

# CORPORATE SOCIAL RESPONSIBILITY POLICY

## PLANT LIPIDS PRIVATE LIMITED

Effective Date: 15<sup>th</sup> May 2015

### Contents

1. Preamble .....	2
2. Purpose .....	2
3. Policy Statement /Vision.....	3
4. Scope .....	4
5. Governance .....	4
6. CSR Committee.....	5
7. CSR Budget.....	5
8. Supervision.....	6
9. Implementation .....	6
10. Disbursement .....	7
11. Monitoring.....	7
12. Reporting.....	8
13. CSR Programs/Projects .....	9
14. Areas for CSR Intervention	
Annex 1	

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

- **Preamble**

Plant Lipids is one of the Largest producers of Spice oils and extracts in the world. Plant Lipids manufactures and exports essential oils, spice oleoresins, natural food colors, whole and ground sterilized spices to many countries all over the world. CSR covers the entire process by which an organization approaches, defines and develops its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate strategies and projects. Thus, CSR is not charity or mere donations but a way of going beyond business as usual, creating shared value and contributing to social and environmental good.

- **Purpose**

Plant Lipids is actively concerned about the welfare of the society at large. To that extend this CSR policy epitomizes Plant Lipids' values in defining its responsibility as a corporate citizen. This policy titled as Plant Lipids CSR policy, further lays down the guiding principles and mechanism for undertaking socially useful programs for welfare, sustainable development, and technological advancements for the society at large. Plant Lipids Private Limited (Plant Lipids) is committed to identifying and supporting programs aimed at:

- Socio Economic development of community and, those at the base of the pyramid who are unequally endowed/enabled.
- To contribute to society at large by way of social, economic, cultural

development, imparting education, training and development and skill enhancement programs for their development and generation of income.

- Reducing negative impact of its operations on the environment, and
- To reinforce a positive and socially responsible image of the Company in the society.

This policy will serve as a guiding document to help, identify, execute, and monitor CSR projects in keeping with the spirit of the policy. The CSR policy would function as a self-regulating mechanism for CSR activities and enable adherence to laws, ethical standards, and international practices in this regard.

- **Policy Statement /Vision**

Plant Lipids' mission is to contribute to the social and economic development of the underprivileged community. Through a series of interventions, Plant Lipids seeks to mainstream economically, physically, and socially challenged groups and to draw them into the cycle of growth, development, and empowerment. At the core of this, its commitment is to reach out to marginalized communities through its Sustainable Livelihood Initiatives.

Plant Lipids' strategy is to integrate its activities in community development, social responsibility and environmental responsibility and encourage each business unit or function to include these considerations into its operations. In alignment with vision of the Company, Plant Lipids, through its CSR initiatives, will continue to enhance value creation in the society through its services, conduct & initiatives, to promote sustained growth for the society.

- **Scope**

This policy will apply to all projects/programs undertaken by Plant Lipids in India through its factories, warehouse or at contract manufacturing locations as part of Plant Lipids. CSR activities will be developed, reviewed, and updated by reference to relevant codes of corporate governance and international standards or best practices. This policy is also in line with the provisions of Section 135 and CSR Rules framed under the Companies Act, 2013.

- **Responsibility of the Board of Directors**

The Board is responsible for:

- Approving the CSR policy as formulated by the CSR Committee, subject to necessary changes/modifications as the Board may deem fit.
- Ensuring that in each financial year, the Company spends at least 2% of the average net profit in accordance with the provisions of the section 135 of the Act and the Rules notified there under.
- Ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively.
- Disclosing in its Annual report the name of CSR committee members and name of CSR Advisors and the content of the CSR policy and ensure annual reporting of its CSR activities on the company website any other acts, deeds and things as may be required under law from time to time.

Overall governance of CSR and approving of the CSR Policy will be responsibility of the CSR Committee of the Board. The CSR Committee of Plant Lipids will be responsible for administering and executing the policy.

As Plant Lipids 's CSR activities evolve further, the policy may be revised with approval of the Board after taking into recommendations of the CSR Committee.

- **CSR Committee**

Plant Lipids will institute a CSR Committee of the Board consisting of two or more directors. The committee also will take the support and assistance of CSR Advisors as experts of the CSR rules and to guide the company to deliver intended objective. The Committee will meet at least four times in a year. The following shall be the terms of reference of the Committee.

- To formulate Plant Lipids' s CSR strategy, policy, and goals
- To monitor the Plant Lipids 's CSR policy and performance
- To review the CSR projects/initiatives from time to time, keeping in view the amendments in the CSR provisions in accordance with provision of statutes.
- To ensure legal and regulatory compliance from a CSR viewpoint
- To ensure reporting and communication to stakeholders on Plant Lipids 's CSR Projects/initiatives.

