

# **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY OF ACG PHARMAPACK PRIVATE LIMITED**

(Amended version as approved by the Board of Directors of the Company on July 22, 2024).

## **1. TITLE AND APPLICABILITY**

The document describes the Corporate Social Responsibility Policy ("CSR Policy") of ACG Pharmapack Private Limited ("APPL" or "the Company"). It includes the company's vision, mission, execution process, reporting mechanism and other relevant attributes of Corporate Social Responsibility ("CSR").

The CSR policy shall be guided by the company's corporate philosophy of respect for the individual and the society at large.

The CSR policy has been formulated in accordance with Section 135 of the Companies Act 2013 and the Companies (CSR Policy) Rules 2014 ("CSR Rules") and the relevant amendments/ notifications/ circulars. The CSR policy shall apply to all CSR programs of the Company.

## **2. VISION AND MISSION**

Our vision is to drive positive changes for healthy, prospering and equitable societies, promoting sustainability, inclusivity and long-term impact contributing to national and global development priorities.

Our mission is to foster sustainable development by leveraging resources, expertise and partnerships through inclusive and innovative initiatives. Through these initiatives, we address pressing societal and environmental challenges to make more resilient, equitable, empowered and thriving neighbourhoods.

## **3. SCOPE**

This document outlines the Policy of ACG Pharmapack Private Limited (hereinafter referred to as 'APPL' or 'the Company') towards Corporate Social Responsibility, in accordance with section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 including all statutory modifications / amendments made thereof.

## **4. OBJECTIVE**

The objective of framing this CSR Policy is to ensure that the Company operates its business in an economically, socially & environmentally sustainable manner by enhancing the quality of life & economic well-being of the society in fulfilment of its role as a socially responsible corporate.

## **5. DEFINITIONS & INTERPRETATION**

1. Definitions The terms defined in this CSR Policy shall have the meanings herein specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 including any statutory modifications or reenactments thereof.

"Act" means the Companies Act, 2013 including any statutory modification or re-enactment thereof;

"Associate Company" means a Company within the meaning of section 2(6) of the Act.

"Administrative overheads" means the expenses incurred by the Company for 'general management and administration' of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme."

"**Board**" means the Board of Directors of the Company.

"**Company**" means ACG Pharmapack Private Ltd., (U45200MH2004PTC149770 and its registration number is 149770), a Company incorporated under the Companies Act, 1956 and having its registered office at 1001, Dalamal House, 10<sup>th</sup> Floor, Nariman Point, Mumbai- 400 0 21 and includes its successors and assigns;

"**Corporate Social Responsibility (CSR)**" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in The Companies (Corporate Social Responsibility) Rules 2014 amended from time to time.

"**CSR Committee**" means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Companies Act, 2013 ("Act").

"**CSR Policy**" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

"**CSR Rules**" means Companies (Corporate Social Responsibility) Rules, 2014 including any statutory modification or amendment thereof.

"**Directors**" means members of the Board of Directors of the Company as appointed from time to time.

"**Holding Company**" means a Company within the meaning of section 2(46) of the Act.

"**Net Profit**" means the net profit of the Company as per its financial statements prepared in accordance with the applicable provisions of the Companies Act, but shall not include (i) any profit arising from any overseas 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

"**Ongoing Project**" means 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. CSR ACTIVITIES / PROJECTS / PROGRAMMES:**

### **i. Thematic Areas-**

Based on the CSR needs as identified through a comprehensive need assessment and consultation with all the stakeholders, the Company has decided to focus on the following thematic areas as part of its CSR policy

- a. **Education:** Company contributes to improving and facilitating the literacy levels in various sections of the society, by providing support at every stage of a child's educational cycle. This includes providing remedial classes,

capacity building of teachers, improving pedagogy, infrastructural support for schools/educational centres, engaging with students and parents leading to development of a better community and providing support system to enhance learning of the students etc.

