



ADFACTORS PR
Reputation & Critical Issues Advisory

Corporate Social Responsibility Policy

CORPORATE SOCIAL RESPONSIBILITY POLICY

Approved by the Board of Directors on February 19, 2021 • Version 2.0

1. Introduction

At Adfactors PR Private Limited ("the Company"), we believe that a business is part of the society it serves, and that giving back is not an act of charity but a natural extension of the way we work. As a communications organisation, we have seen how information, skills and a clear voice can transform lives - and we want to put that understanding to work for the communities around us.

This Corporate Social Responsibility Policy (the "Policy") reflects our commitment to contribute to inclusive and sustainable social development. It is framed in keeping with Section 135 of the Companies Act, 2013 (the "Act") and Schedule VII thereto, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the "CSR Rules"), and will at all times remain subject to those provisions as amended from time to time.

2. Objective, Philosophy and Scope

The purpose of this Policy is to set out the Company's approach and direction, and the guiding principles for selection, implementation and monitoring of its CSR activities and for formulation of the annual action plan, so that our contribution is focused, credible and creates a real and lasting difference. Our philosophy is simple: to reach underserved communities with initiatives that build knowledge, skills and self-reliance, giving preference to the local areas in and around which we operate. This Policy applies to all CSR projects, programmes and activities undertaken by the Company in India.

3. Definitions

In this Policy, terms not specifically defined carry the meaning given to them under the Act and the CSR Rules. In brief:

- "Board" means the Board of Directors of the Company.
- "CSR Committee" means the Corporate Social Responsibility Committee constituted by the Board under Section 135 of the Act.
- "CSR Activities" means the projects, programmes and activities undertaken by the Company in pursuance of this Policy, within the areas set out in Schedule VII to the Act.
- "Unspent CSR Account" means the separate account opened by the Company in a scheduled bank under Section 135(6) of the Act.
- "Net Profit" means the net profit of the Company as per its financial statements prepared under the Act, computed in accordance with Section 198 of the Act and the CSR Rules.

4. Where We Focus

All CSR expenditure of the Company shall be incurred only on activities covered under Schedule VII to the Act, as amended from time to time. Within Schedule VII, our CSR work centres on the following areas, and we may take up one or more of them in any year, as decided by the Board:

- **Education and skills** - supporting quality education for underprivileged children, and building employment-enhancing vocational and livelihood skills, with a natural emphasis on digital literacy and communication and media skills, which are close to our own expertise.
- **Health and well-being** - promoting preventive and primary healthcare, sanitation and safe drinking water, helping tackle hunger and malnutrition, and promoting yoga and holistic wellness, including by supporting institutions engaged in the promotion of yoga.
- **Women and community empowerment** - advancing gender equality, helping women become self-reliant, and supporting the elderly, orphans and socially or economically disadvantaged groups.
- **Environment and sustainability** - protecting the environment, conserving natural resources and encouraging greener, more sustainable living.
- **Rural development and slum area development** - strengthening rural areas and urban slum areas through livelihood, infrastructure and development initiatives.
- **Art, culture, sports and national causes** - promoting national heritage, art, culture and sports, supporting armed forces veterans and their families, disaster management including relief, rehabilitation and reconstruction, and contributing to the Prime Minister's National Relief Fund, the PM CARES Fund and other funds set up by the Central Government as are specified in Schedule VII.

5. CSR Committee

The Board has constituted a CSR Committee to guide this work. As a private company, we are not required to have an independent director on the Committee, so it is made up of two or more of our directors. The present members are:

Sr.	Name of Director	Role in the Committee
1	Mr. Madan Bahal	Chairperson
2	Mr. Rajesh Chaturvedi	Member

The Committee's role is to recommend this Policy and the yearly CSR plan to the Board, suggest the amount to be spent and the projects to be taken up, and monitor how the work is progressing.

6. Responsibilities of the Board

The Board approves this Policy and the yearly CSR plan on the Committee's recommendation, ensures the Company spends what it is required to each year, and satisfies itself that the funds have been used for the approved purpose. The Board also ensures that this Policy and the Company's CSR activities are disclosed as required and explains in its report the reasons for any shortfall in spending.

7. CSR Expenditure

In every year in which CSR applies to the Company, we will spend at least two per cent (2%) of the average net profits made in the three immediately preceding financial years, calculated as required under the Act. CSR Expenditure covers only projects and activities that fall within Schedule VII; anything outside Schedule VII is not treated as CSR.

8. Unspent CSR Amount

Where the Company is unable to spend the full amount required in a financial year, the unspent amount shall be dealt with as follows:

- **Ongoing Projects:** the amount remaining unspent in respect of an Ongoing Project shall be transferred to the Unspent CSR Account within thirty days from the end of the financial year and spent in pursuance of the Company's obligation towards the CSR Policy within a period of three financial years from the date of such transfer. Any amount not so spent shall be transferred to a fund specified in Schedule VII within thirty days from the date of completion of the third financial year.
- **Other than Ongoing Projects:** the unspent amount shall be transferred to a fund specified in Schedule VII within a period of six months from the expiry of the financial year.

The Board shall disclose the unspent amount and the reasons for not spending it in the Board's report, as required under the Act.

9. How We Implement

We may carry out our CSR activities in whichever way gives the best outcome for a project:

- directly, by the Company itself; or
- through credible partner organisations - registered trusts, societies or not-for-profit companies that are eligible and duly registered to implement CSR.

10. Monitoring

The CSR Committee puts in place a transparent mechanism to monitor the projects it approves - through periodic progress updates & reviews - and satisfies itself that the funds released have been properly utilised for the approved purpose.

11. Reporting and Disclosure

The Company's CSR activities and spends for the year will be reported in the Board's report. The composition of the CSR Committee, this Policy will be placed on the Company's website, if any, for public access. All other disclosures will be made as required under the Act and the CSR Rules.

12. Review and Amendment

The Board may review and amend this Policy from time to time, on the recommendation of the CSR Committee, to keep it aligned with the Company's priorities and with any change in the applicable law. Any amendment to the Act or the CSR Rules shall apply to the Company automatically, and this Policy shall be read accordingly until it is formally amended.

13. Effective Date

The original Policy was adopted on May 12, 2014. The subsequent amendment was approved on February 19, 2021, and is effective from that date.