



Emami Frank Ross Limited

Corporate Social Responsibility Policy



INTRODUCTION

Corporate Social Responsibility (CSR) builds a dynamic relationship between a companies on one hand and the society and environment on the other. CSR is traditionally driven by a moral

Obligation and philanthropic spirit.

1. SHORT TITLE & APPLICABILITY

This policy shall contain the approach and direction given by the Board of the Company, taking into account the recommendations of its CSR Committee, and include guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan; This policy, which encompasses the company's philosophy for delivering its responsibility as a corporate citizen, is titled as the "**Emami Frank Ross Limited CSR Policy**". It has been prepared keeping in mind the Company's business ethics and to comply with the requirements of Companies Act, 2013 (hereinafter called as "the Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended by the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, notified by the Ministry of Corporate Affairs vide

Notification dated 22nd January 2021 and amendment of the Companies (CSR Policy) Rules, 2014 of the Companies Act, 2013 vide notification dated 20th September, 2022.

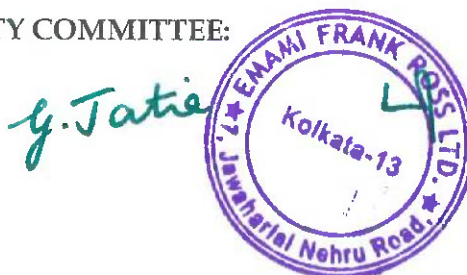
This policy shall apply to all CSR initiatives and activities taken up at the various work-centers and locations of the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons.

2. CSR VISION STATEMENT & OBJECTIVE

Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model. Therefore, the policy will function as a built-in, self-regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and international norms.

The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its corporate social.

3. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:



**Composition:**

The Corporate Social Responsibility Committee shall consist of three Directors amongst whom at least one shall be an Independent Director.

Meetings:

The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company.

The members of the Committee may invite any Executives, Advisors, Representatives of Social Organizations, Auditors of the Company as it may consider necessary to attend the meeting.

Quorum:

The quorum for a meeting of the Committee on CSR shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one), or two members, whichever is higher.

Sitting Fee:

The members of the Committee shall be paid such sitting fees for attending each meeting of the Committee as may be fixed by the board from time to time.

Role of CSR Committee:

The role of CSR Committee is:

- a. To formulate and recommend to the Board, a Corporate Social Responsibility ("CSR") Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule-VII of the Act;
- b. To recommend the amount of expenditure to be incurred on the specified CSR activities in a financial year;
- c. To monitor the CSR Policy of the Company from time to time;
- d. To recommend the Board on the guiding principles for selection, implementation and monitoring of CSR activities;





- e. To formulate and recommend to the Board, an Annual CSR Action Plan in pursuance of its CSR policy, which shall include the following:
- i. the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in the Company's CSR Policy;
 - ii. the manner of execution of such projects or programs;
 - iii. the modalities of utilization of funds and implementation schedules for the projects or programs;
 - iv. monitoring and reporting mechanism for the projects or programs; and
 - v. details of need and impact assessment, if any, for the projects undertaken by the Company.
- f. To recommend the Board to alter the Annual CSR Action Plan at any time during the financial year based on the reasonable justification to that effect.
- g. Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.
- h. To carry any other function as is mandated by Board from time to time and/or enforced by any statutory notification, amendment or modification as may be necessary or appropriate for performance of its duties.

Section 135(9) of Companies Act 2013 provides that Where the amount required to be spent by the company on CSR does not exceed fifty lakh rupees, the requirement for constitution of the CSR Committee will not be mandatory and the functions of the CSR Committee, in such cases, shall be discharged by the Board of Directors of the company.

Role of Board of Directors:

1. The Board of Directors shall, after taking into account the recommendations made by the CSR committee, approve the CSR policy and the Annual CSR Action Plan of the company
2. The Board of Directors shall endeavor that the Company spends 2% of the average pre-tax net profits of the Company made during the three immediately preceding financial years in pursuance of its CSR Policy.
3. The Board of Directors of the Company shall disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.
4. The Board of Directors shall ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the Company.





5. The Board of Directors shall ensure that the CSR activities are undertaken by the Company itself or through a registered and eligible Implementation Agency.
6. The Board may extend a non-ongoing project beyond one year based on reasonable justification.
7. The Board of Directors shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
8. In case of ongoing project, 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, for smooth implementation of the project within the overall permissible time period.
9. The Board may alter the CSR Annual Action Plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect.
10. The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year
11. Where the Company spends an amount in excess of requirement, such excess amount may be set off by the Board against the requirement to spend up to immediate succeeding three financial years subject to the conditions that -
 - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
 - (ii) the Board shall pass a resolution to that effect.

4. RESOURCES

Funding & Allocation

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. The Annual CSR Budget shall be spent on activities laid down in this Policy.

“Administrative Overheads” expenses incurred by the Company will be used for General





Management & Administration' of the Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR Policy and Annual Action Plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Where the amount to be spent by a Company under sub section (5) does not exceed fifty lakh rupees the requirement under sub section (1) for constitution of the CSR Committee shall not be applicable and the functions of such committee provided under this section shall in such cases be discharged by the Board of Directors of such Company.

