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## 1. Objective

- 1.1. The objective of this Policy document is to articulate **Marico's core philosophy** of social responsibility, to define the **areas** chosen by Marico to impact the society with its efforts towards Corporate Social Responsibility ("CSR") and to define the **governance & monitoring framework** for ensuring effectiveness of this Policy.

## 2. Philosophy

- 2.1. Marico's stated purpose is to "Make a Difference". This purpose has defined our reason to exist. We have always believed that we exist to benefit the entire ecosystem of which we are an integral part. We firmly believe that we belong to an interdependent ecosystem comprising Shareholders, Consumers, Associates, Employees, Government, Environment and Society and that we have a commitment to all these stakeholders.

We believe that economic value and social value are interlinked. A firm creates economic value by creating social value – by playing a role in making a difference to the lives of its key stakeholders. Furthermore, a firm cannot do this in isolation; it needs the support and participation of other constituents of the ecosystem. Sustainability comes from win-win partnerships in the ecosystem.

Marico's CSR Policy is therefore anchored on the core purpose of "Make a Difference" to the lives of all its stakeholders to help them achieve their full potential.

The Government has notified various initiatives that qualify to be CSR for the purpose of the mandatory spend applicable to the Companies. The CSR initiatives of Marico thus, for the purpose of such mandatory spend would exclude the benefits made by the Company exclusively or predominantly to its employees, shareholders, investors, creditors and business partners.

## 3. The Regulatory Framework

- 3.1. The Companies Act, 2013 ("the Act") read with the Rules framed thereunder and Schedule VII to the Act provides a framework for companies to define the key thrust areas in the CSR space. Further, the Act also provides instructions on agencies eligible for implementation through which companies may spend its CSR Expenditure. Marico's CSR Policy, the Key Thrust Areas and the implementing agencies shall therefore remain within the boundary set by the said Act, Rules and the Schedule framed thereunder.

## 4. Key Thrust Areas

- 4.1. While the Ministry of Corporate Affairs has spelt out the CSR activities under Schedule VII to the Act, in order to build focus and have a more impactful execution and with a view to make a difference, Marico's CSR efforts will be primarily dedicated in the following areas which fall within the purview of the Schedule VII to the Act:

## 4.1.1. **Education**

Marico believes that one of the most significant indicators of social progress is education. Education plays a decisive role for a society to achieve self – sustainable and equitable development. With an increasing global realization of how business community can and should contribute to social objectives, education deserves a higher level of corporate involvement. To that effect, Marico will work to solve the problems prevalent in the Indian education system thereby contributing to the growth of the nation.

## 4.1.2. **Health Care**

Marico is a keen proponent of a Healthy and active lifestyle and hence hopes to innovatively create impact in this sector. It aims to work towards identifying the root causes of the preventive as well as facilitative health care of India’s populace and work towards facilitating a healthy and fit India.

## 4.1.3. **Community Sustenance**

Communities associated with Marico directly or indirectly due to organization’s operational footprint are important stakeholders for its business. Marico believes that we will be able to truly Make a Difference in the life of all those community members by providing them a sustainable lifestyle. Apart from education and health, “Better environment” and “Ecosystem Development” are the key areas that community needs support.

- a) Ensuring better environment through infrastructural improvements in areas like hygiene, water, safety, basic needs etc. helps community members to improve their living. Marico plans to carry out such initiatives for communities residing in areas nearby to our operations.
- b) Marico works closely with its stakeholders to create a sustainable ecosystem for all. Communities related to agriculture are another important stakeholder for Marico as our products use raw material from agriculture produce. Hence, creating sustainable ecosystem and enhancing earning potential of this community through various programs becomes a key thrust area of Marico CSR agenda.

## 4.1.4. **Innovation- Scalability of Social Organisation**

Marico believes in unlocking the potential of social enterprises in India through its intervention to aid them scale faster and thus create a sustainable and equitable impact on the social ecosystem. Marico will strive to foster this value through innovation and other means to deliver scale and direct impact.

## 4.1.5. **National Emergency & Disaster Relief**

Wherever appropriate, Marico will make contributions either through donations or otherwise during National emergencies arising out of external aggression (defence of India), or major disruptions of social and communal harmony or natural disasters or humanitarian relief.

4.2. In addition to the aforementioned Key Thrust Areas, Marico may undertake and/ or contribute towards any activity listed in Schedule VII to the Act, as amended from time to time. The modalities of undertaking such activity or the manner and quantum of contribution shall be approved as prescribed in this Policy, from time to time.

## 5. Implementation

5.1. The CSR Programs shall be implemented through any of the following medium:

### 5.1.1. *Marico Innovation Foundation (MIF)*

MIF is a not – for – profit institution established in 2003 and registered as a Section 25 Company (now Section 8 of the Act) under the Companies Act, 1956., which helps businesses and social organisations to enhance its economic and social value using breakthrough innovation. MIF is a subsidiary of Marico. Marico would make contributions through capital and/ or revenue grants to MIF which in turn will deliver on the CSR Programs of Marico.

