



# Corporate Social Responsibility Policy

# **AVADH SUGAR & ENERGY LIMITED**

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

### **Philosophy**

An aspiration to create meaningful societal value is manifest in **AVADH SUGAR & ENERGY LIMITED** (“The Company”) strategy to enhance the competitiveness of value chains of which it is a part. It is therefore a conscious strategy to design and implement CSR programmes in the context of the company businesses, by enriching value chains that encompass the most disadvantaged sections of society, especially those residing in rural India, through economic empowerment based on grass-root capacity building.

### **Preamble**

Corporate Social Responsibility 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 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 and with intent to make a positive difference to society.

### **Guiding Principles**

The Company is vigilant in its enforcement towards corporate principles and is committed towards sustainable development and inclusive growth. The company constantly strives to ensure strong corporate culture which emphasizes on integrating CSR values with business objective and is committed towards aligning with nature and shall always adopt eco-friendly practices.

### **Care for all Stakeholders**

We strive to conduct our business operations in socially responsible, ethical and transparent manner to demonstrate commitment to respect the interest of and be responsive towards all stakeholders, including shareholders, employees, customers, suppliers, project affected people, society at large etc. and create value for all of them.

### **Ethical functioning**

Our governance system shall be underpinned by Ethics, Transparency and Accountability and we shall not engage in business practices that are abusive, unfair, corrupt or anti-competitive.

### **Respect for workers' rights and welfare**

We shall provide a workplace environment that is safe, hygienic and humane and which upholds the dignity of our employees/worker's. We shall provide all our employees/worker's with access to training and development of necessary skills for career advancement on an equal and non-discriminatory basis. We shall uphold an effective grievance redressal system, non-employment of child or forced labour and provide and maintain equality of opportunities without any discrimination on any grounds in recruitment and during employment period.

### **Respect for human rights**

We shall respect human rights for all and avoid complicity with human rights abuses by us or by any third party.

### **Respect for Environment**

We shall take proper measures to check and prevent pollution; recycle, manage and reduce waste, management of natural resources like land and water. We shall proactively respond to the challenges of climate change by adopting cleaner production methods, promoting efficient use of energy and environment friendly technologies.

### **Focus Areas**

The scope of activities which, the Company will undertake towards fulfilment of its CSR shall be in line with Schedule VII of the Act. The Company shall focus on the following key areas for its CSR Activities:

- a) Livelihood enhancement and poverty alleviation
- b) Education including skill development for empowerment of women and others.
- c) Healthcare, sanitation & safe drinking water
- d) Rural development and transformation
- e) Environment sustainability & climate change
- f) Disaster management

Besides above, the Board may approve such other CSR activities as permissible under Schedule VII of the Act.

The CSR initiatives would be identified in a participatory manner as per the requirement in the community and the local area from where the Company operates. Further, the CSR Committee may also consider any initiative to be carried out in terms of the Act in any other part of India. Professional agencies may be engaged in conducting need based assessment in some programme, wherever required.

## **Implementation**

The Company shall undertake CSR project/programmes identified by the CSR Committee and approved by the Board of Directors in line with the CSR Policy.

The Company shall implement its CSR programmes/projects either by itself or 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, and having an established track record of at least three years in undertaking similar activities. or
- ✓ a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other company, or
- ✓ a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- ✓ any entity established under an Act of Parliament or a State legislature; or
- ✓ in collaboration with other organisations, , if such organisation falls under Rule 4 of the Companies (CSR Policy) Amendment Rules, 2021

## **Collaboration**

Collaborative partnerships may be formed with the Government, the District Authorities, the Village Panchayats, NGOs and other like-minded stakeholders. This helps widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.

## **Monitoring, Review And Impact Assessment**

- a) The monitoring and reporting mechanism for CSR Projects / Programmes shall be indicated in the annual action plan approved by the Board of Directors of the Company.
- b) The CSR programmes / projects to be monitored using appropriate monitoring tools that may include field visit(s), third party audit(s) or certification(s), self-assessment report(s), feedback survey(s), impact assessment(s), periodical review(s) or any other appropriate mechanism.
- c) The Company shall undertake impact assessment, through an independent agency, of its CSR projects / programmes having outlays of rupees one crore or more, as per the requirements of CSR Rules.
- d) Corporate Social Responsibility Committee ("CSR Committee") of the Board

of Directors shall periodically monitor the progress of the CSR projects / programmes.

- e) The Board of Directors of the Company shall be periodically apprised about the progress of CSR projects / programmes. In case of Ongoing Project(s), the Board of Directors of the Company shall monitor the implementation thereof with reference to the approved timeline and year-wise allocation.

### **Annual Action Plan**

The CSR Committee shall formulate and recommend to the Board of Directors, an Annual Action Plan in pursuance of this Policy, which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilisation, monitoring mechanism, etc.

The Board of Directors may approve the Annual Action Plan with such further conditions as it deems fit and may alter Annual Action Plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

### **Information dissemination**

The composition of the CSR Committee, CSR Policy and Projects, as approved by the Board should be uploaded on the website of the Company. An Annual CSR Report will be included in the Board's Report forming part of the Annual Report.

### **Interpretation**

The Company reserves the right to amend or annul this policy from time to time subject to the provisions of the Companies Act, 2013 and CSR Rules. In any circumstance where the terms of this policy differ from any existing or newly enacted law, rule, Regulation or standard governing the Company, the law, rule, Regulation or standard will take precedence over these policies and procedures until such time as this policy is changed to conform to the law, rule, Regulation or standard.