

Corporate Social Responsibility Policy

Gujarat Ambuja Exports Limited

I. PREAMBLE:

The concept of Corporate Social Responsibility (CSR) has gained prominence from all avenues. Organizations have realized that Govt. alone will not be able to get success in its endeavor to uplift the downtrodden of Society. For Gujarat Ambuja Exports Limited (GAEL) in the present context, CSR means not only investment of funds for Social Activities but also Integration of Business processes with Social processes.

GAEL believes that, with its core business interests in various agro-processing segments and exports, the Company plays an important role in strengthening the fabric of society, by generating employment and business opportunities. GAEL is committed to continuously improving its social responsibilities as a good corporate citizen, to make positive impact on the society.

II. OBJECTIVE OF GAEL CSR POLICY IS TO:

- a. to lay down guidelines for sustainable development for the Society and supplement the role of the Govt. in enhancing welfare measures of the society *based on the immediate and long term social and environmental consequences of their activities.*
- b. To take up programmes that benefit the communities where it operates and results, over a period of time, in enhancing the quality of life & economic well-being of the local populace.
- c. To serve the socially and economically weak, disadvantaged, underprivileged, & destitute sections of the Society regardless of age, class, colour, culture, disability, ethnicity, family structure, gender, marital status, nationality origin, race or religion with intention to make the group or individual self dependent and live life more meaningfully.

- d. To extend humanitarian services in the community to further enhance the quality of life like health facilities, education, basic infrastructure facilities to areas that have so far not been attended to.
- e. To generate, through its CSR initiatives, a community goodwill for GAEL and help reinforce a positive & socially responsible image of GAEL as a Corporate entity.

III. AREAS/ACTIVITIES TO BE UNDERTAKEN UNDER CSR:

Areas/activities to be undertaken for the purpose of CSR expenditure shall include;

- (i) eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water;
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry,

conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;

- (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- (viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) rural development projects

Explanation:

‘Rural Development Projects’ means the following activities:

1. Employment Generation in Rural Areas,
2. Infrastructure development including constructing roads and social security in Rural Areas and

3. Measures for improvement in quality of life for the rural population especially those below the poverty line including provision of health, education, drinking water, housing and roads.

Explanation to sr. no. x above inserted vide Resolution passed by the Board of Directors of the Company at its Meeting held on 07.02.2015.

- (xi) Such other projects or activities as are covered in Schedule VII to the Companies Act, 2013, as amended from time to time in pursuance of recommendations of the CSR Committee.

Sr. no. xi above inserted vide Resolution passed by the Board of Directors of the Company at its Meeting held on 07.02.2015.

- (xii) Slum area development

Explanation:

‘Slum area’ means any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force

Sr. no. xii above inserted vide Circular Resolution approved by the disinterested Directors of the Company on 30th March, 2019.

Areas/activities specifically excluded from the scope of CSR activities:

1. Expenditure undertaken in pursuance of normal course of business of the Company;
2. Areas/activities that benefits only the Employees of the Company & their families and
3. Contribution of any amount directly or indirectly to any Political Party.

IV. Modalities of execution and Implementation Schedule:

Corporate Social Responsibility Committee (CSRC) shall recommend the amount of expenditure to be incurred on the CSR activities and monitor the CSR Policy of the Company from time to time. The CSRC shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

The CSRC shall carry out the following, for identification and implementation of activities:-

- 1) The Committee will decide the priority of the activities to be undertaken under the CSR by grant of donation/Financial Assistance/ Sponsorship etc.
- 2) The Committee may also interact with the CSR implementing Agencies for determining the activities to be undertaken.
- 3) Based on the total activities to be undertaken, the Committee will recommend to the Board the quantum of Budget for the year.
- 4) The Committee may interact with concerned State officials/Govt. Officials to confirm the areas for undertaking CSR activities and ensure to avoid duplicity of the Job.
- 5) The Committee will monitor and review the progress of activities undertaken/completed.
- 6) Identification of Programs: Identification of Programs at Corporate and plant level will be done by means of the following:
 - i. Need identification studies by professional institutions/ agencies;
 - ii. Internal need assessment by cross functional team at local level;

- iii. Receipt of proposals/ requests from district administration/ local govt. etc
- iv. Discussion and request with local representatives/voluntary organization.

Provided that surplus arising out of the CSR Projects or programs or activities shall not form part of the business profit of the Company.

GAEL may also undertake / implement the CSR programs through registered trust/foundation/society/company established under Section 8 of the Companies Act set up by GAEL or its holding or subsidiary or associate company or alongwith any other Company.

GAEL may also collaborate with other companies for undertaking / implement the CSR programmes approved by the CSR committee / Board in accordance with the Companies Act.

GAEL may also implement the CSR programs through registered trust/foundation/society/company established under Section 8 of the Companies Act set up by the Central Government or State Government or any entity established under an Act of Parliament or a State legislature.

GAEL may also implement the CSR programs through other registered trust/society/company having an established track record of three years in undertaking the projects or programs proposed to be undertaken by GAEL along with the projects or programs to be undertaken, the modalities of utilisation of funds of such projects and programs and the monitoring and reporting mechanism.

The expenditure for implementing CSR programme by GAEL itself as well as implementing agencies through Institutions with established track records of at least three financial years under the head - "including expenditure on administrative overheads" shall not exceed five percent of total CSR expenditure of GAEL in one financial year.

V. Monitoring

- a) *The Board of Directors of GAEL shall review the implementation of CSR yearly.*
- b) *GAEL shall include a separate disclosure in the Annual Report in details about the Policy developed and on the implementation of CSR activities/project including physical and financial progress during the financial year.*

VI. SOURCE OF FUND

Provided that for funding against CSR to be executed by GAEL in a financial year, atleast 2% of the average net profits of the Company made during three immediately preceding financial years would be allocated for execution of CSR activities, based on the recommendation of the CSRC.

VII. CONCLUSION

The above guidelines would form the framework around which the CSR activities would be undertaken. The Board of Directors of the GAEL will review the Policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary. Further, any subsequent amendment/modification in the Companies Act, 2013 read with Rules made thereunder and/or any other laws in this regard shall automatically apply to this Policy.
