CSR AT CHILLIBREEZE SOLUTIONS PRIVATE LIMITED

CSR POLICY

CONTENTS

CONTEXT

ChilliBreeze Solutions Private Limited is committed to operate and grow its business in a socially responsible way. The Company's focus has always been to contribute to the sustainable development of society and the environment and to make our planet more liveable for future generations. It's the foundation for our relationships. It shapes the value we create for all our stakeholders. It governs our business model. We have long held the belief that being a responsible, sustainable business makes a stronger, better business. We are committed to the strategy to create a movement in which all our stakeholders will be part of building a better future.

COMPANY'S OBJECTIVES AND PHILOSOPHY

Vision – "Our Purpose is to raise and develop responsible people who add increasing value to others and discover meaning through the transformational power of work"

Mission – "Chilli Breeze is committed to Reimagining the work! Strong and honest profits and heightened sense of urgency drive us to build capabilities that continually add value to others, making us a preferred partner for our employees, customers, suppliers, families and communities."

This Corporate Social Responsibility (CSR) Policy of the Company, as recommended by the CSR Committee and approved by the Board of Directors (Board), outlines a clear agenda through which we will continue to contribute to the community at large. The objective of this Policy is to set the direction for the CSR activities of the Company by defining the governance, implementation, and monitoring framework of the activities to ensure effectiveness.

Our multi-stakeholder model is being embedded into the business completely, so the business can continue to be a force for good. Our Compass strategy has a comprehensive and ambitious set of commitments and actions to:

- Improve the health of the planet;
- Improve people's health, confidence and wellbeing; and
- Contribute to a fairer, more socially inclusive world.

Apart from the aforesaid initiatives of the Company encompassing sustainability in business, the Company has been actively engaged in various CSR projects involving, inter-alia, water conservation, nutrition, health, cleanliness, waste management and environmental sustainability.

REGULATORY FRAMEWORK

With the enactment of the new Companies Act, 2013 and the Rules framed thereunder by the Central Government during February 2014 the mandatory provisions of the Corporate Social Responsibility (CSR) Policy have been formally introduced for its adherence by all the Indian Companies which fulfils the criteria as envisaged under **Section 135** of the Companies Act, 2013. The Ministry of Corporate Affairs has also issued guidelines indicating various activities to be undertaken by a Company under CSR vide notification **No.1/5/2013 – CL-V dated 27.02.2014** which shall come into force **with effect from 01.04.2014**. The law also guides companies to apply the scope as defined under **Schedule VII** to the Act liberally to follow the law in letter and spirit. In this background, it is necessary to respond to these reform measures undertaken by the Government.

FOCUS AREAS

SL NO.	FOCUS AREA	DETAILS
1	Education	Promoting education, including special education and employment enhancing vocational skills especially among lower strata or poorer sections of the society or differently abled adults or eligible children towards their livelihood enhancement projects.
2	Environmental Sustainability and Water Conservation including drinking water and creating Eco Model Villages	Environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources, measures to prevent climate change and creating water positive, zero waste to landfill and carbon neutral villages. Promoting water security, water use efficiency, regenerative agriculture. Supporting awareness generation, innovation and incubation. Supporting implementation for soil and moisture conservation in flagship government programmes including National Rural Employment Guarantee Scheme (MGNREGS).
3	Promoting Health & Hygiene and Nutrition	Promoting and encouraging healthy and hygienic habits; focus on nutrition; advocacy for behavioural change; sanitation and cleanliness; waste management, collection and segregation; providing necessary medical support through Telemedicine Centres, Mobile Medical Units, Health Camps, etc.
4	Disaster Response	Managing and responding to disasters, if any, measures for disaster recovery; undertaking relief, rehabilitation and re-construction measures and activities.

While the Company will primarily engage in the CSR activities specified in the aforesaid focus areas, the Company can support or undertake any of the following activities as per Schedule VII to the Act, as amended, attached as **Annexure A.** The list is illustrative and must be interpreted liberally to capture the essence of the subjects enumerated above.

