



Corporate Social Responsibility Policy (“CSR Policy”)

Preamble

Phoenix ARC Private Limited. (“**Phoenix**”) recognizes the immense opportunity it has, to bring about a positive change in the lives of the communities through its business operations and Corporate Social Responsibility (CSR) initiatives.

Phoenix aspires to be a trusted partner and contribute significantly towards the economic, environmental and social growth of the nation and is also committed to contribute towards United Nations’ (UN) Sustainable Development Goals (SDGs). This policy sets out Phoenix’s vision, mission, governance, and CSR focus areas to fulfill its inclusive growth agenda in India.

While ensuring that projects and programmes are compliant with the CSR mandate as specified under Section 134, Section 135 read with Schedule VII of the Companies Act, 2013 (the Act) along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules) and other applicable laws as amended from time to time, Phoenix endeavors to align its CSR projects with Government initiated social development programmes and interventions and UN’s SDGs.

Vision

To improve the quality of life of the communities through positive impact on economic, social and environmental parameters and in alignment with India’s social development objectives and UN’s SDGs.

Mission

To create a lasting value for communities in need by promoting and supporting education, livelihood, healthcare, sports and environmental and sustainable development initiatives and others including reducing inequalities faced by socially and economically backward groups, relief and rehabilitation, and interventions towards an educated, employed, healthier and a cleaner India with the aim to serve communities at large and to transform their lives, in a collaboration with internal and external stakeholders.

Phoenix has defined CSR Focus Areas to make concerted efforts to achieve a meaningful and measurable social impact. The CSR programmes and/or projects under any of the Key Focus Areas as defined under this policy would be implemented. However, on a case-to-case basis, CSR programmes and/or projects which are outside Phoenix’s defined CSR Focus Areas but are eligible CSR activities under Section 135 read with schedule VII of the Act along with the CSR Rules as amended from time to time and in line with the Government of India’s notifications issued from time to time, may also be approved by the CSR Committee.

Scope of Phoenix’s CSR Policy

Phoenix’s CSR Policy is within the scope of the CSR mandate as specified under Section 134 and Section 135 read with Schedule VII of the Act, the CSR Rules and other applicable laws as amended from to time. CSR Projects would be guided by applicable regulations and would seek to achieve social objectives and impact as envisaged in the CSR mission.

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Provided that the CSR activities undertaken by Phoenix shall not include the following:

- (i) Activities undertaken in pursuance of normal course of business of Phoenix;
- (ii) Activities undertaken by Phoenix outside India except for training of Indian sports personnel representing any State or Union Territory at national level or India at an 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 Phoenix as defined in clause (k) of section 2 of the Code on Wages, 2019;
- (v) Activities supported by Phoenix on sponsorship basis for deriving marketing benefits for its business;
- (vi) Activities carried out for fulfillment of any other statutory obligations under any law in force in India.

Statement of Commitment

Phoenix, at all times, is committed to:

- Engage with communities to understand their material expectations, concerns, and will consider these material expectations and concerns to design its CSR agenda.
- Implement, monitor, review and evaluate CSR initiatives to achieve the desired outcomes in a transparent manner.
- Undertake projects inter-alia in the areas of promoting education, enhancing vocational skills and livelihood, promoting preventive healthcare, environment and sustainable development, sports and other areas including reducing inequalities faced by socially and economically backward groups, relief and rehabilitation, and interventions towards a cleaner India with the aim to serve communities at large and to transform their lives.
- Collaborate with governmental agencies, non-governmental organisations (NGOs) and/or other institutions to collectively deliver community development initiatives and support such organisations and institutions with appropriate and necessary resources.
- Encourage its employees to contribute and volunteer for various community development initiatives.
- Ensure that surplus arising out of CSR initiatives is utilised to further augment the CSR agenda and that such surplus does not form part of Phoenix's profits.
- Comply with all legal provisions applicable for CSR, and wherever feasible to adopt best practices in relation to CSR.

Implementation Mode

Given the enormity of India's social development requirement, Phoenix will either directly implement all its CSR projects and programmes, and /or Partner* with registered governmental agencies, registered NGOs and/or any other institution, as mentioned below, for implementing projects and programmes who have a proven track record to implement cost and process efficient CSR projects and/or programmes that are scalable, sustainable, and have measurable social outcomes and impact.

*Partner in the CSR context means Phoenix joining-hands with Implementing Partners as mentioned below to implement its CSR Programme i.e., Phoenix's CSR Programmes will be funded by Phoenix (CSR funding partner) and implemented by/through Implementing Partners. It is clarified that Phoenix's responsibility and liability is restricted to impact outcomes of its CSR Programmes only and in no manner will Phoenix be responsible or held liable for any acts of omission and commission, and such other civil and criminal liabilities.

