

CJ DARCL LOGISTICS LIMITED

CSR (Corporate Social Responsibility) Policy

Amendment Approved in Board Meeting Dated 04.09.2019

Background

This policy approved on 04.09.2019 is the amendment to the original Policy approved by the Board in its meeting held on 09.05.2014 and further amended by the Board in its meeting held on 30.06.2015 & 17.03.2016.

“**Corporate Social Responsibility** is defined as the integration of business operations and values, whereby the interests of all stakeholders including investors, customers, employees, the community and the environment are reflected in the company's policies and actions.

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 our 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. As a corporate entity, the company is committed towards sustainability. Ongoing dialogues with shareholders provide valuable approach with an objective that each business decision takes into account its social and environmental impacts and plans.

Corporate Social Responsibilities (CSR) activities at CJ Darcl Logistics Limited are already in existence. **CJ DARCL vision** is to actively contribute to the social and economic development of the communities in which we operate and consistently contribute towards animal welfare.

It is recognized that integrating social, environmental and ethical responsibilities into the governance of businesses ensures the long term success, competitiveness and sustainability.

Further, CSR makes a business sense as companies with effective CSR, have image of socially responsible companies, achieve sustainable growth in their operations in the long run and their products and services are preferred by the customers.

Objective

The main objective of CSR policy is to make CSR a key business process for sustainable development of the society. CJ Darcl Logistics Limited **will act as a good corporate citizen** and aims at supplementing the role of Government in enhancing the welfare measures of the society within the framework of its policy.

Measures

In the aforesaid backdrop, policy on CSR CJ Darcl Logistics Limited is broadly framed taking into account the following measures:

- The CSR activities shall be undertaken by CJ Darcl Logistics Limited, as stated in this Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.
- The CSR activities which are exclusively for the benefit of CJ Darcl Logistics Limited employees or their family members shall not be considered as CSR activity.
- CJ Darcl Logistics Limited shall give preference to the local area or areas around it where it operates, for spending the amount earmarked for CSR activities.
- The Board of CJ Darcl Logistics Limited may decide to undertake its CSR activities as recommended by the CSR Committee, through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company pursuant to Section 135 of the Companies Act, 2013 and rules made there-under.

The following is the list of CSR projects or programs which CJ Darcl Logistics Limited plans to undertake pursuant to Schedule VII of the Companies Act, 2013:

1. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
2. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. 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;
4. 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;
5. 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;
6. measures for the benefit of armed forces veterans, war widows and their dependents;
7. training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
8. 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;
9. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
10. rural development projects;
11. slum area development;
12. disaster management, including relief, rehabilitation and reconstruction activities;
13. Any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under.

Organisational mechanism and responsibilities

Constitution of Corporate Social Responsibility Committee

The Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee of the Board (“CSR Committee”) consisting of three or more directors, out of which at least one director shall be an independent director.

The CSR Committee shall –

1. Formulate and recommend to the Board, a CSR policy and activities to be undertaken by the company as per Schedule VII;
2. Recommend the amount of expenditure to be incurred on the activities; and
3. Monitor the Policy of the Company from time to time.

The Board of the Company shall after taking into account the recommendations made by the CSR Committee, approve the policy for the company and disclose contents of such Policy in its report and also place it on the company’s website and ensure that the activities as are included in the CSR Policy of the company are undertaken by the Company.

To measure the impact of the work done, a social satisfaction survey / audit will be carried out internally or by an external agency depending on the need or as required under the CSR Rules as amended from time to time.

Monitoring of Expenses

The monitoring of expenses incurred under CSR activities will be made quarterly/half-yearly by the CSR Committee.

Activities, setting measurable targets with timeframes and performance management:

Company is currently in evolution stage in terms of setting measurable targets with timeframes and performance management. CSR Committee will periodically review the scopes as laid down in the Companies Act read with CSR Rules as also forming part of this policy and will thrive for setting out measurable targets with timeframes and performance management.

Partnerships

Collaborative partnerships may be formed with the Government, the District Authorities, the village panchayats, NGOs and other like-minded stakeholders to widen the Company’s reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.

Budgets

- A specific budget will be allocated for CSR activities and spending on CSR activities shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy.
- In case Company fails to spend such amount, the Board shall specify the reasons for not spending the amount.
- Approving authority for the CSR amount to be spent will be based on Delegation of authority as is approved by the Board of Directors. CSR budget and area of spending will be decided by the CSR Committee of the Company.
- The CSR Policy mandates that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

- The CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.
- CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act 2013.
- Tax treatment of CSR spent will be in accordance with the Income Tax Act as may be notified by CBDT.

Information dissemination

The Company's engagement in this domain is disseminated on its website, annual reports and its house journals as and when deem fit.

Management Commitment

Our 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, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

Update

CSR Committee of Board of CJ Darcl Logistics Limited will review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications as may be necessary.

Compliance with Companies Act, 2013

Our Corporate Social Responsibility policy conforms to the Section 135 of the Companies Act, 2013 on Corporate Social Responsibility as spelt out by the Ministry of Corporate Affairs, Government of India.

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