

CORPORATE SOCIAL RESPONSIBILITY POLICY

Alltech Biotechnology Private Limited

(Alltech India)

CONCEPT

INTRODUCTION OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) is strongly connected with the principles of sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Alltech India (hereinafter referred to as "the Company") to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

CSR is the continuing commitment by the business to perform ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. CSR is clearly on capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy-efficient technologies, development of backward regions, and upliftment of the marginalized and under-privileged sections of the society.

VISION STATEMENT AND OBJECTIVES

VISION

“To commit for enhanced value-creation for the Society, our shareholders, other stakeholders and the communities by taking-up activities and initiatives for sustainable growth for the Society, with environmental concern”.

OBJECTIVES

Alltech India CSR Policy intends to:

- Strive for economic development that positively impacts society at large with minimal resource footprint.
- Embrace responsibility for the Company’s actions and encourage a positive impact through its activities to alleviate hunger, poverty and malnutrition; to protect the environment; and to support communities, stakeholders and society

EFFECTIVE DATE*¹

This amended policy is effective from February 4, 2021.

¹ CSR policy was originally framed and effective from April 1, 2014.

GOVERNANCE

The CSR policy will be governed by the CSR Committee in accordance with the applicable provisions, rules, notifications, circulars, guidance notes and regulations of the Companies Act, 2013.

FOCUS AREAS AND MODES OF IMPLEMENTATION

- **HUNGER, POVERTY, MALNUTRITION AND HEALTH:** Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.
- **EDUCATION:** Promoting education, including special education and employment-enhancing vocational skills, especially among children, women, the elderly and the differently abled, and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc., with the objective of assisting students in their studies, this also includes skilling and reskilling initiatives for those who are in need.
- **RURAL DEVELOPMENT PROJECTS:** Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.
- **GENDER EQUALITY AND EMPOWERMENT OF WOMEN:** Promoting gender equality and empowering women; setting up homes, hostels and day care centers for women and orphans; setting up old age homes and other similar facilities for senior citizens; and adopting measures for reducing inequalities faced by socially and economically backward groups.
- **ENVIRONMENTAL SUSTAINABILITY:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.
- **NATIONAL HERITAGE, ART AND CULTURE:** Protecting national heritage, art and culture, including the restoration of buildings, sites of historical importance, and works of art; setting up public libraries; reviving, promoting and developing traditional arts and handicrafts.

IMPLEMENTATION STRATEGY

1. CSR programs will be undertaken by Corporate Office and Manufacturing Unit of the Company to the best possible extent within the defined ambit of the above identified heads.
2. The time period/duration over which a particular program will spread, will depend on its nature, the extent of coverage and the intended impact of the program.
3. Programs that involve considerable financial commitment and are undertaken on a time frame of 2-5 years; will be considered 'flagship programs' and accorded enhanced significance.
4. By and large, preference will be given for the CSR programs to be executed in and around the areas adjoining Alltech India Divisions/ zonal offices/Regional offices / District offices/ Work Centers, including the Corporate Office.

5. Project activities identified under CSR are to be implemented by specialized agencies, which could include -

-Voluntary Organizations (VOs) formal or informal Elected local bodies such as Panchayats, Institutes/Academic.

-Institutions, Trusts, Self Help Groups, Govt/Semi-Govt./Autonomous organizations, Professional Consultancy organization or through any other means as may be decided by the management of the Company.

6. The process for implementation of CSR programs will involve the following steps:

6.1 Identification of programs by means of any of the following:

- a) Need identification studies by professional institutions/agencies
- b) Internal need assessment by cross-functional teams at the local level
- c) Receipt of proposals /requests from District Administration/local Govt/ etc.
- d) Discussions and request with local representatives/Civic bodies / Citizen's forums / Voluntary Organizations.
- e) Proposals as identified by the company in any other manner.

6.2. Project-based approach: the Corporate Office and Manufacturing Unit of the Company will follow a project-based accountability approach to stress on the long-term sustainability of CSR projects, where its action plan will be distinguished as:

Short-Term : up to 1 year

Middle-Term : 1 year to 2 years

Long-Term : 2 years and above

7. While identifying long-term programs, all efforts will be made to the extent possible to define the following:

- a) Program objectives
- b) Baseline survey – Giving the basis on which the outcome of the program would be measured.
- c) Implementation schedules - Timelines for milestones of the program will need to be prescribed
- d) Responsibilities and authorities
- e) Major results expected and measurable outcome.
- f) Evaluation of the project implementation/ completion

UNDERTAKING CSR ACTIVITIES

The CSR Activity will undertake its projects / programs / other permitted activities, either directly or through such other eligible entity / organization as approved by the CSR Committee.

The surplus arising out of the CSR activities shall not form part of the business profit of the Company. Such surplus shall be spent towards its CSR activities in accordance with this policy.

