

# CORPORATE SOCIAL RESPONSIBILITY OF TETRA PAK INDIA PRIVATE LIMITED

*Amended as on 19<sup>th</sup> November ,2021*



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## Preamble

- Corporate Social Responsibility (CSR) is the process by which an organisation thinks about and evolves its relationships with stakeholders for the common good and demonstrates its commitment towards society by adopting appropriate business processes and strategies. Companies should conduct their business in such a way that it brings about a positive overall impact on society and the environment.
- CSR cannot be equated with charity or mere donations. It is a way of conducting business - by which corporate entities visibly contribute to the social good. Socially responsible companies do not limit themselves to using resources to engage in activities that enhance their profits. They use CSR to integrate economic, environmental and social objectives with the company's operations and growth.
- Further, the Tetra Pak Group, being a member of the [UN Global Compact](#), ensures that its subsidiaries and group companies are always in accordance with the UN Global Compact principles on environment in conjunction with CSR.



## **Necessity for Policy on CSR**

- Business organisations do not operate in a vacuum. They depend wholly and solely on society for their survival. Societies provide resources such as labour, material and infrastructure. This holds every business enterprise responsible socially, economically, ethically and morally towards the environment in which it operates.
- As per this principle, business entities are expected to manage their operations in such a way as to enhance economic growth, increase competitiveness, and at the same time ensure environmental protection and promote social responsibility along with consumer interest.
- Being a packaging company, the nature of products manufactured by Tetra Pak India Private Limited ("the Company") is such that it has an impact on the environment and utilisation of natural resources - and as such, the Company has a social responsibility towards the society / country where it operates by producing environmentally friendly products.
- At Tetra Pak, we live by our motto 'Protects What's Good'. Protecting food has long been at the very heart of our business. But it goes further: it is about protecting people - our employees, the communities in which we operate, and society. And it is about protecting the planet - by developing products and services that will support the future growth of our customers and by acting and operating in ways that best protect the environment. We are committed to fulfil these responsibilities by creating a socially and environmentally sustainable policy which will bring considerable environmental benefits / protection to society and at the same time ensure upliftment of the society on various fronts.
- Taking these points into consideration, the Company, in consonance with the legal framework on Corporate Social Responsibility, hereby frames the policy to fulfil its larger social, economic, ethical and moral responsibilities while balancing environmental sustainability.

## I. Applicability

This policy shall apply to all CSR initiatives and activities taken up at the various locations of "TETRA PAK INDIA PRIVATE LIMITED (the Company). It has been prepared keeping in mind the Company's business ethics and to comply with the requirements of Companies Act, 2013 (hereinafter called as "the Act") and the Companies (Corporate Social Responsibility Policy) Rules 2014 as amended by the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, notified by the Ministry of Corporate Affairs vide Notification dated 22nd January 2021 (CSR Rules). This CSR Policy of the Company has been amended by the Board of Directors of the Company effective May 31, 2021.

## II. Focus Areas under CSR Policy

This policy encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanisms for undertaking socially useful programmes for the welfare and sustainable development of the community at large.

Aligned with our vision to make food safe and available everywhere and our global sustainability commitment, the Company aims to:

- **Promote** food safety and environment sustainability by educating consumers across all strata of society
- **Create** awareness and build infrastructure to improve the education, health and lifestyles of underprivileged communities
- **Minimise** our impact on the environment by increasing awareness about waste-segregation and recycling of used beverage cartons
- **Support** the citizens of India in the phase of natural calamities or such challenges that the nation may be faced with

The Company's CSR policy will therefore focus on 3 pillars which are mapped with the activities as suggested in the Schedule VII of the Companies Act:

- Food Safety, Health & Nutrition
- Education
- Environment

Company will also contribute to specific disaster management programs under these and other exceptional identified areas.

However, the company may, subject to the approval of the CSR Committee, undertake any CSR Project specified in Schedule VII of the Companies Act, 2013, from time to time.

The current CSR activities proposed under the CSR Policy, would be updated on the Company's website at <https://www.tetrapak.com/en-in/about-tetra-pak/the-company/tetra-pak-south-asia-markets/our-social-responsibility>.

