



**Bayer
CropScience
Limited
Corporate Social
Responsibility
Policy**

Title and Applicability

- I. The Bayer CropScience Limited (hereby referred to as “The Company”) Corporate Social Responsibility (CSR) Policy has been developed in accordance with section 135 of the Companies Act 2013 (referred to as the Act in this policy) on CSR and in accordance with the CSR rules (here by referred to as the Rules in this policy) notified by the Ministry of Corporate Affairs, GOI on 27th February 2014.
- II. The Policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII of the Act.

Vision

Improving quality of life by:

- Fostering Rural Development by promoting health and hygiene, education, skills development, livelihoods and environment protection.
- Fostering Education with a focus on urban and semi-urban locations in and around our areas of operations.
- Preventive Health and Sanitation
- Empowering Women

Objectives of the Company CSR Policy

- I. We see ourselves as a responsible corporate citizen and Sustainable Development forms an integral part of all the work we do.
- II. We are committed to developing socially relevant innovative solutions.
- III. We are committed to improving quality of life of populations in rural India by promoting worthy causes in the areas of education, health, environment and livelihoods.
- IV. We are committed to promoting education in and around our areas of operations as a long-term investment in society’s future viability.
- V. We are committed to the concept of LIFE - which stands for Leadership, Integrity, Flexibility and Efficiency.
- VI. We are committed to balancing economic growth with ecological and social responsibility.

Validity of CSR policy

- I. The Company CSR Policy has been approved by the Board on May 30, 2014.

- II. The CSR policy may be amended as required by the Board after recommendation by the CSR Committee.

Maintenance of CSR policy

- I. The CSR policy will be maintained by the CSR Committee constituted by the Board. Further the CSR policy will be reviewed by the Committee annually.

CSR Budget

- I. The Board of Directors of the Company shall ensure that in each financial year the Company spends at least 2% of the average Net Profit made during the three immediate preceding financial years.

“Net profit” means the net profit as per the financial statement of the company prepared in accordance with the applicable provisions of the Act, but shall not include the following:

- (i) Any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise, and
 - (ii) Any dividend received from other companies in India which are covered under and complying with the provisions of section 135 of the Act.
- II. As per section 135 of the Act, the Company will report reasons for under spending of the allocated CSR budget of the current financial year in the template provided by the Ministry of Corporate Affairs. This reporting will be done Annual Report and signed off by the Managing Director & Chief Executive Officer of the Company.
 - III. In case of any surplus arising out of CSR projects the same shall not form part of business profits of the Company
 - IV. The Company may collaborate or pool resources with other companies and its group companies) to undertake CSR activities, through Bayer Prayas, or any other non-profit organization, if required.

Thematic Focus Areas

The Company will focus primarily on the following thematic areas:

- **Fostering Rural Development** through the promotion of education, skills and / vocational training, health and hygiene, livelihoods and any activities that can help us achieve the overall objective.
- **Fostering Education**
- **Preventive Health and Sanitation**
- **Empowering Women**

Why are the selected thematic areas important?

Rural Development

For the Company agriculture is a vital concern. As a company, we are deeply committed to food security and work with a focus on providing innovative crop solutions as well as seeds & traits to secure harvests and to increase productivity. For rural India, agriculture occupies the very core of the economy. The Company has a wealth of experience of working in villages and with farmers. In addition, for eight years, the Company in India has successfully implemented a farm-based sustainable supply chain programme that has worked towards the elimination of child labour. An inspiring outreach of this programme has been learning for life that promotes educational and vocational training for underprivileged children.

Though the implementation of our farm based programmes across five states - Andhra Pradesh, Karnataka, Gujarat, Maharashtra and Tamil Nadu - we have gained a robust understanding of the needs of the rural community as well built necessary expertise and connect with the population.

Education

Out of the 269.3 million people who live below the poverty line in India, 219 million live in rural India. The rural scenario is still woefully lagging behind due to a lack of development. There is a need for systematic engagement in rural areas because of socio-economic indicators such as rural illiteracy, weak health indicators, low income and lack of livelihood opportunities. We believe, due to our past expertise and engagement with rural communities across India we have the capacity to work towards making a positive impact as well the confidence that we can play a crucial role in improving these indicators for a Better Life of the population. Our definition of success lies in being accepted as a responsible partner. So we maintain and promote dialogues with the people we work with constantly. Therefore, as a part of our policy we also focus on promoting education in and around areas of operations.

