



CORPORATE SOCIAL RESPONSIBILITY POLICY

OF

EARTHOOD SERVICES LIMITED

(Formerly known as Earthood Services Private Limited)

CIN: U93000HR2012PLC047116

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CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. SHORT TITLE:

This policy in relation to the Corporate Social Responsibility (“CSR”) of **Earthood Services Limited** (*formerly known as Earthood Services Private Limited*) is titled as the “CSR Policy” and shall include any alterations, amendments or modifications hereto from time to time.

2. INTRODUCTION

Earthood Services Limited (ESL) is a globally recognized carbon auditing & certification firm which is committed to promoting sustainable practices among companies. Established in 2012 under the provisions of the Companies Act, 1956, the company has global presence with offices in India, UK and Turkey.

The company has 3 service lines broadly - Climate Change, ESG & Decarbonization and Others (sustainability & agriculture). The majority of the business comes from Carbon Auditing which involves verification and validation of carbon offset projects. ESG & Decarbonization services involve assisting businesses in following sustainable practices and meeting their net zero emissions targets. Sustainability services comprise of energy, electrical & water audits for companies to obtain high performance structure certifications. Finally, agriculture services involve working with the Govt. of India to assist & support farmers through formation of Farmer Producer Organizations (FPOs).

The objective of Corporate Social Responsibility (CSR) is to enrich society by enhancing the well-being of individuals, their families, and the larger community. It aims to create a positive ripple effect, fostering sustainable development and contributing to the overall upliftment of local communities.

This Policy is effective from 15th October, 2024, as amended from time to time. This policy lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of the community at large. The Company’s CSR policy has been framed in accordance with Section 135 of the Companies Act, 2013 and the rules framed thereunder. This Policy covers all the internal dimensions of the CSR structure and further captures and sets out the process of implementation of the CSR related activities.

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3. SCOPE OF CSR POLICY

The scope of this CSR policy will extend to all those CSR initiatives that are proposed to be taken up by the Company which falls under the purview of Schedule VII of the Companies Act, 2013.

4. DEFINITIONS

- (a) “**Act**” means Companies Act, 2013 including any Statutory modification or re-enactment thereof.
- (b) “**Board**” means Board of Directors of the Earthood Services Limited.
- (c) “**Corporate Social Responsibility (CSR)**” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in Section 135 of the Act in accordance with the provisions contained in these 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 (29 of 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
- (d) “**CSR Committee**” means the Corporate Social Responsibility Committee of the Board, if any.

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- (e) “**CSR Policy**” means Corporate Social Responsibility Policy of Earthood Services Limited.
- (f) “**CSR Expenditure**” means the amount recommended by the CSR Committee to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time.
- (g) “**CSR Rules**” means the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- (h) “**International Organization**” means an organization notified by the Central Government as an international organization under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule of the said Act apply.
- (i) “**Ongoing Project**” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having 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.
- (j) “**Employee**” means employee of Earthood Services Limited (whether working in India or abroad).
- (k) “**Public Authority**” means ‘Public Authority’ as defined in clause (h) of Section 2 of the Right to Information Act, 2005 (22 of 2005);

Any term not defined above, shall have the meaning assigned to it under the Act or the CSR Rules.

5. APPROACH

The Company's Corporate Social Responsibility (CSR) approach is built on a foundation of key principles that guide its initiatives and foster sustainable development. These principles include:

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- **Focus on Impact:** Prioritizing projects that deliver measurable and long-lasting benefits to communities.
- **Strengthening Relationships:** Building strong, collaborative partnerships between the Company and local communities to address shared goals.
- **Employee Engagement:** Encouraging active involvement of employees in CSR efforts to enhance ownership and commitment.
- **Innovation:** Embracing creative solutions to address societal challenges and maximize positive outcomes.
- **Honesty:** Maintaining integrity and ethical practices in all CSR activities.
- **Team Building:** Fostering teamwork and cooperation within the Company to drive CSR success.
- **Transparency and Accountability:** Ensuring openness and responsibility in the execution and reporting of CSR initiatives.

6. IMPLEMENTATION OF THE CSR POLICY

The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules.

The Board shall ensure that the CSR Activities are undertaken by the Company itself or through any of the following implementing agencies –

1. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other company; or
2. 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
3. any entity established under an Act of Parliament or a State legislature; or
4. company established under section 8 of the Act, or a registered public trust or a registered society, 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.



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The programs and projects shall be identified by the CSR Committee and thereafter shall be implemented subject to Board's approval of the policy. The Company shall design an effective monitoring and implementation mechanism incorporating the following elements: -

- Identification of objectives.
- Planning and formulation.
- Adopting efficient control techniques.
- Impact assessment.
- Conclusive result-oriented evaluation.

7. CSR ACTIVITIES

The Company may undertake / fund projects, programs or activities of the following nature and also undertake such other activities as may be approved by the Board as per Schedule VII of the Companies Act, 2013.

