

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. INTRODUCTION

Advanced Enzyme Technologies Limited (“AETL”) is one of the leading manufacturer of enzymes in India registered under the Companies Act, 1956 having its registered office at Sun-Magnetica, A Wing, 5th Floor, Near LIC Service Road, Thane (W), 400604. AETL believes that holistic approach toward business would remain incomplete unless its strategies would be complete when it also includes a well-defined approach to participate in Corporate Social Responsibility (“CSR”) activities.

AETL is the largest Indian enzyme company engaged in the research & development, manufacturing and marketing of enzyme products and operating in two primary business verticals namely Healthcare & Nutrition and Bio-Processing. AETL offers these products to globally and has presence across 45 countries worldwide and supply these value-added enzyme products to diverse end-user industries like healthcare, human nutrition, animal nutrition and industrial processing segment such as food processing, brewing, grain processing, textile and leather processing, paper and pulp processing, bio-fuels etc

As part of its CSR activities, AETL intends to focus on certain long term projects which shall include initiatives, *inter alia*, in the fields of education, skill development, health care, sanitation, safe drinking water, environment sustainability, women empowerment and rural development which will enable creation of a sustainable livelihood in society and better human capital.

This Policy is aimed at providing a framework within which the Company will endeavour to implement CSR activities in the society by addressing social and environmental concerns of the marginalized sections of the society. This Policy is made in accordance with the Companies Act, 2013 (“**Act**”) along with Companies (Corporate Social Responsibility) Rules, 2014 (“**Rules**”) and forms part of AETL’s key business processes and is as per the recommendations of the CSR Committee (*as defined herein below*) at its meeting held on September 19, 2014. This Policy has been approved by the Board of Directors of AETL (“**Board**”) in their meeting held 26th December 2014.

The CSR Policy shall recognize areas to create an ecosystem and work in tandem with grassroot level working partners and implementing bodies / local statutory authorities, Central Government, Universities, Women and Child Welfare Department, Rural Development cell, Non Governmental Organisations (NGO’s) and notable individuals / social workers.

2. CSR VISION OF AETL

AETL's strategy is to care for lives that matters beyond making money.

“To create, facilitate and provide support for persuasion, continuity and improvement in the field of education, health, sanitation and living conditions of the underprivileged sections of society thereby creating a quality human capital for the country.”

3. CONSTITUTION OF THE CSR COMMITTEE

In accordance with the Act, the Board of AETL has constituted the Corporate Social Responsibility Committee (“**CSR Committee**”) consisting of 3 (Three) members (including the Independent Directors and an Executive Director) along with a CSR vertical team of socially responsible individuals. The members of the CSR Committee are mentioned herein below and such membership of the CSR Committee shall be subject to review by the Board on a periodical basis:

The CSR Committee shall, inter alia, perform the following functions:

- Formulate and recommend to the Board, a CSR Policy which shall indicate the frame work within which the proposed CSR activities would be undertaken;
- Select and approve CSR projects which will be identified based on the proposed thematic areas as provided under the Act and the Rules therein;
- Recommend the amount of expenditure to be incurred on the CSR projects; and
- Monitor the implementation of the CSR Policy from time to time and take such other action as it may deem fit in pursuance of the CSR Vision of AETL.

4. CSR PROJECTS, PROGRAMMES AND ACTIVITIES

In accordance with the CSR philosophy of AETL following projects have been identified:

- a) Advanced Shiksha Yogdan (education sponsorship)
- b) Advanced Shiksha Abhiyan (adopting or providing support to school run by local government / bodies/ NGO)
- c) Advanced Basti / Gaon (adopting a slum / village)
- d) Advanced Badlav (awareness campaign for change)
- e) Advanced Protection of National Culture (Protection of national heritage, art and culture)

a) Advanced Shiksha Yogdan(education sponsorship)

(i) Advanced Shiksha

Under this initiative, education of child shall be given paramount importance. AETL shall undertake responsibility of meritorious and needy children and work towards fulfilling their dreams to pursue education.

