

COPELAND India

CORPORATE SOCIAL RESPONSIBILITY POLICY DOCUMENT

ABSTRACT:

The document outlines the Vision and Policy of Copeland India Private Limited, towards Corporate Social Responsibility in accordance with Section 135 of the Companies Act 2013 and the Rules thereunder.

Copeland India Private Limited

CORPORATE SOCIAL RESPONSIBILITY POLICY

COPELAND CORPORATE SOCIAL RESPONSIBILITY (CSR) PHILOSOPHY

Copeland in India through its initiatives relating to Corporate Social Responsibility (CSR) philosophy contributes to creating long-term value for social and economic progress in India.

COPELAND CSR OBJECTIVE:

The objective of Copeland's CSR philosophy in India is centered in 'Making a Difference' through the philanthropic initiatives the company undertakes. Copeland will constantly strive to be a more socially responsible company that creates forward-looking, far reaching and enduring impact on the society.

Copeland shall inter alia undertake the CSR projects, programmes or activities in any of the fields listed down below read with Schedule VII of the Companies Act, 2013, as may be in force 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 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.

- 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 Ministers 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 Defence 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).]
- rural development projects
- slum area development
- disaster management, including relief, rehabilitation and reconstruction activities.]

GOVERNANCE:

Overall governance of CSR and approving of the CSR Policy and projects will be the responsibility of the Board of the Company. The CSR Committee of the Board will articulate the scope of CSR activities of the Company in compliance with the CSR Policy. The CSR Monitoring Group consisting of nominated employees of the Company shall oversee the implementation of projects by the Company.

CONSTITUTION OF CSR COMMITTEE:

The CSR Committee is constituted in terms of Section 135 of the Companies Act, 2013 is as below.
The members of the CSR Committee are -

Mr. Sandeep Gupta	Managing Director
Mr. Richard Coote	Director
Mr. Vineet Duggal	Company Secretary & Sr. Director Legal & Distribution

The CSR committee will be responsible for:

- Formulate and recommend to the Board a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013
- Recommend the amount of expenditure to be incurred on the CSR projects/programmes as covered in this policy as specified in Schedule VII of the Companies Act, 2013;
- Monitor the CSR Policy of the Company from time to time;
- Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
 - a) the list of CSR projects or programs 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 programs, whether by itself or through another entity as specified in Sub-Rule (1) of Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014;
 - c) the modalities of utilization of funds and implementation schedules for the projects or programs;
 - d) monitoring and reporting mechanism for the projects or programs; and
 - e) details of need and impact assessment, if any, for the projects undertaken by the company., provided that committee may recommend to the Board any alteration of such plan during the financial year based on reasonable justification to that effect.
- The Committee may recommend engaging International Organizations for designing, monitoring and evaluation of the CSR projects or programs as well as for capacity building of the Company's personnel for CSR.
- The Committee may recommend collaborating with other companies for undertaking CSR activities.

DUTIES AND RESPONSIBILITIES OF THE BOARD:

- The Board shall after taking into account the recommendations made by the CSR Committee approve the CSR Policy for the company, disclose contents of such Policy in its report and place it on the company's website
- Ensure that the activities as are included in the CSR Policy of the company are undertaken by the company.

- The Board shall ensure that the Company spends, in every financial year, at least 2% of the average net profits of the company made during the 3 immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy;
- If the Company fails to spend such amount, the Board shall, in its annual report, specify the reasons for not spending the amount, unless the unspent amount relates to any ongoing project, and transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year
- 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.
- The Board may alter any plan relating to CSR Projects /Programme during financial year on the recommendation of its CSR Committee based on reasonable justification to that effect.
- The Board shall review impact assessment and shall ensure that the same be annexed to Annual Report on CSR.
- The Board shall ensure to place the CSR policy on the Website of the Company.

CSR APPLICABILITY

- Copeland CSR Policy has been developed in compliance to Section 135 of the Companies Act, 2013 on CSR and in accordance with CSR rules notified by the Ministry of Corporate Affairs, Government of India as amended from time to time.
The Policy shall apply to all CSR projects/programme undertaken by the Company in India as per Schedule VII of the Companies Act, 2013.
- The Policy shall be applicable to Copeland India and all its employees.