Monitoring

The CSR Committee will ensure a transparent monitoring mechanism for effective implementation of the projects / programmes / activities proposed to be undertaken by Phoenix in pursuance of its CSR obligations.

The CSR Committee would be responsible for monitoring the approved projects and/or programmes and would ensure that the funds are utilized for the approved purpose and to the satisfaction of the Board in the manner approved by it and shall be certified by the Chief Financial Officer.

Monitoring mechanisms may include visits, meetings and progress/status reporting by the project/programme teams. Phoenix's CSR activities will be regularly reviewed by the CSR Committee. A system will be put in place to maintain a transparent monitoring and reporting mechanism across all the stakeholders involved in the CSR activities of Phoenix, as required under Section 135 read along with Schedule VII of the Act along with the CSR Rules and other applicable laws as amended from time to time.

In case of a multi-year project having timelines not exceeding 3 (three) years during a financial year in which it was commenced, undertaken by Phoenix in fulfillment of its CSR obligations (including projects that was initially not approved as a multi-year project but whose duration has been extended beyond 1 (one) year by the Board) (Ongoing Project), the Board shall monitor the implementation of such CSR project and/or programme with reference to the approved timelines and year-wise allocation. The Board may also make modifications, for smooth implementation of such project and/or programme within the overall permissible time period.

Phoenix may engage external agencies for the purposes of monitoring, designing and evaluation of the CSR projects / programmes approved as per the provisions of this CSR Policy, as well as for capacity building of Phoenix's own CSR personnel.

Implementing Partners

The Board shall ensure that the CSR activities are undertaken by Phoenix itself or through any of the following registered entities:

- (a) 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 approved under 80 G of the Income Tax Act, 1961, established by Phoenix, either singly or along with any other company, or
- (b) 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

- (c) Any statutory body constituted under an Act of Parliament or a State legislature to undertake activities covered in Schedule VII of the Act; or
- (d) 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 approved under 80G of the Income Tax Act, 1961, and having an established track record of at least 3 (three) years in undertaking similar activities.

As per development sector practice and for convenience, Phoenix will refer to all its Implementing Partners as NGOs unless otherwise specified in this CSR Policy.

Expenditure of the CSR funds

The Board shall ensure that in every financial year, Phoenix spends at least 2 (two) % of its average net profits made during the 3 (three) immediately preceding financial years in pursuance to the provisions of this CSR Policy and in accordance with Section 135 read with Schedule VII of the Act and CSR Rules, as amended from time to time.

For any CSR funds that remain unspent pursuant to an Ongoing Project, Phoenix shall be required to transfer such unspent CSR funds to its Unspent Corporate Social Responsibility Account, within 30 (thirty) days from the end of the financial year. Such unspent CSR funds shall then be spent in accordance with the terms of this CSR Policy within a period of 3 (three) financial years from the date of such transfer, failing which, Phoenix shall transfer the same to a Fund specified in Schedule VII of the Act, within a period of 30 (thirty) days from the date of completion of the third financial year.

As per the applicable law, such Unspent CSR funds, pertaining to Ongoing CSR Projects for the Financial Year, which are transferred to Unspent Corporate Social Responsibility Account will be considered as part of the 2% prescribed CSR requirement for the Financial Year.

For any unspent CSR funds that do not relate to any Ongoing Project, such unspent funds shall be transferred to the Fund specified under Schedule VII of the Act, within a period of six (6) months of the expiry of the financial year.

In case Phoenix's CSR spends is less than two (2) % of its average net profits made during the three (3) immediately preceding financial years, the Board in its report made under Section 134(3)(o) of the Act, shall specify the reasons for not spending the said amount.

Any surplus arising out of the CSR activities carried on by Phoenix, shall not form part of the business profit of Phoenix and shall be dealt with in the following manner:

- (i) Surplus to be ploughed back either into the same CSR project and/or programme; or
- (ii) Surplus to be transferred to the Unspent CSR Account and spent in pursuance of this CSR Policy and the annual action plan of Phoenix; or
- (iii) Surplus to be transferred to a Fund specified under Schedule VII of the Act, within a period of 6 (Six) months of the expiry of the financial year.

In the event that Phoenix spends an amount in excess of the requirement provided under Section 135(5) of the Act, such excess amount may be set off against the requirement to spend under Section 135(5) of the Act, upto immediate succeeding 3 (three) financial years subject to the



conditions that such excess amount shall not include surplus arising out of the CSR activities and the Board shall pass a resolution to that effect.

The CSR funds may also be utilized for creation or acquisition of capital asset, to be held by either the beneficiaries of the CSR project such as entities, collectives or self-help groups; a public authority; or a company incorporated under Section 8 of the Act or a registered public trust, registered society with a charitable objective and a CSR registration number.