### 5.1.2. *Initiatives by Brand & Business*

While brands are one of the core sources of sustainable profitable growth, Marico believes that these brands, given their consumer connect, credibility and their trust in brands' core values, are well positioned to perform a distinct role in spearheading Marico's CSR cause. Marico would lead some of its CSR Programs through its Brands to spread awareness and credibility and quick adaptation. These will be designed to make Company's CSR spends more effective in achieving its goals and any reputational benefit which may occur to the Brands will be purely coincidental. The Business including its Brands will also lend their resources, both tangible and intangible, towards the CSR Programs of Marico.

## 6. Governance

### 6.1. Board Level

The Board will have an oversight on the adherence to this Policy. The CSR Committee, comprising a minimum of three Directors and one of whom shall be an Independent Director of the Company, shall assist the Board in the overall governance of this Policy and the CSR Programs pursuant thereto. The CSR Committee shall work under the superintendence and control of the Board. The CSR Committee shall be responsible to:

- a. Formulate and approve revisions to this Policy and recommend the same to the Board for its approval.
- b. Recommend the annual CSR expenditure budget to the Board for its approval.
- c. Approve unbudgeted CSR Expenditure / Program involving an annual outlay of more than Rs. 1 Crore and get it ratified by the Board of Directors.
- d. Nominate a CSR Team and advise the team for effective implementation of the CSR Programs and approve any change thereto.
- e. Establish monitoring mechanisms to track each CSR Program and review the same at such intervals as the CSR Committee may deem fit.
- f. Undertaking wherever appropriate benchmarking exercises with other corporates to reassure itself of the efficacy and effectiveness of Company's CSR spends.

- g. Approve the CSR disclosures which form part of the Annual Report, website of the Company etc.

## 6.2. CSR Team

6.2.1. While Marico employees at all levels are encouraged to involve themselves and participate in its CSR activities, in order to retain focus and organizational commitment, Marico's CSR Programs will 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 this Policy and the purview of the applicable laws governing CSR. The CSR Team will be responsible, *inter alia*, for:

- Co-ordination with the business function/unit/location and the implementing agencies for successful implementation of the CSR Programs;
- Reporting the progress and impact of the CSR Programs on a quarterly basis to the Chairman of the CSR Committee.

## 7. CSR Expenditure & Budget

7.1. 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.

7.2. The overall amount to be committed towards CSR will be approved by the Board of Directors as a part of its annual Budget/Plans based on the recommendation of the CSR Committee. Within the Budget the allocation towards specific CSR initiatives/projects will be approved by the CSR Committee. All projects undertaken by the Company shall be approved /ratified by the CSR Committee.

7.3. If in a given year, any unbudgeted expenditure is required to be incurred either on account of new project(s) or due to increase in the outlay for an approved project, such unbudgeted expenditure can be incurred subject to the following approvals:

7.3.1. Upto Rs. 25 Lakhs – With the prior approval of the CSR Team.

7.3.2. Between Rs. 25 Lakhs to Rs. 1 Crore – With the prior approval of the MD & CEO.

7.3.3. Above Rs. 1 Crore – With the prior approval of the CSR Committee.

7.4. The surplus, if any, arising out of the CSR projects will be used for CSR Programs only.

## 8. Monitoring & Impact Assessment

8.1. The monitoring mechanism to ensure effective implementation of the CSR Programs shall be two fold, namely:

8.1.1 A progress report on all CSR Programs under implementation with an annual outlay of more than Rs. 1 Crore individually will be shared by the CSR team with the Chairman of the CSR

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Committee on a quarterly basis. The same will be reviewed by the CSR Committee on a half yearly basis and shared with the Board of Directors for its information. Additionally, the CSR team would also endeavour to obtain feedback from the beneficiaries about these Programs. Such feedback would be shared by the CSR Team as a part of the quarterly progress report.

- 8.1.2 Social Audits shall be carried out by the Company or its implementing agency wherever necessary especially where the Programs are undertaken by the Company through implementing agencies.
- 8.1.3 The CSR Committee shall carry out a review of the amounts spent vis-à-vis the annual approved budget.
- 8.1.4 The CSR initiatives / projects of the Company shall also be reported every year in the Annual Report of the Company.

### 9. General

- 9.1. This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by the Ministry of Corporate Affairs from time to time, on the subject matter. In any case, the CSR Committee shall review this Policy every year once for making suitable amendments for better implementation thereof.
- 9.2. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.
- 9.3. The power to interpret and administer this Policy shall rest with the Chairman of the CSR Committee whose decision shall be final and binding. The Chairman is also empowered to make any supplementary rules/orders to ensure effective implementation of this Policy. These will, however, be reported to or tabled before the CSR Committee, from time to time, to ensure the CSR Committee's oversight on these issues.

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