### **III. Constitution of CSR Committee**

For effectively carrying out the objectives mentioned above, the Company has constituted a Corporate Social Responsibility Committee (CSR Committee) of the Board as per the provisions mentioned in the Companies Act, 2013, read together with the CSR Rules, 2014, as amended from time to time ("the Act"), to ensure that the purpose of this policy is being effectively served.

### **IV. Composition of CSR Committee of the Board:**

For the relevant financial year, the Board's report and the Company's official Website shall disclose the composition of the CSR Committee which shall be as follows:

#### **a) Chairman of the CSR Committee:**

The Managing Director of the Company shall be the Chairman of the CSR Committee.

#### **b) Number of Member Directors:**

The CSR Committee shall consist of 2 (Two) Directors.

**c) The members of the CSR Committee shall be:**

- i. Managing Director
- ii. Finance Director

In addition, the Committee shall also include the following members:

- i. Head of Legal Affairs
- ii. Company Secretary
- iii. Sustainability Director
- iv. Communication Manager
- v. Human Resources Country Representative

\*The composition of CSR Committee may be changed by the Board as and when required.

## **V. Quorum of the meeting**

The quorum of the meeting shall be 2 (two) directors present in person or by audio-visual means as may be permitted under Act, at the meeting.

## **VI. Role and Responsibilities of the CSR Committee**

In accordance with the Act, the following are the key responsibilities of the CSR Committee. It shall:

1. Formulate the CSR policy and recommend the same to the Board for its approval
2. Be responsible for the identification, selection, planning, execution, supervision, co-ordination and monitoring of various programs / projects and activities under CSR;
3. Formulate the annual action plan to be recommended to the Board in pursuance of this policy which shall include
  - recommending the CSR activities/projects and the amount to be expended on such activities/projects, to the Board that the Company will undertake during the relevant financial year;

- monitoring the implementation of the CSR Policy and accordingly, the CSR activities/projects identified from time to time;
  - instituting a transparent monitoring mechanism for implementation of the projects undertaken or proposed to be undertaken by the Company;
  - modalities of fund utilization
4. details of need and impact assessment, if necessary
  5. Recommend the CSR activities / projects and the amount to be expended on such activities / projects, to the Board that the Company will undertake during the relevant financial year
  6. Monitor the implementation of the CSR activities / projects from time to time
  7. Prepare a transparent monitoring mechanism to ensure implementation of the projects / programs / activities proposed to be undertaken by the Company
  8. Interact with governmental and non-governmental bodies as and when required in relation to implementation of CSR activities / projects under this policy
  9. Review performance of the Company in the area of CSR and decide the priority of the activities to be undertaken
  10. Ensure that the conduct of the CSR Policy is in line with the overall Sustainability Objective of the Tetra Pak Group

## **VII. Meetings of the CSR Committee**

During every financial year, the CSR Committee will meet at least two times for the purpose of reviewing and monitoring the progress of CSR activities including the amount spent on each of the activities / projects. The Committee shall effectively monitor the activities that were/ are being undertaken during the financial year as a part of the Company's CSR activities and propose new projects to the Board as may be required.



## **VIII.Guiding principles for selection, implementation, monitoring and formulation of action plan of CSR activities:**

### **Selection:**

1. All the CSR activities / projects will be in line with the focus areas for CSR activities, as well as any other areas listed in Schedule VII of the Companies Act, 2013. The Company may formulate, conduct or implement its CSR programmes or any particular project or activity directly or through implementing agencies such as registered public trust, a society registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), or companies established under Section 8 of the Act, operating in India and that such implementing agencies have an established track record of at least three years in carrying on activities in related areas. The implementing agency should have registered itself with the Central Government by filing form CSR-1. Provided that before considering any implementing agencies for the purpose of allocating funds, the Company should conduct a comprehensive due diligence of such implementing agency to ensure its expertise or track record in social projects and also to ensure its political neutrality.
2. Where the Company has set up an organisation registered as a trust, or Section 8 company, or a society, or a foundation, or any other form of entity operating within India in order to facilitate the implementation of its CSR activities, the following conditions shall be applicable:
  - a. The Company (Contributing Company) shall specify the projects / programmes to be undertaken by such an organisation for utilising funds provided by it.
  - b. The Company (Contributing Company) shall establish a monitoring mechanism to ensure that the allocation is spent for the intended purpose only.

