



CORPORATE SOCIAL RESPONSIBILITY POLICY

Reviewing Authority	Corporate Socially Responsible Committee
Approving Authority:	Board of Directors of the Company
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Review Cycle:	At such intervals as prescribed under Companies Act, 2013
Applicability	The Company

1. Definitions of words

- (i) "Act" means the Companies Act, 2013.
- (ii) "Board of Directors" or "Board" means the collective body of the directors of the company.
- (iii) "Company" means Avlock International India Private Limited.
- (iv) "CSR Committee" means Corporate Social Responsibility Committee constituted by the Board of Directors of the company.
- (v) "CSR Policy" means CSR Policy of Avlock International India Private Limited.
- (vi) "CSR Rules" means the Companies (Corporate Social Responsibility.
- (vii) "Implementing Agency" means any entity registered with Ministry of Corporate Affairs for undertaking CSR projects, which is engaged by the company to implement various projects in pursuance of CSR Policy.

Any term used in this policy but not defined herein shall have the same meaning assigned to them under the Act and CSR Rules as applicable to the company.

2. Objective of the CSR Policy

- a) The objective of this Policy is to continuously and consistently:
 - i. Define and lay down the guiding principles and strategies implementing Company's CSR initiatives.
 - ii. Outline our Board's vision and approach for undertaking CSR and creating impact in the communities.
 - iii. To articulate Company's core philosophy of corporate social responsibility

3. CSR Approach and Guiding Principles

- a) Giving back to society is embedded in the value system of Company and we believe and aim to bring about a positive change in the nation. As an integral part of our commitment to Good Corporate Citizenship, we at Avlock International India Pvt. Ltd. (Avlock), believe in actively assisting in the improvement of the quality of life of people in our communities. We believe we not only exist to do good business but also to ensure the betterment of society and focus our CSR to integrate economic, environmental, and social objectives with the company's overall vision and mission.
- b) Towards achieving long-term stakeholder value, we shall always continue:
 - i. To serve the social, economic, healthcare, and cultural interest of human beings in the community.
 - ii. To undertake various initiatives to uplift quality of life and well-being of people.

- c) The following factors shall be considered while choosing areas to undertake CSR activities:

Location: Avlock will focus on geography across India in both rural, urban, semi-urban including slums etc. Avlock will work with specific geography (like aspirational district) and where socio-economic indicators are not robust. The company may also focus on geography if there is some call from country leadership in interest of upliftment of the less privileged.

Some of the criteria that will govern the geographical location are -i) Proximity to Company area (not exhaustive) so that it is easy to support and monitor ii) Connectivity will also form a filter to choose location. iii) digital communication will also be criteria to see as most rural parts digital connectivity are not strong.

Community: Avlock would be serving the community in rural and urban areas, irrespective of its religion, caste, and creed. Beneficiaries may include adolescents (both rural, urban) women and their influencers, disabled. Company will not discriminate against anyone based on caste /creed/ place, religion etc. However, focus will be given to community/beneficiaries with less of opportunities.

4. The Regulatory Framework

- a) The Companies Act 2013 together with the Companies (Corporate Social Responsibility Policy) Rules, 2014 notified thereunder as amended from time to time ("The Act") and Schedule VII to the Act read with Section 135 of the Act, provides a framework for companies to define the key thrust areas in the CSR space.
- b) The Act also provides instructions on agencies eligible for implementation through which companies may spend their CSR Expenditure and mandates assessing the impact of the Company's projects in certain cases.
- c) All CSR projects of the Company will be in line with the CSR vision, as well as areas listed in Schedule VII of the Companies Act, 2013.

5. Key Thrust Areas

- a) In line with Schedule VII to the Act on the CSR activities, the CSR efforts of the Company will be primarily dedicated in the following areas:

Sr. no.	SDG	Core Activities
1.	SDG 3	Good Health and well-being: Promoting good health and well-being including preventive health care. This is apart from the diagnostics/pathology business. Health and Well-being: Promoting health and well-being initiatives, such as access to healthcare services, disease prevention programs, and promoting healthy lifestyles among communities
2.	SDG 4	Promoting Quality Education: Promoting education including continuing medical education and nurturing young medical talent.
3.	SDG 5	Gender Equality: Promoting gender equality and empowering girls and women. The focus is to create awareness & education for adolescents which impacts their well-being.
4.		Community Engagement: This involves engaging with local communities, understanding their needs, and contributing to their well-being through various initiatives such as education, healthcare, infrastructure development, etc.
5.		Philanthropy and Social Investment: Supporting social causes and initiatives through financial contributions, volunteerism, and partnerships with non-profit organizations or foundations.

6.		Education and Skill Development: Investing in educational programs and skill development initiatives to empower individuals and communities, enhance employability, and contribute to socio-economic development.
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- b) The Board of the Company on the recommendation of the CSR committee may make changes to the above list from time to time as it may deem fit.

6. **Implementation**

- a) Subject to the provisions of the Act as applicable from time to time, the Company may carry out its CSR activities through following Engagement Model- with the Company committed towards improving the lives of India's most marginalized and vulnerable communities.
- Either by itself or.
 - Through Implementing agency (IA) /NGOs
 - Through the companies / entities specified therein, OR
 - In collaboration with other Companies.
- b) The Management shall consider the following for deciding the mode of implementation of the CSR activities.
- i. **Leveraging Implementing Partners Strength and Expertise:** NGOs or Implementing agencies (IA) are often close to the community they serve. They have experience on the specific theme and understand the rural and urban community well. They have good community mobilization experience and can address specific social or environmental issues. They have in-depth knowledge and expertise in their respective areas, making them highly effective in implementing CSR projects related to those issues.
 - ii. **Local Knowledge and Presence:** NGOs are usually deeply embedded in local communities. They understand the unique challenges, needs and opportunities of these communities, which is invaluable for designing and executing impactful CSR initiatives.
 - iii. **Shared Values and Objectives:** Partnering with another company that shares similar values and CSR objectives can lead to a more cohesive and

aligned approach to social and environmental responsibility.

