

DIANA TEA CO LTD

CORPORATE SOCIAL RESPONSIBILITY POLICY

BACKGROUND

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, **DIANA TEA CO LTD** ('DTCL' or 'the Company') is, *inter alia*, required to:

- (i) Constitute a Board Committee to formulate and recommend to the Board a Corporate Social Responsibility (CSR) Policy, recommend the amount of CSR expenditure and monitor the CSR activities of the Company from time to time.
- (ii) Ensure that the Company spends, in every financial year, at least two per cent of the average Net Profits before Tax (PBT) of the Company, made during the three immediately preceding financial years, in pursuance of its CSR Policy.

PHILOSOPHY

Corporate Social Responsibility (CSR) is a public spirited cause that has been well introduced by the new Companies Act 2013. Through the CSR there is a formation of a dynamic relationship between a company on one hand and the society and environment on the other. CSR is traditionally driven by a moral obligation and philanthropic spirit. Bata has a heritage to be engaged in charities and philanthropic activities, along with a number of others social activities.

FOCUS AREAS

The main responsibilities of the Company towards society at large are to eradicate hunger, poverty and malnutrition; promote preventive health care and sanitation and making available safe drinking water, promoting gender equality and empowering women.

OUR VISION

1. The Company completely endorses reliability. It is committed to conduct business in a true, fair and ethical manner and takes up the responsibility to create a good impact in the society it belongs.
2. The Company is committed towards improving the quality of lives of people in the communities in which it operates because, the society is an essential stakeholder and the purpose of its existence. The Company believes that giving back to the society through CSR activities is its moral duty.
3. The Company aims to fulfil the requirements laid down under the Companies Act, 2013 and act diligently to comply with all its Rules and Regulations on CSR.

APPLICABILITY OF THE POLICY

1. The Company's CSR Policy has been developed in conformity with the provisions of Section 135 of the Companies Act, 2013 (referred to as the Act in this Policy) and in accordance with the CSR Rules (hereby referred to as the Rules) as amended notified by the Ministry of Corporate Affairs, Government of India.
2. This Policy shall apply to all CSR initiatives and activities taken up at the various locations in India, preferably in the vicinity where the Company carries out its business operations and for the benefits of different segments of the society, specifically the deprived and under-privileged.

OBJECTIVE OF THE CSR POLICY

- To ensure that the Company is committed to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- To take up programmes that benefit the communities in and around its work centres and over a period of time, results in enhancing the quality of life of the people in the area of its business operations.
- To generate a community goodwill for DTCL and help reinforce a positive and socially responsible image of DTCL as a good corporate citizen of the Country.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

COMPOSITION:

The Corporate Social Responsibility Committee ('CSR Committee') shall consist of three or more Directors amongst whom at least one shall be an Independent Director.

The Committee may formulate a CSR Sub-Committee with such other Directors / Executives of the Company from time to time as it may deem necessary and expedient.

The Company Secretary shall act as the Secretary to the Committee.

MEETINGS:

The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The members would strive to hold at least two meetings in a financial year.

The Committee shall periodically review the implementation of the CSR Programmes and issue necessary direction from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with this Policy. It would be the responsibility of the CSR Committee to periodically keep the Board apprised of the status of the implementation of CSR activities.

ROLE OF CSR COMMITTEE:

- a. To formulate and recommend to the Board, 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 (as amended from time to time).
- b. To recommend the amount of expenditure to be incurred on the activities in a financial year.
- c. To monitor the Corporate Social Responsibility Policy of the company from time to time.
- d. Any other matter/thing as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company.

RESPONSIBILITIES OF THE BOARD

The Board shall:

- Form a CSR Committee and disclose the composition of the CSR Committee.
- Approve the CSR Policy after taking into account the recommendations made by the CSR Committee.
- Place the CSR Policy on the Company's website.
- Ensure implementation of the activities under CSR
- Ensure expenditure of requisite amount on CSR every year as per law.
- Disclose reasons for not spending the amount (if applicable) in the Annual Report to the Shareholders of the Company.
- Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.
- 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 the effect.
- Approve transfer of unspent CSR Amount in accordance with the law. The Accounts and Finance Team of DTCL shall prepare the statement of spent and unspent CSR amounts and shall assist and facilitate for transfer of the same.

CSR PROGRAMMES/PROJECTS

DTCL would focus the CSR activities around following thrust areas:

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
2. Vocational Training programmes to enhance the employability skills of the beneficiaries.
3. Promoting education, including special education and employment, especially among children, women, elderly and the differently-abled and livelihood enhancement projects.
4. Promoting gender equality, empowering women, 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.
5. 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.
6. 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 arts and handicrafts.
7. Measures for the benefit of armed forces veterans, war widows and their dependants.
8. Training to promote rural sports, nationally recognized sports, Para-Olympic sports and Olympic sports.
9. Contribution to the Prime Minister's National Relief Fund.
10. Rural Development Projects.
11. Slum area development.
12. Welfare of Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.