- b. **Livelihood:** The company provides technical know-how to farmers on better agricultural practices and handhold them to increase their earning from the same. Also, the company engages with youth to provide them market oriented vocational skills, so that they can be placed in gainful employment post upskilling.
  - c. **Healthcare:** The Company enhances the accessibility of primary healthcare services for the underprivileged communities and develop innovative partnership models with public health centres and other stakeholders to bring about delivery of healthcare services to marginalised segments of society. The Company also endeavours to undertake other appropriate measures to promote health care through better diagnosis and treatments, preventive healthcare, building hygiene and sanitation awareness etc.
  - d. **Environmental Sustainability:** The company is promoting the culture about environmental Sustainability among the community around our manufacturing sites. The focus areas of intervention include handling and processing of community waste, promoting solar energy adoption, conservation of natural resources such as water, promoting forestation, educate the farmers on climate change and promote adaptation of practices accordingly etc.
  - e. **Promotion of Sports:** The Company promote sports not only as a way of life, but also a generator of employment throughout the eco-system. The company drive many interventions at various level for promotion and adoption of basketball sport which include organising event, tournament, create training facilities, promote awareness, providing access to better coaching facilities etc.
  - f. **Promoting Renewable & clean energy:** To facilitate access to clean energy, its research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology and contribute to clean energy technology supplying modern and sustainable energy services.
  - g. **Others** as may be identified from time to time, in lines with Schedule VII of the Companies Act, 2013.
- ii. CSR activities shall be undertaken by the Company in adherence with this CSR Policy.
  - iii. CSR activities shall be undertaken only in India and Preference shall be given to the local area and areas around where the Company operates, for spending the amount earmarked for CSR activities.

## **7. RESPONSIBILITY OF THE BOARD OF DIRECTORS**

The responsibility of the Board of Directors shall be as under:

- a. To approve the CSR Policy as may be recommended by the CSR Committee subject to necessary changes / modifications as the Board may deem fit. To ensure that the activities included in the CSR Policy are undertaken by the Company.
- b. To ensure that the company spends, in every financial year, at least 2% of average net profits of the company made during the 3 immediately preceding financial years, as required under Section 135 of the Companies Act, 2013 & Rules made thereunder.
- c. To ensure that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the person responsible for financial management shall certify to the effect.
- d. To monitor the implementation of the CSR policy through the CSR Committee in accordance with this Policy.
- e. To ensure that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify the same to that effect.
- f. To approve CSR projects and annual action plan as may be recommended by the CSR Committee.
- g. 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 make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- h. To disclose in Board's report, the annual report on CSR as per the format as prescribed under the Act read with CSR Rules.
- i. To ensure the placing of CSR Policy, composition of CSR Committee, projects approved by the Board and other matters as may be prescribed by authorities from time to time, on the Company's website.
- j. The Board may decide to 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 its team for CSR
- k. The Board may also decide to 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 in accordance with CSR rules and this Policy.
- l. The number of members of CSR Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to Act and such rules and regulations as may be in force. The Board may also provide that the CSR Committee shall exercise certain powers only after consultation with the Board and in such case the said powers shall be exercised accordingly.
- m. The Board in its absolute discretion may from time to time modify, change, vary the CSR Policy, provided that such amendment or alteration shall be in compliance with the applicable clauses of Act and CSR Rules.

## **8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

### **A. Constitution of CSR Committee**

- a. The Committee has been formed as per the requirements of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 comprising of two or more directors.

- b. The composition of CSR Committee shall be disclosed in the Board of Directors' Report. Board of Directors shall be empowered to take decision for making or effecting changes in the constitution of the CSR Committee.
- c. The composition of CSR Committee shall be disclosed in the Board of Directors' Report.

### **B. Responsibilities of the CSR Committee**

- a) To formulate & recommend to the Board of Directors, a CSR Policy indicating the activities to be undertaken as specified in Schedule VII of the Companies Act, 2013 and modify / amend the same as required;
- b) To ensure that Company's website displays the approved CSR policy of the company;
- c) To ensure that the manner of execution of such projects or programmes which are specified in Schedule VII of the Act as specified in CSR rules;
- d) To recommend to the Board the amount of expenditure to be incurred on CSR activities;
- e) To ensure that the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- f) To institute a transparent monitoring and reporting mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company from time to time;
- g) To monitor the Corporate Social Responsibility Policy of the company from time to time;
- h) To carry out any other functions as authorized by the Board from time to time or as enforced by statutory/ regulatory authorities

### **C. MEETINGS**

The CSR committee may meet as and when required. The CSR Committee shall be entitled to invite any person to attend its meetings and participate in the discussion and deliberations if it so thinks fit.

### **D. QUORUM**

The quorum necessary for the transaction of business of CSR Committee shall be 2 members or 1/3rd of the total Committee members, whichever is higher. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee as provided herein and delegated by the Board from time to time.

### **E. ROLES OF THE CSR COMMITTEE**

The CSR Committee shall ensure the following:

- a. formulation of CSR policy in accordance with section 135 of Act read with CSR Rules and recommend the same to the Board for approval and adoption.
- b. formulate and recommend to the Board, an annual action plan in pursuance of CSR policy, 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: Provided that Board may alter such plan at any time during the financial year, as per the recommendation of CSR Committee, based on the reasonable justification to that effect.

