

SUNTORY

GLOBAL SPIRITS

**BEAM GLOBAL SPIRITS & WINE (INDIA)
PRIVATE LIMITED**

Corporate Social Responsibility Policy

1. BACKGROUND AND OBJECTIVE

Beam Global Spirits & Wine (India) Private Limited (the "Company") is a leading premium spirits company engaged in the business of manufacture, distribution and sale of alcoholic beverages in India. Inspired by its Proof Positive commitments and Growing For Good vision, having a positive impact on the environment is central to Company's business, and fundamental to its culture across every facet of the value chain. The Company is committed towards fulfilling its environmental responsibility and investing heavily to reduce its footprint in water, the climate and forests.

The Company has formulated this Corporate Social Responsibility ("CSR") policy which encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large. This CSR Policy conforms to Section 135 of the Act and the rules made thereunder.

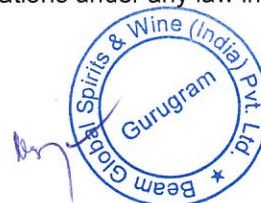
The CSR policy contains the approach and direction given by the Board of Directors of the Company and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

2. APPLICABILITY

This Policy applies to all the CSR activities or projects or programs undertaken by the Company and it shall be read, understood and followed by the Board and relevant employees of the Company.

3. DEFINITIONS

- a. "**Act**" means Companies Act, 2013.
- b. "**Administrative overheads**" means the expenses incurred by the Company for 'general management and administration' of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or program.
- c. "**Board**" means the Board of Directors of the Company.
- d. "**Company**" means Beam Global Spirits & Wine (India) Private Limited.
- e. "**Corporate Social Responsibility or CSR**" means the activities undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of the Act in accordance with the provisions contained in the CSR Rules, but shall not include the following, namely: -
 - i. activities undertaken in pursuance of normal course of business of the Company;
 - 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;
 - v. activities supported by the Company 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.



- f. **"CSR Committee"** means a committee constituted by the Board of Directors in terms of Section 135 of the Act and the CSR Rules.
- g. **"CSR Expenditure"** means the amount recommended by the CSR Committee to be incurred on the CSR activities as approved by the Board from time to time and in accordance with the Act and the CSR Rules.
- h. **"CSR obligation"** means two per cent (2%) of the average net profits of the Company made during three immediately preceding financial years ("FYs") or where the Company has not completed a period of three FYs since its incorporation, during such immediately preceding FYs.
- i. **"CSR Rules"** means the Companies (Corporate Social Responsibility Policy) Rules, 2014 (includes any amendment thereof).
- j. **"Director"** means a member of the Board of Directors of the Company.
- k. **"Implementing Agency"** means
- i. a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and 80 G of the Income Tax Act, 1961, established by the Company, either singly or along with any other company, or
 - ii. a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
 - iii. any entity established under an Act of Parliament or a State legislature; or
 - iv. a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- l. **"Net profit"** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following:
- i. any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - ii. any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.
- m. **"Ongoing project"** means a multi-year project undertaken by a Company in fulfillment of its CSR obligation having timelines not exceeding three years excluding the FY in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.
- n. **"Policy"** means this Corporate Social Responsibility Policy.
- o. **"Society"** means a society registered under the Societies Registration Act, 1860 or any other applicable law in India.
- p. **"Trust"** means a trust registered under the Indian Trusts Act, 1882 or any other applicable law in India.



Any term not defined above but used in this Policy, shall have the meaning assigned to it under the Act or the CSR Rules.

