




CORPORATE SOCIAL RESPONSIBILITY POLICY

SOP #	
Version	3
Approved on	February 23, 2022
Effective from	February 23, 2022

Sula Vineyards Limited (SVL)

CORPORATE SOCIAL RESPONSIBILITY POLICY

Commercial SOP #	
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Issued On	February 23, 2022
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Background

Corporate Social Responsibility (“**CSR**”) is about how companies manage the business processes to produce an overall positive impact on society.

We are committed to creating value. However, we believe that creation of value should not be at the cost of the society. We recognize the significant effect our activities have—on employees, customers, communities, the environment, competitors, business partners, investors, shareholders, governments and others.

Since inception, we have focused on achieving the ‘triple bottom line’ – people, planet and profit. It has been our constant endeavor to achieve growth in a socially and environmentally sustainable manner.

Accordingly, the board of directors of Company (“**Board**”) adopted a CSR Policy (“**Policy**”) at its meeting held on May 27, 2014, which can be amended from time to time. The policy has been last amended on February 23, 2022.

This Policy shall come into force with effect from the date of approval by the Board.

This policy shall apply to all CSR initiatives and activities taken up at the various work-centers and locations of Sula Vineyards Limited (hereinafter referred to as “**Company**”), for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons.

CSR Policy

We are guided by the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by the Ministry of Corporate Affairs, Government of India and accordingly are committed to:

- Conduct and govern our business with ethics, transparency and accountability
- Provide goods and services that are safe and contribute to sustainability throughout their life cycle
- Promote the wellbeing of all employees
- Respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- Respect and promote human rights
- Respect, protect, and make efforts to restore the environment
- Influence public and regulatory policy in a responsible manner
- Support inclusive growth and equitable development
- Provide value to customers and consumers in a responsible manner
- Undertake CSR activities in areas within the vicinity of our winery’s operations so as to creating livelihoods for people, support rural development, improve the

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living environment;

- Acting in a socially responsible way;
- Continually improving our performance and meeting all relevant legislation;
- Encouraging our staff to be mindful of the effect of their actions on any natural resource

The Policy shall be governed by the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force) (“**Act**”).

Aims

The CSR Policy applies throughout all of our operations and governs our approach to all our activities;

- Be responsible;
- Be an exemplar of good practice.
- Be a responsible corporate citizen in all our endeavors.

Implementation and Governance

The Company shall make CSR contribution to the activities as specified under Schedule VII of the Companies Act, 2013 and related rules including notifications and modifications made thereto, but contribution directly or indirectly to the political party, business done by the Company in its normal course, activities only for the benefit of employees and activities done outside India will not be considered as CSR activity.

The Company has constituted a Corporate Social Responsibility Committee (“**CSR Committee**”) in accordance with the provisions of Section 135 of the Act. The responsibility of the CSR Committee include:

- formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- review and recommend the amount of expenditure to be incurred on the CSR activities;
- monitor the Policy its implementation from time to time; and
- any other matter as the CSR Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

CSR Expenditure

CSR Expenditure shall include all expenditure including contribution to corpus, or on projects or programs relating to CSR activities specified in this policy as approved by Board on recommendation of CSR Committee only on the activities prescribed in this policy will be considered as CSR expenditure.



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CSR Activities

The followings are the broad categories of the activities under which the Company may work to undertake CSR activities:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water company can undertake programs for educating the peoples;
- Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly, and differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;
- Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art: setting up public libraries; promotion and development of traditional arts and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the scheduled tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects;
- Slum area development; and
- Any other activities as listed in Schedule VII of the Act

Execution Process

The Company may undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a Company established by the Company or its holding or subsidiary or associate company established under Section 8 of the Act or otherwise.

The Company may also undertake CSR activities through any trust, society or a Section 8 company which is not established by the Company or its holding or subsidiary or associate company, if such trust, society or section 8 company shall be having an established track record of three years in undertaking similar programs or projects or where the corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII of the Act.



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The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs.

Utilization of Funds

The Company shall utilize at least 2 percent of the average net profit of the Company made during the last three immediately preceding financial years in the CSR activities as enumerated above in this Policy.

The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.

In any case, if in any year financial year, the Company fails to spend such amount on CSR, the Board will, in its report made under section 134(3)(o) of Companies Act, 2013, specify the reasons for not spending the amount and, unless the unspent amount relate to any ongoing project referred to in Section 134(6) of the Act, transfer such unspent amount to a fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Any amount remaining unspent, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by the Company in pursuance of the Policy, shall be transferred by the Company 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 by the Company 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.

Surplus Arising from CSR Activity

The surplus arising from CSR projects, programs or activities shall not form part of the business profits of the Company and shall be disposed off in accordance with the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Responsibilities of the Board

The responsibilities of the Board concerning CSR are as follows:

- Approving CSR Policy of the Company;
- Disclosing the content of the policy in its report and placing the policy on the Company's website in the manner prescribed under section 135 of the Act;
- Ensuring that the CSR activities are related to the activities, areas or subjects included in Schedule VII of the Act;



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- Ensuring that CSR projects included in the policy are undertaken by the Company;
- Ensuring that the Company spends, in every financial year, at least 2 percent of the average net profits made during the three immediately preceding financial years or such minimum budget as may be statutorily mandated under the law;
- Ensuring that reasons for not spending of earmarked amount are disclosed in the Board's report in case the Company fails to spend such amount; and
- Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR projects.

Monitoring Mechanism

To ensure effective implementation of the CSR programmes are undertaken, a monitoring mechanism will be put in place by the Company. The progress of the CSR programmes currently being implemented will be reported to the Board on a half-yearly basis. The CSR committee will conduct impact studies on a periodic basis, on the effectiveness of CSR Activity on the society, if applicable.

Reporting Mechanism

CSR Committee will obtain feedback from beneficiaries about the ongoing CSR programmes and report the same to the Board. Appropriate documentation of the Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.

The composition of the CSR Committee, the CSR Policy and projects approved by the Board shall be disclosed on the website of the Company.

CSR initiatives of the Company will also be reported in the Annual Report of the Company containing particulars as specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Amendments to the Policy

The Board on its own and/ or as per the recommendations of CSR Committee can amend this Policy, as and when required. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the provisions of the Act thereunder on the subject, from time to time.