CSR Committee will be formed from time to time by the board as per the requirement of statute and will be modified from time to time.

- **CSR Budget**

The overall amount to be committed to CSR will be approved by the Board as part of Plant Lipids overall Annual Budget/ Plan. Within the budgeted amount, specific CSR initiatives/ projects will be approved in line with the process approved by the CSR Committee of the Board. All projects undertaken by

Plant Lipids will be approved / ratified by Plant Lipids CSR Committee.

- **Supervision**

Plant Lipids CSR activities will be driven by a dedicated CSR team under the guidance of directors and with support of plant manager, warehouse heads and CSR Advisors in particular. The CSR Committee would play a significant role in ensuring that the CSR policy is embedded across the Plant Lipids operations in India and the CSR initiatives are in line with the policy.

- **Implementation**

Plant Lipids will undertake CSR projects which are closely linked with the principles of sustainable development and shared value, with the involvement of local institutions and the community at large. The CSR projects will be executed by NGOs as well if required, board will take decisions on this front from time to time.

The CSR committee would assist in implementation and monitoring of the CSR projects/initiatives. For actual implementation of various initiatives, Plant Lipids will collaborate with various other NGOs, Trusts, Societies, Section 8 companies, or through collaborative projects with other corporate. In case of the implementing agency being a 'not for profit' organization, the entity should typically have not less than three years of experience in implementing projects in the respective area. The other implementation partners will be screened based on the Plant Lipids internal screening criteria to ascertain the entity's credibility and its ability to execute the proposed projects.

- **Composition of CSR Core Working Team:**

The CSR Committee may appoint a CSR core working team consisting of requisite number of persons as deemed appropriate to undertake its CSR activities on an ongoing basis. The Team will undertake the below activities.

- a) Responsible for on ground assessment of the project
- b) Responsible for timely execution, monitoring and reporting of projects
- c) Plan annual budget for CSR activities in coordination with CSR committee.
- d) Responsible for documentation and reporting

- **Disbursement**

The disbursal of funds will be either in tranching drawdown form or one-time payment depending on the nature and requirement of the project.

- **Monitoring**

The CSR Committee will ensure a transparent monitoring mechanism for ensuring effective implementation of the projects / programs/ activities proposed to be undertaken.

The CSR Committee would have the responsibility of monitoring approved projects and funds disbursements for such projects. Monitoring mechanisms will include visits, meetings, and progress/status reporting by the project teams. The CSR activities will be reviewed by the CSR Committee. A system will be put in place to maintain a transparent monitoring and reporting mechanism

across all the stakeholders involved in the CSR activities of Plant Lipids, as required by the CSR Rules (Section 135, Companies Act, 2013).

The respective monitoring teams above shall be responsible for providing periodic progress reports to the Company. Such teams will ensure that the project gets completed within the specified time. The Company may also appoint specialized agency/consultants for monitoring the projects, if required.

The progress report of the projects undertaken shall be reported as under:

- 1) The respective monitoring teams shall make a quarterly report to the CSR Committee.
- 2) The CSR Committee shall present an annual report on the performance of all projects/activities to the Board of Directors.

The impact assessment would be conducted by an external agency, particularly for larger projects which have a significant social or economic impact. The impact assessment study shall be conducted wherever applicable after the project completion and necessary minimum gestation period. All CSR activities and expenditures made thereon shall be subject to audit by the Company's Auditors.

- **Reporting**

Significant CSR activities and achievements will be reported as part of the Director's Report in Plant Lipids' Annual Report and as per any other statutory and regulatory reporting requirements.



- **CSR Programs/Projects**

Plant Lipids is highly supportive of the involvement of its employees in its CSR initiatives and in community activities especially from manufacturing and warehouse point of view and will therefore proactively engage with employees and other key stakeholders to solicit their active involvement in the Plant Lipids CSR programs.

To provide a focused and structured approach to the program, Plant Lipids will focus its support and CSR spends on specific pre-determined causes and areas of intervention as outlined in the Annexure to the policy. The CSR Committee would put up to the Board appropriate details of proposed projects including implementation year, modalities of execution in the areas/sectors chosen, implementation schedules for the same etc. The CSR Committee will consider and approve (in line with the guidelines given below), CSR projects/programs to be undertaken during the year.

