

A large, stylized graphic of a plant with three green leaves and a yellow-orange base, serving as a background for the title text.

Corporate Social Responsibility (CSR) Policy Of

Cropnosys (India) Private Limited

**PREAMBLE:**

- Cropnosys (India) Private Limited (*hereafter referred to as ‘Cropnosys’, ‘We’, ‘Our’, ‘CIPL, ‘Company’*), a leading manufacturer of cutting-edge crop protection solutions, recognizes its responsibility to contribute to the sustainable development of the communities where it operates. Guided by the principles of transparency, accountability, and ethical conduct, this CSR Policy outlines the Company's commitment to fulfilling its social and environmental obligations as defined by Section 135 of the Act.

SCOPE/APPLICABILITY:

- This CSR Policy applies to all employees, contractors, suppliers, and other stakeholders of Cropnosys.
- The Company's CSR policy has been developed as per Section 135 of the Act, read with the CSR Rules.
- The Policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII of the Act.

OBJECTIVE:

- The objective of the CSR policy is to:
 - To develop a strategy for the Company's CSR objectives.
 - To establish relevance of potential CSR activities to the Company's core values and create an overview of activities to be undertaken in line with Schedule VII of the Act.
 - To establish a process and mechanism for the implementation and monitoring of the CSR activities for the Company.

CSR MISSION:

- Empowering sustainable agriculture through innovation, enhancing livelihoods, and safeguarding the environment for future generations.

DEFINITIONS:

- “**Act**” means Companies Act, 2013 including any Statutory modification or re- enactment thereof.
- “**Board**” means the Board of Directors of the Company.
- “**CSR Rules**” means the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as may be amended from time to time).
- “**Chairperson**” means Chairperson of CSR Committee, if any.
- “**CSR Committee**” means Corporate Social Responsibility Committee constituted by the Board, in accordance with the Act.
- “**CSR Activities**” means the activities to be undertaken by the Company in areas or subject specified in Schedule VII to the Act and specified under this CSR Policy.
- “**NGO**” means a Non-Governmental Organisation.



CSR ACTIVITIES:

- The Board shall ensure that all CSR activities undertaken by the Company are aligned with the activities specified in Schedule VII of the Act. To ensure focused and effective CSR efforts, the following key areas have been identified as priorities for Cropnosys' CSR activities:

1. Promoting Sustainable Agriculture:

- **Soil Health Management:**
 - **Soil Testing Labs:** Setting up mobile soil testing labs to provide farmers with accurate soil analysis.
 - **Promoting Organic Farming:** Supporting initiatives to encourage organic farming practices and provide training to farmers.
 - **Sustainable Land Use:** Implementing projects to prevent soil erosion, improve water retention, and promote sustainable land use practices.
- **Water Conservation:**
 - **Rainwater Harvesting:** Implementing rainwater harvesting structures like check dams, ponds, and rooftop rainwater harvesting systems.
 - **Efficient Irrigation Techniques:** Promoting drip irrigation, sprinkler irrigation, and other water-efficient irrigation methods.
 - **Water Quality Improvement:** Supporting initiatives to improve water quality in agricultural areas.
- **Biodiversity Conservation:**
 - **Protecting Pollinators:** Promoting the use of bee-friendly agrochemicals and supporting initiatives to protect pollinators like bees and butterflies.
 - **Conserving Biodiversity:** Supporting the conservation of natural habitats and promoting agroforestry practices.

2. Empowering Farmers:

- **Farmer Training Programs:** Conducting training programs on modern agricultural practices, including the safe and effective use of agrochemicals.
- **Promoting Farmer Producer Organizations (FPOs):** Supporting the formation and strengthening of FPOs to improve farmers' bargaining power and market access.
- **Providing Market Access:** Connecting farmers with markets through initiatives like e-commerce platforms, farmer markets, and value chains.
- **Promoting Women in Agriculture:** Implementing programs to empower women in agriculture, including providing them with access to resources, training, and technology.

3. Rural Development:

- **Providing Healthcare and Education:** Supporting healthcare and education initiatives in rural areas, such as building schools and hospitals.

