



## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **1. CSR Vision & Value**

Corporate Social Responsibility (CSR) means responsible business practices through the involvement of all stakeholders in the decision making process and in operations. The Phoenix Mills Limited (the Company) strongly believes that an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of the Company to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders and with intent to make a positive difference to society. The Company constantly strives to ensure strong corporate culture which emphasizes on integrating Corporate Social Responsibility (CSR) values with business objective. It entails having business policies that are ethical, equitable, environmentally conscious, gender sensitive, and sensitive towards the differently-abled.

### **2. CSR Mission**

The Company strives towards becoming a socially responsible corporate entity with a thrust on Community development, and education through sustained business conduct. The Company is committed to the philosophy of compassionate care and endeavors to act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. Further, the Company subscribes towards ensuring environmental sustainability through ecological conservation and regeneration and promoting biodiversity.

### **3. CSR Policy**

#### **3.1 *Objective***

The purpose of this policy is to articulate what CSR means to the Company, kind of projects to be undertaken, identifying broad areas of intervention, approach to be adopted to achieve the CSR goals and monitoring mechanism. The framework enables to put in place policies and practices in line with this policy. This document is an attempt to showcase the linkage of our social objectives with business strategy.



### **3.2 Applicability**

The CSR policy has been developed in consonance with Section 135 of the Companies Act, 2013 (referred to as the Act in this policy) on CSR and in accordance with the Companies (Corporate Social Responsibility) Rules, 2014 (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India in 2014. The Policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII of the Act.

### **3.3 Governance Structure**

The Governance consists of Board of Directors, followed by Corporate Social Responsibility and Sustainability ('CSR&S') Committee and CSR Implementation Group.

The CSR&S Committee of the Board is responsible to formulate and recommend to the Board the CSR Policy indicating the activities of CSR.

### **3.4 Responsibilities of the CSR&S Committee**

- Formulation and recommendation of Annual Action Plan for CSR projects to be undertaken.
- Recommending the amount of expenditure to be incurred on the activities referred in the CSR Projects
- Monitoring the implementation of the approved CSR projects/ programmes
- Formulation of CSR goals and approach to be adopted for achievement of the same
- providing direction to the management on formulation of ESG strategy and monitoring the Company's progress and performance on its long-term ESG commitments and targets; and
- overseeing and take decisions with respect to the sustainability related issues

### **3.5 CSR Focus Areas**

In line with the Company's vision, values and mission, the Board of Directors have identified the following core areas for CSR.

- 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 the 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.



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- 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 set-up 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 art and handicrafts;
- measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- training to promote rural sports, nationally recognised 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 (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;
- 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
- 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 Organization (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).
- rural development projects
- slum area\* development.
- disaster management, including relief, rehabilitation and reconstruction activities.



\*The term '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.

### **3.6 CSR Corpus/Fund**

The CSR corpus for the purpose of carrying on the aforesaid activities shall be arrived at on computation of two percent of the average net profits of the Company made during the 3 immediately preceding financial years calculated in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. For this purpose, the net profit and average net profit shall be calculated in accordance with the provisions of Section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Any income arising there from and surplus generated from CSR projects undertaken by the Company shall be tracked and channelized into the CSR corpus. These funds shall be further used in development of the CSR projects and shall not be added to the normal business profits.

The CSR&S Committee shall formulate and recommend to the Board of Directors of the Company, an annual action plan, which shall include the following, namely:-

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programmes
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the Company;

The Board of Directors shall provide approval to the annual action plan formulated and presented by the CSR&S Committee. The Board may alter such annual action plan at any time during the financial year, if required, as per the recommendation of its CSR&S Committee, based on the reasonable justification to that effect.



### **3.7 Approach to Implementation**

The Company shall strive to implement the aforesaid CSR activities on its own to the extent possible. At the same time, the Board recognizes the need to work in partnership with other agencies specified under the CSR Rules. This would include:

- Collaborating with various organizations having an established track record of at least 3 years in carrying out a similar activity, which are registered Trusts or Section 25 or Section 8 companies under the Companies Act or registered Societies that specialize in the aforesaid activities having registration under Section 12A and Section 80G of the Income Tax Act, 1961.
- Collaborating or pooling resources with other companies to undertake aforesaid CSR activities.

For CSR activities undertaken through other Executing Agency, the Company will specify the projects or programmes to be undertaken through these agencies, the modalities of utilization of funds on such projects or programmes.

### **3.8 Monitoring**

The administration of the CSR Policy and the execution of identified CSR projects, programs and activities under it shall be carried out under the overall supervision and guidance of the CSR Implementation Group formed for this purpose which shall comprise of:

- Mr. Atul Ruia – Chairman
- Mr. Shishir Shrivastava - Managing Director
- Mr. Varun Parwal – Group President – Strategy and Corporate Finance

The CSR implementation group shall endeavor to submit its report on a half-yearly basis to the CSR&S Committee constituted by the Board which has the overall responsibility to monitor the CSR Policy of the Company. This report would indicate:

- Achievement since last progress report / during the last quarter in terms of coverage compared to the target and reasons for variance.
- Achievement of the year-to-date in terms of coverage compared to the target, plans to overcome shortfalls if any and support required from the CSR&S Committee/Board to overcome the shortfalls.
- Actual year-to-date spends compared to the budget and reasons for variance.
- In respect of activities undertaken through outside Trust/Society/NGO's etc. there will be mechanism of monthly reporting of progress on each such activities and the amount incurred thereon.



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The Board shall seek a short progress report from the CSR&S Committee on a half-yearly basis.

Further, any or all provisions of the CSR Policy shall be subject to revision/amendment by the Board based on the recommendations of the CSR&S Committee or else in accordance with the guidelines on the subject as may be issued from time to time.

### **4. Capacity Development**

The Company may build CSR capacities of its own personnel by training its employees to think strategically about how and where the money is being spent, as well as how to effectively manage other Implementation agencies through which or in collaboration with which the Company undertakes/may undertake CSR activities.

### **5. Documentation and Reporting**

The CSR&S Committee shall prepare the annual CSR report for approval of the Board. This report shall ensure and confirm that:

- CSR projects and programmes are being properly documented.
- An MIS is maintained on expenditure across sectors and geographies and beneficiaries impacted. The MIS structure will be in alignment with the prescribed reporting format.
- Accountability is fixed at each level of CSR process and implementation.

### **6. Information dissemination**

Contents of this Policy shall be disclosed in the Report of the Board of Directors. This Policy shall also be placed on the website of the Company.

### **7. Policy Guidelines**

- All CSR Projects must be aligned as prescribed in Schedule VII of the Companies Act, 2013
- CSR projects or programmes or activities must be undertaken in India alone.
- CSR activities must not include the activities undertaken in pursuance of normal course of business of the Company
- Projects or programmes or activities that benefit only the employees of the Company and their families shall not be considered as CSR.



- CSR activities should be in project programme mode. One-off events such as marathons/awards/ charitable contribution/ advertisements / sponsorship of TV programmes etc. will not qualify as part of CSR expenditure.
- Contribution of any amount directly or indirectly to any political party shall not be considered as CSR.

**8. Impact Assessment**

The impact assessments reports, if applicable, shall be placed before the Board and shall be annexed to the annual report on CSR.

**9. Approval and amendments**

The Board of Directors are authorised to amend this Policy on recommendation of the CSR&S Committee as may be required from time to time, subject to applicable laws;

Any amendment(s) in the statutory/regulatory requirements shall be deemed to be included in the CSR Policy and binding on the Company even if statutory amendments are not specifically incorporated in this Policy

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