

CSR POLICY

PERNOD RICARD INDIA PRIVATE LIMITED



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1. Preamble

Pernod Ricard India Private Limited (“PRIPL” or “Company”) Corporate Social Responsibility Policy has been developed in consonance with Section 135, Companies Act 2013 (Act) on CSR and in accordance with CSR Rules (Rules) notified by the Ministry of Corporate Affairs, Government of India. It shall apply to all CSR Projects / Programs undertaken by the Company as per liberal interpretation of activities listed in Schedule VII of the Act, within the geographical limits of India alone, towards the benefit of marginalized and disadvantaged sections of the communities in the geography of PRIPL’s areas of operation.

2. Objective

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

3. Vision

PRIPL to address social, economic and environment needs through sustainable initiatives to partner in India’s sustainable development goals.

4. CSR Spend Approach

- a) The Board of the Company will endeavour to spend in each Financial Year (FY), at least two per cent of the average net profit (calculated as per Section 198 of the Act) accrued during the three immediately preceding FYs on CSR projects / programs.
- b) In the event that the amount indicated above is not spent in its entirety in that FY, the reasons thereof will be outlined as per Section 134 (3)(o) in the Board Report.
- c) Projects/Programs will be identified and budgets allocated for such through a process incorporating identification of suitable implementation agencies, need assessment (where required) and clear outlining of desired outcomes.

- d) In an event where the Company makes any surplus or profit from pursuing its CSR projects / programs, these will not form part of the business profit but will, instead, be carried forward to the following year/s as part of either the CSR corpus or as a supplement to the CSR budget.
- e) For all contributions received from other companies/sources towards the CSR Corpus/Budget, the Company will claim CSR expenditure only for funds that are provided from its own resources.

5. Modes of Implementation

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

- a) Projects/ Programs implemented directly
- b) Projects/Programs implemented by its subsidiary “Pernod Ricard India Charitable Foundation” a company incorporated under Section 8 of the Act
- c) Partner with Non-Governmental Organizations, trusts etc. to implement its CSR activities as may be permitted under the applicable laws from time to time.
- d) Collaboration with other Corporate / National / Multi-lateral / Bi-lateral / International Agencies

6. CSR Focus Areas

6.1 All activities undertaken by PRIPL will be in line with Schedule VII of the Act as amended from time to time. The CSR focus areas has been formulated based on an in-depth evaluation of the United Nations Sustainable Development Goals (SDGs), national priorities, CSR landscape and community needs, for the sustainable development of society.

6.2 PRIPL aims to strategically approach societal development in alignment with global commitments, the SDGs. Its programs and interventions where it operates will be planned and monitored. A key aspect of the programs would be a sustainable community-led model.

6.3 These strategic focus areas of CSR will be directly and indirectly linked to the SDG's.

6.4 The strategic programs under the SDGs would be specifically categorised under the following sectors:

- a) **Healthcare:** Ensuring healthy lives and encouraging wellbeing for all.
- b) **Education:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
- c) **Water Conservation:** Implementing integrated water resources development and management at all levels in communities.
- d) **Safe Drinking Water:** Achieving equitable access to safe and affordable drinking water for all.
- e) **Sanitation & Hygiene:** Providing infrastructural support and strengthen the participation of local communities in improving sanitation and hygiene.
- f) **Livelihoods:** Promote sustained, inclusive and sustainable economic growth, as well as full and productive employment for all through skill based livelihood development.
- g) **Life on Land:** Protect, restore and promote sustainable use of terrestrial ecosystems.
- h) Any other areas as per Schedule VII of the Companies Act and approved by the Chairman, CSR Committee of the Board.

7. Planning and Implementation

7.1. Partner Selection

PRIPL may implement its CSR projects/ programmes either directly or through its partners. In case of implementation of CSR projects/ programmes through NGO's i.e. Non-Government Organisations, PRIPL shall conduct partner on-boarding and due diligence. This will be done on the basis of key considerations of credibility, expertise and relevance. Partner identification may be done via the following mediums:

- a) Company floating RFP (Request for Proposal) for different sectors
- b) Proposals submitted directly by execution vendors/ agencies or NGOs

7.2. Due Diligence of partners

Due diligence of shortlisted NGO 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, Trust or a Section 8 Company
- b) Should have a Section 12 A certificate under Income Tax Act, 1961
- c) Should have a Section 80 G certificate under Income Tax Act, 1961
- d) Should not promote any political groups
- e) Should not promote any religious groups

- f) Should have at least 3 years of experience of working in the focus area

Any exception to above, 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) Clearly defined Outcomes
- c) Sustainability
- d) Monitoring and Reporting mechanism
- e) Risk Assessment

7.4. Program monitoring and evaluation

The CSR projects/ programs will be monitored and evaluated as per prevalent industry practices.

8. Governance

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

8.1. Board / CSR Committee of the Board

Board shall perform such functions as required under the Act including constituting CSR Committee consisting of atleast three directors.

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 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 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 activities periodically.

- d) The CSR Committee shall recommend the amount of expenditure/CSR budget to be incurred on CSR activities as well as regularly report and make recommendations to the Board.
- e) To recommend CSR Annual Report to the Board.
- f) The CSR Committee of the Board shall meet atleast twice a year.
- g) Such other functions as mandated under the Act.

8.2. CSR Core Team

The CSR Core Team shall be appointed by the Board to support the CSR Committee Chairman in implementing the CSR policy.

The CSR Core Team shall consist of CSR Head, CSR Sector Leads, Company Secretary and Finance Controller. Sector Leads shall have sector-specific responsibilities as per strategic interventions.

8.3. Reporting

CSR Head/ CSR Core Team shall periodically present to the CSR Committee of the Board status on current and proposed CSR activities of the Company.

8.4. Disclosure

The Company shall make disclosure of its CSR Policy, Projects / Programs, activities, monitoring mechanism, implementing agencies, expenditure details as well as the composition of the CSR Committee of the Board, as required under the Act.

9. Effective Date

This policy is effective from 20th August, 2018.