- a) Plant Lipids will ensure that its CSR projects are non-discriminatory in nature and do not have any restrictive political or religious affiliations.
- b) The programs/ projects will be within the areas recommended / listed by the CSR Committee and mentioned in the Policy.
- c) The programs/ projects will be beyond business as usual.
- d) The programs/projects will be implemented within the country.
- e) Plant Lipids will actively consider Programs/Projects that have been identified by employees and also those where employees are directly involved through volunteering efforts.
- f) Programs/Projects that integrate business models with social and

environmental priorities and processes to create shared value will be encouraged.

- g) Plant Lipids will consider Programs/Projects closely linked with the principles of sustainable development.
- h) Programs/Projects should not be exclusively for the benefit of employees of the company or their family members or those that are conducted /undertaken exclusively in pursuance of the normal course of business.
- i) Any unspent CSR allocation of a particular year will be carried forward to the following year. The Company shall disclose the reasons for not fully utilizing the budget allocated for CSR activities for each year in its Directors' Report.
- j) Any surplus, generated out of the CSR activities of Plant Lipids, will be ploughed back to the CSR Initiatives of Plant Lipids

## **AREAS OF CSR INTERVENTION (Annex. 1)**

Enumerated below are the areas under which Plant Lipids will implement its CSR Projects. This will be reviewed from time to time by the CSR Committee of the Board and specific initiatives under these will be undertaken in line with the CSR Policy to meet the overall objectives of these interventions.

### **1. Promoting Education**

Category: Companies Act 2013, Schedule VII (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.

Education is one of the building blocks of any nation. With aim of supporting students from economically/socially/physically challenged categories to pursue engineering and diploma courses, Plant Lipids will provide Scholarship. A multitude of interventions such as educational sponsorships to students belonging to economically/socially/physically challenged categories, supporting the infrastructures, libraries, supportive classes, computers, science laboratories, etc. will be undertaken to create a conducive to learning environment and to promote learning. A growing economy like India requires a large and skilled workforce. Plant Lipids 's skill training initiatives will aim at education of poor children at rural schools around Plant Lipids manufacturing facilities, corporate office, warehouses; training and capacity development of youth and women from economically weaker sections of society, and to empower them to gain access to opportunities for sustainable livelihood and growth.

Plant Lipids will support schools, technical training courses, Skill Development Centers, non formal vocational programs in field of electricity aimed at creating livelihood opportunities. Within the scope of education, programs aimed at bridging the skill gap, in the energy sector and transforming candidates into job ready professionals will also be covered.

Plant Lipids will also support soft skill training and entrepreneur development training aimed to facilitate integration of underprivileged youth and women into mainstream.

## 2. **Environmental Sustainability**

**Category:** Companies Act -2013, Schedule VII (iv) Ensuring Environmental Sustainability, Conservation of Natural Resources and Maintaining the quality of soil. Sustainability is one of the core values of Plant Lipids and climate change mitigation and environmental improvements are essential elements of its strategy for sustainability. Plant Lipids will initiate multiple projects implemented directly or through consultant partners to promote energy efficiency, conservation of environment, environmentally friendly practices, Social Communication will be used as an effective tool in influencing behavior and creating a sustainable environment for the community.

Plant Lipids will encourage investment in energy efficient technology, developing socially and environmentally friendly products and services, improving access to water by creating/sponsoring irrigation and water storage structures, benchmarking, and reporting on Sustainability projects.

## 3. **Empowering through Sustainable Livelihood Initiatives**

**Category:** Companies Act- 2013, Schedule VII (i) Eradicating Hunger, Schedule VII (ii) Livelihood Enhancing Projects, Schedule VII (ii) Empowering Women.

Under this initiative, Plant Lipids will provide entrepreneur training to underprivileged young women and men and support them to earn their livelihood.

## 4. **Socio Economic development of remote villages**

**Category:** Companies Act -2013, Schedule VII (x) Rural Development Project- Integrated development of village requires access to education, health and income generating activities requirement. Plant Lipids will initiate many projects to be implemented directly or by partner organizations for electrification of remote un electrified villages to provide lighting and water supply for drinking, sanitation, and irrigation through renewable technology. Under this initiative, Plant Lipids will also support setting up of microenterprise

powered by renewable energy source to promote livelihood. Plant Lipids will always ensure sustainability of these projects through community involvement.

5. **Promoting Blood Donation**

**Category:** Companies Act -2013, Schedule VII (i) Promoting Preventive Healthcare aimed at addressing the very critical issue of the availability of blood this initiative is currently one of the major areas in which Plant Lipids and its employees are actively engaged. Plant Lipids will continue to conduct Blood Donation Drives.

6. **General Provision**

Plant Lipids also would like to contribute to other areas of interest as permitted under Schedule VII of the companies Act, 2013 as updated from time to time.