



Alfa Laval India Private Limited Corporate Social Responsibility Policy	Effective from: November 1, 2017 Adopted by: CSR Committee Approved by: Board of Directors
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CSR Policy

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Preamble

Generally, Corporate Social Responsibility (CSR) has been within the philanthropic space with focus on community development through various projects. With the introduction of this concept in the Company Law by the Government of India, participation by the corporates has been profound. Besides the avenues of CSR spend has become more strategic in nature, stretching beyond communities and the concept of philanthropy. Further, with the corporates allocating a specific part of profit for the purpose, it could get connected with the business concepts in one way or the other, though the main objective will revolve around sustainable development and existence of the Society as a whole.

CSR in Alfa Laval India

Vision

To be visible as a caring and socially responsible corporate.

Mission

To create better everyday conditions for people through our work in the focus areas for a positive contribution to the community at large.

Objective

Alfa Laval's Business Principles encompassing Social and Environmental elements amongst others describe the way we must act so as to unearth boundless opportunities to make a positive contribution to a more sustainable future for India. In order to achieve this broad objective, it is important that we select and prioritize some of the vital opportunities that will deliver better everyday conditions for people in the community that we exist.

Strategy

Our focus is on the broad development of the communities located in backward areas across the country and more specifically around our plants / offices. The projects for development would be carried out under the overall guidance of the CSR committee of the Company providing considered direction and the thrust areas, while at the same time ensuring its execution in the desired manner.

It is intended to network and collaborate with agencies and like-minded bodies to ensure that the projects for development are carried out to their logical conclusion so that the ultimate beneficiaries of the activities reap the gains thereof. In this process, there could be many partners in development but the intention is to ensure that benefits directly flow to marginalized, disadvantaged, poor or deprived sections of the community.

A handwritten signature in black ink, located in the bottom right area of the page. The signature is cursive and appears to be the name of an individual, possibly a representative of Alfa Laval.



Focus areas

Focus area	Purpose
Sanitation and Hygiene	Providing people a clean and safe environment in the surroundings to lead a better everyday life
Education	Promoting education including development of infrastructure facilities
Healthcare	Providing solutions for better health for those belonging to the impoverished and marginalized sections of society
Advanced skill development	Equipping men and women with essential skills and up-grading existing skill-sets in tune with current market needs and demands
Environmental sustainability	Encouraging environment friendly practices
Gender equality/ Women empowerment	Promoting self-reliance among women so as to recognize the importance of the role and the contribution they can make to society
Technology incubators	Providing contributions to technology incubators located within academic institutions which are approved by the Central Government

Project identification and implementation

In collaboration with the implementing agencies like accredited NGOs/other likeminded bodies, the projects on focus areas would be chosen by CSR Manager and placed before Managing Director of the Company for his directions. The Managing Director on being satisfied that the proposed project is in line with the focus area would approve the project in principle subject to the CSR Manager seeking from the respective agencies the following: -

- Need Based Assessment/Baseline Survey/Study
- Clearly identified time frame
- Specific annual financial allocation
- Clearly identified milestones
- Clearly identified & measurable objectives /goals

for the Managing Director to approve the amount of expenditure to be incurred on the chosen activities, which would then be ratified by the CSR Committee at their next meeting.

The CSR Committee (or such other person as the CSR Committee may nominate) shall put in place a robust and periodic review and monitoring mechanism and if necessary, shall enlist the services of a third party for a proper evaluation and assessment of the progress made in the implementation. Monitoring shall include physical verification of the progress in relation to the actual output in the project besides seeking feedback on the benefits of the programme from the end beneficiaries directly and to ensure that corrective steps are taken where necessary so that the projects are self-sustainable in the long run. The progress report on each of the projects shall be placed before the CSR Committee on a periodical basis.



CSR expenditure

The CSR spend as a percentage of the total available spend in a year in each of the focus areas shall be as under:

Focus area	Amount allocation (% of Budget)
Sanitation and Hygiene	15
Education	20
Healthcare	10
Advanced skill development	20
Environmental sustainability	20
Gender equality/ Women empowerment	10
Technology incubators	05

Interchangeability of allocation among the focus areas shall not exceed 10% - 15%.

Employee participation

As a part of their contribution to CSR, employees may voluntarily participate in a cause or a project supported by the Company through the designated agency in a way that the time spent on CSR and work is managed amicably. Though such employees may not see any financial gains for such work or service, it could boost their personality or profile or skill development, increase their social network and be the recipient of appreciation and recognition at the Company's various forums. The company will nominate on a rotation basis a maximum of 10 employees as Ambassadors of CSR. The primary responsibility of the Ambassadors would be to ensure that the message of CSR is percolated internally and externally.

