



BAYER CROPSCIENCE LIMITED
POLICY – CORPORATE SOCIAL RESPONSIBILITY

A. TITLE AND APPLICABILITY

Bayer CropScience Limited (“the Company”) Corporate Social Responsibility Policy (“CSR Policy”) has been developed in accordance with section 135 of the Companies Act 2013 (“the Act”) and in accordance with the CSR Rules (“Rules”) notified by the Ministry of Corporate Affairs (“MCA”), GOI on February 27, 2014 and as amended from time to time. The Company’s CSR Policy has been approved by the Board on May 30, 2014. This Policy applies to all Corporate Social Responsibility (CSR) activities of the Company in India and conforms to the requirements of Section 135 of the Act (as amended from time to time), rules notified thereunder and any other applicable statutory provision(s) (collectively referred hereafter as “CSR Provisions”). The CSR policy will be maintained and revised by the CSR Committee constituted by the Board from time to time. The Policy is guided at all times by the Company’s Corporate Business Principles and the Code of Conduct.

A CSR Committee of the Board, as required has been constituted and is in place named as the “CSR and ESG Committee”. The Board shall, after taking into account the recommendations made by the CSR and ESG Committee disclose its contents in their report in such manner as may be prescribed and also publish the composition of the CSR and ESG Committee, the CSR policy and the Activities/Projects approved by the Board on the Company’s website, in such manner laid down in the Act and the Rules thereto, for public access.

The Board shall ensure that:

- a) The activities as included in the CSR Policy of the Company are undertaken.
- b) The Company spends in every Financial Year, at least 2% of the average net profits made during the 3 immediately preceding Financial Years in pursuance of its CSR Policy (“net profit” shall not include such sums as may be prescribed and shall be calculated in accordance with the provisions of Section 198 of the Act).

The Policy shall apply to all CSR projects/programs undertaken by the Company in India as per Schedule VII of the Act.

B. OBJECTIVE

The main objective of the Policy is to include the approach and direction given by the Board of Directors of the Company, taking into account the recommendations of the CSR & ESG Committee of the Board. It is also to establish and lay down the basic principles and the general framework of action for selection, implementation and monitoring of the CSR activities for the Company in pursuance of its statutory obligation, formulation of the Annual Action Plan as recommended by the CSR Committee.

C. VISION

The CSR initiatives of the Company are guided by the vision of “**Health for All, Hunger for None**”. The key objective is to improve quality of life of the communities.

The three value pillars that contribute to the vision are:

- Improving Lives
- Sustainable Development
- Partnerships

D. GOVERNANCE

I. AT THE BOARD LEVEL

The Board shall oversee adherence to this Policy, with the CSR and ESG Committee assisting in its governance and the execution of related CSR programs. The CSR and ESG Committee, composed of at least three Directors, including at least one Independent Director, will support the Board in ensuring effective implementation.

The responsibilities of the Board of Directors include:

- a. Constituting the CSR Committee (CSR & ESG Committee in the case of the Company) through a Board resolution, defining its composition and tenure.
- b. Approving the CSR Policy as recommended by the CSR & ESG Committee via a Board resolution.
- c. Ensuring the effective utilization of funds allocated for CSR activities each Financial Year and regularly monitoring their implementation.
- d. Disclosing in the Annual Report the names of CSR & ESG Committee members, the content of the CSR Policy, and ensuring the annual reporting of CSR activities on the Company's website.
- e. Ensuring the annual submission of the CSR report to the Ministry of Corporate Affairs, Government of India, in the prescribed format.

II. CORPORATE SOCIAL RESPONSIBILITY AND ENVIRONMENTAL SOCIAL AND GOVERNANCE COMMITTEE (CSR AND ESG COMMITTEE)

The Company's CSR Governance structure is headed by the CSR and ESG Committee of the Board of Directors of the Company. This Committee reports to the Board of Directors of the Company. The CSR and ESG Committee provides oversight and guidance on CSR performance and monitor compliance with the CSR Policy, commitments and the applicable CSR Provisions. The CSR and ESG Committee formulates and recommends to the Board an annual action plan which includes the modalities of utilisation of the CSR funds and implementation schedules for the projects or programmes, monitoring and reporting mechanism for the projects or programmes and details of need and impact assessment for the projects undertaken by the Company. The CSR and ESG Committee also recommends any alteration in the annual action plan at any time during the year and update, if any, required to the CSR Policy.