4. GOVERNANCE STRUCTURE

The following bodies are responsible for CSR governance and compliances:

- A. Board
- B. CSR Committee
- C. CSR Team

A. Board of Directors

The Board is responsible for the CSR obligations of the Company. The specific roles and responsibilities of the Board with respect to CSR are as follows:

Roles, Responsibilities and Duties of the Board

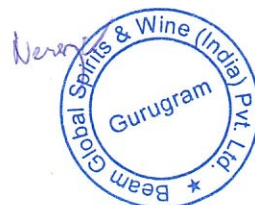
- a. To constitute the CSR Committee in accordance with the Act and the CSR Policy.
- b. To approve the CSR Policy and amendments thereto from time to time.
- c. To approve the Annual Action Plan¹ and amendments thereto (including annual budget).
- d. To approve CSR projects² / Implementing Agencies to be partnered or associated with.
- e. To approve Ongoing projects and re-classification of projects as Ongoing projects, if necessary.
- f. To ensure that the funds disbursed for the CSR projects as part of the Company's obligation for each FY have been utilised for the purpose and in the manner allocated and approved by it, before the end of the FY.
- g. To ensure that the administrative overheads shall not exceed 5 (five) percent of total CSR expenditure of the Company for the FY or such other limit as may be prescribed under the Act.
- h. To monitor the implementation of the ongoing projects with reference to the approved timelines and year-wise allocation.
- i. To suggest modifications, if required, for smooth implementation of the CSR projects within the overall permissible time period under the Act.
- j. To make necessary disclosures in the CSR Annual Report and the website as prescribed in the Act and Rules made thereunder.
- k. To ensure that Impact Assessment is undertaken as per the provisions of the Act, where applicable or recommended by the CSR Committee.
- l. To review and adopt CSR best governance practices periodically.
- m. To undertake such other activities as may be required under law or otherwise for compliance with the CSR obligations of the Company.
- n. To ensure that Implementing Agencies, if any, appointed to undertake CSR activities, qualify as per the prescriptions under the Act and CSR Rules.

B. CSR Committee

Constitution of CSR Committee

¹ Format in Annexure A

² Permitted CSR activities as per Schedule VII provided in Annexure B



The Board shall constitute a CSR Committee, irrespective of the CSR obligation of the Company, consisting of at least two (2) Directors. The Board has powers to nominate/ change / induct members of the CSR Committee, subject to the applicable regulatory requirements and the Company's philosophy.

A person who ceases to be a Director of the Company shall automatically cease to be a member of the CSR Committee. The Board may nominate the Chairman of the CSR Committee or alternatively, the CSR Committee members may elect the Chairman from amongst themselves at every meeting.

CSR Committee Meetings

The CSR Committee shall meet at least twice in a FY. The quorum for a meeting of the CSR Committee shall be two members present in person or through audio-visual means.

The CSR Committee may have invitees (permanent or temporary) at its meetings. The CSR Committee will be free to formulate its own meeting procedures to the extent permitted under the Act. The company secretary of the Company, if any, shall act as the secretary of the CSR Committee meetings.

Roles, Responsibilities and Duties of the CSR Committee

The following shall be the roles, responsibilities and liabilities of the CSR Committee:

- a. To formulate the CSR Policy, indicating the activities to be undertaken by the Company in areas or subjects specified in the Act, and to recommend it to the Board for its approval
- b. To recommend the amount of CSR expenditure to be incurred as per the provisions of the Act and the Rules made thereunder
- c. To formulate and recommend the Annual Action Plan and any modifications thereto during a FY (with clear indication of Ongoing projects) and monitor the implementation of the same
- d. To select suitable CSR partners/ Implementing Agencies and ensure that adequate due diligence reviews are undertaken as part of the selection process
- e. To identify and appoint the CSR Team, wherever required.
- f. To report progress of various CSR initiatives to the Board periodically and make appropriate disclosures on CSR activities as prescribed (including review of the CSR Annual Report for each FY).
- g. To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities of the Company and undertake evaluation of the projects at appropriate intervals
- h. To periodically validate that the CSR spends are in line with the approved project-wise budgets and undertake assessments with respect to both direct CSR spends of the Company and spends through Implementing Agencies, as the case may be
- i. To evaluate if impact assessment is applicable and if yes, obtain the impact assessment report from an eligible agency
- j. To monitor the administrative overheads in pursuance of CSR activities or projects or programs so that they do not exceed the prescribed thresholds.
- k. To ensure that the requirements of the Act and Rules are met with respect to the Company's CSR activities, particularly with respect to capital assets created/ acquired, treatment of surplus generated and treatment of unspent amounts, if any.
- l. To evaluate the need and engage external professionals/ agencies as may be necessary for effective identification, implementation, monitoring and evaluation of the CSR activities of the Company.
- m. To examine the need (and any proposal) to engage any international organizations, as defined under applicable law, for designing, monitoring and evaluating the Company's CSR projects or programs as well as for capacity building of the Company personnel for CSR activities.