(f) The CSR Committee shall identify the CSR activities along with the geographical area to be undertaken by the Company based on the detailed study & research. The study encompasses various parameters such as – health indicators, literacy levels, sustainable livelihood processes, population data – below the poverty line and above the poverty line, state of infrastructure, environment, among others.

(g) The Board shall review the proposal of the CSR Committee and if deems fit may approve the recommendation of the Committee with any modification that may be deemed necessary.

(h) On determination of the modalities, every year the CSR Committee shall present a detailed proposal before the Board containing:

- i. List of CSR activities to be undertaken.
- ii. Geographical areas wherein such CSR activities are to be undertaken.
- iii. Defined objectives (developed out of existing societal needs determined through baselines / studies / research).
- iv. Defined expected timelines, outcomes, outputs and inputs.
- v. Budget.
- vi. Implementation source, either directly or through some trust, society, company or otherwise.
- vii. Monitoring system.

i. Recommendation to the Board for modification(s) to the CSR policy as and when required.

j. Establish a transparent monitoring mechanism for implementation of the CSR activities undertaken by the Company.

k. Perform all functions as may be delegated by the Board from time to time

## **9. CSR EXPENDITURE OR BUDGET**

The CSR Committee will recommend the amount of expenditure to be incurred by the Company on the CSR activities. The basis for such recommendation will be the net profits of the Company and the percentage prescribed under the Act.

The Company will deploy the funds to ACG Cares Foundation or such other entity or activity as approved by the CSR Committee and/or Board.

Any surplus, if arising out of the CSR activities, shall not form part of the business profit of the Company and shall be ploughed back into the project or transferred to unspent CSR account or transfer such surplus to fund specified in Schedule VII, within a period of six months from the expiry of the financial year.

If APPL fails to spend such amount for any financial year, the Board shall in its report specify the reasons for not spending the amount and unless the unspent amount related to any ongoing project, APPL shall transfer such unspent amount to a Fund specified in Schedule VII within a period of six months from the end of financial year.

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 an 'Unspent CSR Account' in any scheduled bank, and such amount shall be spent by the Company within a period of three financial years from the date of such transfer.

If APPL spends an amount in excess of requirement provided under the Act, such excess amount may be set off against the requirement upto immediate succeeding three financial years subject to 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

APPL shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

## **10. IMPLEMENTATION PROCESS**

### **Execution**

The Company may carry out CSR activity either itself or through ACG Cares Foundation, a group Company established under Section 25 of the Companies Act, 1956 (Corresponding to 8 of the Companies Act, 2013) for carrying out CSR Activities and it has a unique CSR Registration Number.

### **Project Selection**

All CSR projects taken up by APPL must follow the below mentioned due process to ensure that the projects lead to sustainable impact;

- Due diligence of the implementation partner
- Alignment of the project objectives with the Scope of APPL's CSR activities
- Coherent Project Implementation strategy and schedule
- Appropriate Monitoring and Review Mechanisms
- Regular reporting schedule
- Duly checked budget

The company will get these processes done either directly or through implementing agency.

### **Approval Process**

The CSR Committee shall formulate and recommend to the Board, an annual plan of all CSR activities to be taken up by the company in line with CSR Policy and it shall include: (a) the list of CSR projects or programmes;

(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 Annual Action plan shall form part of the CSR Policy, and it will be updated/ altered from time to time with the approval of the Board and as per the recommendation of the CSR Committee, based on the reasonable justification.

**Monitoring & Reporting**

A comprehensive monitoring framework shall be devised by the Company to ensure that all Projects / Programs are duly implemented as per the CSR Policy. The Company's CSR Committee shall monitor the approved projects. The monitoring and reporting mechanism will include program review, evaluation, documentation and reporting.

**Impact Assessment**

Mandatory impact assessment will be undertaken as per the criteria specified under applicable law, and that the impact assessment reports will be placed before the Board and disclosed as per the Act and CSR Rules.

**11. DISCLOSURES AND TRANSPARENCY**

The Board will include in its Board report, a report on the CSR activities in the format specified under the Companies (Corporate Social Responsibility Policy) Rules, 2014 (including amendments and modifications). This Policy shall be disclosed on the website of the Company.

**12. AMENDMENT**

The Board of Directors may, based on its assessment of the Company's needs, financial soundness, legal and regulatory developments, subject to compliance with the applicable laws and rules, at any time modify, change, vary, alter, amend, this CSR Policy.

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