

Good & Green CSR Policy



Contents

1. Preamble	2
2. Purpose.....	2
3. Policy Statement	2
4. Scope of CSR Activities in GAVL	2
4.1 Definition of Normal Course of Business for GAVL	3
5. Focus Areas for CSR.....	3
Good & Green	3
5.1 Employability	3
5.2 Greener India	4
5.3 Innovating for Good & Green	4
5.4 Brighter Giving	5
6. Governance Structure	6
CSR Committee	6
Management Committee.....	6
Programme Managers	7
7. CSR Budget	7
8. Project Life-cycle	7
8.1 Project Approval	7
8.2 Implementation	8
8.3 Monitoring	8
8.4 Reporting	8
9. Partner Qualifications	8
10. Treatment of Surpluses	8

1. Preamble

At Godrej Agrovet Limited (GAVL), we are committed to the Godrej Group's 'Good & Green' vision of creating a more inclusive and greener India. Our strategic Corporate Social Responsibility (CSR) projects, undertaken as part of our overall sustainability framework, actively work towards the Godrej Group's Good & Green goals and have helped us carve out a reputation for being one of the most committed and responsible companies in the industry.

2. Purpose

The key purpose of this policy is to:

- Define what CSR means to us and the approach adopted to achieve our Good & Green goals
- Identify broad areas of intervention in which we will undertake projects
- Define the kind of projects that will come under the ambit of CSR
- Serve as a guiding document to help execute and monitor CSR projects
- Elucidate criteria for implementation agencies
- Explain the manner in which the surpluses from CSR projects will be treated

3. Policy Statement

Through our Good & Green CSR policy we align our CSR strategy with the Godrej group's Good & Green vision and goals. The policy focuses on addressing critical social, environmental and economic needs of the marginalised / underprivileged sections of the society. We adopt a shared value approach that helps solve these critical problems while strengthening our competitive advantage. The approach aligns our growth with social and environmental impact.

This policy will be effective from April 01, 2014 and will remain in force until replaced or amended by the Company.

4. Scope of CSR Activities in GAVL

As a practice, we classify only those projects that are over and above our normal course of business as CSR. This policy applies to all our CSR projects. On a periodic basis this policy will be reviewed and updated in line with relevant codes of corporate governance, international

standards and best practices. Furthermore, the policy also fulfills the requirements of the CSR rules as per Section 135 of the Companies Act, 2013.

4.1 Definition of Normal Course of Business for GAVL

We are a diversified agribusiness company and are market leaders in many of the different businesses in which we operate.

- Our Animal Feed business is one of the largest organised players in the Compound Feed market in India, clocking over a million tonnes in annual sales. Our diverse portfolio includes products in Cattle, Poultry, Aqua and Specialty Feed.
- We are among the largest oil palm developers in India and work directly with the farmers for the entire lifecycle of their crop. Over the years, we have developed more than 55,000 hectares of plantations across Andhra Pradesh, Telangana, Tamil Nadu, Goa, Karnataka Maharashtra and Mizoram.
- Our Agri Inputs business has a wide range of products that cater to the entire crop lifecycle. Our constantly evolving product portfolio includes Plant Growth Regulators, Organic Manures, Generic Agrochemicals and Specialised Herbicides.

At GAVL, we are dedicated to producing high quality products. We also give great importance to complying with all the regulatory requirements.

5. Focus Areas for CSR

Good & Green

By 2020, we aspire to create a more employable Indian workforce, build a greener India, and innovate for 'good' and 'green' products. The Godrej group's Good & Green goals for 2020 are:

5.1 Employability

Train 1 million rural and urban youth in skills that enhance their earning potential through employability projects

India has 600 million people below the age of 25 out of which only 80 million (13%) are employable. Recognising the seriousness of this problem, we have undertaken projects that focus on capacity and skill building of diverse target groups from rural youth to low- income women to make them employable and improve their earning potential and livelihoods.

5.2 Greener India

Achieve zero waste to landfill, carbon neutrality, a positive water balance, 30% reduction in specific energy consumption and increase utilization of renewable energy sources through the Greener India projects

Our endeavor is to prevent the further deterioration of the environment and preserve it for the future generations. The Greener India initiative aims to do this through innovative projects that contribute to achieving the Godrej Group's goals (as in Section 5.2) linked to ensuring environmental sustainability.

5.3 Innovating for Good & Green

Generate a third of our portfolio revenues from 'good' and/or 'green' products and services – defined as products that are environmentally superior or addresses a critical social issue (e.g., health, sanitation, disease prevention) for consumers at the bottom of the income pyramid

We define a 'Good' product/service as one that addresses a critical issue for marginalised sections of the society. The issue addressed could be related to health, hygiene, water, sanitation, housing, education, livelihoods etc. A 'Green' product/service is that which reduces energy, Greenhouse Gas emissions, water or material consumption, eliminates toxic materials or uses recyclable, renewable and/or natural material.