Unspent Amount

Transfer of unspent CSR amount. - Until a separate fund is specified by the Government, the unspent CSR amount, if any, shall be transferred by the Company to a fund specified in Schedule

VII of the Act.

Amount remaining unspent pursuant to an ongoing project shall be transferred within a period of thirty days from the end of the financial year to the Unspent Corporate Social Responsibility

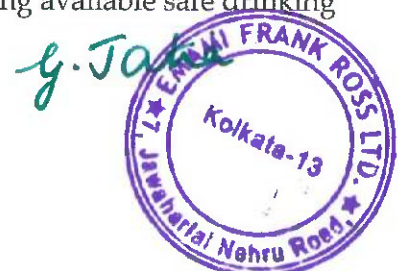
Account and such amount shall be spent on the ongoing project within a period of three financial years from the date of such transfer.

5. ACTIVITIES, PLANNING & IMPLEMENTATION

Areas for activities

The Company shall identify projects / activities which will fall in any one or more of the following areas / sector for its CSR spending:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of 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 including contribution to Clean Ganga Fund set up by the Central Government for the promotion of sanitation;
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 Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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. And
13. Any other areas as may be notified by the Central Government from time to time.





14. The CSR projects or programs or activities undertaken by the Company as per Company's CSR Policy in India only shall amount to CSR Expenditure in accordance with the provisions of sub- section (5) of section 135 of the Act.

The Company will prefer to take up projects for spending the amount earmarked for CSR at local areas and areas where the Company operates.

All expenses and contributions for CSR activities will be made after approval from the Chairman of the CSR committee, which would then be placed before the forthcoming CSR committee for noting and record. The Chairman will ensure that the expenses/contribution and donation will be full compliance of the CSR Policy.

Officers for implementation

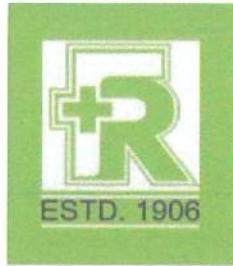
- ☐ The Company shall appoint officers at its business places (Units & Corporate Office) to undertake, supervise and monitor the CSR activities and expenditures.
- ☐ Such officers will be responsible to ensure that the expenditures are made in full compliance with this policy. They will submit periodical report to the committee.
- ☐ The Company will see that these officers have CSR capacities of their own and if required, they will be given required training to take up these tasks.
- ☐ The Company can also appoint implementing agencies like charitable trusts and NGOs/ Institutions with established track records of at least three financial years.

Implementing Agency

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

- (a) 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, established by the company, either singly or along with any other company, or
- (b) 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
- (c) any entity established under an Act of Parliament or a State legislature; or





(d) a company established under section 8 of the Act, or a registered public trust or a registered society, 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 who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar and obtain a unique CSR

Registration Number from the MCA.

The Company shall specify the project or programs to be undertaken through these entities, modalities of utilization of funds on such projects and programmes.

The Company may also collaborate with other companies to undertake CSR Projects or Programs, provided the CSR Committees of the respective companies are in a position to report separately on such projects or programs.

6. Exclusions:

The CSR activities shall not include the following:

- i. Activities undertaken by the Company in pursuance of its normal course of business.
- ii. contribution of any amount directly or indirectly to any political party.
- iii. any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.
- iv. The CSR projects or programs or activities that benefit exclusively for the employees of the Company and their families
- v. activities carried out for fulfilment of any other statutory obligations under any law in force in India.

7. CSR PROGRAMES

CSR programmes will be undertaken by various work centres i.e. corporate office, units and other business places of the Company in India 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 process for implementation of CSR programmes will involve the following steps:

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Identification of programmes at Corporate, Units and work centre level will be done by means of the following:

- (a) Need identification Studies by the Senior Management/ professional institutions/agencies.
- (b) Internal need assessment by cross-functional team at the local level.
- (c) Receipt of proposals/requests from charitable institutions and NGOs
- (d) Suggestions from the Board of Directors/senior management level.

8. MONITORING AND EVALUATION

- a. To ensure effective implementation of the CSR programmes undertaken at various locations, a monitoring mechanism will be put in place.
- b. The progress of CSR programmes under implementation at various locations will be reported to corporate office on a periodical basis and the same shall be placed before the Board.
- c. The report on progress on the CSR programme undertaken by the Company will be put forward to the CSR Committee with full details of cost incurred and results achieved on a regular basis.
- d. Project locations will try to obtain feedback from beneficiaries about the programmes implemented at the area.
- e. Appropriate documentation of the Company's CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.
- f. CSR initiatives of the Company will be reported in the Annual Report of the Company & the Board's Report in compliance with Section 135 and rules made thereunder.

9. IMPACT ASSESSMENT

- a. Details of need and impact assessment, if applicable for the projects undertaken by the Company will be included in the Annual Action Plan.
- b. If the Company has an average CSR obligation of ten crore rupees or more, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
- c. The impact assessment reports if applicable shall be placed before the Board and shall be annexed to the annual report on CSR.

Impact assessment if applicable may be booked as the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.





10. CAPITAL ASSET

The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by -

- d. A company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number.
- e. Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- f. A public authority Provided that any capital asset created by the Company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with this requirement, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

11. GENERAL

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time. The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.

