

 LSIPL Human Resources	Corporate Social Responsibility (“CSR”) Policy	
	LSIPL POL #	Effective Date: 3/24/2021

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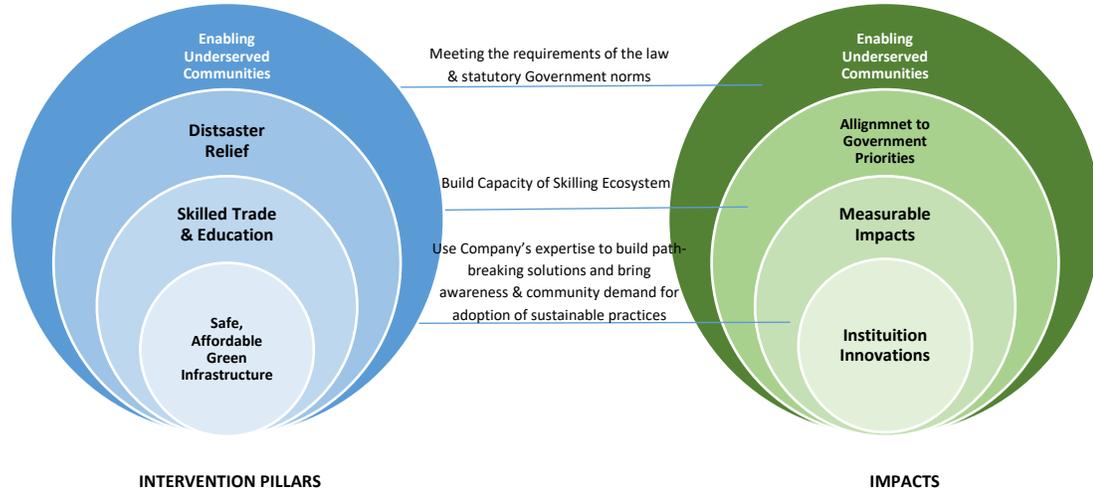
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 **Purpose**

In accordance with Section 135 of the Companies Act, 2013 and the rules promulgated there under (collectively, the “**CSR Requirements**”), Lowe’s Services India Private Limited (the “**Company**”) has adopted this corporate social responsibility (“**CSR**”) Policy (the “**CSR Policy**”).

Vision

Empowering and enabling underserved communities through sustainable community development programs.



Approach & Mission

1. Drive sustainable and impactful programs in the following focus areas:
 - Revitalizing communities through construction/refurbishment of safe, affordable and green buildings such as houses, shelter homes, institutions, hostels etc.
 - Skill development for sustainable livelihood
 - Advancement of education
2. To support the local state governments in providing disaster relief and rehabilitation, as needed, to affected areas.
3. Lowe's Corporate Social Responsibility (CSR) program will serve the underserved communities, comprising children, youth, women, LGBTQ and people with disabilities (PWDs)..

In the process, complement the following United Nation's Sustainable Development Goals, in accordance with the Company's vision and Schedule VII of the Companies Act 2013:

SDG 5: Achieve gender equality and empower all women and girls

SDG 8: Promote sustained & inclusive economic growth, productive employment and decent work for all

SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable

SDG 17: Strengthen the means of implementation and revitalize global partnerships for sustainable development

Constitution of CSR Committee

The CSR Committee shall be comprised in accordance with the requirements of the Companies Act, 2013 and the Rules made thereunder, amended from time to time. The details of the composition will be hosted on the Company's website at [www. https://lowes.co.in](https://lowes.co.in).

Responsibilities of the CSR Committee

The responsibilities of the CSR Committee shall include, but not be limited to, the following :

- to formulate and recommend to the Board, a CSR Policy indicating projects or programmes to be undertaken by the Company;
- to recommend the amount of expenditure for the CSR activities; ;
- to monitor the CSR activities undertaken in pursuance to the CSR policy ; and
- to formulate an Annual Action Plan, including manner of execution, modalities of utilisation of funds and implementation schedules, monitoring and reporting mechanism, details of need and impact assessment, if any and recommend to the Board;
- to review the spends on the identified ongoing projects and yearly projects. ;

Selection of CSR Projects and Programs

All CSR projects of the company shall align with activities detailed under Section 135 and Schedule VII of the Companies Act, 2013 and the rules thereunder, including the notification(s)/circular(s)/memorandum(s) etc. as may be issued by the Ministry of Corporate Affairs of India with regard to the CSR activities, as amended from time to time (the “Regulations”).