- **Promoting Skill Development:** Providing vocational training and skill development programs to rural youth.
- **Supporting Rural Livelihoods:** Promoting alternative livelihoods for rural communities, such as agroforestry, beekeeping, and handicrafts.

4. Education and Skill Development:

- **Supporting Education in Rural Areas:** Providing scholarships and educational support to underprivileged students in rural areas.
- **Skill Development Programs:** Conducting vocational training programs for youth and women in rural areas, focusing on skills relevant to the agricultural sector.

5. Environmental Protection:

- **Waste Management:** Implementing waste management programs to minimize the environmental impact of agrochemical production and use.
- **Pollution Control:** Adopting pollution control measures to reduce air and water pollution from agrochemical manufacturing facilities.
- **Green Manufacturing:** Promoting green manufacturing practices, such as using renewable energy sources and reducing waste generation.

6. Other Relevant Activities:

- **Supporting Research and Development:** Funding research and development in areas such as sustainable agriculture, pest control, and crop improvement.
- **Promoting Awareness:** Conducting awareness campaigns on the safe and responsible use of agrochemicals.
- **Collaborating with NGOs:** Partnering with NGOs to implement CSR projects and maximize impact.

CSR EXPENDITURE:

- The CSR Committee shall recommend the amount of CSR Expenditure to be incurred in a financial year, in accordance with the Act and the Rules. For this purpose, the Board shall ensure a designated officer from the finance department of the Company provides the relevant financial data and such other necessary details to the CSR Committee to enable the Committee to recommend the amount of CSR Expenditure to the Board.
- The Board shall be responsible for sanctioning the CSR Expenditure and taking steps to ensure that the amount for the CSR Expenditure is available for application towards the CSR Activities.
- The Board shall ensure that the CSR Expenditure in a financial year is at least at two per cent of the average Net Profits of the Company made during the three immediately preceding financial years.
- In order to count towards CSR Expenditure, CSR Activities must be carried out in India and should not be solely for the benefit of the employees of the Company and their families.

- Any amounts contributed directly or indirectly to any political party under Section 182 of the Act will not count towards CSR Expenditure or considered a part of CSR Activities.
- Any amounts expended while undertaking activities in pursuance of normal course of business of a Company or on an item not in conformity or in line with activities set out in Schedule VII of the Act, will not form a part of CSR Expenditure.

PROJECT SELECTION AND IMPLEMENTATION:

Project Selection:

- Projects shall be selected on the basis of need identification studies, internal need assessment or receipt of proposals. Projects shall be evaluated against goals and milestones defined for the project together with the implementing agency (if any).

Project Implementation:

- The Board shall ensure that the CSR Activities are undertaken by the Company itself or through any of the following implementing agencies –
 - 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
 - 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.
- The implementation modalities may be modified from time to time.
- The Company may also engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per this CSR policy as well as for capacity building of its own personnel for CSR.
- All projects will have Key Performance Indicators (KPIs) to measure progress toward those goals and objectives set at the time of project definition. Based on the nature of the project, the KPIs will be defined and measured across various stages such as Inputs, Outputs, Outcome and Impact.
- The project may define the beneficiary group as per the goal and the needs assessment / baseline study.
- The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR Committees of respective companies (wherever Committees are been constituted as per the provisions of the Act read with CSR Rules) are in a position to report separately on such projects or programmes in accordance with the CSR Rules.
- The annual action plan of the Company would include the manner of execution of CSR projects or programmes to be undertaken by the Company and the modalities of utilisation of funds and implementation schedules for the projects or programmes.

**Partner Qualifications and Due Diligence:**

- If Company enrolling an implementation agency, Company shall undertake measures to ensure that projects are awarded to certified implementation agencies, be its vocational training institutes, registered trusts, societies, or Section 8 Companies operating in India. The Company shall ensure that the implementation agencies have a clearly explained mission/vision and an established track record of three years in undertaking similar projects or programs. They should be able to produce their latest audit, annual reports, and registration forms according to Section 80G/12A. Potential partner NGOs will undergo comprehensive due diligence and will be checked to ensure that they fulfill the criteria listed in Section 135 read with CSR Rules.

CSR COMMITTEE:

- The Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company which must consist of at least two or more Directors.

