

Oriental Yeast India Private Limited

Corporate Social Responsibility Policy

1. Preamble

Oriental Yeast India (“**OYI**”) stands committed to the social and economic development of the communities in which it operates. The Company’s commitment towards this includes contributing to stakeholders and institutions which are engaged in activities aligned to the corporate social responsibility (“**CSR**”) goals of OYI. The objective of this CSR policy (“**Policy**”) is to give back to the society.

OYI believes in applying its skills, resources and its organization’s experience gathered in Japan and elsewhere in the world, in areas it can make the greatest impact on the society and this belief is entwined in all the community involvement programs. The Company would like to engage in activities whereby the Company’s business contributes to make positive and distinguishing impact on the environment, community and the community around OYI. The CSR Policy of the Company would develop a systematic approach to administer CSR activities undertaken as per the Policy.

2. Objective of the Company’s CSR Policy

In light of the Company’s aim to meet its CSR goals, this Policy sets out the framework of the CSR activities and governance structure to meet the CSR targets of the Company. Further, the objective of this Policy is to ensure that the Company’s CSR Programme is consistent with Section 135 of the Companies Act, 2013 (the “**Act**”) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars and notifications as may be applicable and as amended from time to time.

3. Contents of the Policy

This Policy sets out the following:

- (i) Define what CSR means to the Company and the approach adopted to achieve our CSR goals.
- (ii) Identify the broad areas in which the company will undertake the CSR Activity.
- (iii) Define the programmes and projects that will come under the ambit of CSR of the Company.
Set out the details of the CSR Committee of the Company.
- (iv) Serve as a guiding document to help implement, execute and monitor CSR projects.
- (v) Establish criteria for partner implementation agencies.

4. Areas of CSR Activities

The CSR Policy of Oriental Yeast India focuses on addressing critical social, environmental and economic needs of the underprivileged and downtrodden sections of the society. We adopt an

approach that integrates the solutions to these problems into the strategies of the company to benefit the communities at large and create social and environmental impact. The policy includes contributing or adopting projects in the following areas of intervention defined in Schedule VII of the Act:

- (i) Livelihood enhancement projects.
- (ii) Ensuring environmental sustainability.
- (iii) Promoting education.
- (iv) Other activities defined in Schedule VII as may be identified in future by the CSR Committee.
- (v) Subject to the provisions of the Act, any other initiative/s which may not fall under the purview of the above core areas may also be taken up by the Company, subject to recommendation of the CSR Committee.

5. Process of Implementation

We classify only those projects which are not forming part of the normal course of business of the company as the Company's CSR Activity. All our CSR projects will be reviewed and updated by the CSR committee of the Board. The normal course of business of the company is to manufacture and sell yeast and other allied products. The process for selection of the CSR project/programme is as below:

(i) Project Proposal

All project proposals (within the broad areas listed in Schedule VII of the Act) should be forwarded to the CSR committee. The proposal should contain details on each of the following aspects:

- (a) title and objective of the project;
- (b) start and end date of project;
- (c) location of project;
- (d) project beneficiaries;
- (e) goals and targets of project;
- (f) success indicators;
- (g) as per CSR focus areas;
- (h) timelines;
- (i) monitoring mechanism; and
- (j) project budget.

(ii) Project approval and budget allocation

Based on evaluation and analysis of the proposals by the Company and the CSR Committee budgets shall be allocated for various approved projects. The decision to go ahead with a proposal will be taken on a case to case basis.

(iii) Project Implementation

The Company/NGO shall begin implementing the set of activities as per the timelines the programme outline or implementation schedule approved by the CSR Committee of the Company.

(iv) **Monitoring and Evaluation**

The CSR Committee shall itself, and shall designate persons to monitor the performance of projects. The CSR Committee shall itself, and shall designate persons to evaluate the projects against the goals and milestones defined for the project, together with the implementing agency (if any).

6. Governance Structure

The company has constituted a CSR committee consisting of three directors from the board of directors of the Company including the managing director and two directors to oversee the implementation of the CSR policy of the company in accordance with the requirements of Section 135 of the Companies Act.

(i) The Committee, which will report to the Board, consists of the following Directors:

- a. Mr. Iwao Yoshida , Chairman
- b. Mr. Sriram Srinivas Garapati, Member
- c. Mr. Yasuhiko Sone, Member

(ii) The responsibilities of the CSR committee include:

- a. The CSR Committee shall consider and approve the activities to be undertaken by the company as specified in Schedule VII of the Act;
- b. The CSR Committee shall recommend the amount of expenditure to be incurred every financial year at least two percent of the average net profits of the company calculated under section 198 of the Act, made during the three immediately preceding financial years. The surplus arising out of the CSR activities, projects or programs shall not form part of the business profits of the Company.
- c. The CSR Committee shall put in place a monitoring mechanism for implementation of the CSR projects or programs/activities undertaken by the Company.

Any other executive of the company associated with the CSR activities of the company will report to the CSR committee for all CSR projects undertaken.

7. Budget

The total budget for the CSR projects will be decided by the CSR Committee.

8. Amendments

Amendments from time to time to the CSR Policy, if any, shall be considered by the board of directors of the company based on the recommendations of the CSR Committee.

9. Conclusion

We intend to create a robust foundational framework for social initiatives both within the company as well as in collaboration with other organizations. Our endeavor will be to constantly build on this and direct it in the right directions.

20th February 2019