The Executive Director and Chief Financial Officer shall certify to the fact that CSR funds so disbursed have been utilised for the purposes and in the manner approved by the Board. The Board of Directors of the Company shall constitute/ re-constitute the CSR and ESG Committee from time to time in compliance with statutory requirements. The Committee shall hold meetings as and when required. The comprehensive list of terms of reference of the CSR and ESG Committee, are as listed below:

- a. Formulating and recommending to the Board the structure of the Corporate Social Responsibility Policy and the activities to be undertaken by the Company;
- b. Recommending the amount of expenditure to be incurred on the activities undertaken;
- c. Reviewing the performance of the Company in the area of Corporate Social Responsibility;
- d. Monitoring the Corporate Social Responsibility Policy of the Company;
- e. Formulating policies and procedures based on the requirement of SEBI for Business Responsibility Reporting;
- f. Ensuring implementation of all the policies pertaining to business responsibility;

- g. Ensuring effective communication of all the policies to all relevant stakeholders;
- h. Reviewing and assessing the business responsibility performance annually;
- i. Reviewing the business responsibility initiatives and encouraging participation;
- j. Reviewing the Business Responsibility Report and recommending it to the Board for approval;
- k. Overseeing the development of and make recommendations to the Board regarding ESG strategy;
- l. Identify the relevant ESG matters that do or are likely to affect the operation of the Company and/or its strategy;
- m. Ensure that the Company monitors and reviews current and emerging ESG trends, relevant standards and legislative requirements.

III. CSR STEERING COMMITTEE:

The Company has in place an Internal CSR Steering Committee comprising of Cross functional representatives for implementation and monitoring the CSR activities as approved by the Board.

E. ANNUAL ACTION PLAN:

The CSR Committee shall formulate and recommend to the Board an Annual Action Plan which shall include the following:

- ✓ List of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013.
- ✓ Manner of Execution of such projects or programmes.
- ✓ Modalities of utilisation of funds and implementation schedules for the projects or programmes.
- ✓ Monitoring and reporting mechanism for the projects or programmes.
- ✓ Details of need and impact assessment, if any, for the projects undertaken by the Company.

F. CSR ACTIVITIES

Corporate Social Responsibility (CSR) means the activities undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of the Act read with the Rules, 2014, but shall not include the following namely:

- Activities undertaken in pursuance of its normal course of business barring exemptions, if any.
- Any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State at a national level or India at the International level.
- Contribution of any amount directly or indirectly to any political party under Section 182 of the Act.
- Activities benefitting employees of the Company (Employees as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019)).
- Activities supported by the Company on a sponsorship basis for deriving marketing benefits for its products or services.
- The activities carried out for the fulfilment of any other statutory obligations under any law in force in India.

The Company shall identify any one or more of the following areas for its CSR activities related to the activities included in the Act and the Rules thereto, as amended from time to time in terms of Schedule VII to the Act (including modifications as made from time to time).

- ✓ Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the “Swachh Bharat Kosh” set up by the Central Government for promotion of 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 centers 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 of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the “Clean Ganga Fund” setup by the Central Government for rejuvenation of river Ganga;
- ✓ 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 veterans, war widows and their dependents, central armed forces and central para military forces veterans and their dependents including widows;
- ✓ Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- ✓ Contribution to the Prime Minister’s National Relief Fund or Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, Tribes, other backward classes, minorities and women;
- ✓ Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any Agency of the Central Government or State Government;
- ✓ Contribution to public funded Universities, Indian Institute of Technology, National Laboratories and autonomous bodies established under Department of Atomic Energy, Department of Bio-Technology, Department of Science & Technology, Department of Pharmaceuticals, Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy (Ayush), Ministry of Electronics & Information Technology and other bodies, namely Defence, Research and Development Organisation, Indian Council of Agricultural Research, Indian Council of Medical Research and Council of Scientific & Industrial Research, engaged in conducting Research in Science engaged in conduction research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals.
- ✓ Rural development projects.
- ✓ Slum area development (‘slum area’ shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force).
- ✓ Disaster Management, including relief, rehabilitation and reconstruction activities.
- ✓ Such other activities as the Board may consider to be appropriate as prescribed in Schedule VII.

