



SUMITOMO CHEMICAL INDIA LTD.

**CORPORATE SOCIAL
RESPONSIBILITY POLICY**



CONTENTS

I. INTRODUCTION & OVERVIEW	2
II. POLICY STATEMENT	
i. CSR VISION STATEMENT.....	2
ii. SCOPE AND APPLICABILITY.....	2
iii. OBJECTIVE.....	2
iv. CSR THRUST AREAS.....	3
v. FUNDING AND ALLOCATION	4
vi. LOCATION OF CSR ACTIVITIES	4
vii. IMPLEMENTATION APPROACH.....	4
viii. DISCLOSURE/ REPORTING.....	5
ix. REVIEW/AMENDMENT.....	6
I. ANNEXURE I	



I. INTRODUCTION & OVERVIEW

Harnessing Resources, Promoting Sustainability...

Our business goes far beyond commerce. Sumitomo Chemical India Ltd. has always put service before profit and used its resources for community development. The Sumitomo Chemical India Ltd. firmly believes that it is possible to be ethical, socially responsible and profitable at the same time. This guiding philosophy, which is at the core of Sumitomo Chemical India Ltd., was much before Corporate Social Responsibility came to be recognized as a model for ethical, sustainable and responsible business. The Sumitomo Chemical India Ltd. is widely acknowledged as a responsible corporate owing to its long history in philanthropic initiatives. The company's ultimate objective is to create social equity and facilitate prosperity for those at the bottom of pyramid

II. POLICY STATEMENT

The Policy encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the Community at large is titled as the '**Sumitomo Chemical India Limited - CSR Policy**'.

i. CSR Vision Statement –

In alignment with its vision, the Company, through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a Socially Responsible Corporate, keeping environmental concerns in the forefront.'

ii. Scope and Applicability –

This Policy shall be applicable to **all CSR Initiatives and activities taken up at the various work-centres and locations of Sumitomo Chemical India Limited and other locations** for the benefit of different segments of the society, specifically the deprived, underprivileged and differently able people, within the geographical limits of India.

iii. Objective -

- a. To integrate CSR Programmes with the needs of different segments of the community.
- b. To facilitate sustainable development in the community through CSR Programmes.
- c. To support in nation building and bringing inclusive growth through the Company's CSR Programmes.

iv. CSR Thrust Areas –

All CSR activities of the Company are aligned with the CSR activities specified in Schedule VII to the Companies Act, 2013 and are described below.



a. **CSR Main Thrust Areas :**

- i. Sanitation including contribution to the Swachh Bharat Abhiyan Kosh Set-up by the central Government for the promotion of sanitation and making available safe drinking water
- ii. Conservation of natural resources
- iii. Promotion, development and protection of traditional arts, culture and handicrafts
- iv. Animal Welfare
- v. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled.
- vi. Rural Development Projects
- vii. Promote healthcare including preventive healthcare
- viii. Eradicate hunger, poverty and malnutrition

b. **Other Areas :**

- i. Promoting livelihood enhancement projects;
- ii. Promote 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;
- iii. Ensure environmental sustainability, ecological balance, protection of flora and fauna, agro forestry, maintaining quality of soil, air and water, including contribution to the clean Ganga Fund set up by the Central Government for rejuvenation of the river Ganga;
- iv. Protect national heritage, setting up of public libraries;
- v. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vi. Train to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- vii. 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;
- viii. Contributions to technology incubators located within academic institutions which are approved by the Central Government;
- ix. Slum Area Development;
- x. Training to farming community for safe and judicious use of agro-chemicals, promoting Integrated Pest Management (IPM) and training field workers for safe spraying technique.
- xi. Contributions to R&D activities as per the Companies Act, 2013.

However, CSR Projects/programmes/activities shall not include (a) any activity undertaken by the Company in pursuance of its normal business, and (b) any project /programme/activity which benefits only the employees of the Company and/or their families.

Moreover, activities are undertaken as per the needs and requirements of sections of society and are subject to changes which may be brought about by amendment(s) to the Companies Act, 2013 and rules there under.



v. Funding and Allocation-

- a. A sum not less than 2% of the Company's average net profits computed in accordance with the provisions of section 135 of the Companies Act, 2013, will be spent on the CSR Projects/ Programmes.
- b. CSR Projects/Programmes along with required Budget to be implemented in a financial year, is prepared in March/April.
- c. CSR Projects/Programmes and CSR budget is submitted for approval to the CSR Committee. The approved Budget is then, submitted to the Board of Directors for final approval.
- d. Fund allocation for each Project/Programme will be approved by the Board for every financial year.
- e. The surplus arising out of the CSR Projects or Programmes or activities, if, any, shall not form part of the business profit of the Company. Such surplus shall be spent on CSR activities in addition to the sum referred to in clause (a) above.
- f. Any unspent/unutilized CSR allocation of a particular year, will be carried forward to the following year, i.e., the CSR budget will be non-lapsable in nature.
- g. The Company may build CSR capacities of its own personnel as well as those of its implementing agencies through institutions with established track record but such expenditure shall not exceed 5% of total CSR expenditure of the Company in any particular financial year.

vi. Location of CSR activities -

- a. The Company shall give preference to the local area and areas around, where it operates/where its plants are located i.e.
- b. Kutch district and adjoining areas;
- c. Bhavnagar district and adjoining areas;
- d. Silvassa and adjoining areas;
- e. Vapi and adjoining areas ;
- f. Tarapur and adjoining areas;
- g. Mumbai/Mumbai Suburban Areas;
- h. Any other area/location in India, where Company is operating its business activities;
- i. For spending the amount earmarked for Corporate Social Responsibility activities, the CSR Committee may identify other areas for CSR activities, from time to time and obtain necessary approval from the Board.

vii. Implementation Approach -

- a. The Company shall implement all CSR Projects in compliance with the provisions of Section 135 of the Companies Act, 2013 read with CSR Rules.
- b. The following are the roles and responsibilities of the Board of Directors and other entities involved in planning, implementation and monitoring of the CSR Programmes.