EDUCATION:

- Counseling of villagers to encourage their children for education and Conduct awareness programmes for promotion of girl education.
- Special attention on education, training and rehabilitation of Project Affected People
- Special attention on education, training and rehabilitation of mentally & physically challenged children/persons.
- Academic education by way of financial assistance to Primary, Middle and Higher Secondary Schools.
- Providing Scholarships to the meritorious students of the schools in the Project Affected Areas.
- Support to Technical/Vocational Institutions for their self- development.
- Adult literacy especially amongst those belonging to Below Poverty Line (BPL).
- Spreading legal awareness amongst people and disadvantageous sections of the society about their rights & remedies available.

HEALTH CARE

- Organizing Mobile Clinics/ medical camps in the villages of Project Affected Areas.
- Organizing general awareness camp for the surrounding villages to make the people realize the harmful effects of social evils like smoking, alcohol, drug abuse etc.
- Conduct Aids, TB and Leprosy awareness programmes in Project affected areas.



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- Diet and Nutrition awareness
- Blood donation camps.
- Diabetics detection & Hypertension Camps.
- Promotion of Family Planning activities.
- Senior Citizen Health Care.
- To supplement the different programmes of Local/State Authorities like Swacch Bharat Abhiyan etc.

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SPORT AND CULTURE

- Promotion of sports activities in nearby villages by conducting tournaments in sports such as Football, Kabaddi, Khokho, etc.
- Providing sports materials for Football, Volleyball, Hockey sticks etc to the young and talented villagers.
- Sponsorship of Sports event in the Project affected areas.
- Support for development of play grounds in Project affected areas.
- Promotion of State level sports/games teams.
- Sponsorship of National Sports events in Power Station & Corporate office areas.
- Sponsorship of Cultural event to restore Indian Cultural Traditions and Values.
- Providing sports facilities for physically handicapped persons.
- Promotion of Art & Culture.
- Protection of Heritage sites.

INFRASTRUCTURAL DEVELOPMENT

- Construction / repairs of community halls, road, bridges, culverts, check dam, auditorium, play ground, sports, complex, parks, garden, night shelters, orphanages, old age homes etc.
- Providing Street lighting.
- Providing furniture & equipments to educational institutions. Development of public utilities and sanitation facilities.
- Tree plantation including fruits trees.
- Construction of public cremation ground /burial grounds.
- Creating common grazing land/ small distributaries for irrigation.

DISASTER MANAGEMENT

- Relief for victims of Natural Calamities like Earth Quake, Cyclone, Draught and Flood situation in any part of the country.
- Relief for family members of Army Personnel losing their lives at War.
- Disaster Management Activities including those related to amelioration/Mitigation.

ENVIRONMENTAL PROTECTION & CONSERVATION

- Organizing sensitizing programmes on Environment Management and Pollution Control.
- Green Belt Development
- Create awareness for adoption of environmental friendly technologies in everyday life

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- Afforestation, Social Forestry, Check Dams, Park.
- Restoration of barren lands.
- Development of jobs related to agro product i.e. Dairy/Poultry/farming and others.
- Plantation of saplings producing fruit.
- Animal care-Vaccination & Checkup.

EMPOWERMENT

- Imparting Vocational Training to rural youth on Welding, Fabrication, Motor Winding and other professional expertise.
- Organizing training programmes for women on tailoring Embroidery designs, Home Foods/Fast Foods, Pickles, Painting and Interior Decoration and other Vocational Courses.
- Setting-up skill development centres for youth, women, girls etc.
- Empowerment of women for education / health & self employment.
- Capacity building of the Project affected persons (PAPs) to improve their employability.
- Care for senior citizens, physically challenged, destitute women, widow.
- Improving lives of people belonging to Scheduled Caste & Scheduled Tribe.
- Adoption/construction of Hostels (specially those for SC/ST & girls)

LIVELIHOOD DEVELOPMENT

- To provide assistance to villagers having small patch of land to develop mushroom farming, medicinal plants, vegetable farming & other cash crops to make them economically dependent on their available land resources. Training may be provided by agricultural experts for above farming.
- Promotion of livelihood/ Employment facilities to the community especially to the backward & weaker section by providing education and training thereby developing their skill for suitable employment. Further opportunities for self-employment should be provided by constructing Shopping Complex in and around the projects.
- Self Help Groups (SHGs) should be formed by active participation of local people for setting up Dairies, Poultries etc, which will also help to generate self-employment.
- Placement assistance programs for youth.
- Grant/donation/financial assistance/sponsorship to reputed NGOs of the Society /locality doing/involve in upliftment of the standard of the society.

NATURAL RESOURCE MANAGEMENT

- Water Supply to village through mobile Tanker in summer till permanent Arrangement.
- Installation/Repair of Hand Pumps/Tube Wells.
- Digging/Renovation of Wells & other irrigation facilities.
- Gainful utilization of waste water through treatment plants for cultivation or any other purpose.
- Development/construction of Water Tank/Ponds.
- Rain water-harvesting scheme.
- Formation of a Task Force of Volunteers to educate people regarding proper use of drinking water.
- Empowerment to the villagers for maintenance of the above facilities for availability of water.

