

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Preamble

At Everest Industries Limited (“Everest” or “EIL”), business success is not just about profits and shareholder returns. We believe in pursuing wider socio-economic objectives and have always endeavored to meet the expectations of the communities in which we operate.

Everest's diverse projects and operations touch lives of people in many ways and create value by helping in overall development of communities. Through its various initiatives, the Company endeavors to play a relevant role by serving communities and projects that address gaps in basic societal requirements.

2. Title & Applicability

This policy may be called Corporate Social Responsibility Policy of Everest Industries Limited and shall apply to all CSR projects undertaken by Everest as required under Section 135 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended time to time, for the benefit of marginalized, disadvantaged, poor or deprived sections of the community and the environment.

3. Definitions

- a. ‘**Act**’ means the Companies Act, 2013
- b. ‘**Board**’ means the Board of Directors of EIL
- c. “**Company**” means Everest Industries Limited
- d. ‘**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 Policy) Rules, 2014, but shall not include the following, namely:-
 - i. activities undertaken in pursuance of normal course of business of the Company;
 - ii. any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - iv. activities benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
 - v. activities supported by the Company on sponsorship basis for deriving marketing benefits

for its products or services; and
vi. activities carried out for fulfillment of any other statutory obligations under any law in force in India.

e. ‘**CSR Committee**’ means the committee constituted under the provisions of Section 135 of the Act;

f. “**Ongoing Project**” means a multi-year project undertaken by a Company in fulfillment 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.

Other terms not specifically defined in this Policy shall have the same meaning as assigned under the relevant provisions of the Companies Act, 2013 and rules made there under.

4. Objective

To improve people’s lives by empowering communities and thereby creating sustainable impact in the areas we operate.

5. Everest CSR Philosophy/Approach

We engage in community service to improve people lives by creating impact through sustainable interventions in the communities we operate in.

- All CSR activities to embody the core values of respect, excellence and integrity.
- CSR is a core part of what we do at Everest – provide opportunities through volunteerism to employees to lead and contribute towards CSR.
- CSR activities to focus on livelihood, health, environment and education. All CSR projects to be based on local needs of the community and to be implemented with the help of NGOs having local presence and expertise. Everest may also engage the services of national level organizations having technical expertise in the identified areas of focus.
- Everest will act as an enabler for CSR initiatives and works with the objective to make the communities self reliant through partnership.
- Everest will respond swiftly in the event of natural disasters and public emergencies.

6. Focus areas of CSR Activities

EIL’s CSR activities, amongst others, will focus on:

- Livelihood enhancement - skill development, training and employment generation
- Promotion of education, and sports.
- Preventive health care and Sanitation
- Environmental Sustainability

EIL may, subject to the recommendation of the CSR Committee and approval from Board of Directors, undertake any other CSR activity as specified in Schedule VII of the Act from time to time.

7.Governance of CSR policy

Governing mechanism to oversee the implementation of its CSR activities as per the CSR Policy is as follows:

- i. Over-all governance of CSR will be responsibility of the Board On recommendation of the CSR Committee, the Board will approve the Annual Action Plan every financial year, which will outline the CSR projects or activities to be undertaken by the Company.
- ii. The Board shall examine and satisfy itself that the disbursement and utilization of funds for the CSR projects are utilized for the purpose and the manner as approved by it.
- iii. The Board shall monitor the implementation of “ongoing projects” with reference to the approved timelines and year-wise allocations.
- iv. The Board may alter or modify already approved projects or fund utilization plans during the financial year, as per the recommendations of CSR Committee based on reasonable justification to that effect.
- v. The CSR department of EIL will be responsible for administering and executing the Annual Action Plan approved by Board.
- vi. The CSR Department will ensure that all the CSR activities are in consonance with this policy and the applicable provisions of the Companies Act, 2013.

8.CSR committee

EIL has constituted a CSR Committee of the Board in compliance with the statutory requirement of the Companies Act, 2013. The Board of Directors of the Everest shall re-constitute the CSR Committee from time to time in compliance with statutory requirements. The CSR Committee shall comprise of a minimum of three directors, out of which at least one director shall be an independent director.

