



EVEREADY INDUSTRIES INDIA LTD

CORPORATE SOCIAL RESPONSIBILITY POLICY

PREAMBLE

India is one of the largest growing economies in the world. However, it continues to be deluged with various problems and challenges of poverty, health hazards, environmental degradation, illiteracy, poor educational standards, inadequate infrastructure, power crisis gender bias and the largest number of undernourished children as well as uneven distribution of wealth which many believe, is the root cause of social unrest.

The concept and need for Corporate Social Responsibility (CSR) has gained prominence from all avenues. The Government as well as regulators has framed various guidelines pertaining to responsibilities of business as well as the mandatory CSR provisions under the Companies Act, 2013 (the Act). It is recognized that integrating social, environmental and ethical responsibilities into the governance of businesses ensures their long term success, competitiveness and sustainability. This approach also reaffirms the view that businesses are an integral part of society, and have a critical and active role to play in the sustenance and improvement of healthy ecosystems, in fostering social inclusiveness and equity, and in upholding the essentials of ethical practices and good governance.

Eveready Industries India Ltd. (EIIL), believes that in alignment with its vision, EIIL through its CSR initiatives will continue to strive to create and enhance value in the society and in the community in which it operates, through its services and initiatives so as to promote social sustainability, sustainable development of the environment and social welfare of the people and society at large, more specifically for the deprived and underprivileged persons. Eveready being aware of its CSR is was and continues to be associated with issues relating to a unique sustainable initiative, "En-Light a Girl Child" with the objective of addressing two crucial issues, one of perennial darkness in the rural households and the other of Girl Child Empowerment in addition to CSR activities for the purpose of eradication of hunger and poverty and promotion of education, special education for differently abled, rural development, promotion of sports and education for rural development.

SHORT TITLE & APPLICABILITY

This policy, which encompasses EIIL's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is termed as the "EIIL CSR Policy". This policy shall apply to all CSR initiatives and activities taken up at the various work-centres and locations of EIIL. In order to incorporate further changes in the CSR Policy of EIIL, in terms of the amendments to the CSR provisions under the Act and Rules thereof, the CSR Committee of the Board had revised the CSR Policy which was approved by the Board.

OBJECTIVE

The main objective of the Policy is to include the approach and direction given by the Board of Directors of EIIL, taking into account the recommendations of the CSR Committee of the Board and

to establish and lay down the basic principles and the general framework of action for selection, implementation and monitoring of the corporate social responsibility activities for EIL to undertake in pursuance of its statutory obligation, as well as formulation of the annual action plan as recommended by the CSR Committee, for EIL to undertake and fulfil its corporate social responsibility in pursuance of its CSR Policy.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

“Corporate Social Responsibility (CSR)” means the activities undertaken by EIL in pursuance of its statutory obligation laid down in Section 135 of the Companies Act, 2013 (the Act) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, but shall not include the following namely :

- Activities undertaken in pursuance of its normal course of business barring exemptions, if any.
- Any activity undertaken by EIL outside India except for training of Indian sports personnel representing any State at a national level or India at the International level.
- Contribution of any amount directly or indirectly to any political party under Section 182 of the Act.
- Activities benefitting employees of EIL (*Employees as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 Of 2019)*).
- Activities supported by EIL on a sponsorship basis for deriving marketing benefits for its products or services.
- The activities carried out for the fulfilment of any other statutory obligations under any law in force in India.

A CSR Committee of the Board, as required has been constituted and is in place.

The Board shall, after taking into account the recommendations made by the CSR committee, approve the CSR policy for EIL and disclose its contents in their report in such manner as may be prescribed and also publish the composition of the CSR Committee, the CSR policy and the Activities/Projects approved by the Board on EIL’s website, in such manner laid down in the Act and the Rules thereto, for public access.

The Board shall ensure that :

- a) The activities as are included in the CSR Policy of EIL are undertaken by EIL.
- b) EIL spends in every financial year, at least 2% of the average net profits of EIL made during the 3 immediately preceding financial years in pursuance of its CSR Policy (*"net profit" shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of Section 198 of the Act*).

CSR COMMITTEE

The CSR Committee shall consist of three or more Directors amongst which one shall be an Independent Director.

The Committee shall hold meetings as and when required.

The CSR Committee shall:

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by EIL as specified in Schedule VII of the Act and the Rules made thereunder as amended from time to time;
- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- c) Monitor the adherence of the Corporate Social Responsibility Policy of EIL and the expenditures incurred during the CSR activities;
- d) Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
 - the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act and the Rules made thereunder as amended from time to time;
 - the manner of execution of such projects or programmes as specified above
 - the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - monitoring and reporting mechanism for the projects or programmes; and
 - details of need and impact assessment, if any, for the projects undertaken by EIL:
- e) Any other matter as may be considered expedient in furtherance of and to comply with the CSR Policy of EIL as may be specified from time to time.

The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect.

CSR ACTIVITIES

EIL shall identify any one or more of the following areas for its CSR activities related to the activities included in the Act and the Rules thereto, as amended from time to time in terms of Schedule VII to the Act (including modifications as made from time to time).

