



ASTECC

ASTECC LIFESCIENCES LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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1. Preamble

At Astec LifeSciences Limited (“Astec” or “the Company”), we, as a subsidiary of Godrej Agrovet Limited, are committed to the Godrej Group’s ‘Good & Green’ vision of creating a more inclusive and greener India. Our strategic Corporate Social Responsibility (“CSR”) initiatives are planned to actively work towards the Good & Green Goals and will help us in maintaining our reputation of being a socially and environmentally responsible company in the industry.

2. Purpose

The key purpose of this CSR 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 in executing and monitoring CSR projects
- Elucidate criteria for implementing agencies for CSR projects
- Explain the manner in which the surpluses from CSR projects will be treated

3. Policy Statement

This CSR Policy lays down guidelines for Astec to make CSR a key business process for sustainable development of the society. Through this policy, we align our CSR strategy with the Godrej Group’s Good & Green vision and goals. The Policy focuses on a holistic approach towards economic, social and environmental impacts as a whole.

This revised CSR Policy will be effective from April 01, 2016 and will remain in force until superseded or amended by the Company.

4. Scope of CSR Activities in Astec

As a practice, we classify only those projects as CSR which are over and above our normal course of business. This Policy applies to all our CSR projects and it will be further reviewed and updated as and when required. Furthermore, the Policy also fulfills the requirements of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014.

4.1. Normal Course of Business

Astec became a subsidiary of Godrej Agrovet Limited, one of the largest manufacturers of animal feed in the country, during the Financial Year 2015-16. Astec is a producer of agrochemicals, established in the year 1994. Today, Astec manufactures a wide range of

Agrochemical active ingredients and enjoys a reputation for providing quality products in manufacturing plants that meet global standards.

5. Focus Areas for CSR

Good & Green

Astec being part of the Godrej group by 2020, we aspire to create a more employable Indian workforce, build a greener India, and innovate for 'good' and 'green' products, in line with the Godrej Group's Good & Green goals. The Godrej Group's Good & Green goals for 2020 are:

5.1. Employability

The goal is to 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. Recognizing the seriousness of this problem, Astec proposes to undertake projects that focus on capacity and skill building of diverse target groups from rural youth to low income women to make them employable and to improve their earning potential and livelihood.

5.2. Greener India

The goal is to 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 further deterioration of the environment and preserve it for the future generations. The Greener India initiatives aim at environmental sustainability by taking up innovative projects that contribute in achieving the Godrej Group's goals.

5.3. Innovating for Good & Green

The goal is to generate one-third of the Godrej Group's portfolio revenues from 'good' and/or 'green' products and services – defined as products that are environmentally superior or addresses critical social issues (e.g., health, sanitation, disease prevention, etc.) 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, livelihood 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. We believe in innovation and societal good, which, at times, is supplemented by cause-related campaigns that aim at educating the marginalized communities to adopt better habits.

5.4. Brighter Giving

The goal is to 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 Godrej Group-wide goals by adopting projects in the areas of intervention defined in Schedule VII to 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 promoting 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:** Contribution to government relief funds or any other fund for disaster relief and rehabilitation.
- **Rural development:** Integrated rural development to improve education, health, livelihood, and environmental conditions in rural and marginalised geographies
- **Poverty & hunger:** Support to poverty and malnutrition projects, promotion of 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 to 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:** Promotion of sports in all forms, geographies and for all groups including (but not limited to) sports for persons with disabilities.
- **Welfare of Armed forces:** Support to 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 the CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014.

6.1. CSR Committee

The governance structure of our CSR interventions is headed by the Board-level CSR Committee which is accountable to the Board of Directors of the Company for undertaking the CSR projects.

6.1.1. Members of the CSR Committee:

The following are the Members of the CSR Committee of the Board of Directors:

- 1) Mr. Vinod Malshe, Chairman of the Committee
- 2) Dr. Leena Raje, Member
- 3) Mr. Balram S. Yadav, Member
- 4) Mr. Ashok V. Hiremath, Member

6.1.2. Responsibilities of the CSR Committee:

- 1) To formulate and recommend the CSR Policy which shall indicate the activities to be undertaken by the Company.
- 2) To recommend to the Board of Directors, the amount of expenditure to be incurred on the CSR activities.
- 3) To review and assess from time to time, the adequacy of this Policy and make recommendations to the Board concerning any amendments that the Committee deems appropriate.
- 4) Meet at least once in a year, to review the progress made on CSR activities.

