

CREAMLINE DAIRY PRODUCTS LIMITED
CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY



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1. Preamble

At Creamline Dairy Products Limited (“CDPL” or “the Company”), we are committed to the Godrej Group’s ‘Good & Green’ vision of creating a more inclusive and greener India. Our strategic Corporate Social Responsibility (“CSR”) initiatives are planned to actively work towards the Good & Green Goals and will help us maintain our reputation of being one of the most socially and environmentally responsible companies in the industry.

2. Purpose

The key purpose of this policy is to:

- Define what CSR means to us and the approach adopted to achieve our Good & Green goals
- Identify broad areas of intervention in which we will undertake projects
- Define the kind of projects that will come under the ambit of CSR
- Serve as a guiding document to help execute and monitor CSR projects
- Elucidate criteria for implementation agencies
- Explain the manner in which the surpluses from CSR projects will be treated

3. Policy Statement

The CSR Policy emphasizes to lay down guidelines for CDPL to make CSR a key business process for sustainable development of the society. Through this policy, we align our CSR strategy with the Godrej group’s Good & Green vision and goals. The policy focuses on holistic approach towards economic, social, and environmental impacts as a whole.

This policy will be effective from April 01, 2016 and will remain in force until superseded or amended by the Company.

4. Scope of CSR activities in CDPL

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. Furthermore, the policy also fulfills the requirements of the CSR rules as per Section 135 of the Companies Act, 2013.

4.1. Normal Course of Business

CDPL became a subsidiary of Godrej Agrovet Limited, one of the largest manufacturers of animal feed in the country in December 2015 and Godrej Agrovet Limited now owns more than 51% equity stake in CDPL. CDPL is now strategically positioned to fully leverage the potential and function as an end-to-end provider in the entire agri value chain. The Company has chalked out ambitious growth plans

both organic and inorganic, while also expanding its product portfolio with more value added products.

CDPL is a leading Private Dairy player in Southern India with its operations spanning across Telangana, Andhra Pradesh, Tamilnadu, Karnataka and Nagpur in Maharashtra. Its products are sold under the brand name `Jersey`. The Company has excellent infrastructure at strategic locations comprising of 34 Milk Chilling Centers, 8 Associate Milk Chilling Centers, 84 Bulk Milk Cooling units, 6 Composite Dairy Plants and one state of the art milk powder plant at Ongole. While all the dairies are ISO 22000 certified, Jersey milk products especially Curd, Lassi and Butter Milk have, within a short span of time, captured a significant market share and enjoys a high brand equity amongst the consumers.

5. Focus Areas for CSR

Good & Green

By 2020, we aspire to create a more employable Indian workforce, build a greener India, and innovate for 'good' and 'green' products. The Godrej group's Good & Green goals for 2020 are:

5.1. Employability

Train 1 million rural and urban youth in skills that enhance their earning potential through employability projects

India has 600 million people below the age of 25 out of which only 80 million (13%) are employable. Recognising the seriousness of this problem, CDPL proposes to undertake projects that focus on capacity and skill building of diverse target groups from rural youth to low income women to make them employable and improve their earning potential and livelihoods.

5.2. Greener India

Achieve zero waste to landfill, carbon neutrality, a positive water balance, 30% reduction in specific energy consumption and increase utilization of renewable energy sources through the Greener India projects. Our endeavor is to prevent the further deterioration of the environment and preserve it for the future generations. The Greener India initiative aims to do this through innovative projects that contribute to achieving the Godrej Group's goals (as in Section 5.2) linked to ensuring environmental sustainability.

5.3. Innovating for Good & Green

Generate a third of our portfolio revenues from 'good' and/or 'green' products and services – defined as products that are environmentally superior or addresses a

critical social issue (e.g., health, sanitation, disease prevention) for consumers at the bottom of the income pyramid

We define a 'Good' product/service as one that addresses a critical issue for marginalised sections of the society. The issue addressed could be related to health, hygiene, water, sanitation, housing, education, livelihoods etc. A 'Green' product/service is that which reduces energy, Greenhouse Gas emissions, water or material consumption, eliminates toxic materials or uses recyclable, renewable and/or natural material. We believe in innovation and societal good, which, at times, is supplemented by cause-related campaigns that aim at educating the marginalised communities to adopt better habits.

5.4. Brighter Giving

We encourage our team members to be a part of our CSR projects. Through Brighter Giving, our structured volunteering programme, we provide volunteering opportunities to our team members to engage in skill-based, longer-term volunteering projects.