The Above list is illustrative and not exhaustive. CSR Committee may also consider CSR activities not falling in this list. The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility. Thus, the Company will give preference to conducting CSR activities in the state of Haryana wherein the Company has its registered office. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board of Directors for undertaking CSR activities.

8. CSR COMMITTEE

Presently, CSR Committee of the Company consisting of the following members in compliance with the provisions of Section 135 of the Companies Act, 2013:

- 1) Mrs Sunita Thawani, being the Independent Director of the Company
- 2) Mr. Kaviraj Singh, being the Director of the Company
- 3) Mr. Ashok Kumar Gautam, being the Director of the Company

The CSR Committee shall be responsible for implementation/ monitoring and review of this policy and various projects/ activities undertaken under the policy. The CSR Committee shall submit periodical reports to the Board of Directors.

9. CSR EXPENDITURE

- 1) The CSR Committee shall recommend the amount of CSR Expenditure to be incurred in a year, in accordance with the Act and the Rules.

- 2) The CSR Committee shall prepare and submit a CSR Annual Plan to the Board of Director for the approval which shall include:
 - a. Identified CSR Projects
 - b. CSR expenditure
- 3) The Board shall ensure that the CSR Expenditure in a financial year is at least at two per cent of the average Net Profits of the Company made during the three immediately preceding financial years.
- 4) Any surplus arising out of the CSR Activities shall not form part of the business profit of the Company and may only be re-allocated to the CSR Activities being undertaken in terms of this CSR Policy.
- 5) Any amounts contributed directly or indirectly to any political party under Section 182 of the Act will not count towards CSR Expenditure or considered a part of CSR Activities
- 6) All administrative expenses including expenditure on wages & salaries, tours and travels, training & development of personal deputed on CSR activities would be borne from CSR funds.
- 7) In order to count towards CSR Expenditure, CSR Activities must be carried out in India and should not be solely for the benefit of the employees of the Company and their families.

10. MONITORING PROCESS

1. The monitoring process for CSR Projects shall include the following.
 - a) Evaluation of Planned progress V/s Actual Progress.
 - b) Actual expenditure V/s expenditure as per Approved Budget.
2. The CSR Committee shall monitor the implementation of the CSR Policy and CSR Plan and report to the Board from time to time. The Board of Directors shall ensure that activities included by a company in its Corporate Social Responsibility Policy are related to the activities included in Schedule VII of the Act.
3. CSR Plan may be revised/ modified/ amended by the CSR Committee at such intervals as it may think fit.

11. DISCLOSURES: -

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- 1- The Company is required to disclose in its Board's Report an Annual Report on CSR containing the following :-
 - i. A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs;
 - ii. The composition of the CSR Committee;
 - iii. Average net profit of the company for last three financial years;
 - iv. Prescribed CSR Expenditure (2% of the amount of the net profit for the last 3 financial years);
 - v. Details of CSR spent during the financial year;
 - vi. In case the company has failed to spend the 2% of the average net profit of the last three financial year, reasons thereof;
 - vii. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company;

12. CSR OFFICER

The CSR Officer shall be responsible for the proper implementation and execution of CSR Projects of the Company.

- i. The CSR Officer shall be responsible for monitoring the Projects vis-à-vis the Annual Plan.
- ii. The CSR Officer shall communicate the relevant feedbacks received by him to the CSR Committee.
- iii. The CSR Officer shall be directly responsible to the CSR Committee.
- iv. The CSR Officer shall be assisted by a select group of individuals who shall be exclusively dedicated and/or available on priority basis to the CSR Officer, as and when required in discharge of all or any of his functions as required under the CSR Policy.

13. REPORTING AND RECORD KEEPING

The CSR Committee shall maintain proper minutes of all its meetings.

The Board's report of the Company shall include an annual report on CSR containing the particulars set out in Annexure A to this CSR Policy and such other details as may be prescribed from time to time under the Act and the CSR Rules.

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The Board will be responsible to ensure that:

- (i) The report of the Board includes the annual report on CSR Activities of the Company and sets out the requisite information in terms of the Act and the Rules;
- (ii) The contents of the latest and updated version of the CSR Policy is included in the report of the Board;
- (iii) The contents of such policy are also made available on the website (if any) of the Company as per the particulars specified in the Annexure A.
- (iv) In case of failure to ensure the minimum CSR Expenditure, detailed reasons for the same are adequately disclosed in the Board Report.

14. GENERAL

- i. In case of any doubt with regard to any of the provisions of this Policy and also in respect of matters not covered herein, a reference may be made to the CSR Committee. In all such matters, the interpretation and decision of the CSR Committee shall be final.
- ii. The provisions of the CSR Policy shall stand modified in accordance with the provisions of the Companies Act / Companies CSR Rules, as amended from time to time and the applicable Government guidelines.
- iii. The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to the approval of the Board of Directors.
- iv. CSR Committee shall meet at such intervals as may be required.

15. AMENDMENT

The Board of the Company may, subject to compliance with applicable law, at any time alter, amend or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities.

