

CSR POLICY

1. Preamble

The **Himadri Foods Limited** (“Company”) has been one of the foremost proponents of inclusive growth and aim to undertake projects for overall development and welfare of the society in the fields of rural development projects, education, environmental sustainability, conservation of natural resources, promoting proactive healthcare, etc.

2. Objective

The Company aspires to be a leading company in the field of spices while maintaining a clear focus on social upliftment and environment protection for inclusive growth to the realization of a truly empowered society. The Corporate Social Responsibility (“CSR”) policy lays down the guidelines and mechanism to carry out CSR projects by the Company and to report its CSR work in the format provided by the Corporate Social Responsibility Rules (“CSR Rules”) under the Companies Act, 2013 (“Act”).

3. Constitution of CSR Committee and formulation of CSR policy

The board of directors of the Company (“Board”) at its meeting held on 5th November 2018, constituted a CSR committee of the Board (“CSR Committee”). The role of the CSR Committee, *inter alia*, includes the following:

- (i) Formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- (ii) Recommend the amount of expenditure to be incurred on the activities; and
- (iii) Monitor the CSR policy of the Company from time to time.

4. Scope of CSR policy

This policy has been framed in accordance with Section 135 of the Act and in accordance with the CSR Rules notified thereof by the Ministry of Corporate Affairs, Government of India and shall apply to all CSR projects to be undertaken by the Company as per Schedule VII of the Act, within the geographical limits of India only, for the benefit of marginalised, disadvantaged, poor or deprived sections of the community and the environment.

5. CSR activities and budget

The Company may undertake any of activities mentioned in Schedule VII of the Act and/ or any of the following activities/projects or such other activities/ projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the CSR:

- (i) promoting health care including preventive health care and 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 centers 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;
- (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;
- (vi) promotion and development of traditional arts and handicrafts;
- (vii) measures for the benefit of armed forces veterans, war widows and their dependents;
- (viii) training to promote rural sports, nationally recognised sports, Paralympic and Olympic sports;
- (ix) 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;
- (x) contribution or funds provided to technology incubators located within academic institution which are approved by the Central Government;
- (xi) rural development projects; or
- (xii) slum area development.

The Board would approve at least two percent of the average net profits of the Company made during the three immediately preceding financial years to be spent on CSR activities during every financial year as recommended by the CSR Committee and as required under applicable laws.

6. Governance of CSR policy

The CSR Committee shall be responsible to implement the CSR policy of the Company and will constitute a governing mechanism to oversee the implementation of the CSR policy which will be in compliance with the Act and the Rules. The CSR Committee along with the Board shall be responsible for all the decisions taken with regard to the Company's CSR policy.

CSR expenditure will cover all expenditure as also contribution to corpus for project or programs approved by the Board. However, it will not include any expenditure on an item not in conformity or not in line with CSR activities.

The Company will display the contents of CSR policy after being duly approved by it on the Company's website.

The Board report shall include an annual report on CSR containing required particulars specified in the prescribed format for the annual report. Further, any surplus arising out of the CSR projects or programmes or activities shall not form part of the business profit of the Company.

7. Planning and Implementation

CSR Committee will ensure that all the CSR activities are compliant of the provisions of the Act and are in line with Schedule VII to the Act. The Company may consult enabling organizations and regulatory bodies to carry out its CSR projects in a smoother fashion.

The Company will follow a project based approach in order to attain long term sustainability of projects and programs. The implementation process will entail the following steps:

- (i) needs assessment - the thrust area for addresses those strategic issues or causes which are of local and/or national importance and relevance.
- (ii) operating model of the selected project.
- (iii) implementation schedule of the program in the selected location.
- (iv) roles and responsibilities of the implementing partner(s) in every location.
- (v) CSR activities undertaken in India only will amount to CSR expenditure.

A. Implementing Agencies

The CSR projects can be undertaken by:

- i. the Company;
- ii. a collaborative effort with other corporate doing similar CSR activities with common interest and objectives; or
- iii. any/all of the following established by the Company or its holding or subsidiary or associate company:
 - (a) a registered trust;
 - (b) registered society; or
 - (c) company under Section 8 of the Act.

In case any of above is not established by the Company or its holding or subsidiary or associates company, it must have an established track record of three years in undertaking similar projects.

B. CSR Team

The CSR team will be responsible for the actual on-ground implementation of CSR projects across the various areas of intervention of the Company. They will also:

- (i) be responsible for the execution of the decision taken by the CSR Committee.
- (ii) implement projects based on set targets and action plans and regularly monitor them.
- (iii) find suitable implementation partners and conduct due diligence.
- (iv) evaluate possible collaborations with other organizations on CSR projects.
- (v) provide annual progress reports to the CSR Committee.

8. Monitoring

The CSR Committee will actively engage with implementing agencies to ensure that programs are on track and submit periodical report to the Board. The report will cover the following:

- (i) progress of each program *vis à vis* the timeline and budget;
- (ii) beneficiaries covered;
- (iii) performance of the external partners, if engaged;
- (iv) problems encountered and solutions, if implemented; and
- (v) estimated amount that will be spent till the end of the year.

The CSR Committee will review the progress periodically and shall furnish the details of activities undertaken by CSR committee to the Board. The Board will monitor the initiatives taken by the CSR committee to perform its obligation. The CSR Committee also needs to review the CSR policy periodically to make it current and relevant.

9. Impact Assessment

The Company may take up appropriate evaluation and impact assessment of the projects. Third parties may be engaged for this to ensure objective assessment. There shall be clarity about the objective/scope of the project and the need it is attempting to address.

10. Documentation

The CSR Committee of the Company will ensure that CSR projects are documented and accountability is fixed at requisite level of the CSR process and the implementation mechanism. A repository of case studies and good practices may be compiled to learn from and build upon successful intervention.

11. Disclosure

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 and the Rules, as applicable from time to time.