Preventive healthcare and sanitation

India has a population of almost 1.2 billion people. 55% of this population (nearly 600 million people) has no access to toilets. Most of this population consists of people who live in urban slums and rural areas. A large populace in the rural areas still defecates in the open. On economic grounds, according to the Indian Ministry of Health and Family Welfare, more than 12 billion rupees is spent every year on poor sanitation and its resultant illnesses. Bayer will engage in Community Health Programs is an effort to improve health status of future generation of the Country. This includes general checkup as well as super specialty treatment. It is a society centered program. Programs provide high quality fitness and health education In the context of these facts, it is imperative that initiatives are envisage that focus on preventive healthcare and sanitation.

In addition, our company also believes in preventive mental health in particular treating the psychological issues that could potentially result in offences against children and women are

vital part of our endeavors that focus on self-reliance. Under the Preventive Healthcare head, we are conceptualizing a very novel approach that will help prevent offences on children and women. This connects with our core philosophy of creating a nurturing environment that is safe, healthy and fostering in nature.

Women Empowerment

Empowerment is not only about achieving self-reliance economically. Bayer believes that women also need an atmosphere that recognizes their potential and finds ways and means to channelize it for overall development of society. Therefore, our initiatives not only focus on coming up endeavors that imbue women with confidence through education and training; they are aimed at helping them to sharpen their entrepreneurial instincts.

How will the Company address this?

I. Fostering Rural development

The Company will identify initiatives based on a needs assessment of the target location. The focus of our programmes will be to improve indicators related to health & hygiene, education, livelihood and environment in rural areas.

Health & hygiene:

The areas of intervention under health & hygiene will include preventive healthcare, awareness & support for maintaining personal hygiene, promoting an understanding and required preparation for achieving balanced nutritional diet and support for curative healthcare. This will also include a holistic initiative to help get rid of addictions.

Livelihood:

The company will design a well-planned initiative to provide vocational and skill development training, support in identifying and adoption of new income generation/ livelihood opportunities, support with the adoption of new technologies to improve agricultural and non-agricultural income, create value-addition opportunities for local commodities and products. The Company will also work towards creating access to markets for local commodities, products and skills.

Education:

The Company will work closely with the Government education system to improve enrollment in local schools, reduce number of out-of-school children, improve the educational delivery process, reduce the drop-out rates, provide financial & material support to underprivileged children as well as young adults to enhance their capacity to access and continue education and support with the improvement of education infrastructure in targeted villages. In addition, the programmes will aim to provide

coaching to academically weak children to help them cope with the rigor of mainstream academic schooling.

Environment:

Promote practices that would help conserve natural resources, energy and reduce wastage.

II. Fostering Education in urban and Semi-urban areas:

The Company will run initiatives in governmental and private schools in and around our offices and manufacturing sites to make the educational delivery interesting and productive. We will aim to enhance capacity of advances science literacy among students through hands-on, inquiry-based science learning.

III. Preventive Healthcare and Sanitation:

As a Company, we are firmly rooted in society – as a reliable employer and trainer, as a good neighbor at our locations, as an organization that uses and protects natural resources. For us, it is therefore imperative that we contribute to society's future viability and create value in diverse ways. In addition, our company also believes in preventive mental health in particular treating the psychological issues that could potentially result in offences against children and women are vital part of our endeavors that focus on self-reliance. Preventive healthcare and a renewed focus on sanitation form the core to our key initiatives that would help people lead to a better way of life. Towards this end, we are conceptualizing Community Health Programs that would mainly involve intense training of the rural and urban communities in order to effect a change in mind-set and habits.

IV. Empowering Women:

A series of disturbing events that have come to light have recently have revealed that women even in these times are vulnerable to attacks on personal front. In addition to imbuing them with skills that would make them self-reliant, our objective is also to work towards approaches that would help prevent potential offences on women.

