



**CONTENTS**

1. Objective.....2

2. Philosophy..... 2

3. The Regulatory Framework..... 3

4. Key Thrust Areas..... 3

5. Implementation..... 4

6. Governance..... 5

7. Annual Action Plan..... 6

8. CSR Expenditure & Budget..... 6

9. Monitoring & Impact Assessment..... 7

10. General..... 7

Version: 1 of 2024

Version approved by: The Board of Directors of Marico Limited

Version approved on: May 6, 2024

Last Modified on: March 29, 2021

Effective Date: May 6, 2024

Next Review on: Bi-Annual

## 1. Objective

- 1.1. The objective of this Policy document is to articulate Marico's **core philosophy** of social responsibility, to define the **areas** and to indicate activities chosen by Marico to impact the society with its efforts towards Corporate Social Responsibility ("CSR") and to define the **governance & monitoring framework** for ensuring effectiveness of the Policy.

## 2. Philosophy

- 2.1. Marico's stated purpose is to "Make a Difference". This purpose has defined our reason to exist; we have always believed that we exist to benefit the entire ecosystem of which we are an integral part. We firmly believe that we belong to an interdependent ecosystem comprising Shareholders, Consumers, Associates, Employees, Government, Environment and Society and that we have a commitment to all these stakeholders.

We believe that economic value and social value are interlinked. A firm creates economic value by creating social value – by playing a role in making a difference to the lives of its key stakeholders. Furthermore, a firm cannot do this in isolation; it needs the support and participation of other constituents of the ecosystem. Sustainability comes from win-win partnerships in the ecosystem.

Marico's CSR Policy is therefore anchored on the core purpose of "Make a Difference" to the lives of all its stakeholders to help them achieve their full potential.

The Government has notified various initiatives that qualify to be CSR for the purpose of the mandatory spend applicable to companies. The CSR initiatives of Marico thus, for the purpose of such mandatory spend would exclude the benefits made by the Company exclusively or predominantly to its employees, shareholders, investors, creditors and business partners.

## 3. The Regulatory Framework

- 3.1. The Companies Act 2013 together with the Rules notified thereunder as amended from time to time ("Act") and Schedule VII to the Act provide a framework for companies to define the key thrust areas in the CSR space. The law also guides companies to apply the scope as defined under Schedule VII liberally. Further, the Act also provides guidelines on identifying agencies eligible for implementation through which companies may spend its CSR Expenditure. The Act also mandates assessing the impact of the Company's projects in certain cases. Marico's CSR Policy, the Key Thrust Areas and the implementing agencies shall therefore remain and operate within the boundary set by the law.

## 4. Key Thrust Areas

- 4.1. While the Ministry of Corporate Affairs has spelt out the CSR activities under Schedule VII to the Act, in order to build focus and have a more impactful execution – with a view to make a difference, Marico’s CSR efforts will be primarily dedicated in areas with the following guiding principles and thematic groupings. In addition, the CSR initiatives of Marico may focus on such other thrust areas as may be decided from time to time.

### **Sustainable Agriculture & Livelihood Improvement**

#### **4.1.1. Livelihood enhancement**

Providing livelihood opportunities is critical for economic empowerment of the nation. Creating sustainable livelihood and enhanced earning potential to the farmer community through knowledge, innovation and transformative actions is therefore another thrust of Marico’s CSR.

#### **4.1.2. Water Stewardship**

Increasing the community's ability to store water, replenishing the groundwater, reduction of water scarcity, building storage structure and desilting of existing water bodies. Raising public knowledge on water management and incorporating stakeholders in the decision-making processes. Further, promotion of practices/interventions such as drip irrigation, climate resilient farm practices, vermicomposting, and water budgeting.

#### **4.1.3. Afforestation**

Afforestation measures including planting of saplings to increase the green cover in identified areas, protecting and conserving our environment and creating livelihood opportunities for the community.

#### **4.1.4. Community Development**

Community Development is integral for building a harmonious relationship with the community dwelling in the periphery where Marico operates which will go long in supporting one another for a sustainable growth. Marico will therefore work towards upliftment of communities and villages that border Marico’s workplaces/units.

#### **4.1.5. Increasing reach of Health Care**

Marico is a keen proponent of Healthcare and hopes to innovatively create impact in this sector. It aims towards preventative as well as facilitative health care of India’s populace.