- n. To formulate Standard Operating Procedures (“SOPs”) for efficient identification, implementation, monitoring, evaluation and reporting of CSR projects or programs or activities
- o. To regularly update itself and the Board of any amendments in the CSR regulatory provisions and CSR governance best practices
- p. To perform such other duties and functions as the Board may require the CSR Committee to undertake or as may be required under the applicable laws.

C. CSR Team

The CSR Committee may constitute a CSR Team consisting of such employees / officers of the Company as may be desirable / expedient. The CSR Team shall function under the supervision and guidance of the CSR Committee.

CSR LIFECYCLE

The CSR lifecycle for a FY including the related activities and responsibilities shall be as follows:

A. Identification of CSR obligation and CSR projects / programs

The Board, on recommendation by the CSR Committee, shall approve the CSR obligation for each FY.

The CSR team shall identify CSR activities which are in line with this CSR Policy and recommend it to the CSR Committee and assist the Committee in deciding the mode of implementation which may be any of the following:

- i. Independently or directly by the Company; or
- ii. Through eligible Implementing Agencies; or
- iii. Contribution to Schedule VII Funds or recognized agencies; or
- iv. Collaboration with other companies (where each Company reports separately).

Where Implementing Agencies are identified, necessary MOUs / agreements shall be entered with them by the Company. The qualifying conditions also need to be satisfied by any step-down Implementing Agencies that are engaged by the Company’s primary Implementing Agency.

Preference shall be given to the local areas in which the Company operates.

B. Annual Action Plan

CSR activities shall be carried out as per the objectives and guiding principles, within the approved budget from time to time. The CSR Committee shall formulate an Annual Action Plan for carrying out the CSR activities of the Company and recommend the same to the Board.

The CSR Committee and the Board shall adhere to the following guidelines while formulating/ approving the Annual Action Plan for each FY:

- a. Evaluation of CSR activities of the preceding FY: The CSR projects/ activities undertaken in the previous FY shall be considered and the Annual Action Plan shall be prepared accordingly.
- b. Identifying projects/activities for the current FY: The CSR Committee will be responsible for identifying suitable CSR initiatives which are in line with the overall objectives of the Company.
- c. The Company shall endeavour to formulate and approve the Annual Action Plan within the first quarter



of each FY.

- d. The Action Plan shall be prepared for the respective FYs basis the draft management accounts prepared by the Board or the audited financial statements, if available for the preceding FY(s).
- e. Any amendment to the Annual Action Plan shall be recommended by the CSR Committee and approved by the Board.
- f. The guidelines and principles covered in the CSR Policy shall be adhered to while formulating the Annual Action Plan.

C. CSR obligation

The Board shall ensure that atleast two per cent (2%) of the average net profits of the Company made during three immediately preceding financial years ("FYs") is spent on CSR activities as per this Policy. The obligation should be computed in the first meeting for the financial year concerned to enable the CSR Committee/ CSR team to ensure that the CSR obligation is spent on the CSR activities approved by the Board. The Board may, on recommendation of the CSR Committee, voluntarily spend on CSR activities over and above the CSR obligation of the Company for the financial year.

D. Timeline and Disbursement

The timeline and the outcome of the CSR activity shall be agreed under the MOU with the identified implementing agency.

