



HONASA CONSUMER LIMITED
CORPORATE SOCIAL RESPONSIBILITY POLICY
(“CSR Policy”)

(Effective from December 23, 2022)

HONASA CONSUMER LIMITED

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CSR Policy

1. Preamble / Background:

Honasa Consumer Limited ('HCL' or 'the Company') has been an early adopter of Corporate Social Responsibility ('CSR') initiatives. Along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth. The Company's focus has always been to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations.

This CSR Policy, encompasses the company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare & sustainable development of the community at large, is titled as the 'HCL CSR Policy' and shall apply to all CSR initiatives and activities taken up not only at the various work-centers and locations of the company but also in any other parts of the country, for the benefit of the society.

2. Objectives:

The CSR Policy of the Company has been formulated and adopted in terms of Section 135 of the Companies Act, 2013 (the "Act") and the Rules made thereunder. The Company will undertake CSR activities specified in Schedule VII to the Act, as may be amended from time to time.

3. Definitions:

As specified in the Act, and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

4. Composition of CSR committee:

The CSR Committee shall comprise of three or more directors, out of which at least one director shall be an independent director.

5. Focus Area:

The CSR activities will be pursued in accordance with the requirements under Schedule VII of the Act and also in line with our Vision and Mission, focused not just around our plants and offices, but also in other geographies based on the needs of the communities. HCL CSR activities, amongst others, will focus on:

Ensuring Environmental Sustainability:

Our endeavour is to prevent the further deterioration of the environment and preserve it for the future generations. Ensuring environmental sustainability, ecological balance through:

- Plantation drives in schools, villages, our manufacturing units & offices/business premises and other areas in general;
- Reviving endangered plants, promoting agro-forestry;
- protection of flora and fauna, animal welfare, conservation of natural resources and maintaining the quality of soil, air and water; adopting waste management initiatives.
- Promoting alternate energy resources.

Promoting Health care including Preventive Health care through awareness programmes, health check-ups, provision of medicine & treatment facilities.

- Providing pre-natal & post-natal healthcare facilities, prevention of female feticides through awareness creation.
- Program for preventing diseases and building immunity.
- Promoting sanitation, making available safe drinking water.

Eradicating hunger, poverty and malnutrition:

- Provision of food, nutrition supplement, clothes etc for the poor, children and other deprived sections of the society.
- Supporting nutrition in anganwadi centres and building capacities of anganwadi workers to this effect.
- Provision of shelter for homeless.
- Swasthya and Suraksha - An integrated programme aimed at improving health, nutrition, and safety standards in rural India.

6. Undertaking CSR Activities:

The CSR activities will be undertaken by the Company either directly or by implementing agency or CSR trust as approved by the Board and CSR Committee. Further, the Company may enter Memorandum of Understanding (MOU) with the implementing agencies or NGOs, which will detail the key roles and responsibilities of each of the parties for a specified project or projects identified by the Company.

7. CSR Annual Action Plan (CAAP) and Location of C S R Efforts:

The CSR Committee shall formulate and recommend to the Board of Directors, a CAAP in pursuance of this CSR Policy, which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilization, monitoring mechanism etc.

The Board of Directors may approve the CAAP with such further conditions as it deems fit and further alter CAAP at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

The Board and CSR committee will decide on the locations for CSR activities based on the projects and agencies identified by the Company and also based on the need of the society at large.

8. Governance Structure:

We have constituted a robust and transparent governance structure to oversee the implementation of our CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013 and subsequent amendments thereof.

The CSR governance structure will be headed by the Corporate Social Responsibility Committee ('CSR committee').

9. Responsibility of CSR Committee

The CSR Committee shall:

- a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as per focus areas for CSR as mentioned in this CSR Policy.
- b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a).
- c) monitor the Corporate Social Responsibility Policy of the company from time to time and review CSR expenditure to ensure funds disbursed have been utilised for the purposes and in the manner agreed upon by the Committee.

Responsibility of the Board of Directors:

- a) Review and approve the recommendations of CSR Committee in respect of annual budget for CSR;
- b) To formulate and recommend annual action plan in pursuance of its CSR Policy;
- c) To approve the CSR projects or programmes that are recommended to be undertaken in areas or subjects specified in the Act; along with the manner of execution of such projects or programmes as specified in the Act;
- d) To ensure that the funds are utilized for approved purpose and shall be certified by the Chief Financial Officer (CFO) or Person in charge of finance;
- e) To monitor the implementation of ongoing projects and make modifications in such projects to ensure smooth implementation of the project within permissible time period;
- f) To review and approve the Annual Action Plan in pursuance of the CSR Policy of the Company and make any Alteration to such Plan at any time during the financial year, as may be recommended by the CSR Committee; and
- g) In case of excess CSR Spend in any year, to approve and pass a resolution to the effect that the excess amount may be set off against the requirement to spend in the 3 immediate succeeding financial years.

h) **Impact Assessment**: In the event of the average CSR obligation of the Company in the 3 immediately preceding financial years being Rs.10 Crore or more as under:

- To undertake Impact Assessment through an Independent Agency for all projects of 1 Crore or more which have been completed not less than 1 year before undertaking the impact study.
- To consider and approve the impact assessment reports which shall be annexed to the annual report on CSR.
- The Company may account the expenditure towards Corporate Social Responsibility for the financial year in which it undertakes the impact assessment provided that this accounting shall not exceed 2 percent of the total CSR expenditure for that financial year or 50 lakh rupees, whichever is higher.

I) Communication of Policy and CSR Initiatives:

The composition of CSR Committee, CSR Policy and CSR initiatives/projects shall be disclosed on Company's website.

- i. Description of contents of CSR Policy;
- ii. An overview of CSR activities/projects or programs and reference to weblink of CSR Policy;
- iii. The composition of CSR Committee;
- iv. Average Net profit of the preceding three financial years;
- v. Prescribed CSR expenditure;
- vi. Details of amount spent;
- vii. Amount unspent, if any, and reasons for not spending the amount;
- viii. Responsibility statement of the CSR Committee that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and CSR Policy;
- ix. Any such other matters as may be specified by the governing body from time to time for inclusion in annual report.

10. Funding and Monitoring Process:

The CSR Committee will review various proposals and recommend for its approval and implementation, to the Board. 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 identified trust and/or other Executing Agency / Partners will collaborate with stakeholders to monitor the status of each project and will report its findings to the CSR Committee periodically.

The CSR team will be responsible for monitoring approved projects, by methods which may include site visits, review meetings, progress reports, etc. The CSR team of the Company has assigned to track data and monitor projects thereby ensuring transparency and efficiency in the implementation process. Projects will be evaluated against the goals and milestones defined for the project, together with the Implementing Agency (if any). The reports will be submitted to the CSR Committee for the quarterly review meetings.

11. Limitation and Amendment:

In the event of any conflict between the provisions of this CSR Policy and of the Act or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this CSR Policy. Any subsequent amendment / modification in the Act and/or applicable laws in this regard shall automatically apply to this CSR Policy.

For, HONASA CONSUMER LIMITED

**SD/-
VARUN ALAGH
CHAIRMAN**

Version	Adopted on	Date of last approval	Approved by
V.1.1	December 23, 2022	N.A.	Board of Directors