CSR BUDGET

- Copeland contributes at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years, towards CSR initiatives. "Net profit" means the net profit of the company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013, but does not include (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise and (ii) any dividend received from other companies in India, which are covered under section 135 of the Act:
- The CSR Budget shall be utilized for carrying out Projects / Programs relating to activities specified in Schedule VII to the Act including multi – year Projects / Programs of not more than 3 years duration excluding the Financial year in which it was commenced. It shall also include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification; but shall not include:
 - (i) activities undertaken in pursuance of normal course of business of the company;
 - (ii) any activity undertaken by the company outside India except training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;

- (iv) activities benefitting employees of the company as defined in clause (k) of Section 2 of the Code of wages, 2019 (29 of 2019);
- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

CSR EXPENDITURE

- The Board shall ensure that the administrative overheads shall not exceed 5% percent of total CSR expenditure of the company for the financial year. Administrative Expenses means expenses incurred by the company for 'general management and administration' of CSR functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or program.
- 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 the CSR policy and the 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.
- In case the company spends an amount in excess of the CSR budget, such excess amount may be set off 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 of the company shall pass a resolution to that effect.
- The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –
 - (i) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and having CSR Registration Number
 - (ii) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities;
or
 - (iii) a public authority:

UNSPENT AMOUNT:

- Related to Ongoing Projects:
 - (i) Any amount remaining unspent pursuant to any ongoing project, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the “Unspent Corporate Social Responsibility Account”
 - (ii) Such amount 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, failing which, the company 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.

- Related to Other Projects
 - (i) if the company fails to spend the CSR budget of the year, the Board shall, in its report, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Until a fund is specified in Schedule VII for the purpose of transfer of unspent amounts, the unspent CSR amount if any, shall be transferred by the company to any fund included in Schedule VII of the Act.

IMPACT ASSESSMENT:

- The Company shall, on exceeding the average CSR obligation in the 3 immediately preceding financial years, by 10 crore rupees or more, undertake impact assessment, through an independent agency, of its CSR projects having outlays of 1 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 expenditure towards the impact assessment may book the expenditure towards CSR for that financial year, which shall not exceed 5% percent of the total CSR expenditure for that financial year or 50 lakh rupees, whichever is less

IMPLEMENTATION:

- The Company shall undertake CSR activities (new and ongoing) in line with the activities specified in Schedule VII of the Companies Act 2013, by itself or through another entity having track record in CSR implementation as per the rules made u/s.135 of Companies Act, 2013.
- The Board of a company shall satisfy itself that the CSR funds have been utilized for the purposes and in the manner as approved by it and that the Chief Financial Officer or the person responsible for financial management has certified to that effect.

- 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. However, the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justifications to that effect.
- The Company shall utilize the amount earmarked for CSR activities only in India
- The Company shall give preference to the local areas in and around its Head Office and its branch offices for CSR implementation
- Where the Projects/Programs are implemented by the Company itself, a nominated CSR Monitoring Group consisting of company employees shall oversee the implementation
- The Chief Financial Officer shall certify to the Board that funds disbursed for CSR activities are utilized in the manner approved by Board of Director.

IMPLEMENTATION PARTNERS:

- CSR initiatives will be implemented either directly by the Company through its employees or through implementing partners which include NGOs having an established track record in carrying out CSR activities. The selection of the implementation partner will be based on the company's internal screening criteria to ascertain the entity's credibility and its ability to execute the proposed projects.

The following minimum criteria will be ensured while selecting the implementation partner for programme execution:

- a) The entity is a Company established by the Company either singly or along with another Company under section 8 of the Companies Act, 2013 or the Company is established by the Central Government or State Government
- b) The entity is a registered public trust or a registered society registered under section 12A and 80G of the Income Tax Act, 1961 (43 of 1961)
- c) The entity is established under an Act of Parliament or a State legislature
- d) The entity has an established track record of at least three years in undertaking similar activities.
- e) The entity engaged for Projects on or after 1st April 2021 has the unique CSR Registration number from the Central Government
- f) The entity has a permanent office / address in India
- g) The entity has a valid Income Tax Exemption Certificate (to be checked whether this clause is required)
- h) The entity has submitted a detailed project proposal and budget which has been approved by the CSR Committee.

- i) The company may engage international organizations for designing, monitoring and evaluation of its CSR projects or programs, as well as for capacity building of their own personnel for CSR
- j) The company may also collaborate with other companies for undertaking projects or programs 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 programs.

MONITORING:

The CSR Monitoring Group meeting shall convene periodically to assess the progress of the approved CSR projects. The CSR Monitoring Group shall keep the CSR Committee posted on the progress and budget outgo for each project.

- (i) The CSR Committee shall take periodical review of the CSR strategy and implementation progress and may recommend new focus areas and projects as and when required to the Board.
- (ii) The Board of Directors shall review the progress of CSR activities at least Six monthly.

DISCLOSURE:

- (i) The Company shall include in its annual report, the disclosures as prescribed under Section 135 of the Companies Act, 2013 and its subsequent amendments. The above information shall also be displayed on the Company's website.
- (ii) The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, the CSR Policy and the Projects approved by the Board on the Company's website, for public access.

EFFECTIVE DATE: February 1, 2024

CONTACT:

For queries related to the CSR Policy, please contact to us at:

Vineet.duggal@copeland.com