Sl. No.	Entities	Roles and Responsibilities
A.	Role of the Board of Directors	<ol style="list-style-type: none"> 1) Form a CSR Committee comprising of three or more Directors with at least one Independent Director 2) Approve the CSR Policy proposed by CSR Committee 3) Ensure implementation of the activities included in the Company's CSR Policy. 4) Ensure that the Company spends not less than 2% of its average profits in pursuance of its CSR Policy. 5) Disclose reasons for not spending the amount; in case the Company has not spent the specified amount on CSR activities in a particular financial year.
B.	CSR Committee	<ol style="list-style-type: none"> 1) Formulate and recommend CSR Policy to the Board of Directors of the Company. 2) Recommend to the Board, the amount of expenditure to be incurred on CSR activities indicated in CSR Policy and modalities for implementation of CSR Projects. 3) Monitor periodically implementation of the CSR Policy, including the utilization of funds to ensure effective implementation in accordance with the CSR Rules.
C.	Compliance Officer/First Person Responsible (FPR)	<p>The Company's Functional Head of HR and Administration shall be the Compliance Officer/ First Person Responsible in relation to the Company's CSR activities.</p> <p>Responsibilities with respect to</p> <ol style="list-style-type: none"> 1) Identification of CSR Projects/ activities to be undertaken 2) Compilation of CSR Expenditure Budget 3) Proper Execution of CSR Projects/ activities. 4) Monitoring the execution/Progress of CSR Projects/ activities at regular intervals 5) Reporting of progress of the CSR Projects under implementation at regular intervals to the CSR Committee.
D.	Local CSR Teams (Gajod & Bhavnagar)	<ol style="list-style-type: none"> 1) Implement projects as per approved CSR Budget. 2) Monitor projects implemented by Implementation partners 3) Report the status of the projects to the Compliance Officer periodically
E.	Implementation Partners	<ol style="list-style-type: none"> 1) Need Identification 2) Implement projects as per plan 3) Submission of proper bills of expenditure and documents of projects in progress and projects completed at regular intervals 4) Report project status regularly to Local CSR teams as well as to the Compliance officer 5) Impact assessment reporting 6) Collect and submit Beneficiary feedback wherever applicable.

c. Mode of implementation –

- i. CSR initiatives will be implemented either directly by the Company or through implementing partners.
- ii. Criteria for selecting implementation Partners (NGO's/Voluntary Organization);-
The following criteria will be followed i.e. appropriate Due Diligence, for selecting implementation Partners (NGO's/Voluntary Organization) for CSR initiatives:
 - The NGO should be Registered Society/ Public Charitable Trust/ Not for Profit Organization/ Company established under section 8 of the Companies Act, 2013
 - The NGO should have an established track record of not less than three years in undertaking similar Programmes or projects.
 - The NGO should have a permanent office/ address in India
 - The NGO should have a valid Income Tax Exemption Certificate
 - The NGO should submit a detailed project proposal and budget which shall be considered and approved by the CSR Committee.



- iii. Certain projects to be implemented directly by the Company will be identified in the beginning/during the year. Such projects will be implemented by the Company with the help of its employees or through Rotary/Lions Club any other social/educational institutes.
- iv. The Company may also collaborate with other companies to undertake CSR projects or programmes, provided the CSR Committees of the respective companies are in a position to report separately on such projects or programs.
- v. For CSR activities undertaken through other Executing Agency, the Company will specify the projects or programmes to be undertaken through these agencies, the modalities of utilization of funds on such projects or programmes.

d. MOU Signed with Implementation Partners –

MOU shall be signed between the Company and each of the Implementation Partners clearly defining the roles, duties, rights and responsibilities of the parties.

- e. **Project Plan-** The implementation partners will submit project plan in Annexure I for the each Project that is part of the approved CSR Budget.
- f. **Impact Assessment-** The Company will conduct impact assessment on a periodic basis, either on its own or through independent professional(s) or professional institutions, especially for the flagship CSR Projects/Programmes.

g. The CSR Projects/Programs will not include the following –

- i. Activities which benefit only the employees of the Company and their families.
- ii. Contribution to any political parties.
- iii. Activities undertaken outside India.

viii. Disclosure/Reporting-

- a. The CSR Policy shall be displayed on the Company's website www.sumichem.co.in
- b. An annual report on the Corporate Social Responsibility form part of the Board's report.

ix. Review/Amendment-

Any or all provisions of the CSR Policy would be subject to revision/ amendment in the enactments, rules and guidelines on the subject as may be issued by the Government, from time to time.

The Board may amend, modify or revise any or all clauses of this policy, on recommendation of the CSR Committee and in accordance with the provisions of the Companies Act, 2013 and Rules there under.



Sunil Jagtap
Vice President-Human Resources



Annexure I

PROJECT PLAN

Project Name	
About the project (Vision, Mission and Project rationale)	
Where will the project be implemented? (Areas to be covered)	
Duration of the Project (as per timeline)	
Beneficiaries covered	
Total Budget(Rs.)	
Methodology followed for implementation	
Project Impact	
Project utility and Sustainability	
Implementation Strategy	
Monitoring and documentation	
Design of Infrastructure (wherever applicable)	
Fund Disbursement System	
Miscellaneous information pertaining to the project	

