

Corporate Social Responsibility Policy

of Ecozen Solutions Private Limited

Date of issue / amendment: 02nd February 2024

Effective from: 1st April 2023 to 31st March 2024

1. INTRODUCTION

We, at Ecozen Solutions Private Limited (“**Ecozen**” or “**Company**”), greatly believe that along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth. Accordingly, Ecozen is committed to and focused on adopting, attaining, and maintenance of corporate social responsibility (“**CSR**”) initiatives which positively contribute towards and promote responsible and sustainable development and inclusive growth of society and the environment, to make our planet more liveable for future generations.

In this regard, the Company has made this policy which encompasses the Company’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 and is titled as the “**CSR Policy**” which is developed and based as per The Companies (Corporate Social Responsibility Policy) Rules, 2014 (“**Rules**”) initiated by the Central Government under the relevant provisions of the Companies Act, 2013 (“**Act**”) and Schedule VII of the said Act.

This CSR Policy shall apply to all CSR initiatives and activities undertaken by the Company for the benefit of different segments of the society and for enhancement of the fields like education, health care, environment, employment, promoting gender equality and women empowerment, more particularly described below.

2. OBJECTIVES

Ecozen’ CSR Policy intends to:

- (a) lay down the guidelines for undertaking programmes (short, medium and long term) geared towards social welfare activities or initiatives with minimal resource footprint;
- (b) set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models.

3. CSR INITIATIVES AND ACTIVITIES

In accordance with the requirements under the Act and the Rules, the Company may adopt and undertake any one or more of the following CSR initiatives and activities (“**CSR Activities**”):

- (a) **Hunger, Poverty, Malnutrition and Health:** Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care, sanitation and making available safe drinking water.

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- (b) **Education:** Promoting education, including special education and employment-enhancing vocational skills, especially among children, women, the elderly and the differently abled, and livelihood enhancement projects.
- (c) **Rural / Slum Area Development Projects:** Strengthening rural areas and/or slum areas (declared as such by competent authority under any law) by improving accessibility, housing, drinking water, sanitation, power, and livelihoods.
- (d) **Gender Equality and Empowerment of Women, Orphans, and Senior Citizens:** 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.
- (e) **Environmental Sustainability:** 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.
- (f) **National Heritage, Art and Culture:** 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.
- (g) **Disaster Relief:** Disaster management, including relief, rehabilitation, and reconstruction activities; monetary contributions to relief fund set up by the Central Government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
- (h) **Forces:** Measures for 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.
- (i) **Sports:** Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
- (j) **Science:** 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.
- (k) **Academic Institutions:** 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).
- (l) Such other activities as may be specified under the Act or the CSR Rules from time to time.

Any expenditure incurred towards below mentioned projects/programs/activities shall not be construed as CSR Activities:

- (i) Activities undertaken in pursuance of normal course of business of the Company.
- (ii) 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.
- (iii) Monetary contribution (directly or indirectly) to any political party under Section 182 of the Act.
- (iv) Activities benefitting employees of the Company as defined in section 2(k) of the Code on Wages, 2019.
- (v) Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products / services.
- (vi) Activities carried out for fulfilment of any other statutory obligations.

4. CSR COMMITTEE

- (a) **Constitution and Composition:** CSR Activities will be initiated by a committee constituted by the Board and comprising of at least 2 (two) directors of the Company (“**CSR Committee**”). The composition of the CSR Committee shall be in accordance with the provisions of the Act and the Rules.
- (b) **Meetings:** The CSR Committee shall hold at least 1 (one) meeting in a financial year which shall be attended by minimum of 2 (two) members of the CSR Committee. The meetings shall be held at the registered office of the Company or at any other place as may be agreed by the members of the Committee. The meetings may also be convened by way of electronic means in accordance with the Act. The CSR Committee shall ensure that the minutes of the meetings are accurately maintained.
- (c) The CSR Committee shall:
 - (i) formulate and recommend to the Board, a CSR Policy (or any amendments) in compliance with the provisions of the Act and the Rules;
 - (ii) recommend the amount of Annual CSR Budget per Clause 5 below (*Funding*);
 - (iii) monitor the CSR Policy and CSR Activities. The same shall including monitoring Ongoing Projects and the implementation of the same 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;
 - (iv) reporting the Board the progress of deployed CSR Activities, expenses incurred on the same;
 - (v) making appropriate disclosures (internal / external) on a periodic basis;
 - (vi) decide on the locations for undertaking CSR Activities. The CSR Committee shall, while spending/contributing the Annual CSR Budget earmarked for the CSR Activities shall give preference to the local areas and areas around it where the Company operates;
 - (vii) formulate and recommend to the Board, an annual action plan in pursuance of CSR Policy, which shall contain all matters which are required under the Act and any other

matters as the CSR Committee may deem fit from time to time with respect to CSR Activities that may be undertaken by the Company. The Board may modify the annual action plan as per the recommendations of the CSR Committee at any time during the financial year, based on reasonable justification; and

- (viii) analyse need of an impact assessment, if any, for the CSR Activities undertaken by the Company.
- (d) All questions of interpretation or discrepancies which shall arise under, or as a result of, or pursuant to, or in connection with the implementation of the CSR Policy or any initiative or activities undertaken by the Company in terms of the CSR Policy, shall be referred to the CSR Committee for their inputs and the final decision/determination/ interpretation shall rest with the Board.