The disbursement plan will be agreed upon with the identified implementing agency / beneficiary to execute the CSR activity. The disbursement can be one-time, or phase manner as mutually agreed under the terms and conditions of the MOU.

The CSR Team in consultation with the finance department of the Company, shall contribute the agreed amount towards CSR activities as per the disbursement schedule approved by the CSR Committee and/ or the Board. Appropriate receipts/ agreements/ documentation shall be maintained in this regard. The CSR team shall monitor the progress of the CSR activities and the utilization of the disbursements and apprise the CSR Committee/ Board of the same.

The Company could encourage its employees for volunteering in community service. However, the time volunteered cannot not be monetized as part of the Company's CSR expenditure.

E. Treatment of overspend / underspend / surplus

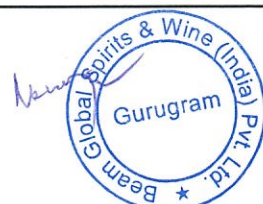
Overspend

Where the Company spends an amount in excess of its CSR obligation, such excess amount, excluding surplus arising, can be set-off against the CSR spends up to immediate succeeding 3 (three) FYs.

Underspend

The Company shall deal with the unspent amount in the following manner:

Sl. No.	Type of Unspent Amount	Action	Timeline
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1.	Unspent amount pertains to ' ongoing project '	Transfer such unspent amount to a separate Bank account opened for the FY to be called as ' Unspent CSR Account '.	Within 30 days from the end of the FY.
2.	Unspent amount does not pertain to ' ongoing project '*	Transfer unspent amount to the Fund prescribed under Schedule VII of the Act.	Within 6 months from the end of the FY.

*Any amount transferred to Unspent CSR Account remaining unspent at the end of immediate succeeding 3 FYs to be transferred to Government funds notified in Schedule VII within a period of thirty days from the date of completion of the third FY.

Wherever funds disbursed by the Company remain unspent at the financial year end and are lying with the Implementing Agency, the Company may either request the Implementing Agency to return the same directly to its Unspent CSR Account / other bank account OR, to the extent permissible, treat the same as an advance to be utilized by the Implementing Agency, to meet the spend for the next financial year. In the latter case, if required, the Company will separately meet its obligation to transfer the unspent funds either into an Unspent CSR Account or to a prescribed Fund.

Surplus

Any surplus arising out of CSR projects / programs / activities will not form part of the business profits of the Company. Any surplus is required to be:

- ploughed back into the same project; or
- transferred to the Unspent CSR Account and spent in pursuance of CSR Policy and Annual Action Plan of the Company; or
- transferred to a Fund specified in Schedule VII of the Act.

F. Monitoring, Evaluation and Impact Assessment

Wherever the Company disburses any amounts to an Implementing Agency, such amount will be treated as spent by the Company during a FY, only, if the Implementing Agency has in turn, actually spent the same on behalf of the Company during the FY. For this purpose, the Company will obtain a utilization certificate on a periodic basis (at least half-yearly) from such Implementing Agency.

In addition, the Company may also consider requesting for a certificate from an independent party i.e. either the auditor of the Implementing Agency or other practicing chartered accountant, to confirm utilization of the funds by the Implementing Agency during the FY.

Monitoring

To ensure effective implementation of the CSR programs / projects undertaken, a monitoring mechanism will be put in place by the CSR Committee and the progress of the programs / projects will be monitored on regular basis.

The CSR Team will provide regular updates to the CSR Committee / Board on the monitoring of the CSR activities. The CSR monitoring mechanism could include periodic meetings with Implementing Agencies, physical visits to the project sites, obtaining reports of project status on a periodic basis, etc.



The CSR Team will maintain the necessary CSR documentation for a period of 8 years or till relevant or as per applicable law.

Evaluation

The Company will also undertake evaluation i.e. an objective assessment of CSR projects / programs. An evaluation will form the basis for improvement and modification and will also enable the CSR Committee/ Team to determine on continuity of/ modification in CSR activities being undertaken by the Company.