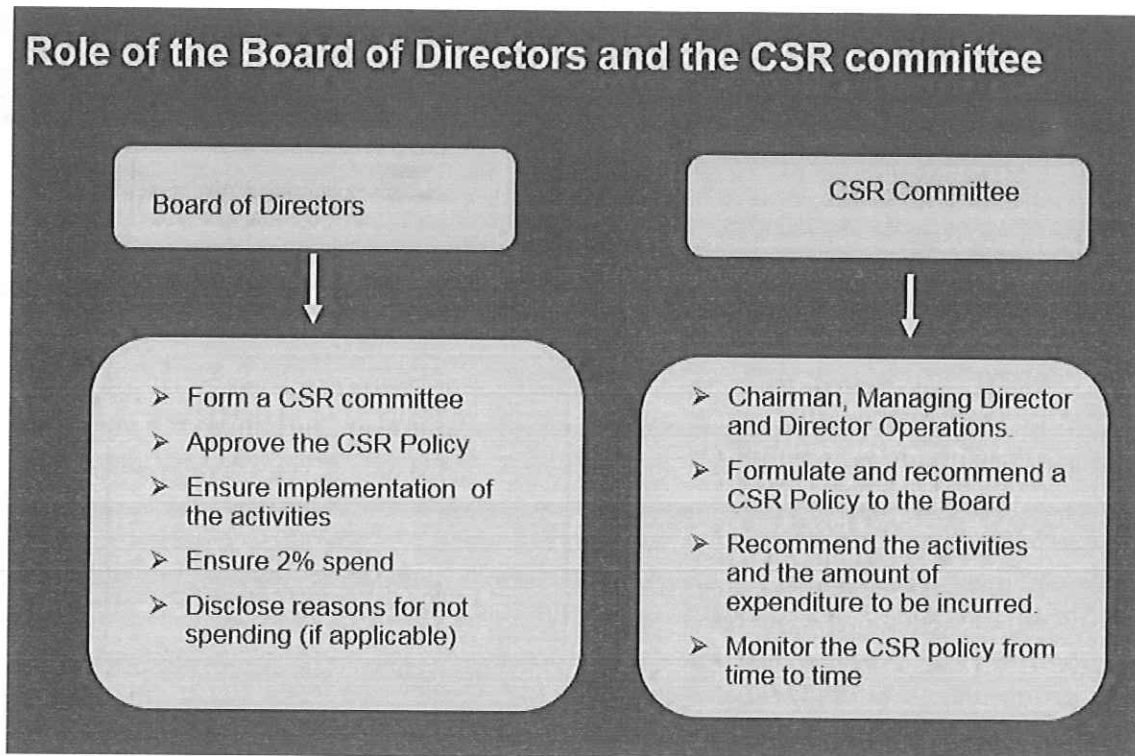
Our partners

The CSR efforts of the Company will be implemented by the in-house CSR Manager either directly with the beneficiaries or with partners such as accredited NGOs or other like-minded bodies including collaboration with other corporates, registered trust foundations, societies etc. as the CSR Committee, may choose to entrust the identified projects from time to time. Partner agencies will be selected based on well-defined selection criteria.

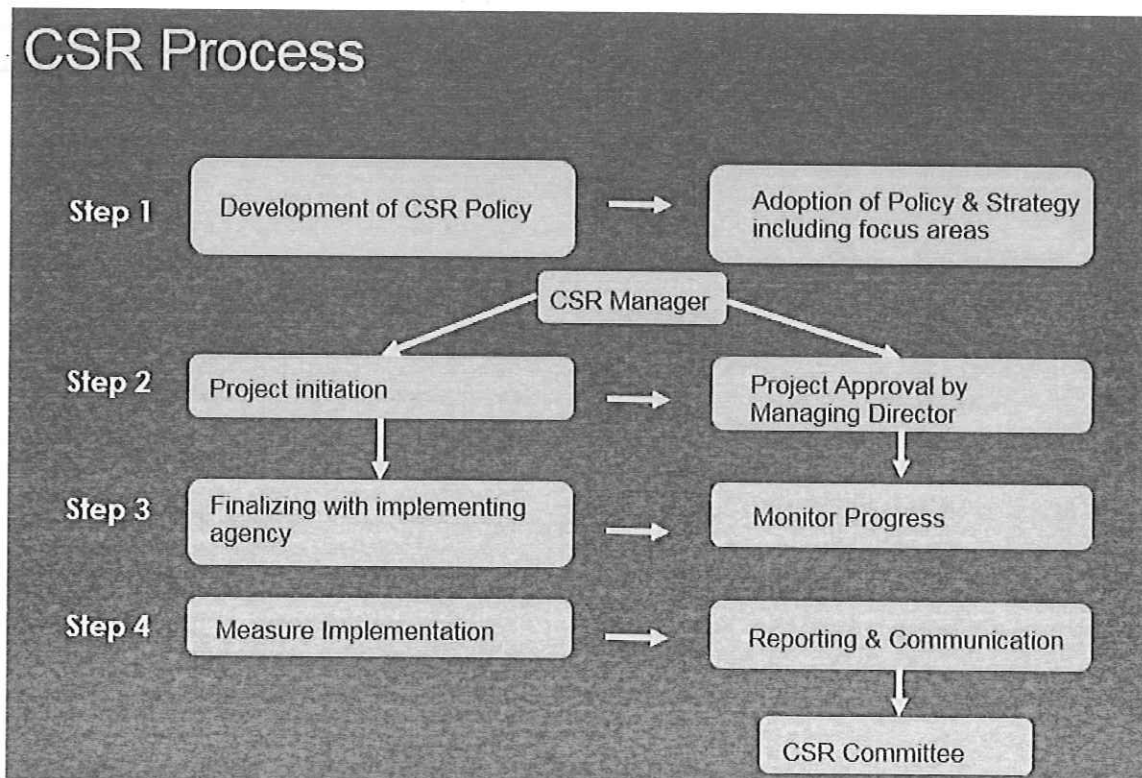
The CSR policy document will be reviewed from time to time and any changes, if necessary, will be made as recommended by the CSR Committee and approved by the Board.



Role of the Board of Directors and the CSR Committee



CSR Process



Adopted by CSR Committee: 02/11/2017
Approved on behalf of the Board: 02/11/2017