



# **POLICY ON CORPORATE SOCIAL RESPONSIBILITY**

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1.0	CFO	June 2025	New Policy	-	Board of AMC	
<b>DEPARTMENT IN CHARGE OF THE POLICY *</b>						
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Companies Act, 2013 and amendments from time to time						
<b>TYPE OF RISK CONCERNED</b>						
Risk covered by the policy: <ul style="list-style-type: none"> <li>▪ Operational Risk</li> <li>▪ Compliance Risk</li> <li>▪ Financial Risk</li> <li>▪ Reputational Risk</li> </ul>						
<b>CIRCULATION LIST</b>						
<b>Name/ Team</b>				<b>Function / entity</b>		
All employees of the Company				All employees of the company		

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## 1. Introduction

At Baroda BNP Paribas Asset Management India Private Limited (**'the Company'**), we believe that the Corporate Social Responsibility (CSR) is an effort made by companies to improve the living conditions and contribute positively to the society, focussed towards the local area in which it operates. This policy document has been developed in alignment with the overarching corporate philosophies of both our parent companies, Bank of Baroda and BNP Paribas Asset Management, which are strongly committed to Corporate Social Responsibility (CSR).

The Company recognizes the importance of good corporate governance and corporate social responsibility in promoting and strengthening the trust of its stakeholders. The Company aims to give back to communities in which we live and work by supporting and participating in a range of initiatives within them.

These initiatives can range from donating money to non-profit organizations, employee volunteering for community impact etc. The activities taken up as part of corporate social responsibility reflect the intent of the Company to create a positive impact on the society without seeking any commensurate monetary benefits.

The Company's objective is to pro-actively support meaningful socio-economic development in India and enable a larger number of people, including the employees of the Company to participate in the cause. This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society.

The Corporate Social Responsibility Policy (CSR Policy) of the Company sets out the framework guiding the Company's CSR activities. The Policy also sets out the rules that need to be adhered to while taking up and implementing CSR activities.

As per Section 135 of The Companies Act, 2013 (**'the Act'**) read with Schedule VII (as amended from time to time) of the Act, it requires companies in India which have either:

- a. Net worth of INR 500 crore or more or
- b. Turnover of INR 1000 crore or more or
- c. Net profits of 5 crore or more

During the immediately preceding financial year, to contribute 2% of their average net profits of the three immediately preceding financial years to CSR initiatives as set out in Schedule VII of the Act and confirm compliance thereof in the Annual Report. Accordingly, the Company shall comply with the same.

In accordance with the aforesaid section of the Act, the Company is required to constitute a CSR Committee comprising of 3 or more directors, out of which at least one director shall be an independent director. The CSR Committee shall formulate and recommend to the Board, a policy which shall indicate the activities to be undertaken (CSR Policy); recommend the amount of expenditure to be incurred on the activities referred and monitor the CSR Policy of the company. The Board is responsible to consider the recommendations made by the CSR Committee and approve the CSR Policy of the Company.

Further, as per section 135 (9) of the act, if the amount to be spent by a company does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the CSR Committee shall not be applicable and the functions of such Committee, in such cases, be discharged by the Board of Directors of such company. For FY 2025-26, as the amount to be spent does not exceed fifty lakh rupees, the CSR committee would set up in the upcoming financial year.

## 2. Scope and Applicability

This policy shall be applicable to all CSR initiatives and activities undertaken by the Company and all its employees on behalf of the company, for the benefit of different segments of the society.

## 3. Objective of CSR Policy

The objective of this policy is to continuously and consistently:

- a. Initiate projects that benefit communities at large.
- b. Generate goodwill in communities where the Company operates or is likely to operate.
- c. Encourage an increased participation from employees towards CSR activities and volunteering.

## 4. Conditions and Restrictions for CSR Activities

The Board of Directors shall be governed by the following conditions and restrictions while undertaking any CSR projects/programmes/activities:

- a. The CSR projects/programmes/activities undertaken by the Company, as per this policy shall exclude activities undertaken in pursuance of its normal business.
- b. The CSR projects/programmes/activities shall be undertaken in India.
- c. The CSR projects/programmes/activities that benefit only the employees of the Company and their families, shall not be considered and not qualify as CSR expenditure.
- d. Contribution of any amount directly or indirectly to any political party under Section 182, shall not be considered and not qualify as CSR expenditure.
- e. The surplus, if any, arising out of the CSR projects/programmes/activities shall not form part of the business profit of the Company.
- f. Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services shall not form part of CSR expenditure.
- g. Activities carried out for fulfilment of any other statutory obligations under any law in force in India shall not form part of CSR expenditure.

