



## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

[Pursuant to Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, 2014]

**FAIRCHEM ORGANICS LIMITED (FOL)** is committed to be in the business of 'Natural and Bio-degradable' products thereby protecting the environment. We are desirous of working towards the Greener Goal and become environmentally responsible Company in India.

### **NORMAL COURSE OF BUSINESS:**

FOL manufactures Specialty Oleo Chemicals by using natural agro based renewable raw materials which are the by-products of Vegetable Oil refineries processing crude vegetable oils such as Soya, Sunflower, Cotton Seed, Corn etc.. Our finished products broadly fall under two different kinds of industry i.e. Intermediate, Nutraceuticals and Oleo Chemicals. To produce different products meeting stringent quality standards requirements of various customers from raw materials procured on 'as is where is basis' from the vegetable oil refineries is our USP and we pride ourselves for the same.

### **OBJECTIVE OF FOL CSR POLICY:**

- 1)** The CSR Policy encompasses the Company's philosophy of giving back to the society as a responsible corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare & sustainable development of the community at large specially benefitting the citizens residing around the Company's manufacturing plant thereby improving the quality of life and health of the said citizens and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company. .
- 2)** To address critical social, environmental and economic needs of the less privileged section of the society.
- 3)** To create goodwill for FOL and establish new bench mark by becoming a responsible corporate entity.

### **SCOPE:**

### **CSR POLICY:**

The Company proposes to focus in the following core areas:

- 1) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- 2) Promoting education, including employment enhancing vocational skills and special education, with focus on children, women, elderly and the differently abled ones and also to actively support livelihood enhancement projects;
- 3) 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;
- 4) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, 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, using green energy and taking other initiatives for environmental protection;
- 5) 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;
- 6) 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;
- 7) Training to promote rural sports, nationally recognised sports, Paralympic and Olympic sports;
- 8) 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 government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- 9) 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;
- 10) 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);

- 11) Rural development projects;
- 12) Slum area development;
- 13) Disaster management, including relief, rehabilitation and reconstruction activities; and
- 14) Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act, 2013 (the “Act”) as amended from time to time

(collectively hereinafter referred to as “CSR Activities”)

#### **IDENTIFICATION AND IMPLEMENTATION OF CSR PROJECTS:**

In identifying the CSR project, the preference shall be given to the areas around the manufacturing facility of the Company. However, this shall not bar the Company from pursuing its CSR activities in other areas, as prescribed under Schedule VII of the Act and the amendments thereto from time to time.

#### **FUND ALLOCATION:**

The Company will make a sincere effort to spend the amount, each year, within the statutory limit, from time to time. The CSR committee shall prepare annual plan comprising of (a) Identification of CSR project(s) and (b) maximum amount allocated for respective project(s). In case the Company fails to spend the statutory minimum limit of 2 % of Company’s average net profits of the immediately preceding three financial years, in any given financial year, the unspent amount, relating to a project, other than ongoing project, shall be transferred to any fund included in Schedule VII of the Act (until a fund is specified in Schedule VII of the Act) within a period of six months from the expiry of the financial year and the Board shall specify the reasons for the same in its report as required u/s. 134(3)(o) of The Companies Act, 2013.

The unspent amount relating to ongoing project shall be transferred within a period of thirty days from the end of the financial year to a special account which will be opened by the Company in any scheduled bank to be called ‘Unspent Corporate Social Responsibility Account’ and such amount will be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which the Company will transfer the same to a fund specified in Schedule VII within a period of thirty days from the date of completion of third financial year.

The disbursement of funds shall be submitted to the Board as a part of the review along with the details of how the funds have been utilized, which shall be certified by the Company’s Chief Financial Officer. In case of an ongoing project, the implementation alongwith the approved timeliness and year-wise allocation will be presented to the Company’s Board.

### **IMPLEMENTATION OF CSR ACTIVITIES/PROJECTS:**

- 1) The Company may itself implement the identified CSR Activities/Projects;
- 2) The Company may also implement the identified CSR Activities/Projects through a Company established under Section 8 of the Act or a registered public trust or a registered society registered under Section 12A and 80G of the Income Tax Act, 1961, which is involved in CSR activities and which has registered itself with the Central Government and has a unique CSR registration number;

Provided that the Company can carry out the CSR Activities/Projects through such other institutions, as may be found suitable by the CSR Committee, having an established track record of at least 3 (three) years in undertaking the CSR activities which is involved in CSR activities and which has registered itself with Central Government and has a unique CSR registration number.

- 3) The Company may collaborate with other companies for undertaking the CSR Activities/Projects subject to fulfillment of separate reporting requirements as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("the Rules")

### **CSR REPORTING:**

The Board's Report of a Company covered under these rules pertaining to any financial year shall include an annual report on CSR containing particulars as specified in the Annexure.

The impact assessment, if and when mandated under the applicable Act and Rules, will be undertaken by an independent agency and such impact assessment report shall be placed before the Board and annexed to the annual report of CSR.

Further, the Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall be as per the provisions of the Corporate Social Responsibility Policy) Rules, 2014 as may be amended from time to time.

### **DISPLAYING OF CSR ACTIVITIES ON THE WEBSITE:**

The composition of CSR Committee, and CSR Policy and Projects approved by the Board will be displayed on the Company's website, for public access.

### **AMENDMENT:**

CSR plan may be revised / amended by CSR committee at such intervals as it may deem fit.

### **OTHERS:**

Any surplus arising out of CSR projects or programs or activities shall not form part of the business profit of the Company.

The CSR Committee shall meet as and when required.