

CHEMINOVA INDIA LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

COMPANY'S PHILOSOPHY

Cheminova India Limited ("the Company") believes that *sustainability* is an integral part of Company's success. Through our business, we help meet the food and nutrient needs of a growing world population. We help improve quality of life for the world's population by supplying products that help farmers increase yields and quality of crops to satisfy the global demand for food, feed fiber and energy.

Our long-term objective is better crop health through better products with less impact on the environment and reduced use of resources. Further, safety remains our top priority. The Company strives to actively contribute to the social and economic development of the communities in which it operates.

We need to bridge the divide to a fairer, more socially inclusive world. A world where we all live with, rather than at the expense of, nature and the environment. We still have time to act. But we don't have time to waste.

The Company has developed Corporate Social Responsibility (CSR) Policy which outlines a clear agenda through which we will continue to contribute to the communities directly. The policy is developed in accordance with Section 135 of the Companies Act 2013 (hereby referred to as "the Act") and in accordance with the CSR rules (hereby referred to as "the Rules") notified by the Ministry of Corporate Affairs, Government of India (hereinafter referred as "Ministry") on 27th February 2014 and further in cognizance with amendment dated January 22nd, 2021.

The Policy shall apply to all CSR Projects/ Programs undertaken by the Company in India as per Schedule VII of the Act.

Considering the sustainability principles of the Company, the Company has identified "improving quality of life" as a key area for contribution. The Company will focus on this area by undertaking activities in partnership with relevant implementing agency(ies) with the objective of to improve the quality of lives of people recognizing the fact that business enterprises are economic organs of the society and draw on societal resources. Additionally, the Company will focus on activities in the areas of environmental sustainability and development of the cultivating community.

OBJECTIVES

- The Company's objective is to improve the quality of lives of people recognizing the fact that business enterprises are economic organs of the society and draw on societal resources. It is the Company's intent to make a positive difference to the society and being an active corporate citizen.
- We are very aware that our sustainability can exist only when a sustainable and healthy society is assured. As a corporate citizen, we aim to take the initiative to address social issues in the fields where we can leverage our strengths.
- We are committed to improve quality of life of populations by promoting worthy causes in the areas of education, health, environment and livelihoods.
- We may collaborate with communities and/or not-for-profit organizations such as CropLife India, Crop Care Federation of India and Agro Policy Group, to contribute to the nation by promoting education, empowering women, creating vocational skills for especially among children, women and elderly, providing health care facilities.
- We will aim at continuously improving quality of life in our communities Indian Villages.
- We are committed to promote education in and around our areas of operations as a long-term investment in society's future viability.
- We are committed to balance economic growth with ecological and social responsibility.

CONDITIONS AND RESTRICTIONS FOR CSR ACTIVITIES

The CSR Committee and the Board of Directors shall be governed by the following conditions and restrictions while undertaking any CSR projects/programmes/activities:

- The CSR projects/programmes/activities undertaken by the Company, as per this policy, shall exclude activities undertaken in pursuance of its normal business.
- The CSR projects/programmes/activities shall be undertaken in India only except for training of Indian sports personnel outside India who is representing any State or Union Territory at national level or India at international level.
- The projects/ programmes /activities that benefit only the employees of the Company and their families, shall not be considered and not

qualify as CSR expenditure.

- Contribution of any amount directly or indirectly to any political party under Section 182, shall not be considered and not qualify as CSR expenditure.
- The surplus, if any, arising out of the CSR projects/programmes/activities shall not form part of the business profit/profit of the Company.
- Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services shall not form part of CSR expenditure (such as marathons, awards, charitable contribution, advertisement, TV programmes, etc.)
- Activities carried out for fulfilment of any other statutory obligations under any law in force in India shall not form part of CSR expenditure.

FUNDING OBLIGATION

In accordance with Section 135(5) of the Companies Act, 2013 (the Act), Company is committed to spend 2% of its average net profits made during the three immediately preceding financial years in some of the identified activities that are listed in Schedule VII (as amended) to the Act. This will include the spends through activities undertaken directly by the Company and by implementing agency(ies). If the Company spends any amount over and above such 2% of average net profits, the same is to be considered as excess CSR expenditure which can be set-off in the immediate succeeding three financial years subject to the conditions as prescribed under the Act.

In order to compute whether the Company has under spent or over spent, it shall consider the following:

- a. **Project Cost** – it shall include designing, implementation, monitoring and evaluation cost incurred directly or indirectly on the project
- b. **Administrative Overheads** – to ensure that such expenses shall not exceed 5% of the total CSR expenditure of the company for the financial year. Further, these expenses would not include expenses incurred by the Company towards designing, implementation, monitoring and evaluation.