Illustrative list of PROGRAMMES/PROJECTS that may be undertaken:

1. Promotion of quality education at schools through various projects through infrastructure development, sports, computers, etc.
2. Promotion of education of the underprivileged children through various projects including supporting remedial education.
3. Preventive healthcare programs amongst the school children or underprivileged sections of society through various means including educating them on foot care.
4. Eradicating poverty & reducing inequalities faced by the socially & economically backwards groups through various means including skilling projects, distribution of essential and other articles & promotion of preventive healthcare.
5. Disaster Relief projects including for pandemic(s) through various Initiatives related to support to the frontline workers like medical workers, police, administrative staff, etc through various donation drives.
6. Disaster relief & rehabilitation initiatives – support to communities affected by the same.
7. Donation and Support programs for society or any part thereof.
8. Any other programme as per the requirement as and when deemed fit.

IMPLEMENTATION

IDENTIFICATION / SELECTION OF PROGRAMMES

The programmes would be identified as per the requirement in the community/schools, etc. Professional agencies may be engaged in conducting need based assessment in some programmes, wherever required.

PARTNERSHIPS TO IMPLEMENT THE PROGRAMMES

Collaborative Partnerships may be formed with the Government Agencies, the village Panchayats, NGOs and other like minded stakeholders. This would help widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.

CRITERIA FOR IDENTIFYING EXECUTING PARTNERS

In case of programme execution by NGOs/Voluntary organizations the following minimum criteria should be required to be ensured:

1. The NGO / Agency must have a permanent office / address in India.
2. The NGO should be a registered public Trust or a Society having a duly executed Trust Deed / Memorandum of Association.
3. It should have registration Certificates under Section 12A, Section 80G, etc. of the Income Tax Act, 1961, registration under FCRA (wherever mandatory) and other applicable registrations.
4. It should have a Permanent Account Number (PAN).
5. Last 3 years audited statement of accounts.
6. Last 3 years income tax return.
7. Last 3 years FC return (applicable to organizations with FCRA registration).
8. The antecedents of the NGO / Agency are verifiable / subject to confirmation.
9. Should have a team of professional expertise and system to maintain Books of Accounts and to generate necessary Reports on the supported programmes.
10. No tie-up with the Competition of DTCL.

Provided that in case of any amendment in the Act / the Rules specifying any criteria for implementing agencies, the same shall be applicable in addition to the above criteria (to the extent applicable). Provided also that the CSR Committee may waive one or more of the above criteria on case to case basis.

MONITORING AND EVALUATION MECHANISMS

Monitoring and Evaluation Mechanisms include the following, one or more of which shall be implemented based on the size, quantum and tenure of the CSR programmes:

1. To ensure effective implementation of the CSR programmes undertaken at each work centre, a monitoring mechanism will be put in place by the work centre head. The progress of CSR programmes under implementation at work centre will be reported to corporate office on a regular basis.
2. Feedback would also be obtained and documented from the beneficiaries and influential local leaders by the respective work centres about the programmes, as and when required.
3. Field visits would be conducted by the respective CSR teams to ensure the progress of the programmes at their work centres. The visits would be informed and surprised also.
4. Partners would be required to report narrative as well as financial updates on a quarterly/annual basis in the format mutually decided.
5. The Finance and Accounts Team of DTCL would conduct audit of the CSR programmes as and when required. The Finance and Accounts would, from time to time, also guide the respective partners and CSR team of DTCL on necessary compliances.
6. Impact Assessment would be conducted on a periodic basis, through CSR team of DTCL and independent professional third parties if need be, especially on the strategic and high value programmes.

The Board of Directors of DTCL shall also monitor the CSR Programmes / Projects in such manner and on such periodicity as may be required by the Act / the Rules.

CSR ANNUAL ACTION PLAN (CAAP)

The CSR Committee shall formulate and recommend to the Board of Directors, a CAAP in pursuance of this Policy, which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilization, monitoring mechanism, etc.

The Board of Directors may approve the CAAP with such further conditions as it deems fit and further alter CAAP at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

INFORMATION DISSEMINATION

1. Appropriate documentation of the DTCL CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available in the public domain.
2. CSR initiatives of the Company will also be reported in the Annual Report of the Company.

GENERAL

- Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, the CSR Rules made thereunder or in any amendment thereto. This Policy shall also be subject to such clarifications and FAQs as may be issued by MCA from time to time.
- In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference should be made to Corporate CSR Department. In all such matters, the interpretation & decision of the CSR Committee shall be final.
- Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from the Government, from time to time.
- The Company reserves the right to modify, cancel, add, or amend any of these Rules.

- **This Policy is adopted by the Board at their Meeting held on 10.06.2021 effective on immediate basis**