The responsibilities of the CSR Committee include the following:

- i. To formulate EIL CSR strategy, policy and goals;
- ii. To monitor the EIL CSR policy and performance;
- iii. To review the CSR projects/initiatives including amount of expenditure from time to time;
- iv. To formulate and recommend to the Board for its approval, an annual action plan every financial year. The annual action plan shall cover the following :
 - 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 utilization of funds and implementation schedules for the projects or programmes;
 - d) monitoring and reporting mechanism for the projects or programmes; and its performance
 - e) details of need and impact assessment, if any, for the projects undertaken by the Company.
- v. To ensure legal and regulatory compliances from a CSR view point;
- vi. To ensure reporting and communication to stakeholders on EIL's CSR projects/initiatives.

9.Implementation

EIL will undertake the CSR projects which envisage the sustainable development and creating value for all the stakeholders engaged.

The CSR department will assist in implementation and monitoring of CSR projects/initiatives. The actual implementation of various projects will broad-based through development organizations or through collaborative projects with likeminded corporate.

a. Implementing Agencies

The approved CSR activities, projects and programmes shall be carried out directly or in any of the following ways as the Board on recommendation of CSR Committee in its absolute discretion may decide:

- i. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- ii. 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; or
- iii. any entity established under an Act of Parliament or a State legislature; or
- iv. 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.

The above referred agencies shall have the unique CSR Registration Number.

The Company may also undertake CSR projects or activities in collaboration with other corporate.

The implementing organization will also be screened, based on the EIL screening criteria to ascertain the organization credibility and its ability to execute the project with utmost effectiveness.

b. CSR Team

The CSR Team will be responsible for the actual on-ground implementation of various CSR projects. They will also:

- i. be responsible for the execution of the decisions taken by the Board/CSR Committee;
- ii. implement projects based on set targets and action plans and regularly monitor them;
- iii. find suitable implementation partners, conduct due diligence and get approval from the Committee/Board, as may be required;
- iv. evaluate possible collaborations with other organizations on CSR projects;
- v. provide progress reports to the Managing Director and CSR Committee;

10. Monitoring of CSR projects

All CSR Projects/Activities shall be monitored directly by the Board and the CSR Committee through the CSR Team.

Projects directly implemented by CSR Team

- i. The CSR Projects taken up by EIL or through other organizations shall be monitored directly by CSR Department. Objectives, implementation plan, key deliverables and desired impact will be clearly spelt out at the start of the project.

- ii. In case of “ongoing projects or programmes” yearly implementation, monitoring and evaluation plan shall be fixed and approved by Board on the recommendation of the CSR Committee and periodic reports shall be shared with the Board.
- iii. Ongoing activities shall be coordinated by Head of CSR Department. The CSR Department shall draw a time frame for the CSR projects from the date of initiation and monitor it for timely completion.
- iv. In case progress of CSR Projects is not as per the defined milestones, the project will be evaluated by the CSR committee. If the CSR Committee finds that the project is not sustainable or needs modification, it will send its recommendation to the Board for necessary approval with reasonable justification.

Projects in collaboration with Implementing Agencies

- i. CSR Projects taken up through approved implementing agencies shall be evaluated and monitored jointly by CSR committee and respective organizations. An evaluation format shall be prepared for this purpose at the start of the project clearly stating the time, cost and deliverables/desired impact.
- ii. In case progress of CSR Projects is not as per the defined milestones, the project will be evaluated by the CSR committee. If the CSR Committee finds that the project is not sustainable or needs modification, it will send its recommendation to the Board for necessary approval with reasonable justification.

The Company shall have a comprehensive monitoring mechanism to ensure the CSR process functions as mandated by the Companies Act 2013 and the Rules framed there under, and that all projects as budgeted are duly carried out. Monitoring may have both an electronic MIS and human architecture that must work together to ensure a firm check on the above. This may include regular field visits to project sites, activity-wise, comprehensive documentation of the same in the form of field reports, regular interaction with beneficiary communities to obtain feedback and compilation of field visit reports at regular intervals.

