

IFFCO-TOKIO Corporate Social Responsibility Policy

1.0 Short Title and Applicability:

- 1.1 This policy, which encompasses the company's philosophy for delineating its responsibility as a *corporate citizen* and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the '***IFFCO-TOKIO CSR Policy***'(hereinafter referred to as 'CSR Policy').
- 1.2 This policy has been designed in consonance with Section 135 of The Companies Act, 2013 (hereafter referred to as 'Act') to lay down the guidelines for undertaking Corporate Social Responsibility (hereafter referred to as 'CSR') initiatives at IFFCO-TOKIO in accordance to Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereafter referred to as 'Rules').
- 1.3 This Policy lays down the guiding principles or rules that shall apply to all CSR programs/projects as per Schedule VII of the Act within the geographical limit of Republic of India.
- 1.4 This policy shall apply to all CSR initiatives and activities taken up at the various offices and locations of the Company spread across the country, for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons.

2.0 IFFCO-TOKIO's CSR Philosophy, Vision Statement and Objectives

- 2.1 **CSR Philosophy:** CSR is the way of conducting business, by which corporate visibly contribute to the social good. Socially responsible companies do not limit themselves to using resources to engage in activities that increase only their profits. IFFCO TOKIO believes that fulfilment of CSR obligation may be used to integrate economic, environmental and social objectives with the company's operations and growth.
- 2.2 **Vision Statement:** IFFCO TOKIO, through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a *Socially Responsible Corporate*, with environmental concern.

2.3 **CSR Objectives:** The Objectives of IFFCO-TOKIO's CSR Policy is:

- To become responsible Corporate Citizen, by contributing to nation building through CSR Projects/ Programs, in true letter and spirit, as enshrined in the Act.
- To ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.
- To directly or indirectly take up CSR initiatives that benefits the communities in & around its area of operations and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace. The initiatives should also be replicable, scalable and sustainable on long term basis.
- To generate, through its CSR initiatives, a community goodwill for IFFCO-TOKIO and help reinforce a positive & socially responsible image of IFFCO-TOKIO as a corporate entity.

3.0 **Focus Area of CSR Activities/ Projects to be undertaken by the Company:**

Within the activities specified in Schedule VII of the Companies Act, 2013, focus of IFFCO-TOKIO will be to undertake CSR activities mainly in the following areas:

- **Integrated Rural Development**
To work towards filling the rural urban gap by undertaking various initiatives in the area of Community Health, Sanitation, Safe Drinking Water, Water Resource Development, Women Empowerment, Agriculture Development, Skill Development of Youths, Environment Up-gradation, Live Stock Development etc.
- **Health Care & Safe Drinking Water**
To address issues around affordability and accessibility of quality healthcare and bring about improvement in awareness and health seeking behaviour by assisting/ funding various health care programs, providing health care services, organising preventive health care programmes, reducing child mortality, combating infectious diseases and malnutrition.

To address the issue of availability of safe drinking water by installation of Water treatment plants, Water purifiers, bore wells, improving the water supply infrastructure by providing assistance to the communities etc.

➤ **Disaster Response & Assistance**

To take various initiatives for providing effective and timely response and relief in the areas affected by disasters such as Floods, Earthquakes, Cyclone and the like and to undertake rehabilitation of the poor and downtrodden communities affected by natural calamities and thereby eradicating hunger, poverty and malnutrition.

➤ **Education**

To work on several educational initiatives to provide quality education, training skill enhancement amongst adults, women and children, to impart vocational skills and guiding livelihood enhancing projects and to provide support and assistance to educational institutions for the same etc..

➤ **Women Empowerment**

To promote Gender Equality by formation of Women Self Help Groups, providing training on skill development, creating employment/ earning opportunities for the women etc.

➤ **Other**

To undertake other need based initiatives in compliance with Schedule VII to the Companies Act, 2013.

4.0 **Budget:**

- a) The Board of the Company will ensure that in each Financial Year at least two per cent of the Average Net Profit (calculated as per Section 198 of the Act) made during the three immediately preceding Financial Years is spent on CSR initiatives undertaken by the Company.
- b) In case the amount indicated at (a) above is not spent in a Financial Year, the reasons thereof will be outlined in the Board Report as per Section 134 (3)(o) of the Act.

- c) Any surplus generated out of the CSR activities of the Company will not form part of the business profit of the Company and will be ploughed back and utilised in the future CSR Activities only.
- d) When undertaking a CSR project in collaboration with other companies, institutions, the company will report on its share of CSR expenditure only.
- e) All expenditure towards the CSR Projects/ Programs will be documented suitably.

5.0 Implementation Strategy

The Company will implement its CSR Projects/ Programs either directly through a team of trained professionals or through engaging some credible CSR Implementing Partners who have technical expertise and experience to undertake various programs in the identified core focus area of CSR. Company will also endeavour to build up its capacities to undertake more and more CSR activities directly by developing and hiring professionals and expert manpower for the same.

6.0 Governance Mechanism and Monitoring:

The Company has constituted a governance structure to oversee the implementation of its CSR Policy in compliance with the requirements of Section 135 of the Act. The governance of the CSR Initiatives of the Company shall be as per following structure:

- Board of Directors of the Company have formed a CSR Committee of Directors. CSR Committee of Directors will meet at least twice a year to review the implementation of CSR projects/ programs and give suitable directions and recommendations.
- A team of senior executives of the Company (CSR Implementation Committee) has been formed to oversee/ monitor day to day implementation of the CSR Projects and decision making for the same. This team meets frequently on need to need basis and at least once in a quarter to take stock of the CSR Projects and based on the progress to release the budget funds to the projects. This team directly report to the CSR Committee of Directors.
- CSR Committee of Directors and CSR Implementation Committee are collectively responsible for the decision making and implementation of CSR Policy of the Company.

- A comprehensive Monitoring Mechanism will be devised by the Company to ensure that the CSR Projects and Programs are functioning in the manner as mandated by the Act and Rules ensuring that all Projects/ Programs as budgeted are duly implemented.

7.0 Reporting and Measuring of Outcomes and Impact:

- Meticulous documentation of projects / programmes will be done to ensure that progress is continuously tracked; course corrections are provided, lessons learnt and objective feedback is received.
- Company will continuously strengthen its existing systems and processes to capture the impact (social/ economic and developmental) made through its various initiatives.
- The details of CSR activities / projects undertaken during the year and the amount spent thereon shall be placed before the CSR Committee for review and thereafter shall also be placed before the Board. The Board shall also report the same to the shareholders by way of Annual CSR Report as Annexure to their Report.
- The Company shall follow and comply with the requirements for disclosure of the CSR Policy and/or CSR activities in the Board's Report and on the website of the Company or otherwise, as may be required, in terms of the provisions of the Act.