The Company shall endeavor to undertake its CSR projects and programs in the local areas around which it operates, except for projects approved under the Regulations outside India. . .

- CSR activities must not include the activities undertaken in pursuance of normal course of business of the Company
- Projects or programmes or activities that benefit only the employees of the Company and their families shall not be considered as CSR.
- CSR activities should be in project/ programme mode. One-off events such as marathons/ awards/ charitable contribution/ advertisements / sponsorship of TV programmes etc. will not qualify as part of CSR expenditure.
- Any other guidelines as may be prescribed by Ministry of Corporate Affairs of India from time to time

Implementation of CSR Projects and Programs

The CSR Committee shall develop and recommend to the Board, an Annual Action Plan, that would serve as the blueprint for design and implementation of the CSR projects for establishing strategic social engagement with high impact.

In furtherance of specific CSR Projects and Programs as per the approved Annual Action Plan, the Company will undertake the CSR activities itself or through eligible implementing partners, fulfilling the eligibility criteria as prescribed under the Companies Act, 2013 and the Rules made thereunder, amended from time to time, in order to leverage upon the collective expertise and experience that such partnership may bring. The Company will follow a thorough streamlined selection process, to ensure that the implementing partner on-boarding is undertaken in the most transparent, effective and efficient manner.

Selection criteria of Implementing Partner:

In addition to the eligibility criteria as prescribed under the Companies Act, 2013 and the Rules made thereunder, the CSR team will also assess/ rank the identified partners on the below mentioned criteria; partners with the highest score will be considered for engagement.

A. Partner Strengths

1. Expertise, experience & ownership - The implementing partner should have a proven track record, expertise and experience in the chosen thematic area; review of the project/annual reports/ external auditors, etc.
2. Reach - The implementing partner should have the required working relationship with other eligible implementing agencies, government agencies and grass roots local bodies and a wide network amongst these entities.
3. Previous track record – In case of a new NGO partner, reference checks with two corporates will be mandatory. In case of an existing NGO partner, previous track record of project implementation and impact will be considered.
4. Finances and Fund utilization - Partner balance sheet should reflect efficient and impact focused fund utilization and/or need for funds to drive programs.
5. Media management - Assessing the partner's media image and the media engagement strategies.

B. Project's Alignment to Company's Priorities

6. On-ground Need Assessments - Assessments of project need, from a beneficiary perspective, will be conducted before the commencement of the project.
7. Project site – Proximity to the company's local headquarters in India.
8. Scalability - Capability of scaling up the interventions to more systematic wide range of initiatives for sustainable impact.
9. Data availability - Adequate baseline data on the proposed intervention and a strong data base to prove that its programs have impact on communities/beneficiaries.
10. Impact review - CSR team to visit the project sites to understand the onsite impact for the on-going interventions.
11. Beneficiaries – Review of the beneficiaries' selection criteria shared by the partner
12. Volunteering opportunities – Avenues to creatively engage the Company's employees in volunteering programs.
13. Sustainability– Projects to sustain impact amongst communities and approach around exit strategy for a smooth transition.

The interventions will be undertaken in a project mode with specific targets, outcome, activities, milestones and responsibilities of each party signed off as part of an Agreement.

The CSR projects shall include year long projects and programs. The Company may also consider ongoing projects to provide ample time for creating impact as described under the current Regulations or amended from time to time. An ongoing projects undertaken by the Company in fulfilment of its CSR obligation shall have timelines not exceeding three years, excluding the financial year 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.

Monitoring

The Company will endeavor for a well-defined and robust governance structure to oversee the implementation of the CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013. As per the governance structure, all projects shall undergo continuous monitoring (monthly, quarterly, annual) through regular interactions and on-site visits to be conducted by the CSR team or any other agency contracted for the purpose, during the tenure of the project. The objective of this monitoring process is to review and assess the qualitative and quantitative impact on communities and ensure that all allocated CSR corpus is spent for only the intended purpose/social cause.