The support can be directly to the selected meritorious/needy children to achieve their dreams by:

- Sponsoring tuition fees, hostel fees ;
- Mentoring and guiding them in their career paths.

Modalities of Execution

- AETL shall identify candidate who are exceptionally good in their studies (more than 75%; however for pursuing courses in commerce stream or Arts the marks may be relaxed to a minimum of 60%) but cannot pursue further due to paucity of funds.
- AETL shall partner with NGOs, colleges / schools, Women and Child Welfare committee to refer such children.
- Detailed record of each child shall be maintained including residential address, name and contact details of parents / local guardians, academic record, photograph etc.

(ii) Advanced Heroes (differently abled education sponsorship for education)

Under this initiative, AETL shall take care of the education of differently abled deserving students with a view to get them included in the mainstream. AETL will help the selected meritorious child by:

- Creating awareness about career options and providing access to disability-appropriate training;
- Sponsoring tuition fees, hostel fees and in some cases even coaching fees;
- Mentoring and guiding them in their career paths.

Modalities of Execution

- AETL may identify required number of differently abled deserving child who are good in their studies but cannot pursue further due to lack of awareness and paucity of funds.

- AETL may partner with NGOs, colleges / schools and other committee / organisations to refer such children.
- Detailed record of each child shall be maintained including residential address, name and contact details of parents / local guardians, academic record, photograph etc.

b) Advanced Vidhya Abhiyan (adopting school run by local government / bodies/NGO/Trust/AOP)

Under the Advanced Vidhya Abhiyan, AETL will undertake the responsibility of engaging with selected schools run by local government / bodies/NGO/Trust/AOP within the areas preferably Thane and surrounding areas (radius not exceeding 100-150 kms). Depending on experience the coverage area can be reviewed and extended. The objective under this initiative would be to focus on following activities / matters:

- Provide good quality infrastructural support (in working condition) such as attending to repair and painting of building, electrical equipment, computer laboratory, sanitation infrastructure etc.;
- Providing books as per curriculum of the School or motivational books whether or not part of curriculum or note books or writing materials for students of the School
- Provide teaching aids, benches, class room material, additional teachers, if required;
- Teacher Training programmes to help teachers imparting education in such schools to upgrade their abilities and delivery;
- Counselling for single parents, children or any member of the family as may be required;
- Provide and make available safe and clean drinking water for the students;
- Medical check-up and follow-up of general health of students;
- Make available hygienic sanitation separately for boys and girls;
- Other weekend fun activities involving at times the AETL staff.
- Providing nutritional food and/ or drinks to students.

➤ Modalities of Execution

- Memorandum or Letter of Understanding to be executed by AETL with the concerned local government / body / NGO/Trust/AOP in respect of the specific activities / for running the school for 1 to 3 (one to three) years or such other period as the local government / body/NGO/Trust/AOP and AETL mutually may deem appropriate.
- Set up a team of AETL's employees for implementation of related initiatives / activities, monitoring, measurement and planning of series of events.

c) Advanced Basti / Gaon (adopting a slum / village)

Under the Advanced Basti / Gaon initiative, Advanced shall work towards development of a slum / village preferably within a radius of 150 kms from Thane. To begin with, Advanced shall look into the number of slums within the urban Mumbai or Thane metropolitan area that are suffering due to general neglect by society as well as due to limitations of the local authorities.

Under this initiative, to begin with AETL will undertake activities with due permission from concerned authorities in the following areas:

- Provide safe drinking water (water tankers, water filters) or such other facilities as may help to provide safe drinking water.
- Sanitation upkeep (provide portable toilets with cleaning and maintenance contract)
- Health care centres, to be operated from within the Schools (Free health check-ups)
- Malnutrition
- Environment (Cleanliness drive within the lanes of the basti / gaon)

➤ **Modalities of Execution**

- AETL to undertake work in the selected slum / village area with or without collaborating with the concerned local government authority / body/NGO/Trust/AOP subject to necessary permissions from the concerned department/local body or authority to undertake various activities in the village.
- AETL to provide financial support for repair, painting, plumbing, electrical works, general maintenance and upkeep etc to local government authority / body/NGO/Trust/AOP

d) Advanced Badlav (awareness campaign for change)

AETL believes that for creating long-lasting and sustainable social impact, it is important to bring a change in the thought process of the society by creating public awareness of various issues that are prevalent in society and the need for change by creating public opinion.

