

CJ DARCL LOGISTICS LIMITED

Regd. Office: Darcl House, Plot No. 55 P, Institutional Area, Sector-44, Gurugram, Haryana

Corporate Social Responsibility (CSR) Policy

Background

This policy approved on 18.10.2021 is the amendment to the original Policy approved by the Board in its meeting held on 09.05.2014 and further amended by the Board in its meeting held on 30.06.2015, 17.03.2016, 04.09.2019 & 21.04.2021.

“Corporate Social Responsibility (CSR) means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Companies Act, 2013 and in accordance with the provisions contained in the ***Companies (Corporate Social Responsibility Policy) Rules, 2014***, but shall not include the following, namely:-

- (i) activities undertaken in pursuance of normal course of business of the company: exception for company engaged in research and development activity of new vaccine, drugs and medical services related to COVID-19.
- (ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) Activities carried out for fulfilment of any other statutory obligations under any law in force in India;”

Corporate Social Responsibility is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also on the social and

environmental consequences. Therefore, it is the core corporate responsibility of our company to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders. As a corporate entity, the company is committed towards sustainability. Ongoing dialogues with shareholders provide valuable approach with an objective that each business decision takes into account its social and environmental impacts and plans.

Corporate Social Responsibilities (CSR) activities at CJ Darcl Logistics Limited are already in existence. CJ DARCL strives to actively contribute to the social and economic development of the communities in which we operate and consistently contribute towards animal welfare.

It is recognized that integrating social, environmental and ethical responsibilities into the governance of businesses ensures the long term success, competitiveness and sustainability.

Further, CSR makes a business sense as companies with effective CSR, have image of socially responsible companies, achieve sustainable growth in their operations in the long run and their products and services are preferred by the customers.

Objective

The main objective of CSR policy is to make CSR a key business process for sustainable development of the society. CJ Darcl Logistics Limited ***will act as a good corporate citizen*** and aims at supplementing the role of Government in enhancing the welfare measures of the society within the framework of its policy.

Measures

In the aforesaid backdrop, policy on CSR CJ Darcl Logistics Limited is broadly framed taking into account the following measures:

- The CSR activities shall be undertaken by CJ Darcl Logistics Limited, as stated in this Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.
- The CSR activities which are exclusively for the benefit of CJ Darcl Logistics Limited employees or their family members shall not be considered as CSR activity.
- CJ Darcl Logistics Limited shall give preference to the local area or areas around it where it operates, for spending the amount earmarked for CSR activities.
- A company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes.

PROJECTS TO BE UNDERTAKEN:

The thrust area of CJ Darcl Logistics Limited is to undertake following projects or programs pursuant to Schedule VII of the Companies Act, 2013:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
3. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
4. Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
5. Any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under.

The projects amongst the above stated thrust areas can be undertaken by the Company. Primarily main areas to be looked after as of now is Animal welfare, Education to unprivileged children and Environment Protection.

Implementing Agencies

The Board of CJ Darcl Logistics Limited may decide to undertake its CSR activities as recommended 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 pursuant to Section 135 of the Companies Act, 2013 and rules made there-under.

Parameters for Selection of Implementing Agency

1. The agency should be registered with MCA having Unique CSR Registration Number
2. Should have registration certificate under section 80G of Income Tax Act, 1961.
3. There should be establish track record of atleast 3 years in undertaking similar projects or programmes.

Collaborative partnerships may be formed with other companies, the Government, the District Authorities, the village panchayats, NGOs and other like-minded stakeholders to widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table for implementing the projects.

Organizational mechanism and responsibilities

Constitution of Corporate Social Responsibility Committee

The Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee of the Board ("CSR Committee") consisting of three or more directors, out of which at least one director shall be an independent director.

The CSR Committee shall –

1. Formulate and recommend to the Board, activities to be undertaken by the company in the areas or subject, specified in Schedule VII;

Further, CSR Committee shall formulate and recommend to the Board, an Annual Action Plan in pursuance of its CSR policy, which shall include the following, namely:-

- (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 as specified in sub-rule (1) of rule 4;
- (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: 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.

2. Recommend the amount of expenditure to be incurred on the activities referred to in above point (1); and
3. Monitor the Policy of the Company from time to time.

Monitoring of Expenses

The monitoring of expenses incurred under CSR activities will be made quarterly/half-yearly by the CSR Committee.

Annual Action Plan

CSR Committee to formulate the Annual Action Plan on the projects undertaken with aspects of monitoring the same.

Activities, setting measurable targets with timeframes and performance management:

Company is currently in evolution stage in terms of setting measurable targets with timeframes and performance management. CSR Committee will periodically review the scopes as laid down in the Companies Act read with CSR Rules as also forming part of this policy and will thrive for setting out measurable targets with timeframes and performance management.

Budgets

- A specific budget will be allocated for CSR activities and spending on CSR activities shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy.
- Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- Where a company spends an amount in excess of Minimum 2% of the average net profits of the Company made during the three immediately preceding financial years, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
 - (ii) the Board of the company shall pass a resolution to that effect.
- The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by :-
 - (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
 - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - (c) a public authority:

Provided that any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of 180 days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than 90 days with the approval of the Board based on reasonable justification.

- Approving authority for the CSR amount to be spent will be based on Delegation of authority as is approved by the Board of Directors. CSR budget and area of spending will be decided by the CSR Committee of the Company.
- The CSR Policy mandates that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.
- The CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.
- CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act 2013.
- Tax treatment of CSR spent will be in accordance with the Income Tax Act as may be notified by CBDT.

Information dissemination

The Company's engagement in this domain is disseminated on its website, annual reports and its house journals as and when deem fit.

Management Commitment

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

Update

CSR Committee of Board of CJ Darcl Logistics Limited will review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications as may be necessary.

Compliance with Companies Act, 2013

Our Corporate Social Responsibility policy conforms to the Section 135 of the Companies Act, 2013 on Corporate Social Responsibility as spelt out by the Ministry of Corporate Affairs, Government of India.

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CJ DARCL LOGISTICS LIMITED

Composition of Corporate Social Responsibility (CSR) Committee

Name of Committee members	Position on Committee	Nature of Directorship
Mr. Krishan Kumar Agarwal	Chairperson	Vice Chairman & Managing Director
Mrs. Rajni Hasija	Member	Independent Director
Mr. Junghun Baig	Member	Executive Director cum Deputy CEO
Mr. Jae Man Kwak	Member	Executive Director cum CFO

Note: Mr. Narender Kumar Agarwal, Joint Managing Director is a permanent invitee to the committee.