Functions of the CSR Committee:

- The Corporate Social Responsibility Committee shall —
 - formulate and recommend the CSR policy to the Board;
 - recommend the amount of expenditure to be incurred on CSR activities;
 - monitor the CSR policy of the company from time to time; and
 - formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the items as mentioned in rule 5(2) of the CSR Rules.

Meetings of CSR Committee:

- For smooth functioning of the Committee, the members shall meet as below to discuss such matters and to take such decisions as may be necessary:
 - The CSR Committee shall meet at least once in a financial year.
 - The quorum for the CSR Committee Meeting shall be one-third of its total strength of directors or two members, whichever is higher;
 - The membership of the CSR Committee shall be disclosed in the Board's report;
 - If CSR activities are outsourced to any external organization, a representative from such organization may be invited to attend a meeting of the CSR Committee;
 - The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means as may be convenient;
 - The proceedings of the Meetings of the CSR Committee must be minuted and signed by the Chairperson of the Committee at the subsequent Meeting.

**RESPONSIBILITIES OF THE BOARD OF DIRECTORS:**

- CSR is a Board-driven process. The responsibilities of the Board of a CSR-eligible company, inter-alia, include the following —
 - approve the CSR policy;
 - disclose contents of such policy in its report and also place it on the Company's website, if any;
 - ensure that the activities included in the CSR policy are undertaken by the Company;
 - ensure that the Company spends, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years;
 - satisfy itself regarding the utilisation of the disbursed CSR funds; and
 - if the Company fails to spend at least two per cent of the average net profits of the company, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and transfer the unspent CSR amount as per provisions of sections 135(5) and 135(6) of the Act.

GUIDELINES FOR MONITORING MECHANISM:

- The implementing agency shall submit the periodical progress report for every quarter of the financial year for physical as well as financial progress, during the implementation of the project / activity under CSR.
- Progress Report showing the physical progress of the project wherever possible, should be submitted every quarter.
- The implementing agency shall submit the bank statement every quarter related to the CSR Project / activity.
- The implementing agency shall return the unspent amount kept under CSR account, if it is more than three months period and the same may be availed based on the request and requirement.
- The implementing agency shall submit the Utilization Certificate for amount received and utilized, from the respective Chief Executive Officer/ Head of the project / activity.
- CSR Committee reserves the right to inspect the progress of the project/activity and verify the utilization of funds as claimed by the implementing agency, through a nominated person.
- The implementing agency shall inform about the completion of the project/activity through a certificate duly signed by the Chief Executive Officer / Head of the implementing agency.

REPORTING:

- CSR reporting will form part of the Company's Director's Report. The reporting would be in the format prescribed under the Act and the CSR Rules in respect thereof.

DISPLAY OF CSR ACTIVITIES ON COMPANY'S WEBSITE:

- The annual report of CSR activities along with the composition of CSR Committee, CSR policy of the Company and CSR projects/programs approved by the Board shall be displayed on the Company's website.

COMMUNICATION STRATEGY:

- The electronic media shall be used for broader communication with the stakeholders. Display in website, emails, Annual CSR booklet, Annual Report etc. will be key instruments to decipher the CSR initiatives of Cropnosys.

MODIFICATIONS IN CSR POLICY:

- The Policy shall be reviewed by the CSR Committee from time to time for any modifications or amendments, including due to changes in the Act and CSR Rules. The modifications/ amendments in the Company's CSR Policy, as recommended by the CSR Committee shall be subject to approval of the Board.

CONFIDENTIALITY:

All deliberations of the CSR Committee, and all records, material and information pertaining to the Company obtained by a member of the Committee shall be considered confidential. CSR Committee members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper access.

GENERAL:

- All CSR activities and expenses made thereon will be subject to audit.
- Company reserves the right to modify, cancel, add, or amend any of the above rules/guidelines.
- Any or all provisions of the CSR policy shall be subject to revision/amendment in accordance with the applicable laws/rules/ guidelines on the subject, from time to time.
- In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference should be made to CSR Committee. In all such matters, the interpretation and decision of the CSR Committee shall be final.

Approving Authority:

- This Policy has been reviewed by the Board and approved by the Board. All subsequent amendments to this Policy shall be approved by the Board.