This awareness initiative will aim to create a change in the way the society approaches certain pertinent social issues which will help reduce the crime and create a better place for people to live. Some of the issues that AETL believes need to be addressed on priority are:

- Environment (save water, plant trees, global warming)
- Shram Dhan

- Felicitation of those who care, share and serve to the Society
- Anti Rape
- Dowry deaths
- Drug and Alcohol abuse
- Female foeticide

➤ Modalities of Execution

- Sponsor making and screening of documentary in cinema halls, NGOs, observation homes, schools and colleges and other corporate.

e) **Advanced Protection of National Culture (Protection of national heritage, art and culture)**

AETL believes that 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 arts and handicrafts, is very important for sustained growth and development of the Society and Nation. The cultural heritage of India is considered to be most pious and is always inclusive “vasudev kutumbakam”

➤ Modalities of Execution

- Organizing lectures, seminar.
- Setting up specific libraries,
- Support local entrepreneurs engaged in traditional arts and handicrafts related products
- Sponsoring, making and screening of documentary on National Culture, Arts, and National Heritage sites.
- Supporting institutions/NGOs'/Trust engaged in protection of national heritage, art and cultural activities or in restoration of building and sites of historical importance and to undertake all such related activities.

5. SURPLUS OF CSR PROJECTS

In line with the guidelines provided by the Companies Act surplus, if any arising out of the projects or programs or activities shall not form part of the business profit of AETL and such surplus shall be invested in appropriate bank deposits, liquid funds and other instruments offering adequate safety and reliability and any interest income earned on the foregoing shall be utilized for CSR purposes.

6. IMPLEMENTATION AND MONITORING FRAMEWORK

AETL shall institute a transparent monitoring mechanism for implementation of the CSR projects / programs / activities undertaken. For the said purpose, AETL will set-up an internal monitoring group. The internal monitoring group shall submit its report to the CSR Committee by way of a presentation over a period of 3 (three) months.

The CSR Committee through the internal monitoring group / team shall:

- Ensure that the CSR projects are implemented in terms of the CSR policy of the Company.
- MIS process to be instituted for each of the projects – the MIS shall be in the format approved by AETL Committee. The reporting format of AETL CSR projects shall include (but not limited to) itemized heads of expenditure incurred, overheads / cost incurred by AETL (if any), specific areas / geographies and beneficiaries' impacted, cumulative expenditure spent up to the reporting period.
- Closely monitor the implementation schedules of each of the projects; and where there has been delay in the implementation schedules, the reasons for delay to be looked into and addressed to the extent possible.
- Ensure all fund disbursement in respect of CSR programmes is directed only towards the projects / programmes set out in the CSR Policy and funds are released against verified utilizations through approved project plans.

The CSR committee may undertake periodic or surprise field visits, interact with the beneficiaries of the projects and undertake independent evaluation.

7. REPORTING

The CSR monitoring group shall prepare reports on a periodic basis (quarterly basis) and the said report shall provide a complete download on the activities and / or projects taken up under the CSR mandate and shall also incorporate therein the impact analysis of the CSR efforts.

Impact analysis / assessment shall be based on an objective evaluation of the CSR project's scope together with specific parameters (if any) and expected outcomes / outputs within the appropriate timelines.

CSR monitoring group shall also provide a consolidated 12 (twelve) months activity and impact report in the format prescribed in the Rules, which will be included in the Annual Report of the Company. The report on financial spending shall be duly audited by a competent Financial Auditor appointed by the Board.