Preference shall be given to local area and areas around the Company where it operates, for spending the amount earmarked for CSR activities. By and large, it may be ensured that the CSR programmes shall be executed in and around the areas adjoining Company’s workplace and factories/ Project sites/ work centres. CSR programmes will be undertaken by the Company to the best possible extent within the defined ambit of the identified Project/ Program. The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.

The Company has identified the following Thematic Focus Areas for CSR Activities:

a. Preventive healthcare

India has a population of 1.3 billion people. However, access to and availability of quality health care, lack of awareness on general health, hygiene and nutrition are some of the key challenges to be dealt with. In rural locations, access to specialty health care is a challenge with the community having to travel long

distances. Our Preventive health care model will address this and the point of care devices deployed, will support early diagnosis and treatment. Preventive and primary health care therefore becomes essential for the community and will help reduce the economic burden on the community.

The Company will engage in Community Health Programs in an effort to improve health status of the future generation of the country. This includes access to expert medical services and specialty health care systems using technology and build capacity of the community on topics of health, hygiene and nutrition.

b. Nutritional Security

Nutritional security refers to access to adequate, nutritious food that meets the dietary requirements of an individual. Balanced intake of micro and macro nutrients, clean drinking water and a safe environment play an important role.

India has the largest number of undernourished people, that is 24 per cent of the population. The triple burden of malnutrition includes under nutrition, over-nutrition and micro-nutrient deficiencies. A report by the State of Food Security and Nutrition (2023) indicates that around 74% of India's population could not afford a healthy diet, and 39% fell short of a nutrient-adequate one. Women and children often face the major brunt of malnutrition. Close to 20 per cent of women aged 15-49 years are malnourished and 57 per cent are anemic. From an undernourished mother to low birth-weight babies, malnutrition perpetuates through childhood and adolescence and is compounded by inadequate feeding and limited access to health facilities. Malnutrition in children under five is the most important challenge to tackle. This includes stunting, wasting and under weight children. Malnutrition restricts the cognitive and physical development that consequently leads to poor educational and economic attainment perpetuating poverty. This creates a vicious cycle, which continues unless intervened at the right time.

The Company aims to address the challenge of malnutrition by focusing on the health of women and children. Creating awareness on nutrition, healthy and balanced diet as well as inculcating hygienic behaviour will be taken up in the program.

c. Water Conservation and Management

Water a basic necessity is at the intersection of 'Health' as well as 'Agriculture'. India is one of the most water stressed countries across the globe. With only 4 per cent of the world's water resources we cater to 18% of the global population. In India, dependency on groundwater is huge. It is an important source for drinking water, irrigation, industries, livestock and domestic use. About 80 per cent of the domestic water requirement comes from ground water. Indiscriminate ground water withdrawal both for agriculture and domestic use has reduced the water table, with about 60 per cent districts in India facing the challenge of either availability or quality. Groundwater access, availability, quantity, quality and sustainability is also impacted.

The water security programs are designed to address water requirement for Agriculture as well as access to drinking water. Water is the primary source for farming and scarcity has a huge impact on agricultural productivity. Watershed management and conservation coupled with appropriate trainings for the community will enable availability of water for irrigation.

The importance of drinking water, sanitation, and hygiene (WASH) has been recognized for impacting public health in general and that of infants and young children in particular. India ranks 105th amongst 127 countries in the recently released Global Hunger Index for 2024. To address this, it is important to provide

clean drinking water and inculcate hygienic habits.