Our Good & Green CSR policy contributes to the Group-wide goals by adopting projects in the areas of intervention defined in Schedule VII to the Companies Act, 2013. Over and above the Good & Green goals, from time to time we undertake additional CSR activities under Schedule VII, such as:

- **Education:** Inclusive and equitable quality education for different age groups and promote life-long learning opportunities for all
- **Environmental sustainability:** Water conservation, clean and renewable energy, reduction of waste to landfill, environmental sustainability, ecological balance, conservation of natural resources and reduction of pollution
- **Relief funds:** Contribute to government relief funds or any other fund for disaster relief and rehabilitation
- **Rural development:** Integrated rural development to improve education, health, livelihoods, and environmental conditions in rural and marginalised geographies
- **Poverty & hunger:** Support poverty and malnutrition projects, promote preventive healthcare and sanitation, safe drinking water
- **Research & technology:** Support to research institutions and technology incubators in Central Government approved academic and research institutions
- **Gender issues:** Support empowerment programmes for girl children, adolescent girls, and women, through education, health and livelihood projects, etc.
- **National heritage:** Protection of national heritage, art and culture
- **Sports:** Promote sports in all forms, geographies and for all groups including (but not limited to) sports for persons with disabilities
- **Armed forces welfare:** support armed forces veterans, war widows and their dependents.

6. Governance Structure

We have constituted a robust and transparent governing mechanism to oversee the implementation of its CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013.

6.1. CSR Committee

The governance structure of our CSR interventions is headed by the Board Level CSR committee that will be accountable to the Board of the Company for undertaking the CSR projects.

6.1.1. Members of the Committee:

The following are the Members of the CSR Committee:

Mr. C. Balraj Goud	- Chairman
Mr. Jude Julius John Fernandes	- Member
Mr. M. Gangadhar	- Member
Mr. S. Varadaraj	- Member

6.1.2. Responsibilities of the Committee:

Formulate and recommend a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as approved by the Board of Directors of the Company.

Recommend the amount of expenditure to be incurred on the CSR activities

Review and assess from time to time the adequacy of this Policy and make recommendations to the Board concerning any amendments that the Committee deems appropriate.

Meet at least once a year to review the progress made.

6.2. Reporting by Programme managers

Programme managers and the business teams will report / give feedback to the CSR Committee for all CSR projects undertaken.

6.2.1. Responsibilities

- Evaluate projects as per the framework
- Implement projects based on set targets and action plans
- Regularly monitor the activities
- Send quarterly reports to the CSR Committee and Good & Green team of Godrej
- Find suitable implementation partners, conduct due diligence and obtain approval from the CSR Committee, if required
- Evaluate possible collaborations with other organizations on CSR projects

7. CSR Budget

The total budget for the CSR projects will be decided as a part of the Annual Operating Plans, in accordance with the Good & Green goals and priorities identified for each of the key focus areas by the CSR Committee on an annual basis.

8. Project Life-cycle

8.1. Project identification mechanism

All projects are assessed under the agreed strategy, and are monitored every quarter, measured against targets and budgets. Wherever necessary, midcourse corrections are taken up.

8.2. Implementation

Implementation is the responsibility of the CSR Committee and team. The activities which are identified and mentioned in CSR policy will be undertaken by various work centers of CDPL to the best possible extent. The time period of each activity will depend upon its sector, the extent of its coverage and the allocated budget on the activity. Depending on the time period of each activity, required significance will be given to the activities.

8.3. Powers of approval

CSR activities as identified by each division/corporate office will be required to be put up to the CSR Committee with due recommendations of the CSR Team. Activities undertaken at any place or area shall have the prior approval of the CSR Committee.

8.4. Execution Agency/Partner

CSR initiatives will be implemented either directly by the Company where the CDPL employees will directly implement the CSR programs or outside Agencies/Partners may be engaged for execution of CSR Projects. These Agencies/Partners may include NGOs/Registered Trusts/Registered society or a company established by the company or its holding or subsidiary or associate company under Section 8 of the Act or otherwise such NGO/Trust/Society or company established under Section 8 of the Act. Basic criteria, as prescribed by Companies Act, 2013 will be ensured for programme execution.

8.5. Monitoring

- Monitoring entails physical verification of the progress and the actual output of the project.
- A separate chapter needs to be included in Annual Report on implementation of CSR activities including the facts relating to physical and financial progress.
- A Project Appraisal may be carried out by external agencies.

8.6. Reporting

The Board-level CSR committee, based on reports presented by the Programme managers, will annually publish report on the CSR projects as a part of the Director's report. The report

will disclose information in the format as prescribed under the Section 135 of the Companies Act, 2013.

9. Partner Qualifications

If a third party is employed to carry out the implementation of our CSR projects, it will be ensured that they have a clearly explained mission/vision and an established track record of 3 (three) years in undertaking similar projects or programmes. The implementation agencies should be able to produce their latest audited annual reports and in case of an NGO, they should also be able to produce their Registration Forms according to 80G/12A of the Income Tax Act, 1961.

10. Treatment of Surpluses

Any surplus generated from CSR projects undertaken by us will be tracked and channelised 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.