
Credo Brands Marketing Limited

Corporate Social Responsibility Policy

CORPORATE SOCIAL RESPONSIBILITY POLICY

The Corporate Social Responsibility Policy (“**CSR Policy**”) is to lay down guidelines for CREDO BRANDS MARKETING LIMITED (hereinafter referred to as ‘the Company’) to make CSR as one of the key focus areas to adhere to Credo’s Social Responsibility that focuses on making a positive contribution to society through high impact, sustainable programs.

We are committed to capacity building, empowerment of communities, inclusive socioeconomic growth, environment protection, promotion of green and energy efficient technologies, development of backward regions and upliftment of the marginalized and underprivileged sections of the society.

The CSR Policy was first adopted by the Board at its meeting held December 26, 2014 and subsequently revised by the Board at its meeting held on June 26, 2023.

The CSR policy is available on the website of the Company.

1. DEFINITIONS:

- Act** : means the Companies Act, 2013 read with Rules made thereunder (as amended from time to time)
- Board** : means Board of Directors of the Company as constituted from time to time
- CSR** : Corporate Social Responsibility
- CSR Policy** : means the policy approved by the Board as the Corporate Social Responsibility Policy of the Company and as amended from time to time.
- CSR Rules or Rules** : means Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

CSR ACTIVITIES:

The scope of the CSR activities of the Company will cover some of the following areas, but not limited to the same and may extend to other specific projects / programs as permitted under the Act and / or CSR rules from time to time The Company reserves the right to choose at its own discretion the organisations and partners for the implementation of its policies and allocation of funds.

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.

- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) 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.
- (iv) 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.
- (v) 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 art and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- (viii) 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) (a) 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; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in

conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

- (x) rural development projects
- (xi) slum area development.
- (xii) disaster management, including relief, rehabilitation and reconstruction activities.

The Company will endeavor to work with communities proximate to our office location/centers of operations in India. As appropriate, and on a case-to-case basis, The Company may also choose to work with communities in some geographies which are not necessarily proximate to our office location/centers of operation.

Exclusion from CSR

The following activity shall not form part of the CSR activities of the Company:-

1. The activities undertaken in pursuance of normal course of business of a Company;
2. CSR projects/programs or activities that benefit only the employees of the Company and their families;
3. Any contribution directly/indirectly to political party or any funds directed towards political parties or political causes;
4. Any CSR projects / programs or activities undertaken outside India.

CSR COMMITTEE

Composition and Meetings:

CSR Committee shall be formed as per the applicable laws and the Committee shall be responsible for the implementation / monitoring and review of this Policy and various projects / activities undertaken under the Policy.

The CSR Committee would be consisting of atleast three members of the Board out of which at least one director shall be an independent director. The Committee shall hold meeting as and when required, to discuss various matters related to CSR activities of the Company. The CSR Committee shall submit periodical reports to the Board of the Company.

Powers of the Committee:

CSR committee is authorized to perform the following functions:

- (i) formulate a “Corporate Social Responsibility Policy” which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended;
- (ii) recommend the amount of expenditure to be incurred on the activities referred to in (i) above;
- (iii) monitor the implementation of the Corporate Social Responsibility Policy from time to time, and make any revisions therein as and when decided by the Board;
- (iv) identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (v) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (i) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;
- (vi) delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (vii) review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- (viii) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time; and
- (ix) exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 or other applicable laws.

BOARD’S RIGHTS AND RESPONSIBILITIES AND MONITORING:

The following rights and responsibilities vest with the Board of the Company in connection with the CSR Policy and framework:

- i. To approve the CSR Policy after taking into account the recommendations made by the CSR Committee.
- ii. To ensure that the Company makes mandatory disclosures in the Company's Annual Reports and website, relating to CSR Committee members, Policy and the activities undertaken.
- iii. To ensure annual reporting of CSR Policy and activities to the appropriate governmental authority as mandated by applicable law.
- iv. The Board shall approve the CSR policy and oversee that identified work is duly undertaken and in each financial year at least 2% of average net profit of preceding three financial years is spent effectively.
- v. To ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board / CSR Committee and the Chief Financial Officer shall certify to that effect.
- vi. To approve for transfer of unspent CSR Amount if any in accordance with the law.
- vii. In case of an 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 modification, if any required.

IMPLEMENTATION OF CSR PROGRAMMES / PROJECTS

Our implementation approach is to work primarily through implementing agencies/partners with established track records in the respective domains.

The CSR Committee shall formulate and recommend to the Board of Directors, an action plan in pursuance of its CSR policy which includes

- i. List of CSR projects to be undertaken
- ii. the manner of execution of such projects,
- iii. utilization of funds,
- 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

The Board of Directors may alter the plan, any time during the financial year, as per the recommendation of its CSR Committee.

The CSR Committee oversees the implementation of the CSR Policy and monitoring of CSR projects as per the requirements of Section 135 of the Companies Act, 2013.

Impact Assessment:

In case of an average CSR obligation of rupees ten crore or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, the Company 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.

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

The Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

CSR EXPENDITURE

- i. The administrative overheads spend by the Company should be less than or equal to 5% of total CSR expenditure of the Company for the financial year.
- ii. The surplus out of CSR activities shall be ploughed back into the same projects or shall be transferred to the Unspent CSR Account within a period of six months of the expiry of the financial year.
- iii. In case the Company spends an amount in excess of requirement, such excess amount may be set off against the CSR spending requirement up to immediate succeeding three financial years subject to the conditions that –
 - a) The excess amount shall not include the surplus arising out of CSR activities.
 - b) Board shall pass a resolution.

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

- (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or

- (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- (c) a public authority:

Special Unspent CSR Account

A special bank account, called an Unspent CSR Account for each financial year to be opened by the Company in any scheduled bank. The account shall be credited with following

- i. Any amount remaining unspent pursuant to any ongoing project, undertaken by a Company in pursuance of its CSR Policy shall be transferred by the Company in the unspent CSR Account within a period of thirty days from the end of the financial year.
- ii. The amount transferred to the unspent CSR account shall be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer.
- iii. Any surplus amount from CSR Project which is discontinued or completed.

For ongoing projects if the Company fails to spend the amount within a period of three financial years, the amount shall be transferred to a Fund specified in the Act and rules made there under, within a period of thirty days from the date of completion of the third financial year.

DISPLAY OF CSR ACTIVITIES ON ITS WEBSITE

The composition of CSR Committee, and CSR Policy and Projects approved by the Board will be displayed on the Company's website, for public access.

AMENDMENTS TO THE POLICY

The Board of Directors, either on its own or as per the recommendations of CSR Committee, can amend this Policy, as and when required. The decision of the Board of Directors on all matters, relating to this Policy, shall be final and binding upon all concerned. This Policy is subject to continuous review and updates as required from time to time.