Innovation and societal good form the core of our Research & Development activities that are dedicated to improve the productivity of farmers. This at times is supplemented by cause-related campaigns that aim at educating the marginalised communities to adopt better habits.

5.4 Brighter Giving

We encourage our team members to be a part of our CSR projects. Through Brighter Giving, our structured volunteering programme, we provide volunteering opportunities to our team members to engage in skill-based, longer-term volunteering projects.

Our Good & Green CSR policy contributes to the Group-wide goals by adopting projects in the areas of intervention defined in Schedule VII of the Companies Act, 2013. Over and above the Good & Green goals, from time to time we undertake additional CSR activities under Schedule VII, such as:

- **Education:** Inclusive and equitable quality education for different age groups and promote life-long learning opportunities for all
- **Environmental sustainability:** Water conservation, clean and renewable energy, reduction of waste to landfill, environmental sustainability, ecological balance, conservation of natural resources and reduction of pollution
- **Relief funds:** Contribute to government relief funds or any other fund for disaster relief and rehabilitation
- **Rural development:** Integrated rural development to improve education, health, livelihoods, and environmental conditions in rural and marginalised geographies
- **Poverty & hunger:** Support poverty and malnutrition projects, promote preventive healthcare and sanitation, safe drinking water
- **Research & technology:** Support to research institutions and technology incubators in Central Government approved academic and research institutions
- **Gender issues:** Support empowerment programmes for girl children, adolescent girls, and women, through education, health and livelihood projects, etc.
- **National heritage:** Protection of national heritage, art and culture
- **Sports:** Promote sports in all forms, geographies and for all groups including (but not limited to) sports for persons with disabilities

- **Armed forces welfare:** support armed forces veterans, war widows and their dependents

6. Governance Structure

We have constituted a robust and transparent governing mechanism to oversee the implementation of its CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013.

CSR Committee

The governance structure of our CSR interventions is headed by the Board Level CSR committee that will be accountable to the Board of the Company for undertaking the CSR projects.

Members:

- 1) Dr. Raghunath A. Mashelkar, Chairman;
- 2) Mr. N. B. Godrej, Member;
- 3) Mr. B. S. Yadav, Member;
- 4) Ms. Roopa Purushothaman, Member

Responsibilities

- Formulate and revise the company's CSR Policy, which would be approved by the company's Board.
- Suggest areas of intervention to the Board and decide on the projects
- Evaluate projects suggested by the Management Committee and approve those that are in line with the CSR policy and budget
- Meet once annually to review progress made

Management Committee

The Management committee is responsible for ensuring the smooth execution of all the projects within the company. The committee will report to the Board-level CSR Committee.

Members

The members will include heads of individual departments.

Responsibilities

- Responsible for the execution of the decisions taken by the Board-level CSR Committees

- Ensure on-ground implementation of projects
- Send periodic reports to the Board-level CSR Committee
- Meet every quarter to review the progress

Programme Managers

The Programme Manager will be responsible for on-ground implementation of the projects.

Responsibilities

- Evaluate projects as per the framework
- Implement projects based on set targets and action plans
- Regularly monitor the activities
- Send quarterly reports to the Management Committee and Corporate Good & Green team
- Find suitable implementation partners, conduct due diligence and get approval from the Board
- Evaluate possible collaborations with other organizations on CSR projects

7. CSR Budget

The total budget for the CSR projects will be decided as a part of the Annual Operating Plans, in accordance with the Good & Green goals and priorities identified for each of the key focus areas by the CSR Committee.

8. Project Life-cycle

At GAVL, our CSR projects are strategically planned and managed. Following are the key stages of a project:

8.1 Project Approval

The projects suggested by the Management Committee in consultation with the Corporate Good & Green team and company-level programme managers will be presented for the approval of the Board-level CSR Committee.

8.2 Implementation

The final projects approved by the Board-level CSR Committee will be sent to the individual Programme Managers, who in turn will break down the projects into time-bound targets and action plans. These projects will either be self-implemented, in partnership with an Implementing Agency or in collaboration with another corporates.

8.3 Monitoring

The individual Programme Managers will be responsible for monitoring approved projects, by methods which may include site visits, review meetings, progress reports etc. Online portals have been developed to track data and monitor projects thereby ensuring transparency and efficiency in the implementation process. Projects will be evaluated against the goals and milestones defined for the project, together with the Implementing Agency (if any). The reports will be submitted to the Management Committee for the quarterly review meetings.

8.4 Reporting

The Board-level CSR committee, based on reports presented by the Management Committee, will annually publish report on the CSR projects as a part of the Director's report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act, 2013.

9. Partner Qualifications

If a third party is employed to carry out the implementation of our CSR projects, the Board of GAVL will ensure that they have a clearly explained mission/vision and an established track record of three years in undertaking similar projects or programmes. The implementation agencies should be able to produce their latest audited annual reports and in case of an NGO, they should also be able to produce their registration forms according to 80G/12A.

10. Treatment of Surpluses

Any surplus generated from CSR projects undertaken by us will be tracked and channelised into our CSR corpus. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.