Implementation

The Company CSR programmes will be identified, implemented and if need be, modified as per the Board approved CSR policy. This CSR Policy builds on the learning and good practices of the ongoing CSR activities initiated by the Company in 2014. To ensure the programmes are in compliance with the Act and Rules, a stocktaking of existing activities has been completed. The scale of the programmes will be revised or new programmes devised to meet the spending requirements as per the new Act. The Company will enhance its monitoring and evaluation mechanism that will ensure every programme has:

- I. Clearly defined objectives (developed out of existing societal needs determined through baselines/studies/research), targets and time lines.
- II. a robust progress monitoring system
- III. Undertake impact assessments as per the evaluation plan developed by the Company.
- IV. a reporting framework and system aligned with the requirements of the Act

Location:

Rural Development Programmes: The Company will implement its rural development programmes across India

Education Programme will be implemented across India

Preventive Healthcare and Sanitation: will be implemented across India

Empowering Women: will be implemented across India

Target population:

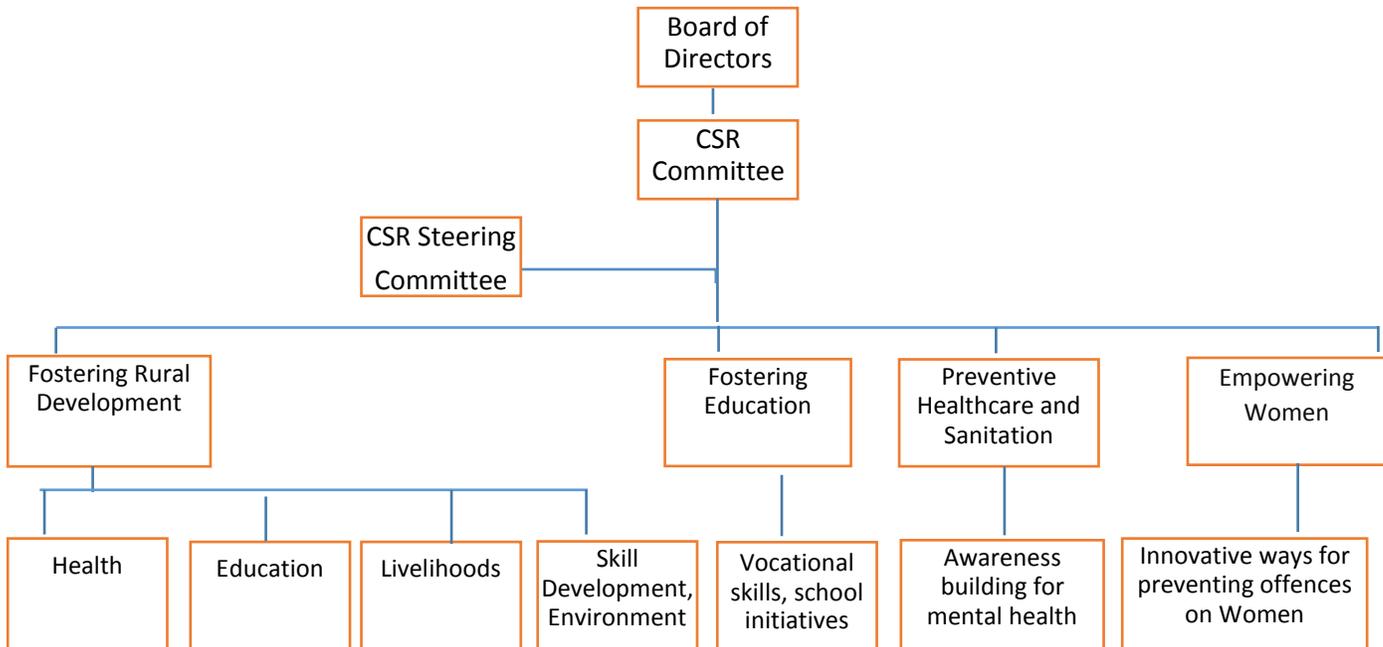
The Company's rural development programme will target all the members of the community in the selected villages with a special emphasis on underprivileged segment.