6.1.3. Reporting by Programme Managers

Programme Managers and the business teams will report / give feedback to the CSR Committee for all CSR projects undertaken by the Company.

6.1.4. Responsibilities of Programme Managers

- To evaluate projects as per the CSR framework
- To implement projects based on set targets and action plans
- To regularly monitor the CSR activities
- To send quarterly reports to the CSR Committee and Good & Green team of Godrej Group

- To find suitable implementing partners for CSR projects, conduct due diligence and obtain approval from the CSR Committee, if required
- To evaluate possible collaborations with other organizations on CSR projects

7. CSR Budget

The total budget for the CSR projects will be in compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 and is approved by the CSR Committee, 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

8.1. CSR Project Identification Mechanism

All projects are assessed under the agreed strategy, and are monitored every quarter, measured against targets and budgets. Wherever necessary, midcourse corrections are taken up.

8.2. Implementation of CSR Projects

Implementation is the responsibility of the CSR Committee and team. The activities which are identified and mentioned in CSR policy will be undertaken and fulfilled to the best possible extent. The time period of each activity will depend upon its sector, the extent of its coverage and the allocated budget on the activity. Depending on the time period of each activity, required significance will be given to the activities.

8.3. Powers of approval of CSR Projects

CSR activities as identified wherever possible, will be required to be put up to the CSR Committee in advance with due recommendations of the CSR Team. Activities undertaken at any place or area, wherever possible, shall have the prior approval of the CSR Committee.

8.4. Execution Agency /Partner for CSR Projects

CSR initiatives will be implemented either directly by the Company where the Astec employees will directly implement the CSR programmes or outside Agencies/Partners may be engaged for execution of CSR Projects. These Agencies/Partners may include Non-Governmental Organization (NGO) or a registered trust or a registered society or a company / registered trust / registered society established by the Company, either singly or jointly alongwith any other

company, company established under Section 8 of the Companies Act, 2013 (“the Act”), established by the Central Government or State Government or any entity established under an Act of Parliament or a State Legislature, as may be permissible under the provisions of the Act and the Companies (Corporate Social Responsibility) Rules, 2014. Basic criteria, as prescribed by the Act will be ensured for programme execution.

8.5. Monitoring of CSR Projects

- Monitoring of CSR projects entails physical verification of the progress and the actual output of the project.
- A separate chapter needs to be included in the Annual Report of the Board of Directors on implementation of CSR activities including the particulars prescribed under the Companies (Corporate Social Responsibility) Rules, 2014.
- An appraisal may be carried out by external agencies, if deemed appropriate.

8.6. Reporting of CSR Projects

The Board-level CSR Committee, based on reporting made by the Programme Managers, will annually publish report on the CSR projects as a part of the Report of the Board of Directors. The Report will disclose information in the format as prescribed under the Companies (Corporate Social Responsibility) Rules, 2014.

9. Partner Qualifications

If a third party is employed to carry out the implementation of our CSR projects, it will be ensured that such third party has a clearly explained mission/vision and an established track record of 3 (three) years in undertaking similar projects or programmes. In such case, the Company shall specify the modalities of utilization of funds for such projects and the monitoring and reporting mechanism. 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 Sections 80G and 12A of the Income Tax Act, 1961.

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.

11. GENERAL

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to the Company Secretary. The Company secretary in consultation with the Managing Director shall clarify the doubt and communicate the same to the respective person. In case, clarification or doubt is subject matter of policy then, Secretary shall refer the matter to the CSR Committee for their direction. On receipt of direction/clarification, secretary shall communicate the same to the respective person/division.

Any or all provisions of the CSR Policy would be subject to revision/ amendment in accordance with the provisions of the Act or the Rules framed thereunder or any guidelines on the subject as may be issued by the Central Government or Ministry of Corporate Affairs from time to time.

This Policy shall be posted on the website of the Company www.astecls.com.