## **Implementation, Monitoring and Action Plan:**

1. Effective Financial Year 2021-22, the Company shall spend at **least 2 % (two percent) of the average net profits** of the Company made during the 3 immediately preceding financial years, or such other percentage or amount as may be prescribed under the Act, specifically towards CSR activities.
2. Any surplus arising out of any of the CSR activities carried out by the Company will not be treated as part of the business profits of the Company and shall be ploughed back into the same project, or shall be transferred to the Unspent CSR Account and it shall be spent in pursuance of this CSR policy and annual action plan of the Company, or the Company may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.
3. CSR spent in excess of the requirement of Section 135 (5) of the Act, may be set off against the requirement of CSR spend for the immediate succeeding three financial years, as per the provision of the Act.
4. The Board shall approve the Annual Action Plan having the list of CSR activities, eligible expenditure to be incurred on CSR activities. 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. The Annual Action plan shall be simple, action oriented, measurable, relevant and time bound.
5. The CSR activities as approved by the Board will be implemented during the relevant financial year as recommended by the CSR committee and approved by the Board.
6. The Board shall ensure that the CSR funds have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
7. Any amount remaining unspent on any CSR activity undertaken by the Company under the CSR Policy, shall be transferred to a Fund specified in the Act, within a period of six months of the expiry of the financial year.

8. Any amount remaining unspent on any ongoing project undertaken by the Company under the CSR policy shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened by the Company 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 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 the Act, within a period of thirty days from the date of completion of the third financial year.
9. The Company shall consider only those activities as CSR activities that are not solely carried out for the benefit of employees of the Company or their family members. It may also encourage its employees to actively and voluntarily participate in the CSR initiatives undertaken by the Company.
10. The CSR activities undertaken by the Company either directly or through an implementing agency shall be periodically monitored. While monitoring, the Company shall ensure the implementing agency, follow ethical practices and endeavor to ensure all payments made to the implementing agency to be milestone based. The monitoring process adopted by the Company may include obtaining of CSR fund utilization certificates, self-declaration, on-site visit, etc.
11. The annual report in the prescribed format under the Act shall be laid before the CSR Committee for its approval and shall be disclosed in the Directors' Report of the relevant financial year.

### **IX. Tax Treatment and Transfer of CSR Funds:**

Tax treatment of the CSR spend of the Company during every financial year, shall be in accordance with the provisions of the Income Tax Act, 1963 and rules framed thereunder, as notified by the Central Board of Direct Taxes (CBDT) and as amended from time to time.

## **X. Role of the Board of Directors:**

The Board shall perform the following duties so far as the CSR Policy of the Company and the activities relating thereto are concerned. It shall:

- (1) approve the CSR Policy of the Company after considering the recommendations made by the CSR Committee and the amendments made under the Act or CSR Rules made thereunder;
- (2) provide appropriate direction and guidance for effective implementation of the identified CSR initiatives
- (3) ensure that the activities included in the Annual Action Plan of the Company are undertaken by the Company;
- (4) satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it basis the certification of the Chief Financial Officer or the person responsible for financial management of the Company to that effect.
- (5) ensure that the Company duly complies with Section 135 of the Act read together with the CSR Rules as amended from time to time.

## **XI. XI. Amendment in CSR Policy**

Any modification / amendment in the CSR Policy shall be carried out by the CSR Committee with the prior approval of the Board of Directors of the Company.

Notwithstanding anything contained in this Policy, the contents of the Policy shall be read in conjunction with all other relevant policies, presently applicable to the Company. The consent / permission under this Policy shall not be considered / construed in derogation with or as an exemption from the requirement of getting consent under any other policy in force / applicable to the Company. In the event of any conflict between the provisions of

this Policy and the Act, the Act shall prevail over and automatically be applicable to this Policy.

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the CSR projects and activities in compliance with CSR objectives.

For and on behalf of the Board of Directors

CASSIO ADRIANO DE SETA SIMOES  
Managing Director

Ambalika Rana  
Finance Director