

HEXAGON NUTRITION LIMITED

Corporate Social Responsibility Policy

Name of the Document	Corporate Social Responsibility Policy
Originally Released Date	01/04/2015
Policy amendment date	
Date of Approval	
Effective Date	
Policy Version	3.0
Policy Prepared by	Company Secretary
Company Level Applicability	Applicable on the Hexagon Group Companies including wholly owned Subsidiaries.
Reason for Update	As per the amendments of the Companies Act, 2013 and Rules thereunder.

1. Introduction & Background

Hexagon Nutrition has dedicated itself to offering innovative solutions tackling the major issue of malnutrition prevalent across the globe. We are at heart a research-oriented organization with a strong mix of capabilities and a large portfolio of tested products. We provide reliable and unmatched service to both domestic and international markets and continue to work to find new solutions to the growing demand for holistic nutrition. We manufacture and market scientifically formulated brands across a 360° degree spectrum of illness, wellness, and lifestyle disease management.

2. Policy Statement -Objectives of this CSR Policy

With an endeavour to achieve our vision and fulfil our commitment to be socially responsible, this CSR Policy has been formulated with the following objectives:

“To promote activities of high social impact in a manner which is aligned with the creation of health & wealth in the community the ultimate objectives which are in accordance with Schedule VII of the Companies Act, 2013 (“Companies Act”) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules”).”

The CSR policy shall be guided by the company’s corporate vision an aspiration.

3. Definitions

- (i) "Act" means the Companies Act, 2013;
- (ii) “Administrative overheads” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.
- (iii) "Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: - (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.
- (iv) “Ongoing Project” means a multi-year project undertaken by a Company in fulfilment 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.
- (v) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
- (vi) "CSR Policy" means a statement containing the approach and direction given by the board of a Company, taking into account the recommendations of its CSR

Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

4. CSR Purpose Statement

- To make the meaningful and measurable impact in the lives of underprivileged and venerable communities of the countries by supporting initiative aimed at creating conditions suitable for sustainable livelihood.
- To encourage employees at all levels to participate and increase commitment to give back to the society.
- To identify thrust areas for CSR that currently includes education, health creation and the environment.
- To utilise the resources of the company and its people to give back to the society and affect positive changes in the lives of Indian citizens.

5. CSR Governance Structure

(I) Roles and responsibilities: CSR Committee

- (i) It shall be the responsibility of the CSR Committee to formulate and recommend to the Board of Directors, an annual action plan in pursuance of its CSR Policy which shall include 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 as specified in sub-rule (1) of rule 4;
 - (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.
Provided that the Board of Directors may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee and based on the reasonable justification to that effect.
- (ii) To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company.
- (iii) The CSR Committee reviews and amends this policy to ascertain its appropriateness as per the needs of the company and recommends it to the Board of Directors for approval.
- (iv) Any other matter that the CSR Committee may deem appropriate after approval of the Board of Directors or as may be decided by the Board of Directors from time to time.

(II) Roles and responsibilities: Board of Directors

The Board of Directors of the Company will be responsible for:

- (i) Approval of the CSR Policy of the Company as recommended by the CSR Committee;

- (ii) Disclosure of the Policy in its report and placing the same on the Company's website as prescribed under Section 135 of the Companies Act 2013 along with the composition of the CSR Committee and Projects approved by the Board of Directors, if any, for public access.
- (iii) To ensure that the Company spends, in every financial year, where applicable, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its CSR Policy. In case the company is not able to spend the required amount the Board shall in its report under 134 sub section (3) clause (o) of the Act shall specify reasons for not spending the amount.
- (iv) It will have the power to make any change(s) in the constitution of the CSR Committee.
- (v) The Board of Directors may engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.
- (vi) The Board of Directors may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.
- (vii) The Board of Directors 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.
- (viii) In case of ongoing project, the Board of Directors shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- (ix) The Board to approve an annual action plan in pursuance of CSR policy as recommended by the CSR Committee;
- (x) The Board shall ensure that the administrative overheads pertains to CSR activity shall not exceed five percent of total CSR expenditure of the company for the financial year.
- (xi) The Board to approve an annual action plan in pursuance of CSR policy as recommended by the CSR Committee;
- (xii) To ensure that activities reflected in CSR policy are undertaken by the Company.

6. **Applicability**

This policy shall be applicable to the Company Hexagon Nutrition Limited and all the wholly owned subsidiary Companies whether present and future, as and when falling under the ambit of CSR.

7. CSR Expenditure and Budget

- CSR Expenditure

The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

- CSR Budget

- (a) The CSR Committee will abide by the provisions relating to annual expenditure on CSR activities as laid down in Section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
- (b) The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or 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.
- (c) Further, where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –
 - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule;
 - (ii) the Board of Directors shall pass a resolution to that effect.

8. Implementation

The Company shall undertake all CSR Activities that are approved by the CSR Committee and Board of Directors of the Company, under this policy or otherwise. Further, all CSR initiatives and activities of the Company, shall be guided and will fall within the ambit of Schedule VII to the Companies Act, 2013.

