

# CORPORATE SOCIAL RESPONSIBILITY POLICY OF GODREJ INDUSTRIES LIMITED (“GIL”)

*(last modified on November 13, 2021)*

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## 1. Preamble

At Godrej Industries Limited (GIL), we 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 actively work towards the Good & Green Goals and have helped us carve out a reputation for being one of the most socially and environmentally responsible companies in India.

## 2. Purpose

The key purpose of this 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 the company will undertake projects
- Define the kind of projects that will come under the ambit of CSR
- Serve as a guiding document to help execute and monitor CSR projects
- Elucidate criteria for partner implementation agencies\*
- Explain the manner in which the surpluses from CSR projects will be treated

*(\*The Partner Implementation Agency to fulfil all the criteria's as laid down under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as may be amended from time to time.)*

## 3. Policy Statement

Through our Good & Green CSR policy we align our CSR strategy with the Godrej Industries Group's Good & Green vision and goals. The policy focuses on addressing critical social, environmental and economic needs of the marginalized / underprivileged sections of the society. We adopt a shared value approach that helps solve these critical problems while strengthening our competitive advantage. The approach aligns our growth with social and environmental impact.

## 4. Scope of CSR activities in GIL

As a practice, we classify only those projects that are over and above our normal course of business as CSR. This policy applies to all our CSR projects. On a periodic basis this policy will be reviewed and updated in line with relevant codes of corporate governance, international standards and best practices.

Furthermore, the policy also fulfills the requirements of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as may be amended from time to time.

### Normal Course of Business

GIL manufactures industrial chemicals that are used for a variety of product categories, ranging from cosmetics and tyres to pharmaceuticals and toothpastes. We are the country's leading manufacturer of Oleochemicals & Surfactants. We pride ourselves for delivering high quality products at competitive prices in several countries. Our differentiated manufacturing processes and supply chains enable us to be the preferred supplier of chemicals to many markets in India

and abroad. As a company, we are committed to providing quality products to our customers, creating economic value for all our shareholders, and we assign high priority to ensuring that we fulfill all regulatory requirements.

## **5. Good & Green Goals of Godrej**

At GIL, we are committed to the Godrej Group's 'Good & Green' vision of creating a more equitable, inclusive and greener world for 20 million people by 2025-26. Our core focus areas are:

### **5.1 Employability**

Enable rural and urban populations in skills that enhance their earning potential through education, employability and entrepreneurship projects.

### **5.2 Health and well-being**

Awareness and knowledge about diseases, strengthening the provision of preventative and primary healthcare, enabling access to entitlements, and disaster relief.

### **5.3 Greener India**

Our endeavor is to prevent the further deterioration of the environment and preserve it for the future generations. The Greener India initiative aims to do this through innovative projects that contribute to conserving fresh water, reducing waste to landfill, afforestation projects, etc.

Our Good & Green CSR policy contributes to the Group-wide goals by adopting projects in the areas of intervention defined in Schedule VII to the Companies Act, 2013, as may be amended from time to time. Over and above the abovementioned goals, from time to time we undertake additional CSR activities as may be approved by the CSR Committee that are covered under Schedule VII, such as:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care 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 art and handicrafts;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(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 Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

(x) rural development projects

(xi) slum area development.

Explanation.- For the purposes of this item, the term `slum area' shall mean 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.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

## 6. Governance Structure

We have constituted a robust and transparent governance structure to oversee the implementation of our CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013 and the Rules framed thereunder, including any modification(s) / re-enactment(s) for time being in force.

## 6.1 Board-level CSR Committee

At GIL, our CSR governance structure will be headed by the Board Level CSR committee that will be ultimately responsible for the CSR projects undertaken. The committee will report to our Board of Directors.

