

NATURAL CAPSULES LIMITED

Corporate Social Responsibility Policy

Natural Capsules Limited believes in integrating its business values and operations to meet the expectations of its stakeholders, Communities, including those villages around its plants are its key stakeholders and Natural Capsules is committed to ensuring that they benefit from the company's presence in their neighbourhood. Based on the guiding philosophy with which Natural Capsules approaches its CSR, the CSR vision and mission has been outlined. The Strategic approach and choices that Natural Capsules is making to achieve its CSR vision has been defined.

The company shall allocate at least 2% of its average net profits before taxes of the preceding three years, towards, CSR activities to sustain and improve a healthy and prosperous environment and to improve the quality of life of the communities it serves. The company may also utilise its products and services as suitable for its CSR activities. Any surplus arising out of CSR projects or programmes or activities shall be re-deployed back into CSR activities and will not form a part of the business profits of the company.

The company shall positively impact and influence its employees and partners in fostering a sense of social commitment for their stakeholders.

Focused Geographic Spread

Natural Capsules focus areas for developmental activities will be in urban as well as rural areas in the states in which it is located.

The company may also support initiatives in other geographies, as approved by the CSR Committee of the Board, from time to time.

While we will ensure that all communities benefit from our CSR activities, we would focus on those groups that are socially and economically marginalized. These would include women, girl children and scheduled castes and tribes.

CSR Focus Areas

Natural Capsules CSR in alignment with the focus initiatives (Skills, Water, Governance, and Education) will focus on areas – Education, Health, Livelihoods and Rural and Urban infrastructure. Besides, it will also undertake Interventions in the areas of sports, disaster relief, environment and ethnicity etc, all aimed at improving the quality of life of the communities.

Approach

The Company's CSR will revolve around six guiding principles – Impact, Partnerships, Affirmative Action, Volunteerism, Communication and Innovation.

Delivery Mechanism

Whilst a large part of the CSR efforts will be implemented by an in-house CSR department and through several Societies promoted by the company, the company will also partner with credible organizations – individually or as a consortium – to design, fund, implement and review projects. Partner agencies will be selected based on well-defined selection criteria.

Governance Mechanism

The Company's CSR will have a multi-tiered governance mechanism.

The CSR Committee of the Board will govern and review the CSR of the company from time to time. The CSR Committee will recommend the Annual Business Plan for CSR to the Board for its approval. The plan will include resource requirements and allocation across interventions and locations. The composition of the CSR committee of the board is as below:

Mr. C.M.Gurumurthy - Non-Executive, Independent - Chairman

Mr. Sunil L Mundra - Executive, Non-independent - Member

Mr. Sushil Kumar Mundra – Non-Executive, Member

An Apex CSR Steering Committee chaired by the Managing Director and comprising the senior management team of the company will do a quarterly review of the activities and monitor achievements against targets set at the beginning of the year.

The Company has set up a CSR Advisory Council, comprising some of the most eminent experts from the academic and developmental domains. It is envisaged that the members of the Advisory Council, with their years of experience and multi-functional expertise, will provide macro policy-level inputs that will not only critique, but also guide and inform the company's CSR work.

Review of Policy

This CSR policy document will be reviewed from time to time and any changes, if necessary, will be approved by the CSR Committee of the Board.

CSR interventions

Education : Setting up and running educational institutions and hostels, Setting up and running mid-day meal kitchens, Training of teachers and headmasters, Improving quality of education in existing schools, Augmenting and supporting infrastructure in educational institutions, Offering scholarships and financial assistance to needy and meritorious students, Bridging drop-out children and mainstreaming them to formal schools, Making adults functionally literate, Developing educational material and methodologies, Supporting and promoting co-curricular activities, Advocacy of best practices, Education for mainstreaming disabled children.

Health : Setting up and running clinics and hospitals, Running mobile medical vans and ambulances, Organizing health camps, Providing financial assistance and waivers for needy patients, on a case-to-case basis, Providing family planning services, Reducing infant and maternal mortality, Preventing and treating communicable diseases like malaria, tuberculosis and HIV / AIDS, Treating and rehabilitating persons with disabilities, Working on adolescent and reproductive sexual health issues, Promoting awareness about various health issues and generating demand for health services, Undertaking and supporting research on health-related issues, Ensuring access to potable drinking water and hygienic sanitation.

Livelihoods : Setting up and running skill development centers, industrial training centers, diploma and polytechnic institutes, community colleges, etc, Sponsoring candidates for skill development and vocational training programmes offered at identified institutions, Coaching candidates to appear for entrance examinations of different institutions, Creating, training and supporting entrepreneurs, Creating, training and supporting self help groups, federations, co-operatives, societies and similar institutions, Building capacities of farmers on improved methods of agriculture and other allied sectors, Developing water harvesting structures and irrigation facilities, Supporting farmers with quality inputs, technical know-how and timely information, Creating markets and marketing linkages for farm and forest based produce, Undertaking and supporting research on agriculture and other allied sectors.

Rural Development: Rural development projects of building and maintaining community-based rural infrastructure like roads, bridges, culverts, drains, rural electrification, water infrastructure, community centers, youth clubs, etc.

Sports : Constructing stadia and sports infrastructure, Setting up and running academies and sports training centers, organizing sports tournaments and coaching camps for community, Supporting sportspersons to participate in state, national and international events, offering scholarships and sports equipments to deserving sportspersons, promoting adventure sports, Preserving and promoting indigenous sports, organizing leadership and motivational camps.

Ethnicity : Preserving and promoting tribal languages, scripts and literature, preserving and promoting fine arts and performing arts, preserving and promoting various aspects of folk and tribal cultures, organizing cultural events, restoring and renovating memorials, monuments and heritage structures, mainstreaming Particularly Vulnerable Tribal Groups (PVTGs), Undertaking and supporting research on anthropological and ethnic issues.

Environment: Undertaking plantations and forestation activity, promoting renewable sources of energy, recharging ground water levels, conserving biodiversity and supporting research, awareness and advocacy on issues related to biodiversity, Promoting awareness about environmental issues

Disaster Relief: Extending relief measures during times of natural disasters, anywhere in the country, undertaking and supporting rehabilitation measures post-disasters.

Support to Technology Incubators: Funding research projects at technology hubs for environmental and social sustainability.

The CSR Committee could, from time to time, recommend donating or making grants to the PM's fund or funds set up the State Governments or to non-profit organizations and other institutions whose activities are aligned with the company's CSR.