

CORPORATE SOCIAL RESPONSIBILITY POLICY



GODAVARI BIOREFINERIES LIMITED

This policy was approved by the Board of Directors at their meeting held on 5th June, 2021

Introduction:

Godavari Biorefineries Ltd. (GBL) had been demerged from The Godavari Sugar Mills Ltd. in 2009. The Godavari Sugar Mills Ltd., was formed by Late Shri Karamshibhai Jethabhai Somaiya (Padmabhushan) and his son, Dr. Shantilal Karamshibhai Somaiya, in 1939 & has been contributing to the industrial development of India for more than seven decades. Under the dynamic leadership of the Chairman and Managing Director, Shri Samir S. Somaiya & his professional team, the Company is running an Integrated Sugar Biorefinery and is among the top three Sugar complexes out of around 500 sugar manufacturers in India. The Company is one of the largest producers of Alcohol & a pioneer in manufacture of Alcohol based Chemicals in India.

GBL has plants located in the states of Karnataka and Maharashtra in India & has diverse interests in Sugar, Power, Industrial Alcohol, Heavy Organic Chemicals, Specialty Chemicals, Bio-fertilizers & Agricultural Research. It manufactures more than twenty products from renewable resources, thereby forming an entire Value Chain right from Sugar Cane to Sugar to other value added products like Power, Ethanol, Bio-fertilizers etc.

As a socially conscious corporate, Godavari Biorefineries Limited (GBL) has contributed significantly towards community development in and around its operational area since inception. GBL's approach to social development is to ensure growth, focusing especially on the most underprivileged sections of the society. With this in mind, it has attempted to bring old, backward villages into the mainstream, providing the communities with education, health, self-employment, the skills and strengths to make the most of the opportunities offered by modern India.

It primarily focused on villages within the radius of its operational area. The ensuing social development activities have led to the promotion of higher education, health awareness, self employment, environment and wild life protection, construction of schools, and socially benefiting thousands of people living in the area.

GBL ensures that people living in the vicinity of our operational areas, especially the poorest of the poor in the surrounding areas, are benefited directly and indirectly through the various development projects we have undertaken under our CSR initiatives.

GBL adjudged that the primary needs of the communities in its operational areas were for economic independence and, to that end; the communities needed skills that could be marketed, and an environment that would facilitate such economic activity. As a responsible corporate entity, it thereupon began organizing initiatives in education and training, in providing infrastructure and health care.

Objectives:

Corporate Social Responsibility is Company's commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interest of its stakeholders.

The aim of CSR policy of the GBL is to identify and to lend a helping hand to the underprivileged and economically weaker sections of the society and to Contribute for their growth and development.

The company believes that all stakeholders must benefit, whether it is employee welfare or involvement of the employees in fulfilling the needs of the society. The company firmly believes in sharing its prosperity with the society in which it operates. The company, being a responsible corporate citizen, has always meant going beyond mere compliance with the laws of the land. Thus, the objective of CSR Policy of the company is not just to meet the legal requirements, but to have a profound positive social impact. The CSR policy of the company not only strives to focus on the interest of various stakeholders, but also the community and the environment as a whole

Areas of focus under CSR activities:

GBL shall undertake the CSR expenditure pursuant to the prescribed activities as per the Companies Act, 2013 and ensure that all developmental activities/ initiatives undertaken are accessible to the most marginalized segments.

The key focus shall be following activities:

1. Promotion of Education
2. Promoting health care
3. Eradicating malnutrition
4. Promoting gender equality and empowering women
5. Reducing child mortality and improving maternal health
6. Combating human immunodeficiency virus, acquired deficiency syndrome, malaria and other diseases
7. Ensuring environmental sustainability
8. Protection of national heritage
9. Disaster management- including flood relief, rehabilitation
10. contribution to the prime minister's national relief fund

*The above list is illustrative and not exhaustive

The Company is of the view that the above mentioned focus areas are related to the activities included in Schedule VII of the Companies Act, 2013. Further, the company may consider such other activities not falling in the above list, which may be notified by the Government of India from time to time.

Budget:

The Board of the Company shall decide each year budget for CSR activities as recommended by the CSR Committee. The actual budget shall be based on the CSR programs planned and approved for that year.