#### **4.1.6. National Emergency & Disaster Relief**

Wherever appropriate, Marico will make contributions either through donations or otherwise during national emergencies arising out of external aggression (defence of India), or major disruptions of social and communal harmony or natural disasters or humanitarian relief.

## Education

4.1.7. Marico also believes that one of the most significant indicators of social progress is education, which also plays a decisive role for a society to achieve self – sustainable and equitable development. Further, infusing innovation in Education will enable further impact. With an increasing global realization of how business community can and should contribute to social objectives, education deserves a higher level of corporate involvement.

4.1.1, 4.1.5 and 4.1.7 are also intended to help and assist the nation fully harness the potential of its demographic advantage of a young and growing population.

## Social Innovation

### 4.1.8. *Improve Scalability of social organisations*

Unlocking social innovation and potential of social enterprises in India through identified assistance/intervention measures to aid them scale faster and thus create a sustainable and equitable impact on the social ecosystem. Marico will strive to foster this value through innovation and other means to deliver scale and direct impact thereby benefiting the society at large.

## 5. Implementation

Subject to the provisions of the Act as applicable from time to time, the Company may carry out its CSR activities:

- (a) Either by itself; or
- (b) through such Implementing Agencies permitted under the Act; or
- (c) in collaboration with other Companies.

5.1. The CSR Programs may be implemented through any of the following medium:

### 5.1.1. *Marico Innovation Foundation (MIF)*

MIF is a not-for-profit institution established in 2003 and registered as a Section 25 company in 2009 (similar to Section 8 under the Act), which supports disruptive social innovations in India to create lasting impact on the community. MIF is a wholly-owned subsidiary of Marico. MIF's thought leadership and mentorship program provides a platform to enable social innovations to scale up and innovators to resolve execution identified challenges. MIF acts as a catalyst to social innovation.

### *Parachute Kalpavriksha Foundation (PKF)*

PKF, a not-for-profit subsidiary owned by Marico Limited was established in 2018 and is registered as Section 8 company under the Companies Act, 2013. Prime objective of the

institution is to support and promote development of farmer community and create a lasting impact on the lives of farmers as well as enable improvement of farmers' productivity.

For this purpose, PKF may undertake measures to assist in developing sustainable agriculture, promoting livelihood improvement practices by providing knowledge on scientific farm management, encouraging agricultural innovation and research, creating water potential, improving water management practices, enabling technology and digital adoption, and facilitating social welfare schemes.

## 5.1.2. *Initiatives by Marico Brand*

While brands are one of the core sources of sustainable profitable growth, Marico believes that these brands, given their consumer connect, credibility and their trust in brands' core values, are well positioned to perform a distinct role in spearheading Marico's CSR cause. Marico would lead some of its CSR Programs through its Brands to spread awareness and credibility and quick adaptation. These will be designed to make Company's CSR spends more effective in achieving its goals and any reputational benefit which may occur to the Brands will be purely coincidental. The Business including its Brands will also lend their resources, both tangible and intangible, towards the CSR Programs of Marico.

## 6. Governance

### 6.1. Board Level

The Board will have an oversight on the adherence to this Policy. The Corporate Social Responsibility Committee ("CSR Committee") of the Board, comprising a minimum of three Directors and one of whom at least will be an Independent Director of the Company, shall assist the Board in the overall governance of the Policy and the CSR Programs pursuant thereto. The CSR Committee shall work under the superintendence and control of the Board. The CSR Committee shall be responsible to:

- Formulate and approve revisions to the CSR Policy and recommend the same to the Board for its approval;
- Formulate and recommend an Annual Action Plan (including any revisions thereto) to the Board for its approval, including the projects/programs to be undertaken;
- Identify projects of the Company as 'Ongoing Projects';
- Recommend the annual CSR expenditure budget to the Board for approval;
- Approve unbudgeted CSR projects where the annual outlay is more than Rs. 2 Crores;
- Review implementation of CSR activities of the Company within the applicable framework;
- Nominate a CSR Team and advise the team for effective implementation of the CSR Programs.
- Set monitoring mechanisms in place to track the progress of each project and track these projects at a half-yearly interval.