SELECTION OF IMPLEMENTATING AGENCY

In order to carry out CSR projects more efficiently the Company may appoint an implementing agency. The guiding principles for selection are

- a. Implementing agency through which the CSR activities are selected should be registered under section 12A and 80G of the Income Tax Act, 1961 or as per the criteria as may be notified by the Ministry from time to time
- b. Implementing agency have an established track record of at least three years in undertaking similar activities
- c. Implementing agency should have filed Form CSR-1 with the Registrar of Companies
- d. Implementing agency shall have a goodwill in performing its activities diligently
- e. Due Diligence may be carried out before appointment of such implementing agency
- f. Implementing agency may also require meet such other criteria, as would be notified by Ministry from time to time

IMPLEMENTATION & MONITORING:

Implementation

- The Company may undertake, through a registered trust or a registered society, the CSR projects/programmes/activities in identified areas and as per the provisions of the Act and Rules, framed thereunder.
- The Company may also collaborate with other companies for undertaking projects/programmes/activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with the Act and Rules made thereunder.
- Company may build CSR capacities of its own, i.e. of their own personnel, as well as those of their implementing agencies through institutions with a track record of at least three financial years, and any other criterions which the CSR committee, may deem fit.

Monitoring

- The Company shall ensure the Implementing Agency or the vendor follow ethical practices and endeavor to ensure all payments made to the Implementing Agency or the vendor to be milestone based.
- Monitoring will be done with the help of identified key qualitative and quantitative performance indicators, with a continuous feedback mechanism, and recourse for mid-course correction in implementation, if needed, to ensure efficacy.
- The Company shall monitor project implementation and performance of the implementing agency/(ies) on periodic basis via field visits or review calls, as the case maybe and a designated team of employee(s) may be appointed for such monitoring.

- Impact Assessment – In the event of average CSR obligation of INR 10 Crores or more in the three immediately preceding financial years, the Company shall ensure that impact assessment through an independent agency is carried out for CSR projects having an outlay of INR 01 crore or more. Expenditure incurred for such assessment shall not exceed 5% of the total CSR expenditure for the financial year or INR 50 lakhs, whichever is less.

ANNUAL ACTION PLAN

The Company shall prepare an Annual Action plan of the Company to identify the activities and the CSR expenditure to be spent during the year which shall include the details as mentioned in the rules.

Further, the guiding principles required to formulate the Annual Action Plan are as follows:

- a. CSR programs shall not include activities as restricted under the amended CSR Rules.
- b. The preference for CSR programs is to be given by Company to local areas and areas around its operations.
- c. The CSR activities may be carried out directly or through implementing agency/ies.
- d. Payments to implementing agencies or to vendors should be milestone based.
- e. All the guiding principles as required to be followed for implementing and monitoring the CSR Activities shall also be followed while formulating the Annual Action Plan.

During any financial year, the Annual Action Plan of the Company may be modified to include any unbudgeted expenditure, either on account of new project(s) or due to increase in the outlay for approved project(s).

Subject to the provisions of the Act, the Company may also utilize its CSR spend towards creation or acquisition of a capital asset.

GOVERNANCE MECHANISM

Our CSR Policy is governed by the Board of Directors of the Company. The Board has constituted a CSR Committee of minimum two directors to monitor the Policy and the programmes from time to time.

a. Board of Directors

- The Board monitors and reviews the performance and impact of the CSR programmes, provides input and course corrections if required and satisfies itself that the CSR funds so disbursed are aligned to the CSR Policy of the Company and have been utilized for the purposes and in the manner as approved by it.
- The CFO (if appointed) or any other person responsible for financial management shall certify to the fact that CSR funds so disbursed have been utilized for the purposes and in the manner approved by the Board.

b. CSR Committee of the Board of Directors

The CSR Committee provides oversight and guidance on CSR performance and monitors compliance with the CSR Policy, commitments and the applicable CSR provisions.

The role & responsibilities of CSR Committee are:

- Formulation and recommendation to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Act;
- Monitoring the CSR policy of the Company from time to time;
- Formulation and recommendation to the Board an annual action plan as per the provisions of the Act;
- Recommendation of any alteration in the annual action plan at any time during the year and update, if any, required to the CSR Policy;
- Implementation and Monitoring of the CSR activities as per the annual action plan;
- Identify projects of the Company as 'Ongoing Projects' as per the provisions of the Act and recommend the same to the Board;
- Recommend the annual CSR expenditure budget to the Board for approval;
- Undertake Impact assessment through third parties for CSR projects whenever applicable;
- Ensure implementation of CSR activities of the Company within the applicable framework;
- Determine the overall scope of, provide input on, and recommend adoption of the CSR report to the Board of Directors of the Company;

- Performance of such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

The Policy issued pursuant to the Corporate Social Responsibility Policy Rules, 2013 as amended has been recommended by the CSR Committee of the Board and adopted by the Board of Directors.

LIMITATION AND AMENDMENT

The Board of Directors may in their discretion and on recommendation of the CSR committee, make any changes/modifications and/or amendments to this Policy from time to time.

Requirements with respect to quorum, notice of meeting, documentation, etc. shall be in conformity with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government, unless expressly stated otherwise.

In the event of any conflict between the provisions of this Policy and of the Act or any other statutory enactments, rules, the provisions of such Act or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.

REPORTING

- The CSR Committee shall maintain proper minutes of all its meetings.
- The Company's CSR activities shall be disseminated in the Annual Report of the Company in accordance to the requirements under the Act and Rules.
- The Board of Directors of the Company shall disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

Composition of Cheminova India Limited CSR Committee:

Sr. No.	Name of Member
1	Venkata Nagendra Ravikanth Annavarapu- Director
2	Chappa Appala Swamy Naidu- Director
3	Manoj Khanna- Director