Modalities of Execution of Projects/Programs: -

1. CSR activities will be implemented by the company directly, through its subsidiary or associate company or a trust as may be formed by the company.
2. The company may also implement the CSR activities through any Trust, Society or NGO, which has an established track record of at least 3 years in undertaking social welfare programs.
3. The company may also collaborate with its group companies to undertake projects including such projects, which may require a huge financial support.
4. The company may also undertake CSR activities along with or through specialized agencies such as elected local bodies such as panchayats, NGOs, Institutes / Academic Institutions, Self- help groups, Government, Semi-Government organizations, autonomous organizations etc.
5. The maintenance of assets created through CSR expenditure would be the responsibility of the concerned recipient or representative of such recipient. While approving such expenditure or while disbursing the funds, the company will obtain an undertaking from the recipient or the representative of the recipient that they would be responsible for maintenance of the assets.

Pursuant to the advice of the CSRC, the company has constituted a CSR Working Group (CWG). CWG will comprise of executives of the company at senior management level and / or Constitution of CSR Working Group external experts / consultants. CSRC will elect a member of CWG to be the head of CWG.

A brief description of the terms of reference of CWG is as follows:-

Terms of Reference of CWG

1. Initial Screening of the CSR Project Proposal, including if required evaluation through an outside agency.
2. Due Diligence of project partners, projects and funding requirements
3. Evaluation Report on the Projects
4. Recommendation for the project proposal to Corporate Social Responsibility Committee
5. Disbursements for the projects approved by the Corporate Social Responsibility Committee

6. CSR Monitoring & Reporting on the progress of the projects and its implementation to the Board / Corporate Social Responsibility Committee
7. Certification of compliance of the CSR Policy

CSR Project approval

CSRC will formally examine and approve the CSR project to ensure that the project is in line with the CSR Policy of the company. Such approval will be based on the project proposal submitted by the CWG.

The Board of Directors, from time to time, will determine the delegation of powers required for project approval and disbursements towards CSR activities / projects. The Chairman and Managing Director and Whole-time Directors are authorized to consider and approve the appointment of personnel, external consultants for discharging the functions relating to the CSR activities. The Board of Directors may severally authorize the Chairman and Managing Director and Whole-time Directors to consider disbursement of funds for CSR activities including for special circumstances such as natural calamities like flood, earthquake or similar events, war, etc., towards any relief funds of Central Government and / or support to NGOs involved in such relief work subject to the overall budget approved by the Board of Directors.

The project proposal submitted by the CWG will be examined by the Corporate Social Responsibility Committee (CSRC). CSRC will approve the projects to be undertaken and the amount of expenditure to be incurred by the Company on CSR activities. The expenditure on CSR will be based on the project having identified timelines. Depending upon the nature of the project and the size of the project, involvement in such project may entail long-term commitments and hence such projects will be reviewed from time to time by CSRC. The implementation schedule will vary from project to project, which will be decided at the time of finalising each project. Project activities will be executed as per these timelines. The releasing of funds in phased manner shall be clearly defined in the proposal to ensure proper utilization and submission of periodical progress reports before release of installments.

Board Functions with respect to CSR

1. To take into account the recommendations of the CSRC.
2. To approve the CSR Policy and changes, if any from time to time and ensure dissemination of the same in the company's website.
3. To undertake such CSR activities, which are included in the CSR Policy.
4. To endeavor to spend 2% of the average net profits made during the three immediately preceding financial years or such higher amounts as may be recommended by the CSR Committee and approved by the Board.
5. To endeavor that the company gives preference to local area and areas around the company where it has operations for spending the amount earmarked for CSR activities. To endeavor that the activities included by the company in its CSR Policy are related to the activities included in Schedule VII of the Act.

Annual Action Plan

As per section 135 read with Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014, the CSR Committee shall send the list of CSR projects / activities carried out / proposed to be carried out by the Company to the Board of Directors of the Company for their noting comprising the details as given hereunder:-

- i. The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- ii. The manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of the Companies (Corporate Social Responsibility) Rules, 2014 (activities undertaken by the Company itself or through a NGO / Section 8 Company / registered Trust / Society);
- iii. The modalities of utilisation of funds and implementation schedules for the projects or programmes;
- iv. Monitoring and reporting mechanism for the projects or programmes;
- v. Details of need and impact assessment, if any, for the projects undertaken by the Company.