The CSR Initiatives, programs, projects and activities of the Company, may be undertaken by the Company by itself, or through:

- (a) 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
- (b) 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
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) 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 Company shall, in its Annual Action Plan specify the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

Provided that, where the Company undertakes any CSR spend, through an Implementation Agency it shall ensure that the said agency has obtained a CSR Registration Number from the Ministry of Corporate Affairs, prior to approval of such program or project.

9. Impact Assessment

- (i) Where the Average CSR Obligation of the Company exceeds Rs. 10 Crores or more in the three immediately preceding financial years, the Company shall undertake an impact assessment, through an independent agency, of their CSR projects having outlays of Rs. 1 Crore or more, and which have been completed not less than one year before undertaking the impact study.
- (ii) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- (iii) In case of impact assessment, the Company may book the expenditure 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.

10. Treatment Unspent CSR Amount

a. Transfer of Funds In case of Ongoing Projects

The Board of Directors shall open an Unspent Corporate Social Responsibility Account to be held by the Company in a Scheduled Bank, every Financial Year. The following transfers shall be permitted into the Account:

Amount permitted for transfer	Due date for Transfer
Unspent CSR Amount related to any ongoing project	Within 30 days of the closure of the Financial Year
Surplus arising out of any CSR Activities	Within 6 months of the closure of the Financial Year

b. Other Projects

The following amounts shall be transferred to a Fund specified under Schedule VII to the Act or such account as specified by the Government in this regard:

Amount to be transferred	Due date for transfer/ spending
Unspent CSR Amount not related to any ongoing project	Within 6 months of the closure of the Financial Year
Any unspent amount remaining in the Unspent CSR Account	Shall be spent by the Company within 30 days of completion of 3 (three) years from the date of which the amount was transferred to the Unspent CSR Account

11. CSR Programme Areas

(Areas approved as per "Companies Act" for expending towards CSR Activity)

- i) **Eradicating hunger, poverty and malnutrition**
Eradicating hunger, poverty and malnutrition, Promoting health care including preventive health care and sanitation Contribution to the **Swach Bharat Kosh** set-up by the Central Government for the promotion of sanitation Making available safe drinking water.
- ii) **Promoting education, including special education.**
Promoting education, including special education. employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- iii) **Promoting gender equality**
Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- iv) **Ensuring environmental sustainability**
Ensuring -environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- v) **Protection of national heritage, art and culture**
Protection of national heritage, art and culture restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- vi) **Measures for the benefit of armed forces veterans, war widows and their dependents;**
- vii) **Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports**
- viii) **Contribution to the prime minister's national relief fund**
Contribution to the prime minister's national relief fund contribution to any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix) **Contribution to incubators funded by Central Government or State Government**
Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, contributions to public funded Universities,

-Indian Institute of Technology (IITs),

-National Laboratories and Autonomous Bodies (established under the auspices of Indian

-Council of Agricultural Research (ICAR),

-Indian Council of Medical Research (ICMR),
-Council of Scientific and Industrial Research (CSIR), -
-Department of Atomic Energy (DAE), -
-Defence Research and Development Organisation (DRDO), -
-Department of Science and Technology (DST), -
-Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

x) **Slum area development**

Explanation - For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

xi) **Disaster management**

Disaster management, including relief, rehabilitation and reconstruction activities.

xii) May undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the following:

(a) Such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VV of the Act;

(b) Details of such activity by the Company shall be disclosed separately in the Annual Report on CSR in the Board's Report.

xiii) Any activity undertaken by the Company in India for training of Indian sports personnel representing any State or Union territory at national level or India at international level.

12. Review the policy and Activity thereunder

(i) The CSR Committee of the Board of the Company will meet periodically to review the progress of various CSR projects/activities and will report the progress of the CSR activities in writing periodically as required and also keep the records of activities as and when required.

(ii) The CSR team may also take help of an advisory committee or third-party agencies to carry out various tasks such as project analysis, site visits, impact assessment and also monitor the CSR projects.

(iii) This CSR Policy and the project updates will be put up on the website of the Company to avail it in the public domain.

13. Reporting Framework

(i) The progress of CSR projects and expenditure will be reviewed by the CSR Committee at regular intervals.

(ii) The Board's Report of the Company covered under these rules pertaining to any financial year shall include an annual report on CSR containing particulars specified as per the Companies Act, 2013 and Rules made thereunder. as applicable.

- (iii) Impact Assessment shall be undertaken if the average CSR obligation of the Company is ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years.
 - (iv) Such Assessment shall be undertaken 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.
 - (v) The impact assessment reports shall be placed before the Board of Directors and shall be annexed to the annual report on CSR.
 - (vi) The Board of Directors may undertake impact assessment and may book the expenditure 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.
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Hexagon Nutrition Limited Corporate Social Responsibility Policy Version 3.0 has been Approved by the Directors		
Sr. No.	Name of Directors	Signature
1.	Mr. Arun Purushottam Kelkar	Sd/-
2.	Mr. Vikram Arun Kelkar	Sd/-
3.	Dr. Nikhil Arun Kelkar	Sd/-