## 5. CSR principles for funding, selection, implementation and monitoring of activities

The Company's CSR Policy is supported by the following principles:

### I. Funding Obligation:

In accordance with Section 135(5) of the Companies Act, 2013 (the 'Act'), Company is committed to spend 2% of its average net profits made during the three immediately preceding financial years in some of the identified activities that are listed in Schedule VII (as amended from time to time) of the Act.

In order to compute whether the Company has under spent or over spent, it shall consider the following:

- a. **Project Cost** – it shall include designing, implementation, monitoring and evaluation cost incurred directly or indirectly on the project.

- b. **Administrative Overheads** – to ensure that such expenses shall not exceed 5% of the total CSR expenditure of the company for the financial year. Further, these expenses would not include expenses incurred by the Company towards designing, implementation, monitoring and evaluation.

## II. Selection:

The guiding principles for Selection of activities are:

- a. **Eligibility** - Statutory eligibility of implementing agency through which the CSR activities are selected, i.e. to ensure whether those implementing agencies have registered under section 12A and 80G of the Income Tax Act, 1961, have an established track record of at least three years in undertaking similar activities and have also filed form CSR-1 with the Registrar of Companies.
- b. **Sustainability** - Implementing agency has a track record of 3 years in undertaking similar programs or projects. The business model is designed to deliver sustainable growth. The inputs to the model are our brands, our people and our operations. The outputs to the model are sustained growth, lower environmental impact and positive social impact.
- c. **Goodwill** - Implementing agency shall have a goodwill in performing its activities diligently.
- d. **Law of land** - Implementing agency shall have a good stand in terms of Law of Land.

## III. Implementation & Monitoring:

### a. Implementation:

The Company may undertake, through a registered trust or a registered society, the CSR projects/programmes/activities in identified areas and as per the provisions of the Act and Rules, framed thereunder.

The Company may also collaborate with other companies for undertaking projects/programmes/activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with the Act and Rules made thereunder.

Company may build CSR capacities of its own, i.e. of their own personnel, as well as those of their implementing agencies through institutions with a track record of at least three financial years, and any other criterions which the Board of the Company, may deem fit.

Accordingly, the entity will work closely with and support the Board in implementing CSR activities of the Company.

### b. Monitoring:

Monitoring will be done with the help of identified key qualitative and quantitative performance indicators, with a continuous feedback mechanism, and recourse for mid-course correction in implementation, if needed, to ensure efficacy.

Assessment of utilisation of funds will also be done on a periodic basis, along with submission of an annual consolidated utilisation which will be part of the Company's Annual Report. This will include a rationale for shortfall or surplus of funds.

All expenditure towards the programs will be diligently documented. In case 2% of average net profit of the last 3 years is not spent in a financial year, reasons for the same will be

specified in the CSR Report and such unspent amount will be transferred in accordance with the Companies Act and CSR Rules.

All activities will be undertaken in project mode with defined objectives and deliverables, clarity on target beneficiaries, implementation plans with schedule of timeline agreed prior to commencement of activities.

Further, In the event of average CSR obligation of 10 (ten) crore rupees or more in the three immediately preceding financial years, the Company shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. The impact assessment reports shall be placed before the Board and shall be annexed to the Annual report on CSR. The expenditure incurred to undertake impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

**c. Guiding Principles for Implementation and Monitoring:**

- i. **Accountability and Transparency** - Implementing agency shall be accountable for all expenses along with the acknowledgements. Further, there should be transparency in the actions to protect the interest of all the stakeholders.
- ii. **Ethical Behaviour** - Management and Implementing agency shall maintain ethical behaviour while implementing and monitoring CSR programs without any corruption.
- iii. **No conflict of interest** - There shall not be any conflict of interest in the objectives of employees involved in CSR activities and the implementing agencies. Both of them should work for benefits of the needy.
- iv. **Respect for stakeholder's interest** - While identifying CSR programs, interest of all the stakeholders shall be taken into consideration. Should be committed to conducting our operations with integrity and respect, in the interest of our stakeholders, and in line with our Code of Business Principles.
- v. **Collaboration** - Collaborating and engaging with different stakeholders including Governments, NGOs, IGOs, Suppliers, Farmers, and Distributors to tackle the challenges faced by the society.