Identification and implementation of multi-year CSR projects / programs ("Ongoing Projects") will be

monitored by the CSR Committee as required under Applicable Law.

CSR ANNUAL ACTION PLAN

The CSR Committee shall decide the CSR activities and formulate and recommend to the Board for approval a CSR annual action plan, which shall contain all matters required under Applicable Law and any other matters as the CSR Committee may deem fit from time to time.

The Board may modify the annual action plan as per the recommendations of the CSR Committee at any time during the financial year, based on reasonable justification.

IMPACT ASSESSMENT

Impact assessment shall be undertaken by the Company or by the recipient or by the implementing agency as required by and in the manner set out under Applicable Law, and the impact assessment report(s) shall be placed before the CSR Committee and the Board and shall be disclosed as legally required.

COMPOSITION OF CSR COMMITTEE

The Company, being a private limited entity, requires only two directors on its Board that shall constitute the CSR Committee, or such other composition as may be required as per the provisions of the Companies Act, 2013.

ROLE OF CSR COMMITTEE

- Formulation, development, amendment in policy framework and broad guidelines for selection of the projects, planning, budget execution and monitoring.
- Selection of a project in accordance with policy framework and guidelines, to prepare a project report along with estimated cost and send for the approval of the Board.
- Formulation of strategies for efficient implementation along with other stakeholders like civil society and -implement the project as per the guidelines.
- Supervision, coordination and implementation of CSR activities/ projects.
- Compilation of information and preparation of regular/ annual reports etc.
- Coordination with various other departments for exchange of information for promotion of CSR activities and to ensure harmony in activities by different agencies.
- Submitting semi-annual/annual statements of physical and financial progress to the Board.
- Consideration and approval of the projects for CSR activities and to submit annual budgetary allocation among various projects.

-Arrangement of workshops, training, etc. to sensitize the staff for better implementation of the policy.

-Maintenance of up dated CSR policy, including the changes/ clarifications suggested/issued by the Ministry of Corporate Affairs and other government agencies.

MONITORING AND EVALUATION

Impact of the CSR activities undertaken should be quantified to the extent possible with reference to baseline data, to be created before the start of any project. Therefore, base-line surveys would be an integral part of the CSR program so that progress can be measured. Photographic records may be maintained wherever possible.

For proper and periodic monitoring of CSR activities, if considered necessary, the programs undertaken under CSR policy may be evaluated through a suitable independent external agency and the evaluation should be both concurrent and final.

QUORUM

A Quorum shall be two members. A duly convened meeting of the CSR Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the CSR Committee.

ATTENDANCE AT MEETINGS

No one other than the CSR Committee Chairman and other members is entitled to be present or vote at a meeting of the CSR Committee.

FREQUENCY OF MEETINGS

Meetings shall be held at such times as the CSR Committee deems appropriate, and in any event shall be held not less than twice a year.

REPORTING PROCEDURES

The CSR Committee shall:

- Report to the Board on the proceedings of each meeting held by the Committee on all matters within the scope of its duties and responsibilities.
- Make necessary recommendations to the Board whenever it deems appropriate on any area within its ambit where action or improvement is required.
- Report on its responsibilities and activities during the year in a CSR Report to be published at the same time as the Company's annual report and accounts

- Include in the Annual Report details the implementation of CSR activities including physical and financial processes.
- Reflect the CSR activities in the annual accounts of the Company under the head 'Expenditure under CSR Activities'.
- Disclose/ display the contents of this CSR policy on the website of the Company.

Broad Guidelines

- Discussions and interactions with various private/ Government bodies/ Government officials may be held to identify the areas for undertaking CSR activities.
- While identifying the CSR activities, emphasis shall be on the areas related to the business of the Company.
- A survey may be carried out to find out the needs and requirements of community before planning a project.
- The target beneficiaries, local authorities, institutions etc. involved in similar activities, if need be, may be consulted in the process of planning and implementing CSR programs.
- Based on the need analysis survey, prepare a detailed program report reflecting content, objectives, major milestones, time frame for implementation, budget thereof and implementing agency. The investment in CSR activity would be project-based, and for every project, time-frame and periodic targets would be finalized at the outset, along with the modalities for the concurrent and final evaluation.
- Ensure that that the CSR activities are in accordance with the approved policy. Activities related to sustainable development will form a significant element.
- May assign CSR projects to NGOs/ specialized agencies under an MOU/ Agreement reflecting the mutual terms and conditions for the projected activities. The CSR Committee should make all efforts to verify the reliability and past track record of the engaged agency, and only agencies of good repute may be engaged.

Amendment²

This policy will be reviewed regularly and may be altered from time to time in light of legislative changes or other prevailing circumstances. Any modification/amendment to the terms of reference under this CSR policy may be carried out by members of the CSR Committee with the approval of the Board.

² Amendment of CSR policy has been approved by the Board in the Board meeting Dated February 4, 2021.