



Pernod Ricard India

PERNOD RICARD INDIA PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Approved by: Board of Directors on 5th March, 2021

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1. Preamble

Pernod Ricard India Private Limited ("PRIPL" or "Company"), Corporate Social Responsibility (CSR) policy ("Policy") has been developed in consonance with Section 135 and Schedule VII of the Companies Act, 2013 ("the Act") and in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014 (Rules) as amended from time to time. It shall apply to all CSR Projects / Programs /activities undertaken by the Company as per liberal interpretation of activities listed in Schedule VII of the Act as amended from time to time, within the geographical limits of India alone, towards the benefit of marginalized and disadvantaged sections of the communities.

2. Objective

- a) The main objective of the CSR Policy is to lay down guidelines for PRIPL to implement CSR activities in India on making a positive contribution to society through effective, sustainable, development programs, ensuring that they are as per Schedule VII of the Act, as amended from time to time.
- b) The Policy has been formulated in alignment with the Vision of the Company, laying down guidelines and mechanisms to be adopted by the Company in order to carry out CSR Projects/Programs/activities.

3. Vision

Our Corporate Social Responsibility Vision is in "Leaving No One Behind". We aim to shape a better future for our communities by focusing on water resource management, environmental preservation, education, livelihood generation, primary healthcare, and empowering social change makers.

As a responsible corporate citizen, PRIPL is committed to addressing social, economic and environment needs through sustainable initiatives while partnering in India's sustainable development journey.

4. CSR Spend Approach

- a) The Board of the Company shall endeavour to spend in each Financial Year (FY), at least two per cent of the average net profits (calculated as per Section 198 of the Act) accrued during the three immediately preceding FY's on CSR projects/ programs/activities.
- b) In the event that the amount indicated above is not spent in its entirety in that FY despite best efforts, the reasons thereof will be specified in the Board Report, and unless such unspent amount relates to any on-going project, it shall be transferred by the company to any fund included in schedule VII of the Act within a period of six months of the expiry of that financial year.
- c) For each FY, the CSR Committee of the Board shall formulate and recommend to the Board an Annual Action Plan specifying:
 - (i) identified projects/programs/activities to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - (ii) manner of execution of the same along with budgets allocated for such projects/programmes;

- (iii) modalities of utilisation of funds and implementation schedules for the projects/programmes;
 - (iv) Monitoring and Reporting mechanism,
 - (v) Need and impact assessment (if any) for the projects/programmes.
- d) In an event where the Company makes any surplus or profit from pursuing its CSR project/programs, these will not form part of the business profit but will, instead, be deployed back into the same CSR project.
- e) The surplus if not deployed back into the same project shall be transferred to the Unspent CSR Account and spent in pursuance of CSR Policy and 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.

5. Modes of Implementation

CSR projects/programs/activities at PRIPL shall be carried out through one or a combination of the following:

- a) Directly by PRIPL;
- b) Through "Pernod Ricard India Foundation" (PRIF), wholly owned subsidiary company established by PRIPL, under section 8 of the Act;
- c) a company established under section 8 of the Act, or through a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, established by the company, either singly or along with any other company;
- d) through a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government;
- e) through any entity established under an Act of Parliament or a State legislature;
- f) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- g) Collaboration with other Companies for undertaking CSR projects or programmes or activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes.
- h) Company may engage organisations (including international organisations) for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of their own personnel for CSR.

6. CSR Focus Areas

- 6.1** PRIPL shall give preference to the local areas around which it operates, for spending the amount earmarked for CSR and shall endeavour to expand its outreach/scope to other areas, in the interest of community.
- 6.2** The CSR focus areas will be aligned to either one or combination of the (i) PRIPL CSR priorities, inclusive of Pernod Ricard Group CSR priorities i.e. as per the guidelines from the ultimate holding company, (ii) local community needs identified scientifically, (ii) National priorities outlined by NITI Aayog, (iv) Social Sector landscape and (v) United Nations Sustainable Development Goals (SDGs), provided that all the projects/programs/activities undertaken will be within Schedule VII of the Act and Rules thereunder, as amended from time to time.

6.3 The strategic programs under the focus areas would be categorised under the following sectors:

- a) Water-Agriculture-Livelihoods: Implementing integrated water resources development, promoting sustainable agriculture production, natural resource management, augmenting agri-livelihoods, and engaging communities.
- b) Education & Non-Agri Livelihoods: Promoting conducive learning environment with digital and infrastructural support, providing scholarships, enhancing curriculum & teaching, improving access to technical training, skills and opportunities for vulnerable groups.
- c) Water, Sanitation & Hygiene: Facilitating equitable access to safe and affordable drinking water for all, providing infrastructural and access support and strengthen the participation of local communities in improving sanitation and hygiene.
- d) Healthcare: Universal access to primary and preventive healthcare in urban and rural India with expansive mobile healthcare services network linked with Primary health centres with a special focus on women, children, and the elderly.
- e) Environmental Preservation: Protect and promote sustainable use of natural resources including water and conservation of biodiversity and natural ecosystems.
- f) Social Impact Incubation: In consonance with Schedule VII (ix): Involving, enabling and promoting social entrepreneurs and enterprises working with technology, mentorship, networking, business advisory, incubation and fellowship funding support.
- g) Responsible Consumption: Facilitating preventive and curative measures for responsible education, positive attitude, and behaviour change to promote responsible consumption and eliminating harmful consumption and substance abuse by at-risk cohorts including community groups, minors and persons below legal drinking age in India.