- Undertaking wherever appropriate benchmarking exercises with other corporates to reassure itself of the efficacy and effectiveness of Company's CSR spends.
- Approve the disclosures which are part of the Annual Report

## 6.2. CSR Team

6.2.1. While Marico employees at all levels are encouraged to involve themselves and participate in its CSR activities, in order to retain focus and organizational commitment, Marico's CSR Programs will be driven by a dedicated CSR Team under the guidance and support of the CSR Committee and the MD & CEO. The CSR Team would play a significant role in implementation of the CSR Programs ensuring that the same are in line with the policy and the purview of the applicable laws governing CSR. The CSR Team will be responsible *inter alia* for:

- Co-ordination with the business function/unit/location and the implementing agencies for successful implementation of the CSR Programs;
- Reporting the progress and impact of the CSR Programs at least on a half yearly basis to the Chairman of the CSR Committee.

## 7. Annual Action Plan

The CSR Committee of the Board of Directors of the Company shall on an annual basis, recommend an Annual Action Plan to the Board for its approval. The Annual Action Plan shall include:

(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.

Further, the Board may during the year, at the recommendation of the CSR Committee alter such plans.

## 8. CSR Expenditure & Budget

8.1. CSR expenditure will include all amounts incurred/contributed by the Company towards its CSR Programs. CSR expenditure shall also include all direct and indirect expenditure incurred towards the CSR Programs as may be admissible under the regulatory framework.

- 8.2. In line with the requirements of the Act, Administrative overheads i.e. all expenses towards 'General Management and Administration' of CSR activities of the Company shall be capped at a maximum of 5%. Further, these would not include expenses incurred by the Company towards designing, implementation, monitoring and evaluation of CSR Programs.
- 8.3. The overall amount to be committed towards CSR will be approved by the Board of Directors as a part of its Annual Action Plan. Within the Budget the allocation towards specific CSR initiatives/projects will be approved by the CSR Committee of the Board. All projects undertaken by the Company shall be approved /ratified by the CSR Committee.
- 8.4. During any financial year, the Annual Action Plan of the Company may be modified to include any unbudgeted expenditure, either on account of new project(s) or due to increase in the outlay for approved project(s), in the following manner:
  - Upto Rs. 50 Lakhs – With approval of the CSR Team
  - Above Rs. 50 Lakhs and upto Rs. 2 Crores – With approval of the MD & CEO
  - Above Rs. 2 Crores – With approval of the CSR Committee.
- 8.5. The surplus, if any, arising out of the CSR projects shall be ploughed back either to the same project from which such surplus arose or be spent in accordance with the Annual Action Plan.
- 8.6. Subject to the provisions of the Act, the Company may also utilise its CSR spend towards creation or acquisition of a capital asset.

### 9. Monitoring & Impact Assessment

- 9.1. The monitoring mechanism to ensure effective implementation of the CSR Programs shall be two-fold, namely:
  - 9.1.1 For such projects having an outlay of Rs. 1 crore or more and a period of one year has elapsed since completion of such project, an Impact Assessment study shall be carried out by an independent agency. The report of such assessment shall be placed before the Board and shall also be annexed to the Annual Report on CSR. Additionally, the CSR team would also endeavour to obtain feedback from the beneficiaries about these Programs. Such feedback would be shared by the CSR Team as a part of the quarterly progress report.
  - 9.1.2 Social Audits may be carried out by the Company or its implementing agency wherever necessary especially where the Programs are undertaken by the Company through implementing agencies.
  - 9.1.3 The CSR initiatives / projects of the Company shall also be reported every year in the Annual Report of the Company.
  - 9.1.4 The CFO of the Company shall certify to the Board on an annual basis that the funds disbursed by the Company towards CSR activities have been utilised towards the same effect.

## 10. General

- 10.1. The CSR Policy would be subject to revision(s)/amendment(s) in accordance with the guidelines and applicable laws as may be issued by Ministry of Corporate Affairs from time to time, on the subject matter. Any such subsequent amendment(s)/ modification(s)/ circular(s)/clarification(s)/notification(s) in/under the Act or Rules/Regulations or re-enactment thereof, impacting the provisions of the CSR Policy, shall automatically apply to the CSR Policy and the relevant provision(s) of the CSR Policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this Policy. In any case, the CSR Committee shall review the Policy once every two years, if required, for making suitable amendments for better implementation of the Policy.
- 10.2. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.
- 10.3. The power to interpret and administer the Policy shall rest with the Chairman of the CSR Committee whose decision shall be final and binding. The Chairman is also empowered to make any supplementary rules/orders to ensure effective implementation of the Policy. These will, however, be reported to or tabled before the CSR Committee of the Board, from time to time, to ensure CSR Committee's oversight on these issues.

\*\*\*\*\*