disruptions or quality issues.

## ETHICS AND COMPLIANCE

### I. Regulatory Compliance:

The Company shall stay up-to-date with changing regulations in the logistics industry, including transportation laws, safety standards, and environmental regulations. It shall also conduct regular audits to ensure compliance and address any potential issues promptly.

### II. Third-Party Due-Diligence

The Company shall conduct due diligence on suppliers, vendors, and business partners to ensure they comply with ethical and compliance standards.

### III. Employee Training

CJ Darcl shall create training materials that cover essential topics, including:



- i. Legal requirements and regulations in the logistics industry.
- ii. Company-specific policies and procedures related to ethics and compliance.
- iii. Anti-bribery, anti-corruption, and anti-fraud principles.
- iv. Data privacy and security.
- v. Environmental responsibility and sustainability.
- vi. Fair competition
- vii. Conflict of interest and whistleblower protection.

The Company shall tailor training content to address its unique challenges and risks and ensure that training materials reflect CJ Darcl's values, culture, and industry context.

## DATA PRIVACY AND MANAGEMENT

CJ Darcl is committed to efficiently safeguarding the data of its employees, workers, and customers to prevent any data loss. Any documents containing personal information, whether for customers, employees, workers, or visitors, will be shielded from unauthorised access, misplacement, disclosure, destruction, or improper use.

### I. Compliance

CJ Darcl shall strictly adhere to all regulatory laws and processes related to data security, including ISO 27001. It shall verify that its data privacy policy is consistently followed throughout the organisation and take rigorous disciplinary measures against individuals in violation or non-compliance.

### II. Data access and authorisation matrix

The Company shall maintain a list of authorised personnel and their access levels to different data sets and systems, ensuring data is only accessible to those with the appropriate permissions.

### III. Employee Training

Employees responsible for handling confidential information shall receive periodic training. CJ Darcl's IT team shall regularly communicate best practices, send reminders about installing and using antivirus and anti-malware software, emphasise the importance of encrypting customer data, encourage regular password changes, promote malware detection, and stress the safe backup of confidential data.

### IV. Documentation

The Company shall maintain:

- i. Documents related to internal and external audits and compliance assessments of the Company's data management practice.
- ii. records of any data breaches or security incidents, including incident details, actions taken, and resolutions
- iii. records of trainings conducted



## REVIEW AND AMENDMENT OF POLICY

The ESG policy's focus areas and Key Performance Indicators (KPIs) outlined in this document may undergo revisions based on emerging risks and opportunities, as determined by the Board Committee. CJ Darcl reserves the right to make any required amendments to this Policy.

For **CJ DARCL LOGISTICS LIMITED**



Junghun Baig  
(Dy. CEO)



Krishan Kumar Agarwal  
(Managing Director)