Reporting

The monitoring reports (monthly, quarterly and annually) shall be co-designed in a way to show the modalities of utilization of funds and implementation schedules for the projects. The implementation partner shall submit monitoring reports to the CSR team according to the periodicity agreed in the

Agreement, details of which will be shared by the CSR team with the CSR Committee. This report would indicate:

1. Achievement since last progress report; monitor the implementation of project (ongoing/not ongoing) and ensure that the disbursed funds have been properly utilized for the necessary purposes
2. Proposed budgets for all CSR activities conducted in accordance with the CSR Policy; and
3. Actual year-to-date spends of such CSR activities conducted in accordance with the CSR Policy
4. Projections for yet to be spent funds and project wise challenges (if any) to help mitigate

The implementation schedules, modalities of execution of the projects, the monitoring schedules and audit systems would be decided as per the need and nature of the CSR projects.

The CSR Committee and the Board will be apprised at least half yearly by the CSR team about the efficacy, deliverables and KPIs of the current and ongoing projects, basis which addendums will be signed for consequent years.

In addition to this, CSR Head of the Company shall certify to the Board that the funds so disbursed have been utilized for the purposes and in the manner as was approved by the Board.

This Policy along with the list of CSR activities approved by the Board and undertaken during each financial year by the Company, including any ongoing projects, shall form a part of this policy as “Annexure A” and shall be published on the Company’s website.

Formulation of Annual Action Plan

The CSR Committee shall develop and recommend to the Board, an Annual Action Plan, that would serve as the blueprint for design and implementation of the CSR projects for establishing strategic social engagement with high impact. The plan shall include -

1. The list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
2. The manner of execution of such projects or programs.
3. The modalities of utilization of funds and implementation schedules for the projects or programs.
4. Monitoring and reporting mechanism for the projects or programs.
5. The details of need and impact assessment, if any, for the projects undertaken by the company.

Budget and other aspects

The Company shall seek to spend annually at least 2 per cent of the average net profits of the Company made during the three immediately preceding financial years, on specific CSR Projects and Programs. For this purpose, the “net profit” and the “average net profits” shall be calculated as prescribed under the Companies Act, 2013 and rules made thereunder as may be amended from time to time. Failure to spend the mandatory CSR obligation would be dealt in the following manner:

The un-spent mandatory CSR obligation, approved by the Board and not relating to any Ongoing Project	<ul style="list-style-type: none"> - Transfer the unspent amount within 6 months from the close of financial year (by September 30) to a Fund specified in Schedule VII - disclosure of reasons for not spending in Board Report
The un-spent mandatory CSR obligation, approved by the Board and relating to an Ongoing Project	<ul style="list-style-type: none"> - Transfer the unspent amount, within a period of 30 days from the end of the financial year (by April 30) to “Unspent Corporate Social Responsibility Account (UCSRA)”.

The Company shall take steps to ensure that any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account, which shall be maintained by the Company with a Scheduled bank and shall be 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.

The CSR amount may be spent by a company for creation or acquisition of a capital asset in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder, as amended from time to time.

Where the Company has spent an amount in excess of the mandatory 2%, such excess amount may be set off against the CSR spend to be made 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.
- (ii) the Board of the company shall pass a resolution to that effect.

Review of CSR Policy

The CSR Committee shall review this CSR Policy on a need basis and shall update it as necessary or appropriate (subject to approval of the CSR Committee and by the Board) to ensure that it reflects CSR Requirements as well as the Approach of the Company and relevant stakeholders.

Document History

Version	Date	Release/Amendments/Changes Details	Prepared by	Reviewed by	Approved by
1	20/03/15	Initial Draft	Monica (Legal)	Monica (Legal)	Board
1.1	12/01/17	Amendments done by Legal Team	Monica (Legal)	Monica (Legal)	Board
1.2	20/01/2017	Final Release	Monica (Legal)	Monica (Legal)	Board
1.3	31/03/2017	Revision of CSR Policy	Monica (Legal)	Monica (Legal)	Board
1.4	28/04/2020	Revision to CSR Policy	CSR team	Legal team	Board of Directors
1.5	24/03/2021	Revision to CSR Policy	CSR team	Legal team	Board of Directors

Annexure A

CSR Activities undertaken by the Company