For the programme related to fostering education, the company will target mainly the governmental schools and schools located in under-privileged areas as well as deserving schools in urban and semi-urban areas.

Implementation approach/ Partnership:

The overall approach for execution of the programmes will be undertaken either directly through the Sustainable Development team, by various project teams in the company supported by the Sustainable Development team or through developing partnerships and sharing expertise with like-minded organizations.

The Company CSR Governance Structure



Roles and Responsibilities

Board:

The Board of Director will be responsible for:

- I. constituting the CSR committee through a Board resolution with the defined composition and tenure.
- II. approve the CSR policy as formulated by the CSR Committee through a Board resolution
- III. ensure that every financial year funds committed by the Company for CSR activities are utilized effectively and will monitor implementation regularly.
- IV. disclose in its Annual Report names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company website.
- V. ensure annual reporting of CSR policy to the Ministry of Corporate Affairs, Government of India, as per the prescribed format.

CSR Committee:

- I. **Composition of the CSR committee:** will consist of three or more directors of which, one will be an independent director.
- II. **Responsibility of the CSR committee:**
 - **Identify CSR team for implementation of CSR programmes and Projects**
 - formulate the CSR policy and identify activities to be undertaken as per Schedule VII of the Companies Act 2013.
 - recommend the CSR expenditure to be incurred.
 - report back to the Board of Directors for approval of the CSR policy
 - regularly monitor the implementation of the CSR policy
 - change/modify the CSR policy as per requirement.
 - To form a CSR Steering Committee

CSR Steering Committee will be responsible for:

- I. **Composition of the Team** will consist of the following :
 1. CSR responsible manager
 2. Business Units Representative
 3. Representative of site services department
 4. Representative from tax department
 5. Representative from Law Patents & Compliance team

II. Responsibility of the CSR Steering Committee:

A. CSR Responsible Manager

- central coordinating point for the delivery of CSR activities.
- interface with various organisation units to ensure effective implementation of CSR programmes.

B. Responsibility of the Committee

- responsible to report to the CSR Committee on programme implementation updates.
- plan annual budgets for CSR activities based on audits (programmatic and financial).
- Assess the proposals for new CSR initiatives/ Programmes and facilitate review by the Law Patents and Compliance Team to ensure alignment with the Act.
- Allocate resources for implementation of programmes.
- Training and capacity building of the implementation teams.
- identify and manage partners to implement programmes as required.

any other activities that may be required may be required by the CSR Committee to effectively deliver the CSR programmes

The Company Monitoring and Reporting Framework

In compliance with the Act and to ensure whether funds spent on CSR programmes are creating the desired impact on the ground, a comprehensive Monitoring and Reporting framework is being put in place. The monitoring and reporting mechanism is divided into three distinct areas:

- I. Programme Monitoring:
- II. Evaluation:
- III. Documentation and reporting:

Programme Monitoring

- Programme monitoring mechanism will ensure:
- The CSR policy is implemented as per the Act and the Rules.
- The CSR policy is implemented ensuring that all projects/programmes as budgeted are duly carried out.
- A separate budget will be earmarked for set up and implementation of the monitoring system. The cost incurred (will be/Can be) billed to the CSR spend of the Company.
- CSR spends will be audited in an accountable and transparent manner.
- Reporting and review by the CSR committee & Board periodically.

Evaluation

- A robust Company mechanism for evaluation will be put in place
- The purpose of the evaluation will be clearly identified with the objective to understand the difference between the achieved outcome and the expected outcome and the reasons behind the difference and corrective steps and any identify any good practices. . There shall be clarity about the scope of the programme and the need before evaluations are undertaken.
- CSR Steering Committee will be authorized to decide whether it will be internal, external or third party evaluation.

Documentation and Reporting

- As per compliance of the Act and in preparation of the annual CSR report, The Sustainable Development head and CSR Committee will ensure the following:
 - CSR projects and programmes will be properly documented.
 - An MIS is maintained on spending across sectors geographies and beneficiaries impacted. The MIS structure will be in alignment with the prescribed reporting format
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