CSR Reporting

The Board's report pertaining to any financial year containing details of the CSR initiatives taken during such financial year, would include an annual report on CSR activities in the form and manner prescribed under Section 135 read with Schedule VII of the Act read along with the CSR Rules and other applicable laws as amended from time to time.

Location

While Phoenix will give preference to implement its projects and programmes in the local area and areas around it where it operates, with due approval of the CSR Committee and the Board, Phoenix may also implement its CSR programmes and/or projects either directly or with partner NGOs within the geography of India to serve and support the needy people (children, youth, women, war widows, war veterans, elderly, and the differently-abled including school and college dropouts or anyone who never had any formal education (illiterate), destitute, homeless) and/or towards nation building.

Key Focus Areas

(I) CSR Focus Area: Education & Livelihood

Through its CSR focus area - Education & Livelihood, Phoenix will endeavor to enhance the accessibility and affordability of quality education including special education for the differently abled children and youth.

Phoenix's programmes and/or projects on Education will focus on providing financial and other resource support to educational institutions comprising infrastructure, buses, scholarships and coaching to children, teachers, headmasters, principals, administrators and trustees and parents and guardians to cater a holistic learning environment for children at school and home. The activities may also include providing mid-day meals and creating relevant infrastructure such as specialized food delivery vans, utensils, kitchens, warehouses etc. and other required nutrition and health related support to the children.

Phoenix's Livelihood programmes and/or projects will work towards imparting vocational skills and development training courses to children, youth, women, war widows, war veterans, elderly, and the differently-abled including school and college dropouts or anyone who never had any formal education (illiterate) through technical, soft and trade and commerce skills which may help them earn a livelihood and/or enhance their livelihood



Phoenix may also undertake any other programmes and/or projects which would focus on the education sector and/or livelihood sector, as may be approved by the CSR Committee.

(II) CSR Focus Area: Healthcare

Through its CSR focus area – Healthcare, Phoenix will undertake projects and programmes directly and/or through Implementing Partners working in the healthcare and sanitation domain including but not limited to improving access to healthcare facilities by providing ambulances, screening vans and mobile health units etc.

Phoenix will undertake projects and programmes in the fields of healthcare, sanitation, eradication of hunger and malnutrition, and provision of access to safe drinking water. The CSR projects and/or programmes will aim to provide preventive and curative care and also palliative care, health check-up camps to various age groups to spread awareness for prevention and cure of cancer, HIV/AIDS, tuberculosis, malaria, and other communicable and non-communicable diseases and illnesses. Phoenix will also undertake projects and programmes to sensitise communities on personal and community health and hygiene. To give life a fighting chance, Phoenix will promote, encourage and implement blood and organ donations.

Phoenix may also undertake any other programmes and/or projects which would focus on the healthcare sector, as may be approved by the CSR Committee.

(III) CSR Focus Area: Environment and Sustainable Development

Through its CSR focus area – Environment and Sustainable Development, Phoenix will partner with NGOs working in the area of maintaining ecological balance, protection of flora and fauna, animal welfare, agriculture, agro forestry, forestry, conservation of natural resources and maintaining quality of soil, air and water.

Phoenix will also invest in projects and programmes for water conservation, rain water harvesting, adopting green technologies, waste reduction and recycling including effluent treatment, and reusing (3Rs) and promote, encourage and use alternate energy. Further, Phoenix will undertake projects and/or programmes with NGO partners that are committed to and work in areas of Environmental, Social and Governance (ESG), Sustainability, SDGs and CSR either through direct activities or in the form of advisory, policy advocacy and stakeholder awareness programmes either directly or with eligible institutions under the CSR mandate.

Phoenix may also undertake any other programmes and/or projects which would focus on the environment and sustainable development sector, as may be approved by the CSR Committee.

(IV) CSR Focus Area: Relief & Rehabilitation

Corona Virus (COVID-19) has been declared as pandemic by the World Health Organisation (WHO), and Government of India has treated this as a notified disaster.. Economic and social impact of the pandemic has been equally significant. Many of these issues require sustained and long term CSR support. Thus, Phoenix may undertake and support various relief and rehabilitation activities related to COVID-19 including under item nos. (i) and (xii) of Schedule VII of the Act relating to promotion of health care, preventive health care and sanitation, and disaster management or under such other areas as may be specified by the Ministry of Corporate Affairs

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from time to time in this regard. Such CSR projects and/or programmes may aim to provide immediate response to reduce or avoid potential spread of disease and losses resulting from same, assure prompt and appropriate assistance to victims of the pandemic or resulting lockdowns. Phoenix may also undertake projects and programmes that engage with the community for long-term rehabilitation solutions including but not limited to focusing on livelihood enhancement, providing shelter and infrastructure for education and health services to achieve rapid and effective recovery.

