

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Introduction

The Companies Act 2013 (hereinafter referred to as 'the Act'), has introduced the idea of CSR (Corporate Social Responsibility) and mandates qualifying companies to constitute CSR Committee to effectively monitor CSR activities of the Company and to that effect, MCA has laid down the framework and modalities of carrying out CSR activities which are specified in Schedule VII of the Act.

Assa Abloy Opening Solutions India Private Limited ("the Company") is committed to conducting its business in a socially responsible, ethical, and sustainable manner. This CSR Policy has been formulated in compliance with Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules").

Corporate Social Responsibility is a critical component of the Company's long-term mission and vision, ensuring the integration of social and environmental concerns into business operations. The Company believes in creating a meaningful impact on society through targeted CSR initiatives that align with national and global sustainable development goals.

2. Definitions

Some of the key terms used in the CSR Policy are as under:

- 'Act' means the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force).
- 'Company' means "Assa Abloy Opening Solutions India Private Limited".
- 'Board of Directors' or 'Board', in relation to the Company, means the collective body of the directors.
- 'Committee' means Corporate Social Responsibility Committee constituted by the Board of Directors of the Company in accordance with the provisions of Section 135 of the Companies Act, 2013 and rules made there under.
- 'Corporate Social Responsibility (CSR)' means and includes but is not limited to:
 - Projects or programs relating to activities specified in Schedule VII of the Act; or
 - Projects or programs relating to activities undertaken by the Board of the Company in pursuance of recommendations of the CSR Committee of the Board as per this CSR Policy and will cover subjects enumerated in Schedule VII of the Act.
- 'CSR Policy' or 'Policy' means Policy on "Corporate Social Responsibility Policy" framed and implemented by CSR Committee and approved by the Board of Directors of the Company.
- 'CSR Projects/Activities' means the projects/activities which are included by the Company in this CSR Policy in accordance with Schedule VII of the Companies Act, 2013.
- 'Average Net Profit' means net profit as computed in accordance with Section 198 of the Act.
- 'Ongoing Project' means a multi-year project undertaken by the Company having timelines not exceeding three years excluding the financial year in which it was commenced.

Words and expressions used in this policy and not defined herein, but defined under the Companies Act, 2013 shall have the meanings as assigned to them in the Act.

3. Purpose

The key purpose of this policy is to:

Define what Corporate Social Responsibility ('hereinafter referred to as CSR') means to us and the approach adopted to achieve our goals.

Define the kind of projects that will come under the ambit of CSR.

Identify broad areas of intervention in which the company will undertake projects.

Serve as a guiding document to help execute and monitor CSR projects.

Elucidate criteria for partner implementation agencies.

Explain the manner in which the surpluses from CSR projects will be treated.

4. Concept of Corporate Social Responsibility

CSR means and includes but is not limited to:

Projects or programs relating to activities specified in Schedule VII of the Companies Act, 2013. Projects and programs relating to activities undertaken by the Board of Directors of the Company in pursuance of the recommendations of CSR Committee of the Board.

5. Objective & Scope

The main objective of the CSR Policy is to lay down guidelines for the Company to make CSR as one of the key focus areas that focuses on making a positive contribution to society through high impact, sustainable programs.

This Policy covers current as well as proposed CSR activities to be undertaken by the Company and examining their alignment with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

6. CSR Committee

Constitution

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the CSR Committee. The Members of CSR shall be appointed by the Board of Directors of the Company which must consist of at least three or more Directors.

CSR Committee shall be responsible for the implementation/monitoring and review of this policy and various projects/activities undertaken under the policy. The CSR Committee shall submit periodical reports to the board of directors.

As per Section 135(9) "Where the amount spent by a company does not exceed fifty lakh (50 lakhs) rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable

and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.”

Therefore, where the CSR obligation of the Company does not exceed ₹50 lakh in a financial year, the functions of the CSR Committee shall be discharged by the Board of Directors in accordance with Section 135(9) of the Act.

References to the ‘**CSR Committee**’ in this Policy shall be deemed to include the ‘Board of Directors’ in cases where the provisions of Section 135(9) of the Companies Act, 2013 are applicable.

Powers of the Committee:

- Formulate CSR Policy and recommend the Policy & CSR Activities to the Board of Directors of the Company for approval
- Approve to undertake CSR activities in collaboration with other Companies/firms/NGOs etc. and to separately report the same in accordance with the CSR Rules
- Recommend the CSR Budget
- Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules
- Create transparent monitoring mechanism for implementation of CSR Initiatives in India and Submit the Reports to the Board
- Monitor CSR Policy and activities under the same for effective implementation from time to time

Frequency of the Meetings of the CSR Committee:

- a) The CSR Committee shall meet as and when required as mutually agreed by the CSR Committee Members.
- b) Majority Members of the CSR Committee should be present to constitute quorum for the meeting.
- c) The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio-visual means in accordance with the provisions of the Companies Act, 2013 and rules made thereunder from time to time.
- d) Members of the Management shall be the Permanent Invitees to the said Meeting.
- e) Other Members of the Senior Management may attend the CSR Committee Meetings as may be appropriate, subject to the approval of the CSR Committee.
- f) Minutes of the CSR Committee shall be placed before the Board for noting.

