

CONTENTS

1. Objective 2

2. Philosophy 2

3. The Regulatory Framework..... 3

4. Key Thrust Areas 3

5. Implementation 4

6. Governance 5

7. Annual Action Plan 6

8. CSR Expenditure & Budget..... 6

9. Monitoring & Impact Assessment..... 7

10. General..... 7

Version:

Version approved by: The Board of Directors of LT Foods Limited

Version approved on:

Last Modified on: Nil

Effective Date:

Next Review on: Annual

1. Objective

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

2. Philosophy

- 2.1. LT Foods'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.

LT Foods'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 companies. The CSR initiatives of LT Foods 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 together with the Rules notified thereunder as amended from time to time ("The Act") and Schedule VII to the Act provides a framework for companies to define the key thrust areas in the CSR space. The law also guides companies to apply the scope as defined under Schedule VII liberally. Further, the Act also provides

instructions on agencies eligible for implementation through which companies may spend its CSR Expenditure. The Act also mandates assessing the impact of the Company's projects in certain cases. LT Foods's CSR Policy, the Key Thrust Areas and the implementing agencies shall therefore remain and operate within the boundary set by the law.

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 – with a view to make a difference, LT Foods's CSR efforts will be primarily dedicated in areas with the following guiding principles:

4.1.1. ***Improve Scalability of social organisations***

LT Food's 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. LT Foods will strive to foster this value through innovation and other means to deliver scale and direct impact thereby benefiting the underserved communities.

4.1.2. ***Community Development***

Community Development is integral for building a harmonious relationship with the community dwelling in the periphery where LT Foods operates which will go long in supporting one another for a sustainable growth. LT Foods will therefore work towards upliftment of communities and villages that border LT Foods's workplaces/units.

4.1.3. ***Education***

LT foods also believes that one of the most significant indicators of social progress is education, which also plays a decisive role for a society to achieve self – sustainable and equitable development. Further, infusing innovation in Education will enable further impact. With an increasing global realization of how business community can and should contribute to social objectives, education deserves a higher level of corporate involvement.

4.1.4. ***Increasing reach of Health Care***

LT Foods is a keen proponent of Healthcare and hopes to innovatively create impact in this sector. It aims towards preventative as well as facilitative health care of

India's populace.

4.1.5. **Livelihood enhancement**

Providing livelihood opportunities is critical for economic empowerment of the nation. Creating sustainable livelihood and enhanced earning potential to the farmer community through knowledge, innovation and transformative actions is therefore another thrust of LT Foods's CSR.

4.1.3 to 4.1.5 are also intended to help and assist the nation fully harness the potential of its demographic advantage of a young and growing population.

4.1.6 **National Emergency & Disaster Relief**

Wherever appropriate, LT Foods 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.

5. **Implementation**

Subject to the provisions of the Act as applicable from time to time, the Company may carry out its CSR activities :

- (a) Either by itself; OR
- (b) through such Implementing Agencies permitted under the Act; OR
- (c) in collaboration with other Companies.

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

5.1.1 **LT Foundation**

LT Foundation, a not-for-profit organisation, was established in 2021 & is registered as a Section 8 company under the Companies Act of 2013. The prime objective of the institution is to undertake, assist, support and promote the development of communities across the nation.

5.1.2 **Initiatives by LT Foods Brand**

While brands are one of the core sources of sustainable profitable growth, LT Foods 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 LT

foods's CSR cause. LT Foods 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 LT Foods.

6. Governance

6.1. Board Level

The Board will have an oversight on the adherence to this Policy. The Corporate Social Responsibility Committee ("CSR Committee") of the Board, comprising a minimum of three Directors and one of whom at least will be an Independent Director of the Company, shall assist the Board in the overall governance of the 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 headed by the Chairman of the Company and shall be responsible to:

- Formulate and approve revisions to the CSR Policy and recommend the same to the Board for its approval;
- Formulate and recommend an Annual Action Plan (including any revisions thereto) to the Board for its approval;
- Identify projects of the Company as 'Ongoing Projects';
- Recommend the annual CSR expenditure budget to the Board for approval;
- Approve unbudgeted CSR projects where the annual outlay is more than Rs. 1 Crore but not exceeding 20% of the total CSR budget for the financial year;
- Review implementation of CSR activities of the Company within the applicable framework;
- Nominate a CSR Team and advise the team for effective implementation of the CSR Programs.
- Set monitoring mechanisms in place to track the progress of each project and track these projects at a half yearly intervals
- Undertaking wherever appropriate benchmarking exercises with other corporates to reassure itself of the efficacy and effectiveness of Company's CSR spends.
- Approve the disclosures which are part of the Annual Report

6.2. **CSR Team**

6.3. While LT Foods employees at all levels are encouraged to involve themselves and participate in its CSR activities, in order to retain focus and organizational commitment, LT Foods's CSR Programs will be driven by a dedicated CSR Team under the guidance and support of the CSR Committee and the MD & CEO. 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. The CSR Team will be responsible *inter alia* for:

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

7. **Annual Action Plan**

The CSR Committee of the Board of Directors of the Company shall on an annual basis, recommend an Annual Action Plan to the Board for its approval. The Annual Action Plan shall include:

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programmes;
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company.

Further, the Board may during the year, at the recommendation of the CSR Committee alter such plans.

8. **CSR Expenditure & Budget**

8.1. 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.

- 8.2. 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 shall be capped at a maximum of 5%. Further, these would not include expenses incurred by the Company towards designing, implementation, monitoring and evaluation.
- 8.3. 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 the allocation towards specific CSR initiatives/projects will be approved by the CSR Committee of the Board. All projects undertaken by the Company shall be approved /ratified by the CSR Committee.
- 8.4. During any financial year, the Annual Action Plan of the Company may be modified to include any unbudgeted expenditure, either on account of new project(s) or due to increase in the outlay for approved project(s), in the following manner:
 - Upto Rs. 25 Lacs – With the prior approval of the CSR Team
 - Between Rs. 25 Lacs to Rs. 1 Crore – With the prior approval of the MD & CEO
 - Above Rs. 1 Crore and exceeding 20% of the annual CSR budget– With the prior approval of the CSR Committee and Board of Directors.
- 8.5. The surplus, if any, arising out of the CSR projects shall be ploughed back either to the same project from which such surplus arose or be spent in accordance with the Annual Action Plan.
- 8.6. Subject to the provisions of the Act, the Company may also utilise its CSR spend towards creation or acquisition of a capital asset.

9. Monitoring & Impact Assessment

- 9.1. The monitoring mechanism to ensure effective implementation of the CSR Programs shall be two fold, namely:
 - 9.1.1 Conducting Impact assessment wherein average CSR obligation of ten crore rupees or more in pursuance to the provisions of Companies Act, 2013 and the Rules made therein, in the three immediately preceding financial years, through an independent agency, of the projects having outlays of one crore rupees or more, and which have been completed not less than one year before

CORPORATE SOCIAL RESPONSIBILITY POLICY



undertaking the impact study.

- 9.1.2 The CSR initiatives / projects of the Company shall also be reported every year in the Annual Report of the Company.
- 9.1.3 The CFO of the Company shall certify to the Board on an annual basis that the funds disbursed by the Company towards CSR activities have been utilised towards the same effect.

10. General

- 10.1. The CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs from time to time, on the subject matter. In any case, the CSR Committee shall review the Policy every year once for making suitable amendments for better implementation of the Policy.
- 10.2. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.
- 10.3. The power to interpret and administer the 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 the Policy. These will, however, be reported to or tabled before the CSR Committee of the Board, from time to time, to ensure CSR Committee's oversight on these issues.