### 6.1.1 Members

- Mr. Nadir Godrej, Chairman
- Ms. Tanya Dubash
- Mr. Mathew Eipe
- Mr. Nitin Nabar

### 6.1.2 Responsibilities

#### A. RESPONSIBILITIES OF THE CSR COMMITTEE:

- Formulate and recommend to the Board, an Annual Action plan, which shall include:
  - a) the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII to the Act;
  - b) the manner of execution of such projects or programs as specified in Act;
  - c) the modalities of utilization of funds and implementation schedules for the projects or programs;
  - d) monitoring and reporting mechanism for the projects or programs; and
  - e) details of need and impact assessment, if any, for the projects undertaken by the company:

*Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.*

- Formulate & update the CSR Policy, from time to time and recommend the same to the Board for its approval
- Suggest areas of CSR intervention to the Board of GIL
- Approve projects that are in line with the CSR policy of GIL
- Put monitoring mechanisms in place to track the progress of each project
- Recommend the CSR expenditure to the Board of GIL Meet
- At least once a year to review the progress made.

#### B. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

- Upon recommendation of the CSR Committee, approve the following:
  - a. Amendments to the CSR Policy of the Company
  - b. Annual Action Plan including CSR Expenditure, areas of CSR intervention etc.

c. CSR Report forming part of the Board's Report

- Monitor the implementation of the CSR Projects
- Ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company
- The Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify the same to that effect.

**7. CSR Budget**

The total budget for the CSR projects will be decided by the CSR Committee and shall be in compliance with the provisions of the Companies Act, 2013 and the Rules framed thereunder (including notification(s) / Circulars issued by Ministry of Corporate Affairs in this regard) and as per the provisions of such other applicable law for time being the force.

**8. Treatment of Surpluses**

Any surplus generated from CSR projects undertaken by GIL will be treated in any of the below mentioned manner:

- a. Shall be ploughed back into the same project or
- b. shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or
- c. transfer such surplus amount to a Fund specified in Schedule VII within 6 (six) months from the expiry of the Financial Year.

These funds i.e., the surplus, if any, generated from CSR Activities, will not be added to the normal business profits, under any circumstances.

**9. CSR Reporting**

The Board's Report of GIL shall include an Annual Report on CSR Activities in the format as may be prescribed under the Companies Act, 2013 and / or the Rules framed thereunder, including any statutory amendment(s)/ modification(s) / re-enactment(s) for time being in force.

In case the average CSR obligation is ₹.10 Crore (Rupees Ten Crore Only) or more, in the 3 (three) immediately preceding Financial Years, the Company shall undertake Impact Assessment, through an independent agency, of their CSR projects having outlays of ₹.1 Crore (Rupees One Crore Only) or more, and which have been completed not less than 1(One) year before undertaking the impact study. The impact assessment reports shall be placed before the Board and shall be annexed to the Annual Report on CSR Activities.

## 10. Excess Spent

Where GIL spends an amount in excess of requirement provided under the Act, such excess amount may be set off against the requirement to spend up to immediate succeeding 3(Three) Financial Years' subject to the conditions that –

- (a) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any,
- (b) the Board of the company shall pass a resolution to that effect.

## 11. Short Spent / Transfer of unspent CSR amount

If the Company, in any Financial Year, fails to spend the CSR Obligation amount, the same shall be reported in the Board's Report, specifying the reason for not spending the amount and such amount shall be transferred within a period of 6(Six) months of the expiry of the financial year to a Fund specified in Schedule VII to the Act.

If unspent amount relates to any *Ongoing Project*<sup>#</sup>, such amount shall be transferred within a period of 30 (Thirty) days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the "Unspent Corporate Social Responsibility Account", and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of 3(three) financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of 30 (Thirty) days from the date of completion of the 3<sup>rd</sup> (Third) financial year.

#Ongoing Project shall mean a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding 3 (three) years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond 1(One) year by the board based on reasonable justification

## 12. REVIEW AND AMENDMENT OF POLICY:

This policy will be reviewed by the Board of Directors / CSR Committee of the Board of Directors of the Company as they may deem necessary. Any change in the Policy shall be approved by the Board of Directors of the Company, upon recommendation of the CSR Committee. The Board of Directors and / or the CSR Committee shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board of Directors in this respect shall be final and binding. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the SEBI (Listing Obligations and Disclosure Requirements) Regulations and/or any other laws in this regard shall automatically apply to this Policy.

This Policy has been last amended by the Board of Directors of the Company at its Meeting held on November 13, 2021, on the basis on recommendation of the CSR Committee of the Board of Directors.

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