

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.

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 India 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.

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 Corporate Social Responsibility (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) the constitution of CSR Committee is not applicable on our company. The Board is empowered to constitute the CSR Committee whenever the applicability arises.

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 Company 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. The unspent amount, if any, at the close of the financial year shall be retained by the Company and shall be spent only on specified projects/programs.
- ii. 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.

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.

8. Implementation

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

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.

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 spend;
- 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:

S N	CSR Project or Activity Identified	Sector which the project is	Project or Programs 1) Local Areas, 2) Specify the state	Budget (Project or Program	Amount spent on Project or Program	Cumulativ e Expenditu re	Amou nt Spent Direct or throug	Targe t Date & Statu s
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		covered	and district where projects or programs was undertaken				h Agenc y	
					a)Direct Expenditur e			
					b)Overhea ds			

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. 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.

13. Disclosures

The Annual Report of the Company include 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.

For & on behalf of the Board

ASSA ABLOY India Private Limited

Raman Koul (Director)

Authorised Signatory



Date: December 14, 2022