This CSR Policy issued pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time has been recommended by the CSR Committee of the Board and adopted by the Board. It can be downloaded from our website: **http://www.chillibreeze.com.**

CONSTITUTION AND COMPOSITION OF CSR COMMITTEE

Pursuant to provisions of Section 135 (9) of the Companies Act, 2013 as introduced by the Companies (Amendment) Act, 2020 provides for an exemption from the requirement to constitute a CSR Committee where the amount to be spent by the company under section 135(5) of the Act does not exceed Rs. 50 lakhs in a financial year. In such cases, the functions of CSR Committee as provided under section 135 of the Act shall be discharged by the Board of Directors of such a company. Therefore, the requirement of constituting the CSR Committee shall not be applicable to the Company. However, the Board shall constitute a CSR committee for the implementation and monitoring of the CSR activities.

The CSR Committee shall consist of four members comprising of ***Mrs Joanna Perkins Budelman (Director, DIN 01930229), Mr Ralph Tiffany Budelman (Managing Director, DIN-01930295) Mrs Vilasini Krishnakumar (Director, DIN- 02175566) and Mr. Kim Khongwir.*** The members of the CSR Committee shall elect one of them as the Chairman of the Committee. The CSR Committee shall recommend to the Board the amount of expenditure to be incurred by the Company on CSR activities and the Board will ensure that the activities as are included in the CSR

Policy are undertaken by the Company subject to and in accordance with the provisions of Section 135 of the Act.

Though the overall supervision, monitoring, guidance will be provided by the CSR Committee, the actual implementation of various initiatives will be broad-based with the involvement of various employees/units of the Company or through implementing agencies like NGOs, Trusts, Section 8 companies or through collaborative projects with other corporates.

The composition of the CSR Committee shall be disclosed in the Board's report.

SCOPE OF CSR COMMITTEE

The CSR Committee shall formulate and recommend to the Board an annual action plan in pursuance of its CSR Policy as stipulated under the Act including:

I. The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
II. Formulate and recommend to the Board, the CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII
III. Recommend the amount of expenditure to be incurred on the activities referred to in the CSR Policy.
IV. Monitor the CSR Policy from time to time.

AMOUNT OF EXPENDITURE TO BE INCURRED ON CSR ACTIVITIES

The Company will endeavour to spend the following amounts for CSR activities in pursuance of this Policy

- In every financial year, at least 2(two) per cent of the "average net profits" of the Company made during the 3(three) immediately preceding financial years.

  The "average net profits" shall be calculated in accordance with the provisions of section 198 of the Act.

- Any income or surplus arising out of the CSR activities.

- Amount spent on CSR activities shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but will not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013.

- Any surplus arising out of the CSR activity will not be part of the business profits of the Company.

- The CSR Committee will approve the expenditure on CSR activities within the monetary limits sanctioned by the Board for such activities.

SURPLUS OF CSR ACTIVITIES

The CSR activities undertaken/to be undertaken by the Company are not expected to lead to any additional surplus. However, if any additional surplus is generated, it would be dealt in compliance with the provisions of the Act.

MODALITIES OF IMPLEMENTATION/EXECUTION

- CSR activities may be initiated/implemented/executed either:

  I. Directly by the Company.

  II. Through its extended arm an implementing agency, a registered trust under provisions of Sec. 12A of Income Tax Act, 1961, established by the Company; or

  III. The Company may undertake ongoing projects or programs or CSR activities in such a manner that the CSR Committee's report and recommendations on such projects or programs are in accordance with the rules framed under the Act

- The CSR projects or programs or activities shall be undertaken within India and the Company may give preference to the local area and areas around it where it operates.

- Contribution of any amount directly or indirectly to any political party under Section 182 of the Act, shall not be considered as CSR activity

- CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.

- CSR activities do not include the activities undertaken in pursuance of normal course of business of a Company.

- CSR activities do not include any sponsorship activities which result in deriving marketing benefits to the products of the Company;

- CSR activities do not include activity carried out for fulfilment of any other statutory obligations under any law in force in India

MONITORING CSR

The amount released for CSR will be monitored by the Board at a regular interval and submit its report considering both physical and financial progress in implementation of projects/programs/activities during its next or subsequent meetings as and when CSR is released The CSR Committee will periodically monitor the implementation of the projects/programs/activities under the CSR Policy and report the progress of CSR initiatives and activities to the Board on a periodic basis.

The CSR Committee shall also furnish a responsibility statement to the Board that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

ROLE OF THE BOARD

The role and responsibility of the Board shall include:

- Approval of the CSR Policy after taking into account the recommendation of the CSR Committee and display the contents of the Policy on the company's website in the manner prescribed under the Companies Act, 2013.