Impact Assessment

In case the average CSR spend of the Company reaches INR 10,00,00,000 (INR Ten crores only) or more in the immediately three preceding FYs, the Company is statutorily required to undertake Impact Assessment of the CSR activities having outlay of INR 1,00,00,000 (INR One crore only) or more and which have been completed not less than one year before undertaking the impact study. The CSR Committee / Board may decide to undertake Impact Assessment voluntarily. The impact assessment report shall be placed before the Board and shall be annexed to the CSR Annual Report.

G. Disclosures and Reporting

The Company will make necessary disclosures in the Board's Report and on the website in India (if any), and make applicable filings as prescribed under the Act and Rules from time to time.

The Chief Financial Officer (CFO) or the person responsible for financial management of the Company shall certify annually that the funds allocated for meeting the CSR obligation of the Company have been administered in the areas or projects as approved by the Board of the Company and in accordance with the Act. Such certification will be based on the utilisation report as received from the Implementing Agencies (wherever CSR projects are implemented through such agencies and/or a certificate issued by the implementing agencies' Auditor or an independent Chartered Accountant).

5. REVIEW AND AMENDMENT

The Board may at any time (based on the recommendation of the CSR Committee), amend this Policy either pursuant to any changes in applicable regulations or otherwise. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, such amendment(s), clarification(s), circular(s), etc. shall prevail over the provisions of this Policy.

In case of any doubt with regard to any provision of this Policy and also in respect of CSR matters not covered herein, a reference has to be made to the CSR Committee or the Board. In all such matters, the interpretation and decision of the CSR Committee or Board shall be final and binding.



ANNEXURE A

**ANNUAL ACTION PLAN FOR THE CSR EXPENDITURE OF THE COMPANY
FOR THE FINANCIAL YEAR**

The action plan for the CSR initiatives of the Company for each financial year, to the extent possible, will be in the following format, subject to the necessary edits, as required:

(A) Details of the CSR expenditure

S. No.	Particulars	Amount (in INR)
I.	Two percent of average net profit of the company as per section 135(5) of the Companies Act, 2013	
II.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	
III.	Amount required to be set off for the financial year	
IV.	Total CSR expenditure for the financial year (I+II-III)	
V.	Amount allocated for Administrative Overheads	
VI.	Amount allocated for Impact Assessment, if applicable	
VII.	Total estimated CSR expenditure to be spent for the financial year	

(B) Details of the CSR projects or programmes for the financial year

S. No.	Details	1	2
i.	Name of the CSR projects or programmes		
ii.	Location of CSR projects or programmes (State and District)		
iii.	Duration of CSR projects or programmes		
iv.	Activity as per Schedule VII of the Companies Act, 2013		
v.	Manner of Execution (Direct or through implementing agency)		
vi.	Details of Implementing Agency (Name, Nature of entity and CSR Registration Number)		
vii.	Implementation Schedule including details on funds utilization		
viii.	Amount allocated for the CSR projects or programmes		
ix.	Amount to be spent in the current financial year		
x.	Amount available for set-off from preceding financial years		
xi.	Amount required to be set-off for the financial year		
xii.	Additional important details		
xiii.	Details of monitoring and reporting mechanism		
xiv.	Details of impact assessment, if any.		

Note: The Board may alter or revise the Annual Action Plan at any time during the financial year, as per the recommendation of its CSR Committee.



ANNEXURE B

ACTIVITIES FOR CSR AS PRESCRIBED UNDER THE ACT

SCHEDULE VII (to be read with the amendments prescribed under the Act from time to time)

Activities broadly relating to:—

- (i) eradicating hunger, poverty and malnutrition, “promoting health care including preventive health care” and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) 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.
- (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- (viii) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- (ix) 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;
- (x) rural development projects;
- (xi) slum area development, where the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under the law for the time being in force;
- (xii) disaster management, including relief, rehabilitation and reconstruction activities; and
- (xiii) Such other matters as may be prescribed.