5. FUNDING

Based on the relevant financial data and such other necessary details provided by the Company to the CSR Committee (*as defined below*) and in accordance with the Act, the CSR Committee will recommend the annual budgeted expenditure for the CSR Activities (project wise) to the Board of Directors of the Company (“**Board**”) for its consideration and approval. The annual budgeted expenditure so approved by the Board for CSR Activities shall be referred to as “**Annual CSR Budget**”.

For achieving its CSR initiatives and activities through implementation of meaningful and sustainable CSR programmes, the Company:

- (a) will endeavour to allocate, in every financial year, at least 2% (two) of the average Net Profits of the Company made during the 3 (three) immediately preceding financial years, in pursuance of its CSR Policy.

For the purpose of the CSR Policy and as defined under the Rules, the “Net Profit” shall mean the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: (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 and complying with the provisions of Section 135 of the Act.

- (b) will ensure that the costs and expenses for general management and administration of CSR functions of the Company shall not exceed 5 (five percent) of total Annual CSR Budget for the relevant financial year.
- (c) may spend the Annual CSR Budget 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 CSR Registration Number under Rule 4(2) of the Rules; or (ii) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or (iii) a public authority.

In any year, where the Company has spent:

- (a) less than the Annual CSR Budget, then (A) rationale for the same should be submitted by the CSR Committee to the Board, who shall include the same in their Board Report for the relevant

year; and (B) and, unless the unspent amount relates to any Ongoing Project (*as defined below*), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Any amount remaining unspent, pursuant to any Ongoing Project, undertaken by the Company in pursuance of the CSR Policy, shall be transferred by the Company within a period of 30 (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 CSR Account, and such amount shall be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of 3 (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.

- (b) in excess of its CSR obligation under the Act (which shall not include the surplus per sub-clause (a) above), such excess spending shall be available for set off against the Company's CSR obligations for up to the next 3 (three) financial years in accordance with Applicable Law, and the Board shall be competent to pass a resolution in this regard.

For the purpose of the CSR Policy and as defined under the Rules, "Ongoing Project" shall mean a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three 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 one year by the board based on reasonable justification.

6. UNDERTAKING CSR ACTIVITIES

- (a) In pursuing the CSR Activities (being projects / programs / other permitted activities), approved by the CSR Committee, Ecozen may undertake the same directly and/or in collaboration with such other eligible entity / organization as approved by the CSR Committee in accordance with the provisions of the Act ("**Implementing Agency**"), such as:
- (i) section 8 companies, or a registered trust or a registered society, in each case either (A) exempted under relevant provisions of the Income Tax Act, 1961 and approved under Section 80G of the Income Tax Act, 1961, established by the Company, either singly or along with any other company or (B) established by the Central Government or State Government; or (C) having an established track record of at least three years in undertaking similar activities; and
 - (ii) any entity established under an Act of Parliament or a State legislature.

Accordingly, Ecozen or such Implementing Agency will work closely with and support the Board and the CSR Committee in carrying out the CSR Activities.

- (b) The Company 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.
- (e) CSR Committee (including any employee or authorised representative of the Company who receive any proposals) or any Implementing Agency will assist the Company in identifying the areas of CSR Activities and execution of initiatives as per defined guidelines. The CSR

Committee will evaluate any proposals so received and approve proposals for implementation at its discretion and prioritize the same by assessing their potential impact.

- (f) The projects status of any of the CSR Activities may be subject to physical verification by the Company. The CSR Committee will be made aware of major updates, and drawbacks.
- (g) Towards facilitating the undertaking of the CSR Activities in accordance with the CSR Policy, the Board may inter alia undertake the following:
 - (i) Ensuring that the contents of this CSR Policy along with the composition of the CSR Committee and the projects approved by the Board are disclosed in the Company's website;
 - (ii) Review the recommendations made by the CSR Committee.
 - (iii) Empower the CSR Committee to finalize, approve and execute various agreements, deeds, writings, confirmations, undertakings or other documents, as may be necessary, with any party including Implementing Agencies and/or others for the purposes of the CSR Policy and accept modifications, changes and amendments to any such documents/agreements as it may deem fit.
 - (iv) Lay down organizational supervision and oversight requirements before release of funds for Annual CSR Budget.
 - (v) Satisfy itself that the funds disbursed towards CSR have been utilised for the purposes and in the manner as approved and the Chief Financial Officer or the person responsible for financial management shall certify the same.
 - (vi) Ensure that the report of the Board includes the annual report on CSR Activities and sets out the requisite information per the provisions of Act and the Rules.
 - (vii) Review and make note of impact assessment reports, if any, which shall be annexed to the annual report on CSR.

7. GENERAL

Any or all provisions of this CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by Government of India, from time to time.

Any amendment in the list of CSR activities under the Act shall apply automatically to this policy without any further amendment to the CSR Policy.

The Company also reserves the right to modify, cancel, add, or amend any of the provisions of this CSR Policy.