- Reporting in the Board's report brief outline of the CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs, the composition of the CSR Committee, average net profit of the Company for the last 3 (three) financial years, prescribed capital expenditure and details of the CSR spent during the financial year as prescribed by the Companies Act, 2013 and the rules framed thereunder.

- Ensure that the CSR projects/ programs/activities are undertaken and executed by the Company as per the CSR Policy and give reasons, in case the spend on CRS activities/projects/programs is less than 2(two) per cent of the average net profit of the last 3(three) financial years, in its Board report

  Board guidelines for consideration of the proposal and approval of CSR projects/programmes and activities.

  I. Individual proposals have to be within the framework of the CSR Projects/programmes/activities.

  II. Every CSR proposal has to be presented with the support of projects, inter–alia covering its activities, time frame, financial requirements, organizational responsibilities outcome/excepted result and sustainable aspects.

  III. Appropriate financial powers will be delegated to the CSR Committee for consideration, approval release of funds under the overall frameworks of CSR policy.

  IV. The phase wise release of funds will be clearly defined in the proposal to ensure proper utilization and submission of periodical progress reports of both physical and financial programmes/projects/activities.

  V. The projects sanctioned under CSR may be named after the Company wherever applicable and necessary plaques in this regard will be put up the projects concerned.

ANNUAL ACTION PLAN

The annual action plan shall include the following:

I. List of projects/programmes to be taken up during the year
II. Manner of execution of such projects or programmes
III. Modalities of utilisation of funds and implementation schedules for the projects or programmes
IV. Monitoring and reporting mechanism for the projects or programmes

The action plan to be approved by the Board within first quarter of the financial year. On the recommendation of the CSR Committee, the Board may alter such plan at any time during the financial year, based on reasonable justification.

UNSPENT CSR AMOUNT

Any earmarked CSR amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the "Unspent Corporate Social Responsibility Account" (UCSRA) and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

REPORTING

The CSR Committee of the Board, based on reports presented by the CSR Team, will annually publish report on the CSR projects as a part of the Director's report. The report will disclose information in the format as prescribed under Section 135 of the Companies Act 2013. The CSR Committee shall also submit a responsibility statement to the Board that the implementation and monitoring of the CSR Policy is in compliance with the approved CSR Policy of the Company in a scheduled manner.

The Company shall undertake impact assessment for its CSR projects and disclose the same in the Annual Report on CSR in case the Company is obliged to spend an average amount of Rs. 10 Crores or more as a part of CSR in the three immediately preceding Financial Years. Further, Impact Assessment shall be conducted in respect of CSR Projects having outlays of Re. 1 Crore or more and which have been completed in not less than one year before undertaking impact study.

The Composition of CSR Committee, CSR Policy and Projects approved by the Board shall be displayed on the website of the Company including any modifications thereof.

AUDIT

In addition to the continuous monitoring of the activities by a separate Project Monitoring Unit, all the CSR activities and expenses incurred in connection with implementation of plans/programs under CSR activities of the Company will be subject to audit by the Company Auditors.

CONCLUSION

The CSR policy of the Company as enumerated above is only illustrative in nature and will be amended from time to time to be in line with the overall applicable provisions of Companies Act as amended from time to time and Rules framed there under.

COMPOSITION OF CSR COMMITEE

At Chillibreeze, we believe in giving back to the society. Our CSR Committee includes the following people:

NAME OF THE PERSON	DESIGNATION	ROLE
Mrs. Joanna Perkins Budelman	Director	CSR Committee Chairman & Member
Mr. Ralph Tiffany Budelman, Managing Director	Managing Director	Committee Member
Mrs. Vilasini Krishnakumar	Director	Committee Member
Mr. Kim Khongwir	CSR Implementor	Other CSR members

CSR PROJECTS APPROVED BY THE BOARD

The Board has approved CSR Projects as per Schedule VII to the Companies Act, 2013.

LIST OF ACTIVITIES AS PER SCHEDULE VII OF THE ACT

I. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

II. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

III. 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, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including 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 including 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widow;

VII. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympics sports;

VIII. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

IX. Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

X. Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);

XI. Rural development projects;

XII. Slum area development; and

XIII. Disaster management, including relief, rehabilitation and reconstruction activities.