Any other areas as per Schedule VII of the Act and approved by the Chairman, CSR Committee of the Board.

7. Planning, Implementation and Impact Assessment

7.1 Partner Selection: PRIPL may implement its CSR projects/programmes/activities either directly or through its partners. In case of implementation of CSR projects/programmes/activities through partners, PRIPL shall conduct partner on-boarding evaluation and due diligence. This will be done based on key considerations of credibility, expertise and relevance. Partner identification may be done via the following mediums:

- a) Company inviting proposals for different sectors; and
- b) Proposals submitted directly by implementation/ execution vendors/ agencies or NGOs.

7.2 Due Diligence of partners: Due diligence of shortlisted partners may be conducted based on documents received from organization or on-ground visit or both. The following parameters may be considered:

- a) Legal Status: Should be a registered Society, registered public Trust or a Section 8 Company
- b) Section 12A certificate under Income Tax Act, 1961
- c) Section 80G certificate under Income Tax Act, 1961
- d) Should not promote any political groups
- e) Should not promote any religious groups
- f) Entities mentioned in point no. (a) above, other than those established by the Company either singly or along with any other Company, should have at least 3 years of experience of working in the focus area of the Project
- g) MOA and AOA of the company or the charter documents of the Section 8 company/trust/ society
- h) All the partners must have CSR registration number after filing of Form CSR-1 with the Registrar of Companies, Ministry of Corporate Affairs.

Any exception to above unless required by law, would require approval of Chairman, CSR Committee of the Board.

7.3 Program Evaluation: Each program proposal submitted by the shortlisted partner will be evaluated on the following parameters:

- a) Relevance of the program
- b) Experience of partner in executing similar projects
- c) Clearly defined Outcomes
- d) Efficiency of execution and fund utilization
- e) Sustainability
- f) Monitoring and Reporting mechanism
- g) Risk Assessment

7.4 Impact Assessment

The Company shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. The Company after undertaking impact assessment, may book the expenditure towards CSR for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

8. Program monitoring, evaluation and reporting

The CSR projects/programs will be monitored, evaluated and reported, as specified in the Annual Action Plan, approved by the Board.

9. Governance

9.1 PRIPL's CSR structure has been formulated to ensure efficient functioning with clearly delineated roles and responsibilities for CSR Committee and CSR Head.

9.2 Board: Board shall perform such functions as required under the Act including constituting CSR Committee consisting of at least three directors. The functions of the Board shall inter-alia include the following:

- a. Board shall ensure that the CSR activities are undertaken by the Company in adherence to this Policy.
- b. The Board shall satisfy itself 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 to the effect.
- c. In case of on-going 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 modification if any, for smooth implementation of the project within the overall permissible time period.
- d. The Board may approve Annual Action plan and thereafter may alter the same at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.
- e. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- f. If the company spends an amount in excess of mandated amount under the Act, such excess amount may be set off against up to immediate succeeding three financial years.
- g. such other functions as may be required under the Act.

9.3 CSR Committee of the Board: Roles and Responsibilities of the CSR Committee of the Board:

- a) The CSR Committee shall formulate and periodically review/monitor the CSR Policy which shall indicate the projects/ programmes/activities to be undertaken by the Company as specified in Schedule VII of the Act and associated frameworks, processes and practices of the Company and make appropriate recommendations to the Board.
- b) The CSR Committee shall ensure to take appropriate measures to undertake and implement CSR projects/programmes/activities successfully and shall monitor the CSR Policy from time to time.
- c) The CSR Committee shall identify the areas as well as monitor and review the performance of CSR projects/programmes/activities periodically.
- d) The CSR Committee shall recommend the amount of expenditure/CSR budget to be incurred on CSR projects/programmes/activities as well as regularly report and make recommendations to the Board.
- e) To recommend Annual Report on CSR activities.
- f) To review and submit impact assessment reports to the Board.
- g) The CSR Committee of the Board shall meet as and when required.
- h) The CSR Committee shall formulate Annual Action plan and recommend the same to the Board.
- i) Such other functions as mandated by the Board of Directors or as mandated under the Act and the rules made thereunder.

10. Reporting

- a) CSR Head shall periodically present to the CSR Committee of the Board, status on current and proposed CSR activities of the Company.
- b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR activities.
- c) The Board and the CSR Committee must approve and provide in its Board Report on an annual basis, the annual report on the CSR activities after the end of each financial year.

11. Disclosure

The Company shall make disclosure of its CSR Policy, Projects/Programs/activities approved by the Board, as well as the composition of the CSR Committee of the Board and such other details, as required under the Act from time to time on Company's website.

12. Effective Date

This Policy supersedes the previous CSR Policy and will be effective from 1st April, 2021.

Any subsequent amendment/modification in regard to CSR provisions in the Act/Rules notified by the Ministry of Corporate Affairs, shall automatically apply to this Policy. In case any provision(s) of this CSR Policy is contrary to or inconsistent with the provisions of the Act and the Rules framed thereunder ("Statutory Provisions"), the Statutory Provisions shall prevail.