

AVADH SUGAR & ENERGY LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Philosophy

An aspiration to create meaningful societal value is manifest in **AVADH SUGAR & ENERGY LIMITED** 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.

Activities for social and inclusive development

We shall undertake activities for economic and social development of communities and geographical areas, particularly in the vicinity of our operations. Such activities may include:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- 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;
- Ensuring environmental sustainability, ecological balance, protection or flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- 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;
- Measures for the benefit of armed forces, war widows and their dependents;
- Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;

- Contribution to the 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, the scheduled tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects.
- Such other matter as may be decided

Identification of Programmes

All programmes/activities are to be identified in a participatory manner, in consultation with the community and understanding their basic needs. We must seek recourse to the participatory rural appraisal mapping process and based on a consensus and in discussion with the village panchayats, and other local opinion leaders, programmes are to be undertaken.

Implementation Process

Prior to the commencement of programme(s)/activity(ies), which preferably would be in & around the vicinity of plant, the area of operation of the Company/Unit etc., a baseline study of the villages will be carried out encompassing human development parameters such as – health, literacy of both gender, sustainable livelihood processes, socio economic status of population, state of infrastructure, amongst others. From the data generated a plan needs to be developed for the holistic and integrated development of the marginalised. These plans are to be presented to the CSR Committee. All projects would be assessed under the agreed strategy, and are monitored i.e. measured against targets and budgets and wherever necessary midcourse corrections would be carried out. A specific budget would then be allocated for CSR activities. This budget needs to be programme(s) / activity (ies) driven only.

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.

Duties and responsibilities

The CSR Committee from time to time provides the vision. This vision underlines all CSR activities. The onus for the successful and time bound implementation of the programme(s) is on the various Unit Head's. In order to measure the impact of the work done, a social satisfaction survey/audit may be carried out by an external agency. The CSR committee may send annual report and the audit statement to all the concerned stakeholders.

Information dissemination

The Company's engagement in this domain is disseminated on its website and annual reports.

Management Commitment

Our CSR Committee, Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterised by a willingness to build a society that works for everyone.

This policy is in compliance of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014.

Interpretation

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.

Approved & adopted by the Board at its meeting held on 30 March 2017