The Company may also engage any third party to monitor and supervise the implementation of CSR projects or programmes. At the end of every financial year, the CSR Committee shall submit to the Board requisite information and documents to report the progress of implementation of the CSR projects or programmes approved by the Board. Further the Chief Financial Officer of the Company shall also submit a certificate to the Board certifying that the funds disbursed for CSR projects or activities have been utilized for the said purpose.

11. Documentation and Reporting

The CSR Team of EIL will ensure that all CSR projects are comprehensively documented and accountability is fixed at every level of the CSR process and the implementation apparatus is in place.

The Board will annually publish report on the CSR projects as a part of the Board's report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act, 2013.

This CSR Policy shall also be placed on the website of the Company. Furthermore, the composition of the CSR Committee, CSR Policy and Projects approved by the Board shall mandatorily be disclosed on the website of the Company and be updated at regular intervals, for public access.

12. Impact Assessment/Evaluation

EIL may take up appropriate evaluation and impact assessment of the projects. Third parties may be engaged for this, right from inception to ensure objective assessment across baseline and end line parameters. There shall be clarity about the objective/scope of the project and the need it is attempting to address. Impact assessment of the project is to be done after a reasonable duration. For conducting the Impact assessment, it is necessary that the baseline data or indicators are well defined. The impact can be measured by an end line survey.

The Company shall mandatorily undertake impact assessment, through an independent agency, of their CSR projects or activities having outlay of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR. Further, the Board on the recommendation of the CSR Committee shall appoint the impact assessment agency.

Any expenditure incurred on impact assessment may also be booked towards Corporate Social Responsibility 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.

13. CSR budget

The Board, on the recommendation of its CSR Committee, shall approve overall limits for CSR projects or programmes to be undertaken by the Company during the financial year. The followings points shall be in consideration while making provisions for CSR budget for the financial year;

- i. The Company will spent at least 2% of its average net profits of last three preceding financial years calculated in accordance with provisions of the Act , on CSR projects or programmes during every financial year. The Company will prefer to take up CSR projects or programmes for spending the amount earmarked for CSR at local areas and regions where the Company operates.
- ii. While approving any CSR project or programme, the Board of Directors of the Company shall determine, whether it will be an Ongoing Project or otherwise. While approving any CSR Project or programmer which will be treated as an Ongoing Project, the Board shall lay down the following:
 - Estimated budget outlay on CSR project or programme during the course of its implementation
 - Estimated budget outlay during every financial year.
 - Manner of implementation
- iii. In case of CSR projects or programmes, which are not Ongoing Projects, the Board shall endeavor to complete such projects or programmes during the relevant financial year. In case for any reason(s), such projects or programmes will go beyond one year then Board may re-categories such projects or programmes as Ongoing Projects on reasonable justification.
- iv. If during any financial year, the Company is not able to meet its CSR obligation, then the unspent amount shall be treated in the manner provided in the Act.
- v. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- vi. The CSR amount can be utilized to create capital assets, but such assets shall be held by company registered under section 8 of the Act, or registered public trust or registered society having charitable objectives and having CSR Registration Number; or beneficiaries of the said CSR project (in the form of self-help groups, collectives, entities); or public authority as approved by the Board.

14. Surplus arising from CSR Activities

Any surplus arising out of the CSR projects, programs or activities will not form part of the business profit of Everest and shall be treated in the following manner:

- a) ploughed back into the same project; or
- b) shall be transferred to the Unspent CSR Account opened by the Company, from which the said amount shall be spent in pursuance of CSR policy and annual action plan of the Company; or
- c) such surplus will be transferred to a Fund specified in Schedule VII to the Act, within a

period of six months of the expiry of the financial year.

15. Carry forward of excess CSR expenditure

The Board may during any financial year, approve CSR expenditure beyond the CSR obligation for that particular financial year. Such excess CSR expenditure spent shall be carried forward for setting-off against the CSR obligation of the Company for next three consecutive financial years.

16. Effective Date and amendment in the Policy

This Policy shall come into force with effect from 23rd March 2021 in suspension of earlier policy adopted by the Board on 21st October 2016.

Where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy and procedures until such time this Policy is amended to conform to the applicable law, rule, regulation or standard.