

# **AVT McCormick Ingredients Private Limited**

## **Corporate Social Responsibility Policy**

### **Preamble**

At AVT McCormick Ingredients Private Limited (AVT McCormick), we are committed to build a greener India by economic use of water, land and environment. Our strategic Corporate Social Responsibility (CSR) initiatives actively work towards becoming one of the most socially and environmentally responsible companies in the Spice Industry in India.

### **Purpose**

The key purpose of this policy is to:

- Define what CSR means to us and the approach adopted to achieve CSR objectives.
- Define the kind of projects that will come under the ambit of CSR.
- Identify broad areas of intervention in which the company will undertake projects.
- 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.

### **Policy Statement**

The CSR Policy focuses on addressing critical social, environmental and economic needs of the marginalized/underprivileged sections of the society. Through this policy, we align our CSR strategy in line with the requirements of Section 135 of the Companies Act, 2013 to benefit the communities at large and create social and environmental impact.

### **Scope of CSR activities in AVT McCormick**

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 and it will be further reviewed and updated.

### **Normal Course of Business**

AVT McCormick manufactures various spice products in order to cater to the requirements of the customers located around the world. We are a 100% Export Oriented Unit and export to various countries across the globe. We pride ourselves for delivering high quality products at competitive prices in several countries. Our high quality manufacturing processes and supply chains enable us to be the preferred supplier of spice products worldwide. As a company, we are committed to providing quality products to our customers, creating economic value for all stakeholders, and we assign high priority to ensuring that we fulfil all regulatory requirements.

## **CSR Goals of AVT McCormick**

AVT McCormick aspires to create a more employable Indian workforce by enhancing their earning potential through training programs. It also aims to contribute to build a greener India by giving training to the rural farmers for economic use of water, land and environment. AVT McCormick engages in contract farming and supply the farmers with high quality seeds and impart training in the usage of modern and innovative agricultural techniques.

### **Greener India**

We recognize the fact that in order to truly embed sustainability into our business, it is crucial for us to manage and reduce the environmental impacts of our operations. With this view, we have signed an MOU with an NGO organization "Plan @ Earth", which endorse the AVT McCormick's commitment towards environmental protection and conservation in the area of waste management and for recycling waste paper. We supply the waste paper materials generated in the company and supply to the NGO who supply in return A4 size paper for office use.

For this initiative, we have been honoured with a 'GREEN CERTIFICATE" on the Environment day, 2014 from Plan @ Earth for recycling 1417 Kgs. of paper which saved 242 trees, 410959 litres of water and preserved 46.76 cubic yard of land fill space. We have also received 95 bundles of A4 size paper in the first 3 months, since signing of MOU with the NGO.

AVT McCormick contributes to CSR by adopting projects in the following areas of intervention defined in Schedule VII of the Companies Act, 2013:

- Livelihood enhancement projects
- Ensuring environmental sustainability
- Promoting education
- Others as maybe identified in the future
- Go-green activities
- Promoting overall socio economic development of rural areas

### **CSR Goals/Activities**

As part of the CSR program, AVT McCormick is presently engaged in some of the projects which are socially relevant and demanding in the locality surrounding its factory area and other locations where the Company has business interests. AVT McCormick will continue to undertake/fund projects, programs or activities of the following nature and also undertake such other activities as may be approved by the Board as is falling under the Schedule VII of the Companies Act, 2013.

#### ***a) Development of Skilling among various sections of society***

AVT McCormick may undertake the activities for development of skill among the various sections among the society with an intention to develop and equip them with the adequate capability.

**b) Development of Infrastructure**

AVT McCormick may develop the infrastructures like roads, pathways, mini water tanks, providing quality drinking water to government schools, high-mast light, cleaning, maintaining and improving the public wells, construction of bus shelters etc., in association with the recognized agencies/local bodies in and around the factory area at South Vazhakulam and also the area in and around the agro farm centres of the Company.

Providing sanitation facilities like building/renovating toilets etc., for the local community around the factory area and agro farm centres of the Company.

**c) Empowerment of Women**

AVT McCormick may take up and carry on projects, programs or activities aimed at women empowerment and gender equality. The objective may be achieved through supporting women belonging to socially or financially weaker sections of the society by providing job oriented training programs with an objective of making them financially independent.

**d) Promotion of Health Care**

AVT McCormick may undertake projects or programs in activities aimed at improving the health and hygiene of the socially or economically weaker sections, families in the Below Poverty Line (BPL) by providing free or subsidized medicine, free or concessional treatments at hospitals, provide medical equipments, setting up of medical and diagnostic camps, free medical insurance for a group of people or families in the BPL category, projects or programs aimed at eradicating poverty or malnutrition among women and children, pain and palliative care etc.

**e) Old age homes / day care facilities for Senior Citizens**

AVT McCormick may undertake projects or programs or activities for the protection of elderly citizens by establishing, funding or otherwise supporting old age homes and day care facilities including medical aid, food and accommodation.

**f) Promotion of Education**

AVT McCormick may undertake projects or programs or activities aimed at the promotion of elementary to profession education and to support the students belonging to weaker sections of the society including SC/ST/OBCs by way of setting up schools, colleges, coaching centres, providing libraries, text books and other student materials, vocational training centres and centres for physically challenged students, providing endowments or other forms of recognition to successful candidates pursuing government recognized examinations, scholarships or other forms of merit cum means assistance etc.,

Further, AVT McCormick may undertake all or any projects, programs or activities falling under any of the activities in the following fields as approved by the Board on the recommendation of the CSR committee.

- (i) Eradicating hunger, poverty and malnutrition, promoting 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 project;
- (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, agro forestry, conservation of natural resources and maintaining quality of soil, air, water 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 the buildings and sites of the historical importance and work of arts, setting up public libraries; promotion and development of traditional arts, handicrafts;
- (vi) Measures for the benefits of armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sport;
- (viii) Contribution to Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the scheduled castes, schedule tribes, other back ward classes, minorities and women.
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- (x) Rural development projects.

## **Governance Structure**

We have constituted a transparent governance structure to oversee the implementation of our CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013.

### **Board-level CSR Committee**

AT AVT McCormick, 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.

## **Responsibilities**

- Formulate and update our CSR Policy, which will be approved by the Board of AVT McCormick.
- Suggest areas of intervention to the Board of AVT McCormick.
- Approve projects that are in line with the CSR policy.
- Put monitoring mechanisms in place to track the progress of each project.
- Recommend the CSR expenditure to the Board of AVT McCormick who will approve it.
- Meet at least twice a year to review the progress made.

## **CSR Budget**

The total budget for the CSR projects will be decided by the CSR Committee.

## **Treatment of Surpluses**

Any surplus generated from CSR projects undertaken by us will be tracked and channelized into our CSR corpus. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.

## **Amendment of Policy**

The CSR policy of the AVT McCormick may be amended at any time by the Board of the AVT McCormick on the recommendation of the CSR Committee.

## **Reporting**

On approval of the CSR policy or any amendment thereof, the contents of the policy shall be included in the Board's report and the same shall be displayed on the web site of AVT McCormick.

At the end of each financial year, the CSR committee shall prepare a report of the CSR program in the prescribed form relating to the financial year and submit of the Board for its inclusion in the Board's report.

## **EFFECTIVE DATE**

The CSR policy of the AVT McCormick is effective from April 01, 2014.

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