The programs being undertaken by the Company address both water for agriculture as well as for drinking.

d. Rural Development

In India about 60 to 70 per cent of the population resides in rural locations with one-third of them being below the poverty line. Limited infrastructure and facilities slow down the progress and growth of the communities. The rural populace is dependent on Agriculture and about 60 per cent of the labour force in agriculture are women. To improve the economy focused attention is required on Women empowerment, Education and Financial literacy. The company believes that women need an environment that recognizes their potential and finds ways and means to channelize it for overall development of society. Therefore, our initiatives focus on endeavors that imbue women with confidence through education and training and are aimed at sharpening their entrepreneurial instincts. Promoting science education among students who are the next generation is another thrust area. We aim to advance science learning through experiential and inquiry based learning.

G. CSR BUDGET AND EXPENDITURE

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Company will allocate 2% of its average net profits* made during the 3 immediately preceding Financial Years as its Annual CSR Budget to be spent on activities as prescribed.

The Board shall approve overall limits for CSR Activities to be undertaken by the Company. Within the overall limits approved by the Board, the CSR and ESG Committee shall approve individual projects/ programs including contribution towards the Corpus Fund, if any. The projects/ programs or activities to be chosen by the Company shall correspond to its CSR Policy as well as its annual action plan, as amended from time to time. The excess amount incurred by the Company on CSR projects, programs or activities may be set off against the requirement to spend in succeeding Financial Year's in consonance with the applicable provisions.

The administrative overheads (i.e., expenses incurred by the Company for 'general management and administration' of CSR functions in the Company but not including expenses directly incurred for designing, implementing, monitoring and evaluation of a particular CSR project or programme), shall not exceed 5 per cent of the total CSR expenditure of the Company for the Financial Year.

In the event the Company fails to spend such CSR amount, as required, the Board shall, in its Report, specify the reasons for not spending the amount and, unless the unspent amount relates to any Ongoing Project referred to above, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

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 in the Annual Report and signed off by the Managing Director & Chief Executive Officer of the Company and Chairperson of the CSR Committee.

If the Company spends an amount in excess of the requirements provided as per the Act, the Company may set-off such excess amount against the requirement to spend for such number of succeeding financial years and in such manner as may be prescribed by law.

In case of any surplus arising out of CSR projects the same shall not form part of business profits of the Company.

Any amount remaining unspent CSR amount, pursuant to any Ongoing Project, undertaken by the Company in pursuance of its CSR Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called 'the Unspent Corporate Social Responsibility Account', and such amount shall be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year. Until a fund is specified in Schedule VII for the purposes of the transfer of unspent CSR amounts as above, the unspent CSR amount, if any, shall be transferred by Company to any fund included in Schedule VII of the Act.

**"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.*

H. IMPLEMENTATION

The Board shall ensure that the CSR activities are undertaken by the Company itself or through –

- a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other company, or
- a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- any entity established under an Act of Parliament or a State legislature; or
- a company established under section 8 of the Act, or a registered public trust or a registered society, not referred to above, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Every entity as covered above, who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, for projects or programmes approved, with effect from 1st April, 2021.

The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR. The Company may also collaborate with other Companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective Companies are in a position to report separately on such projects or programmes.

The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it. The Chief Financial Officer or the person responsible for the financial management shall certify to the effect.

The Company will enhance its monitoring and evaluation mechanism that will ensure every program has:

- a. Clearly defined objectives (developed out of existing societal needs determined through baselines/studies/research), targets and timelines.

- b. a robust monitoring system.
- c. Undertake impact assessments as per the evaluation plan developed by the Company.
- d. a reporting framework and system aligned with the requirements of the Act.

In case of Ongoing Project if any, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, required for smooth implementation of the project within the overall permissible time period. (“Ongoing Project” is defined to mean a multi-year CSR project having timelines not exceeding 3 years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond 1 year by the Board based on reasonable justification).

I. AMENDMENT TO LAW

Any subsequent amendment / modification in the SEBI Listing Regulations, Act and all other applicable laws in this regard shall automatically apply to this Policy and be binding on the Company and shall prevail over this Policy, even if not incorporated in the Policy. In any circumstance where the terms of the Policy differ from any applicable law for the time being in force, the provisions of such applicable law shall take precedence over the Policy.

J. DATE OF APPROVAL & AMENDMENT, IF ANY:

The CSR Policy was approved by the Board on May 30, 2014. The CSR Policy was reviewed amended with effect from February 02, 2016, February 11, 2021 and February 11, 2025.