- iv. **Technology and Infrastructure:** Companies may have advanced technologies or infrastructure that can be leveraged for CSR initiatives, especially in areas like renewable energy, waste management, or sustainable production.
- v. The final projects approved by the Board on the recommendation of the CSR Committee will be sent to the CSR function of the Company who in turn will break down the projects into time-bound targets and action plans.

c) **Capital Asset**

Capital assets acquired or created by CSR projects should be held by the beneficiaries of the said CSR project or a trust or a public authority for the benefit of all. The company should take appropriate measures to ensure that such assets are utilized for the purpose it was meant for and should not be transferred or disposed off without prior permission of the company.

7. Governance and Monitoring Process

a) **Board Level CSR Committee**

The Company has a well-defined structure to oversee the implementation of the CSR Policy and monitoring of CSR projects as per the requirements of Section 135 of the Act.

The Corporate Social Responsibility Committee ("CSR Committee") of the Board, constituted as per the provisions of the Act, shall be responsible to:

- i. Formulate and approve revisions to the CSR Policy and recommend the same to the Board for its approval. The CSR Committee shall be fully responsible for the monitoring and review of the implementation of this policy in accordance with applicable laws from time to time. The CSR Committee shall provide recommendations as and when it deems necessary to the Board so as to amend/ modify/ revise the CSR Policy.
- ii. Recommend the annual CSR expenditure budget to the Board for approval.
- iii. Formulate and recommend an Annual Action Plan (including any revisions thereto) to the Board for its approval.
- iv. Review implementation of CSR activities of the Company within the applicable framework.

b) CSR Execution Team

The Company's CSR Programs shall be driven by a dedicated CSR Team under the guidance and support of the CSR Committee. The CSR Team would play a significant role in implementation of the CSR Programs ensuring that the same are in line with the policy and the purview of the applicable laws governing CSR.

8. Annual Action Plan

- a) The CSR Group Head shall on an annual basis place the Annual Action Plan for the approval of the CSR Committee. (Board)
- b) The Board Level CSR Committee of the Company shall approve and recommend an Annual Action Plan. The Annual Action Plan shall include:
 - i. the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
 - ii. the manner of execution of such projects or programs.
 - iii. the modalities of utilization of funds and implementation schedules for the projects or programs.
 - iv. monitoring and reporting mechanism for the projects or programs; and
 - v. details of need and impact assessment, if any, for the projects undertaken by the company.

Further, the Board level CSR committee may during the financial year, may alter the action plan

9. CSR Expenditure & Budget

- a) The overall amount to be committed towards CSR will be approved by the Board of Directors as a part of its Annual Action Plan. Within the Budget, allocation towards CSR initiatives/projects will be approved by the CSR Committee of the Board.
- b) CSR expenditure will include all amounts incurred/contributed by the Company towards its CSR Programs. CSR expenditure shall also include all direct and indirect expenditure incurred towards the CSR Programs as may be admissible under the regulatory framework.
- c) In line with the requirements of the Act, Administrative overheads i.e., all expenses towards 'General Management and Administration' of CSR

activities of the Company such as salaries and wages, office rent and utilities, office supplies and equipment shall be capped at a maximum of 5%. Further, this would not include expenses incurred by the Company towards designing, implementation, monitoring, and evaluation such as training, auditing, research, and development etc.

- d) Expenditure up to a maximum of 5% of the total CSR expenditure for that financial year or 50 lakh rupees (whichever is lower) can be incurred separately for impact assessment.
- e) The surplus, if any, arising out of the CSR projects shall not form part of the business profit of the Company and shall be ploughed back either to the same project from which such surplus arose or be spent in accordance with the Annual Action Plan or transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- f) Any amount remaining unspent, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken in pursuance of Policy, shall be transferred, 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, and such amount shall be spent 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.
- g) Subject to the provisions of the Act, the Company may also utilize its CSR spend towards creation or acquisition of a capital asset, which shall be held by:
 - i. a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
 - ii. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - iii. a public authority

10. **Impact Assessment and Reporting**

- a) The Company shall undertake Impact Assessment through an Independent Agency (External) in the following events:
 - i. The average CSR obligation of the Company in the 3 immediately preceding financial years becomes Rs.10 Crore or more, then Impact Assessment shall be done.
 - ii. for all projects of Rs.1 Crore or more which have been completed not less than 1 year before undertaking the impact study; and
 - iii. On the direction of the CSR Committee for all such projects as the Committee may deem fit.
- b) The Impact Assessment reports shall be placed before the Board and shall be annexed to the Annual Report of the Company.
- c) **Social Audit:** Social audit as part of assessment of s CSR initiative will encompass review of a company's endeavors, procedures, and code of conduct regarding social responsibility. A social audit assessment will help to understand the performance of a program in fulfilling its intended social objectives and ethical vision through consultation with a range of stakeholders including social program beneficiaries, community members, government officials and verifying the information obtained with documents and physical. This will in turn help to improve the CSR program and build a strong CSR portfolio. This will not form the operational cost.
- d) The Account & Finance Head of the Company shall certify to the Board on an annual basis that the funds disbursed by the Company towards CSR activities have been utilized towards the same effect.
- e) The Impact Assessment cost will not form part of the operational costs.

11. **General**

The CSR Policy of the Company shall be revised or amended by the Board from time to time on the recommendation of the CSR committee, if any. CSR Policy and activities undertaken shall be disseminated on a website for public access and shall be published in the Annual Report of the company in the format prescribed under the Act and CSR Rules.