7. CSR Budget

The committee shall endeavor to spend at least 2% of the average net profit during the preceding 3 financial years on CSR activities as enumerated above. The allocation of the fund shall be made as follows:-

- i. The amount sanctioned by the Board of Directors shall be utilized for the projects/programs as specified by the CSR committees of the Company.

- ii. The unspent amount, if any, at the close of the financial year shall be dealt with in accordance with Section 135(5) and 135(6) of the Companies Act, 2013:
- (a) Unspent amount relating to ongoing projects shall be transferred to a special account titled ‘Unspent CSR Account’ within 30 days from the end of the financial year and shall be spent within three financial years.
- (b) Any other unspent amount shall be transferred to a fund specified in Schedule VII within six months from the end of the financial year
- iii. Others – as decided by the CSR Committee based on the evaluation of specific project/activities.

In case the Company fails to spend the above targeted amount in that particular financial year, the Committee shall submit a report in writing to the Board of Directors specifying the reasons for not spending the amount which in turn shall be reported by the Board of Directors in their Directors’ Report for that particular Financial Year. Surplus arising out of the CSR initiatives shall not form part of the business profits of the Company.

Exclusions

The following activity shall not form part of the CSR activities of the Company:-

The CSR projects and programs that are implemented by the Company for benefit of the employees of the Company and their families, exclusively.

The CSR activities undertaken/implemented outside India.

Any amount directly or indirectly contributed towards any political party under Section 182 of the Act.

Activities that are undertaken by the Company in pursuance of its normal course of business.

CSR activities shall not include activities that are undertaken for the exclusive benefit of employees, sponsorship activities undertaken for marketing benefits, or any expenditure incurred as statutory obligation, fine or penalty.

8. Implementation

The time period/duration of each project/program to be implemented by the Company shall depend on its nature, extent of coverage and intended impact of such activity.

The Company may undertake CSR activities through implementing agencies that are eligible in terms of Rule 4(1) of the CSR Rules and registered with the Central Government by filing Form CSR-1.

9. Monitoring & Reporting

Monitoring Mechanism:

The CSR Committee will be responsible for monitoring the CSR activities and report to the Board from time to time. The CSR Committee has the powers to Seek monitoring and implementation report from the Organizations receiving funds, delegate a designated company official to co-ordinate with the Organization receiving funds to inspect the activities undertaken and ensure information in a timely

manner. The CSR Committee/Board shall formulate and recommend an Annual Action Plan in accordance with Rule 5(2) of the CSR Rules and monitor implementation on a periodic basis.

Additionally, the Committee may empower the Director to spend such amount as they think appropriate for some other strategic CSR contingencies that may arise during any financial year. The amount spent as above shall be put up for ratification of the Committee at its next meeting and shall report to the Board accordingly. The CSR Committee has to do Continuous Monitoring:

- i. The Committee Members will receive in a prescribed format, a quarterly report of CSR spends;
- ii. A presentation on the progress of the CSR projects / activities will be made to the Committee by the CSR Executives at the Committee meetings held from time to time;

10. Reports

CSR Committee has to prepare reports that are required to be placed before the Board. The format of the Report shall be the format prescribed under the CSR Rules stated hereunder:

SN	CSR Project or Activity Identified	Sector which the project is covered	Project or Programs 1) Local Areas, 2) Specify the state and district where projects or programs was undertaken	Budget (Project or Program	Amount spent on Project or Program	Cumulative Expenditure	Amount Spent Direct or through Agency	Target Date & Status
					a) Direct Expenditure			
					b) Overheads *			

*Administrative overheads shall not exceed 5% of the total CSR expenditure of the Company for the financial year.

11. Publication

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website, if any.

12. Impact Assessment

Where applicable under Rule 8(3) of the CSR Rules, the Company shall undertake impact assessment of its CSR projects through an independent agency, and the cost thereof shall be booked in accordance with the CSR Rule.

13. Review & Amendment

The Committee shall annually review its CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board.

14. Disclosures

The Annual Report of the Company includes a section on CSR outlining the CSR Policy, CSR committee, CSR initiatives undertaken by Company, the CSR spend during the financial year and other information as required by the prevailing law.

The CSR Policy, approved projects, and composition of the CSR Committee shall be disclosed on the Company's website, if any.

Date: September 30, 2024