

ASSOCHAM

Corporate Social Responsibility, Policy, Procedures & Guidelines

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Corporate Social Responsibility Policy

Corporate Social Responsibility (CSR) builds 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. Over time it has become an integral part of ASSOCHAM which has been engaged in charities and philanthropic activities, along with a number of others social activities.

1. SHORT TITLE & APPLICABILITY

This policy, which encompasses the company's philosophy for delivering its responsibility as an Association and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the "**ASSOCHAM CSR Policy**". It has been prepared keeping in mind the Association's business ethics and to comply with the requirements of Companies Act, 2013 (hereinafter called as "the Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014, notified by the Ministry of Corporate Affairs vide Notification dated 27th February, 2014.

This policy shall apply to all CSR initiatives and activities taken up at the various work centres and locations of the Association for the benefit of different segments of the society, specifically the deprived, under-privileged, marginalised youth, differently-able persons and women including children.

2. PURPOSE

This policy sets out the Association's commitment & approach towards Corporate Social Responsibility based on our legacy of '*Giving Back to Society*'. The Company is committed to the ASSOCHAM Purpose of improving the quality of life of the communities we serve through the CSR theme of '*Building Sustainable India*'. The Company intends to make efforts in various CSR initiatives in India by devising and implementing social improvement projects for the benefit of underprivileged communities, towns and villages.

3. CSR VISION, MISSION & OBJECTIVES

Vision

To strive to transform India into a risk-aware society from being a risk-averse society.

Mission

Corporate Social Responsibility is a form of Association's self-regulation integrated into our business model. To achieve our vision through sustainable measures, actively contributing to the socio-economic and environmental development of the community through different participatory and need based initiatives in the best interest of the poor, deprived, marginalised men, women and children and various such sections of the society so as to help them to become self reliant and build better tomorrow for these communities and thereby creating value for the nation.

Objectives

The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its corporate social responsibility.

4. MANAGING COMMITTEE, CSR COMMITTEE, ITS FUNCTIONS & BUDGET

Managing Committee

The Managing Committee shall be responsible for the following functions –

- a. Constitution of CSR Committee which shall comprise three or more members of the Managing Committee.
- b. Approving the CSR policy of ASSOCHAM as may be recommended by the CSR Committee, subject to necessary changes/modifications as the Managing Committee may deem fit.
- c. Ensuring that in each financial year the Association spends such amounts for CSR activities as may be stipulated in the Act and as amended from time to time. (Presently 2% of the average net profits of the Company made during the three immediate preceding financial years)
- d. Ensuring that the activities are included in the CSR Policy as are undertaken by the Association.
- e. Ensuring to disclose the contents of such Policy in its board Report and also on the company's website, if any.

CSR Committee

The CSR Committee shall be responsible for the following functions:

- a. Formulating and recommending to the Managing Committee the CSR Policy which shall indicate activities to be undertaken in line with

Section 135 read with Schedule VII of the Companies Act, 2013 as amended time to time.

- b. Recommending to the Managing Committee the CSR expenditure to be incurred on the activities referred to in clause (a) in a financial year.
- c. Monitor the implementation of the CSR Policy from time to time.

Budget

The amounts to be spent by the Company shall be as stipulated under the Act, as amended from time to time (presently 2% of the average net profits of the Company for the preceding three financial years) and as approved by the Managing Committee. Any surplus arising out of the CSR projects or programs or activities shall not form part of surplus of the ASSOCHAM.

The Annual CSR Budget shall be spent on activities laid down in this Policy. CSR expenditure shall include all expenditure including contribution to corpus of flagship projects, projects or programs relating to CSR activities as per CSR policy, but does not include any expenditure on an item not in conformity with the CSR Policy.

5. THRUST AREAS, IMPLEMENTATION & MONITORING STRUCTURE

Thrust Areas

In accordance with the requirements of the Companies Act, 2013 ("the Act") The ASSOCHAM shall identify projects/activities which will fall in any of the following areas/sector for its CSR spending:

1. Eradicating hunger, poverty and malnutrition;
2. Promoting healthcare including preventive healthcare;
3. Making available safe drinking water & Sanitation;
4. Promoting education & enhancing Vocational Skills & Livelihood enhancement Projects;
5. Women empowerment;
6. Setting up old age homes, hostels for Women and Orphans;
7. Vocational skill development programs to socially & economically backward groups and differently-abled persons for livelihood enhancement and income generation in rural and urban areas;
8. Ensuring environment sustainability, protection of flora and fauna including natural resources and animal welfare;
9. Protection and promoting of National Heritage, Art & Culture including traditional art and handicrafts;
10. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
11. Contributions to Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for

socio-economic development and relief and funds for the welfare of the Scheduled Caste and Schedule Tribe.

Implementation

ASSOCHAM shall implement the CSR programs directly/indirectly:

- Either directly through its own Charitable Trust named “ASSOCHAM Foundation for Corporate Social Responsibility”;
- Or indirectly through any external well reputed agencies

The Association shall appoint officers at its business places (Units & Corporate Office) to undertake, supervise and monitor the CSR activities and expenditures.

Such officers will be responsible to ensure that the expenditures are made in full compliance with this policy. They will submit periodical report to the CSR Committee.

The Association can also appoint implementing external well reputed agencies like Charitable Trusts, Section 8 Company (erstwhile Section 25 of Companies Act, 1956) as per Companies Act, 2013 and NGOs/Institutions with established track record of at least 3 financial years. However, expenditure on building capabilities internally or externally shall not exceed 10 percent of total CSR expenditure of the Association in a financial year.

Monitoring Structure

- The Project Monitoring team will ensure that the CSR Policy is implemented as per the Act and the Rules ensuring that all projects as budgeted are duly carried out.
- All CSR spends needs to be closely monitored and may be audited in an accountable and transparent manner.
- Project monitoring shall include periodic field visits, comprehensive documentation, and if required interaction with beneficiary communities.
- The CSR Committee shall periodically review the CSR project reports and the same shall be annually presented to the Managing Committee and shall be reported in the Board and Annual Report as per Section 135 of the Act.

6. EXCLUSIONS

The CSR activities shall be undertaken by the Association, (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

ASSOCHAM will not make any contribution of any amount directly or indirectly to any political party or religious trust.

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