



## **Policy on Corporate Social Responsibility – Effective Giving, Valuable CSR**

### **Object and Purpose**

At Bunge, our corporate purpose is to ensure food security for a growing population in a sustainable way through a seamless connection between the growers and the end-users. We are committed to achieve this by acting as stewards of environment and contributing to the development of individuals by strengthening the socio-economic fabric of our communities.

In compliance with the requirement of the Companies Act, 2013, this policy outlines the philosophy, the key thrust areas and guidelines for identifying CSR programs underlying the spend mandated by law for CSR

### **Philosophy**

In our CSR agenda, we will continue to be driven by our business need to remain “inclusive” in our approach towards maximization of profits and value creation to all our stakeholders, suppliers and community at large. Our CSR philosophy will be a symbol of our corporate ethics and will be in alignment with the larger welfare agenda of the government.

### **Guidelines for setting up CSR fund**

Pursuant to Section 135 of the Companies Act, 2013, every company fulfilling the prescribed criteria is required to set up a CSR committee, as a sub-committee of the Board of Directors to include atleast one independent director.

This Committee will be the custodian of the CSR fund to be created as a seed capital amounting to 2% of the average net profit of the company for the last three years (minimum)

Any income arising out of this Fund and surpluses, if any, should be credited back to the Fund.

Adequate disclosures with regard to expenditure made out of the Fund and reasons if any, for not deploying the Fund should be made in the Directors Report forming part of the Balance Sheet and Profit & Loss Account of the Company, on an annual basis.

Any ongoing CSR activities being conducted through a Trust or Foundation belonging to the Company will be independent of the above CSR spends and cannot be consolidated for the purposes of accounting and disclosure requirements of law.

### **Our strategy**

As per the requirement of the Companies Act, 2013, we would endeavour to channelize our CSR spends in the following key thrust areas, in alignment with the activities listed under Schedule VII of the Companies Act, for this purpose –

- Health and Nutrition
- Education
- Environment
- Vocational Training/ Capability building

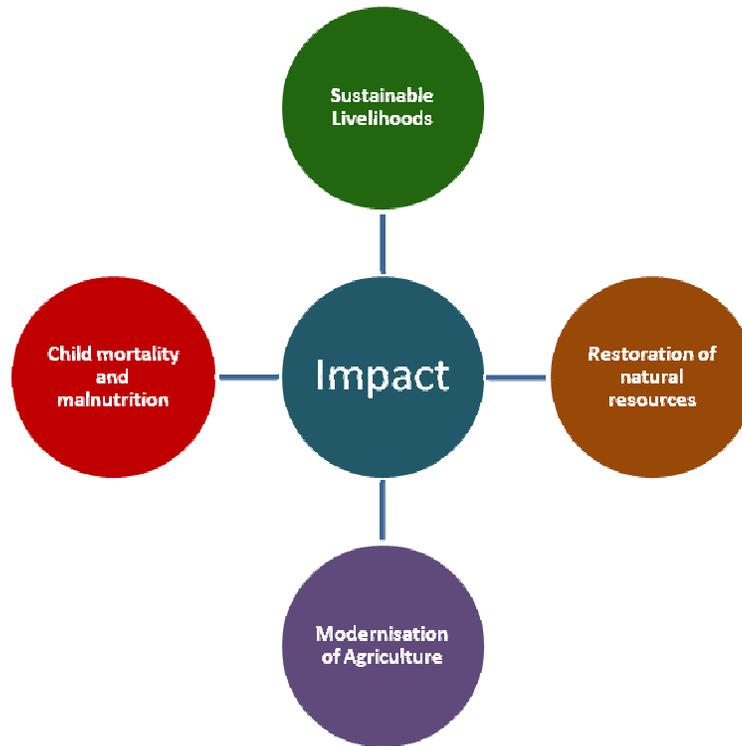
### **Project Identification Mechanism**

In identifying the potential areas of work within the key thrust areas as identified above, the Company will endeavour to create CORPORATE STEWARDSHIP, with meaningful collaboration with NGOs and social organisations together with robust employee volunteering programs.

<b>Health and Nutrition</b>	<b>Education</b>	<b>Environment</b>	<b>Vocational Training/ Capability building</b>
•Create an overall corporate umbrella for branding and support of the program, its tools and maintenance	•Generate the technological and management tools and manage the implementation on the grassroot level including volunteer identification	•Reforming agriculture for sustainability and effecting social transformation through sustainable development system viz. PURA (Providing urban amenities in Rural Areas) model	•Enterprise creation through empowerment promoting community driven and eco-friendly sustainability models (e.g. e-Chaupal model)

## Target milestones

Evaluation and effectiveness of the CSR policy will be undertaken on following key parameters –



## Integration with business

While it is important to ensure that the CSR model is not linked to the business or it is a by-product of the business for the purposes of its sustainability, in keeping with the spirit of the legal mandate, it is important to ensure that it runs parallel to business and growth. This will be achieved through the following -

### Absolute Impact

Identify and put in place concrete deliverables – possible to assessed as measurable and tangible impact through CSR activities (Social Benefit).

### Value Alignment

Ensure that there is a common platform for the business to share with the CSR models on the value proposition at the corporate level – so that CSR also becomes CSV (Corporate shared values).

### Diversity

While keeping its key thrust areas embedded into the operational areas of the business, the company will target different activities, affecting and helping different sectors along with helping diverse beneficiary classes.

## Sustainability

Advocacy and scaling up will be key drivers for promoting projects as per the key thrust areas so that there is inbuilt momentum for the CSR program to accelerate independent of business and its growth.

## **CONCLUSION**

At Bunge, CSR is not an expenditure, but an investment to seek and gather competitive advantage – as Porter and Kramer put in their acclaimed work on CSR, *“If, instead, corporations were to analyze their prospects for social responsibility using the same frameworks that guide their core business choices, they would discover that CSR can be much more than a cost, a constraint, or a charitable deed—it can be a source of opportunity, innovation, and competitive advantage.”*