

Corporate Social Responsibility Policy

1. CORPORATE SOCIAL RESPONSIBILITY PHILOSOPHY

Delta Faucet Company India Pvt. Ltd. (DFCI) believes that to succeed, an organization must maintain highest standards of conduct towards its employees, consumers, associates, the society in which it operates and must chase not only financial goals but a sharply defined purpose too.

2. APPLICABILITY

- a. DFCI's CSR policy has been developed keeping in view the provisions of Section 135 of the Companies Act, 2013 (the Act), the Companies Rules, 2014 (CSR Rules) and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 notified by the Ministry of Corporate Affairs, Government of India.
- b. The Policy shall apply to all CSR projects / programs undertaken by DFCI in India as per provisions contained in Schedule VII of the Act.
- c. This policy shall be applicable on DFCI until further modified and approved by the Board of Directors.(BoD)

3. VISION WITH WHICH DFCI's CSR POLICY HAS BEEN CRAFTED

Operating in a country like India where education and employable skills is the only route for tens of millions of families to climb out of lower middle class and poverty, DFCI has added higher education support for talented youth and vocational, job-oriented training to its brand purpose of transforming people's daily lives with water.

4. FOCUS AREAS OF DFCI's CSR POLICY

- a. Financial support for higher education of talented youth from economically weak backgrounds
- b. Support skill-based training
- c. Operationally design and deliver skill-based trainings in the area of plumbing
- d. Other need based initiatives in compliance with Schedule VII of the Companies Act, 2013

5. FUNDING & ALLOCATION

- a. DFCI will allocate 2% of the average net profits made during the three immediately preceding financial years, as its Annual CSR Budget for an operating year
- b. The Annual CSR Budget be utilized as per the CSR Plan for the year under the supervision of the Board of Directors.
- c. If DFCI fails to spend the budgeted CSR amount,
 - i. For funds not required for ongoing projects, the unspent amount shall be transferred to funds specified in Schedule VII, within 6 months of close of financial year.

- ii. For funds required for ongoing projects the unspent amount shall be transferred to a special account within a period of 30 days from the end of the financial year.
- iii. Such transferred amount shall be spent within a period of 3 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 30 days from the date of completion of the third financial year.
- d. In case DFCI spends an amount in excess of the requirement of spending the prescribed CSR amount as per the Act, such excess amount may be set off against the requirement to spending of prescribed CSR amount up to immediate succeeding 3 financial years subject to the conditions as mentioned under the Rules.
- e. The administrative expenditure incurred except for designing, implementation, monitoring and evaluation of a particular CSR project or programme shall not exceed 5% of total CSR expenditure of the Company for the Financial Year.
- f. The Board of Director's Report of the Company covered under these rules pertaining to a financial year commencing on or after the 1st day of April shall include an annual report on CSR containing particulars as per the prescribed format under the Act/ Rules.

6. IMPLEMENTATION

- a. The Board of Directors (BoD) shall be responsible for implementing the mandate of the CSR Policy.
- b. For this purpose, the BoD may constitute an Implementation Group
- c. The BoD will supervise formulation of Annual Action Plans
- d. The Implementation Group will be accountable to the BoD to execute Annual Action Plans to submit progress reports to the BoD from time to time.
- e. As required under the Act and Rules, the composition of the CSR Committee (if any), and CSR Policy and Projects approved by the Board of Directors will be put up on the Company Website, if any, for public access.

7. MONITORING AND REVIEWING MECHANISM

The Board of Directors shall meet periodically, as may be required to discuss and review CSR activities and policy and to monitor and evaluate the performance of the Projects undertaken.

8. VALIDITY OF CSR POLICY

This CSR policy is effective from 1st April, 2021 and may be amended by the Board of Directors as required from time to time.