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the “Swachh Bharat Kosh” set up by the Central Government for promotion of sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- 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;
- 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 the “Clean Ganga Fund” setup by the Central Government for rejuvenation of river Ganga;
- 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;
- Measures for the benefit of armed forces veterans, war windows and their dependents, central armed forces and central para military forces veterans and their dependents including widows;

- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, Tribes, other backward classes, minorities and women;
- Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any Agency of the Central Government or State Government;
- Contribution to public funded Universities, Indian Institute of Technology, National Laboratories and autonomous bodies established under Department of Atomic Energy, Department of Bio-Technology, Department of Science & Technology, Department of Pharmaceuticals, Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy (Ayush), Ministry of Electronics & Information Technology and other bodies, namely Defence, Research and Development Organisation, Indian Council of Agricultural Research, Indian Council of Medical Research and Council of Scientific & Industrial Research, engaged in conducting Research in Science engaged in conduction research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals.
- Rural development projects.
- Slum area development (*'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force*).
- Disaster Management, including relief, rehabilitation and reconstruction activities.
- Such other activities as the Board may consider to be appropriate as prescribed in Schedule VII.

Preference shall be given to local area and areas around EIL where it operates, for spending the amount earmarked for CSR activities. By and large, it may be ensured that the CSR programmes shall be executed in and around the areas adjoining Company's workplace and factories/ Project sites/ work centres.

CSR programmes will be undertaken by EIL 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.

CSR IMPLEMENTATION

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

- 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 (43 of 1961), established by EIL, either singly or along with any other company, or
- 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
- any entity established under an Act of Parliament or a State legislature; or
- a company established under section 8 of the Act, or a registered public trust or a registered society, not referred to above, 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 as covered above, who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, for projects or programmes approved, with effect from 1st April, 2021.

EIIL may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

EIIL may also collaborate with other Companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective Companies are in a position to report separately on such projects or programmes.

The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it.

The Chief Financial Officer or the person responsible for the financial management shall certify to the effect.

In case of Ongoing Project if any, 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, required for smooth implementation of the project within the overall permissible time period. (*“Ongoing Project” is defined to mean a multi-year CSR project having timelines not exceeding 3 years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond 1 year by the Board based on reasonable justification*).

CSR EXPENDITURE

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, EIIL will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget to be spent on activities as prescribed

The administrative overheads (*i.e., expenses incurred by EIIL for ‘general management and administration’ of CSR functions in EIIL but not including expenses directly incurred for designing, implementing, monitoring and evaluation of a particular CSR project or programme*), shall not exceed 5 per cent of the total CSR expenditure of EIIL for the financial year.

In the event EIIL fails to spend such CSR amount, as required, the Board shall, in its Report, specify the reasons for not spending the amount and, unless the unspent amount relates to any Ongoing Project referred to above, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Surplus/Excess/Unspent amount

Surplus, if any, arising out of the CSR activities shall not form part of the business profit of EIIL and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of the CSR policy and annual action plan of EIIL or transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

In the event, EIIL spends an amount in excess of its requirement, such excess amount may be set off against the requirement to spend on CSR, up to immediately succeeding three financial years subject to the conditions that –

- the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of the above
- the Board of EIIL shall pass a resolution to that effect.

The CSR amount may be spent by EIIL for creation or acquisition of a capital asset, which shall be held by –

- a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number or
- beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities or
- a public authority.

Any amount remaining unspent CSR amount, pursuant to any Ongoing Project, undertaken by EIL in pursuance of its CSR Policy, shall be transferred by EIL within a period of thirty days from the end of the financial year to a special account to be opened by EIL in that behalf for that financial year in any scheduled bank to be called 'the Unspent Corporate Social Responsibility Account', and such amount shall be spent by EIL in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which, EIL shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

Until a fund is specified in Schedule VII for the purposes of the transfer of unspent CSR amounts as above, the unspent CSR amount, if any, shall be transferred by EIL to any fund included in Schedule VII of the Act.

CSR REPORTING

The Board's Report of EIL pertaining to any financial year shall include an annual report on CSR containing particulars as prescribed.

In the event of EIL having average CSR obligation of Rs. 10 Crore or more in three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of Rs. 1 Crore or more, and which have been completed not less than one year before undertaking the impact study and the impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR and may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed 5 per cent of the total CSR expenditure for that financial year or Rs. 50 Lakhs, whichever is less.

POWERS FOR APPROVAL

CSR programmes as may be identified by each work centre/corporate office will be required to be put up to the CSR Committee of the Board at the beginning of each financial year.

MONITORING

To ensure effective implementation of the CSR programmes undertaken at each work centre, a monitoring mechanism will be put in place by the work centre head. The progress of CSR programmes under implementation at work centre will be reported to corporate office on a monthly/quarterly basis. The CSR Committee of the Board will appraise the Board on the status of the Ongoing Projects as applicable, on a periodic basis.

Appropriate documentation of EIL's CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.

CSR initiatives of EIL will be reported in the Annual Report of EIL & the Board's Report in compliance with Section 135 and rules made thereunder.

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 Board of Directors of EILL reserves the right to modify, add, or amend any of these Policy Rules/Guidelines from time to time, as it may think fit, based on the recommendation of the CSR Committee.