In case of other calamities, pandemic or a notified disaster, Phoenix may commit significant portion of the CSR funds towards disaster management projects and programmes for dealing with humanitarian aspects of emergencies in particular preparedness, response and recovery in order to lessen the impact of disaster either directly and/or through implementing partners working in relief, rehabilitation and reconstruction domain, providing immediate and long term solutions, during and after a disaster with the purpose to avoid a disaster, reduce its impact or recover from its losses including but not limited to providing essential relief material such as safe drinking water, meals, clothes, medical aid & camps, and supply of daily essentials to the affected communities.

Phoenix may also undertake any other programmes and/or projects which would focus on the Relief & Rehabilitation, as may be approved by the CSR Committee.

(V) CSR Focus Area: Sports

A significantly high percentage of Indian children and youth are from the underprivileged and less privileged segment where basic education and sports education including training and coaching is not available. Sport is an activity for children and youth and is often used as a draw card to recruit children and young people to health and education programmes. Sport development projects that focus on educational outcomes use sport as a means to deliver educational messages to participants and spectators in some cases.

The United Nations (UN) is using sport and games related projects and programmes to encourage young people, particularly girls and young women, to attend school within refugee camps across the world. The United Nations Children's Fund (UNICEF) also lays strong emphasis on 'sport' while campaigning for girls' education, promoting education through events and other awareness campaigns.

India has a severe dearth of training and coaching facilities for sports training for the underprivileged and less privileged segment. Through its CSR Programme on Sports, Phoenix will either directly or with/through NGOs impart training and coaching as well as work towards development of infrastructure and training facilities to enable children, youth and adults to take up rural sports, nationally recognised sports, international and world championships, Olympics and Para Olympics.

Phoenix may also undertake any other programmes and/or projects which would focus on the sports sector, as may be approved by the CSR Committee.

(VI) CSR Focus Area: Others

Phoenix's priority will be to implement CSR projects and programmes which come under CSR Focus areas as defined in this CSR Policy statement, but it will not be restricted to these defined

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CSR focus areas only. On a case to case basis, Phoenix may also consider undertaking CSR programmes and/or projects which are outside the Phoenix's CSR focus areas, however which are eligible under section 135 read with schedule VII of the Act along with the CSR Rules, other applicable laws as amended from time to time and as may be approved by the CSR Committee.

Policy on Accounting of Administrative Overheads Expenses for CSR

As per the provisions of the CSR Rules the Board shall ensure that the administrative overheads* shall not exceed five percent of total CSR expenditure of Phoenix for the financial year.

CSR Impact Assessment

Where in any Financial Year, Phoenix has an average CSR obligation of Rupees Ten crore or more, Phoenix shall undertake impact assessment of its CSR projects and/or programmes having outlays of Rupees One (1) crore or more and which have been completed not less than one (1) year before undertaking the impact assessment, through an independent agency. The impact assessment reports shall be placed before the Board and also annexed to the annual report on CSR. The impact assessment expenditure in any financial year shall not exceed the limit prescribed under the CSR Rules as amended from time to time.

Scope of Administrative Overheads Expenses for CSR

“Administrative overheads” means the expenses as defined under Rule 2(b) of the CSR Rules, as amended from time to time.

Governance Framework

Phoenix has an established Board appointed Corporate Social Responsibility Committee which is responsible for the overall governance of CSR initiatives. The CSR Committee shall comprise of at least 3 (three) or more directors, out of which at least 1 (one) shall be an independent director.

While the CSR Committee will be responsible to review and approve Phoenix's CSR Policy and Programmes, the Company Secretary and his team will be responsible for execution of CSR Programmes within the scope of CSR Policy provisions of the Act & CSR Rules and as per directions of the CSR Committee & the Board.

The CSR Committee will also be responsible for formulating an annual action plan in consonance with this CSR policy and recommending such annual action plan to the Board. The annual action plan shall include the following information:

- (i) A list of CSR projects or programmes that are approved to be undertaken by Phoenix;
- (ii) The manner of execution of such CSR projects and programmes;
- (iii) The modalities of utilization of funds and implementation schedules for the projects or programmes;
- (iv) Monitoring and reporting mechanism for the projects or programmes; and
- (v) Details of need and impact assessment, if any, for the projects undertaken by Phoenix

Based on the recommendations of its CSR Committee and reasonable justification, the Board shall have the right to alter such annual action plan at any time during a financial year. Phoenix's

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CSR Expenditure payments will be published in its Annual Report as per the CSR reporting format mentioned in the Act, and the CSR Rules, as amended from time to time, and the same shall be available on website of Phoenix at <https://phoenixarc.co.in/>

This CSR Policy Statement is effective from 25th April 2023 and supersedes earlier Corporate Social Responsibility Policy.

For Further information, write to:

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