## **6. Guiding Principles for Annual Action Plan:**

The Company shall prepare an Annual Action plan of the Company to identify the activities and the CSR expenditure to be spent during the year which shall include the details as mentioned in the rules.

Further, the guiding principles required to formulate the Annual Action Plan are as follows:

- a. CSR programs shall not include activities as restricted under the amended CSR Rules.
- b. The preference for CSR programs is to be given by Company to local areas and areas around its operations.
- c. The CSR activities may be carried out directly or through implementing agency/ies.
- d. All the guiding principles as required to be followed for implementing and monitoring the CSR Activities shall also be followed while formulating the Annual Action Plan.
- e. Action plan shall be Simple, Action oriented, Measurable, Relevant and Time Bound.

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).

Subject to the provisions of the Act and the CSR rules, the Company may also utilize its CSR spend towards creation or acquisition of a capital asset

## **7. Governance and Monitoring Mechanism:**

The Board of Directors of the Company shall work towards implementation of the CSR Activities and shall identify and execute CSR activity (ies). Based on the approval of the Board, required funds shall be infused into the approved CSR activities. The same shall constitute the CSR Contribution of the Company for the relevant financial year.

### **Monitoring**

- a. The Board of Directors shall review the progress of CSR activities periodically.
- b. The Chief Financial Officer (CFO) or the person responsible for financial management shall be responsible for monitoring expense on CSR activities with respect to the plan and submission of the same to the Board. The CFO or the person responsible for financial management shall certify to the effect to the Board that the funds disbursed for undertaking projects have been utilised for the purposes and in the manner as approved by the Board.
- c. An Annual Action Plan shall be formulated and recommended to the Board, which shall include the following, namely:
  - i. The list of CSR projects or programmes that are approved to be undertaken
  - ii. The manner of execution of such projects or programmes
  - iii. The modalities of utilisation of funds and implementation schedules for the projects or programmes
  - iv. Monitoring and reporting mechanism for the projects or programmes; and
  - v. Details of need and impact assessment, if any, for the projects undertaken by the company.

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect. For FY 2025-26, any recommendations to alter the plan will be shared by the CFO.

- d. The Board of Directors shall recommend the amount of expenditure to be incurred on the activities referred to in the CSR Policy for FY 2025-26.
- e. The Board's Report of a company covered under these rules pertaining to any financial year shall include an annual report on CSR containing detailed information.

## **8. Disclosures**

The Company shall include in its annual report, the following information on CSR:

- a. Brief outline of the CSR policy.
- b. Weblink of where the CSR Policy and projects are disclosed
- c. An overview of the CSR activities.
- d. Average net profit for the preceding three financial years.
- e. Prescribed CSR expenditure.
- f. Details of amount spent in the prescribed format.
- g. Amount unspent, if any, and reasons for not spending the amount.



- h. Responsibility statement that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and CSR Policy
- i. Reason if the company has failed to spend 2% of the average net profit.
- j. Such other matters as may be specified from time to time for inclusion in the annual report.

The Company shall mandatorily disclose the CSR Policy and Projects approved by the Board on their website, if any, for public access. Further, a detailed status report as "Annual Report on the CSR activities" carried out by the Company would be disclosed every year as part of the Board's Report in the Annual Report.

## **9. Amendments to the Policy**

The Board of Directors on its own and/or on the recommendation of the AMC management team can amend its policy as and when required deemed fit. Any or all provisions of CSR Policy would be subjected to revision/amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time. The Company shall, from time to time, follow the Act and the various Rules as prescribed therein. Any inconsistencies with respect to the provisions as mentioned in the Act shall prevail over the provisions as mentioned herein in the Policy.

## **10. Review of Policy**

The CSR Policy of the Company shall be reviewed at least once in a year and recommend the necessary changes, if required, to the Board for its approval.