

LIBERTY

Liberty Shoes Limited

CORPORATE SOCIAL RESPONSIBILITY POLICY

(Revised CSR Policy approved by the Board of Directors at its Meeting held on August 11, 2021 incorporating the amendments made in CSR Rules, 2014)

1. CONTEXT

Liberty Shoes Limited recognizing that business enterprises are economic organs of society and draw on societal resources, we believe that a company's performance must be measured by its Triple Bottom Line contribution to building economic, social and environmental capital towards enhancing societal sustainability. Liberty Shoes Limited has been an early adopter of Corporate Social Responsibility ('CSR') initiatives. Along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth.

We committed to the business strategies of introducing products that give our consumers health & wellness, we operate in a manner that not just continues to generate an attractive return for shareholders, but also minimizes our impact on the environment and helps in replenishing the planet; while lending a helping hand to the community.

The Company's focus has always been to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations.

2. Our CSR Vision

Through sustainable measures, actively contribute to the Social, Economic and Environmental Development of the community in which we operate ensuring participation from the community and thereby create value for the nation.

3. Our CSR Mission

1. Ensuring socio-economic development of the community through different participatory and need-based initiatives in the best interest of the poor and deprived sections of the society so as to help them to become **SELF-RELIANT** and build a better tomorrow for themselves.

2. Ensuring environmental sustainability through ecological conservation and regeneration, protection & re growth of endangered plant species, and promoting biodiversity.

4. THRUST AREAS

The CSR activities we pursue will be in line with our stated Vision and Mission, focused not just around our plants and offices, but also in other geographies based on the needs of the communities.

The **Focus areas** where special Community Development programmes would be run are:

A) EDUCATION

Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled, and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc. with the objective of assisting students in their studies.

B) RURAL DEVELOPMENT

Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages. We believe that the well being of people living in rural areas ensures sustainable development.

We will work with local administrations to achieve community development goals. We will partner with governments and NGOs and support them in improving infrastructure such as constructing roads, providing drainage systems and electricity, and rehabilitating natural disaster affected victims in rural areas.

C) PREVENTIVE HEALTH CARE

Promoting preventive health care and sanitation and making available safe drinking water, Preventive Health care through awareness programmes, health check-ups, provision of medicine & treatment facilities, providing pre-natal & post natal health care facilities, prevention of female foeticide through awareness creation, program for preventing diseases and building immunity.

We will work with various non profit organizations that run mid day meal programs in schools across India and may establish kitchens that provide meals to school children.

Besides, The Company will also provide health care to the poor and needy peoples at concessional charges or free of cost.

D) WOMEN EMPOWERMENT

Promoting women empowerment by providing a sustainable and educational environment, life of dignity, confidence to stand tall, the skill sets to be financially independent and strength to face various walks of life; providing them an environment that empowers them to realize their full potential and help them go on to become skilled professional in various walks of life.

E) OTHER ACTIVITIES

- Promotion of Sports with special focus on training for rural sports, nationally recognized sports, Paralympic sports, Olympic sports.
- Welfare for differently disabled persons
- Setting up public libraries
- Reducing inequalities faced by the socially and economically backward groups
- Protection of national heritage, art, culture and handicraft; Restoration of Buildings & sites of historical importance & works of art.
- Welfare of armed forces personnel, war widows and their dependants
- Extension of help to the survivors, disaster affected families directly by Company or through eligible Section 8 Company, Trust, Society, Institution or such entities as may be specified under CSR Rules.
- Contribution in the project, campaign, awareness programs and activities recognized by the Govt(s). Regulatory Authorities and departments from time to time and qualifying as CSR expenditure under the provisions of CSR Rules.
- All activities within the scope and ambit defined under the provisions of Schedule VII of the Companies Act, 2013 and CSR Rules (as amended from time to time).

Duties and responsibilities:

i. Board of Directors

The Board shall include in its Report the annual report on CSR Projects as per the format provided in the Annexure to the Rules, as amended from time to time.

ii. CSR Committee

i. The CSR Committee shall monitor the implementation of the CSR Policy and CSR Plan.

For this purpose, the CSR Committee shall meet at least twice a year.

ii. In discharge of CSR functions of the Company, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations, or as required by the Board.

iii. The CSR Committee shall place before the Board the draft annual report as per the format in annexure to the Rules in Board meeting in April/May (including such extended time as may be permitted by Securities and Exchange Board of India (SEBI), Ministry of Corporate

Affairs (MCA) and other concerned Regulatory Authorities) of the following year for Board review and finalization.

iv. The CSR Committee shall ensure that the CSR Policy and finalized Annual Plan will be displayed on the Company's website.

v. A designated Officer/ concerned Directors shall be responsible for the proper implementation and execution of CSR Projects of the Company and shall present the CSR report to the Committee.

Review Periodicity and amendment:

i. CSR Plan may be revised/modified/amended by the CSR Committee at such intervals as it may deem fit or as and when necessity for such revision arise.

H. Identification of CSR Projects:

1. The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company (including its Units) operates. However, this shall not bar the Company from pursuing its CSR objectives in other areas, as prescribed under Schedule VII of the Companies Act of 2013 and the amendments thereto.

The CSR Projects shall include all the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act and in accordance with the provisions contained in CSR Rules, but shall not include the following:

- i. Activities undertaken in normal course of business,
- ii. Activities undertaken outside India;
- iii. Political contribution under section 182;
- iv. Activities benefiting employees of the Company as defined in section 2(k) of Code of Wages, 2019.
- v. Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
- vi. Activities carried out for fulfillment of any other statutory obligation.

Implementation of CSR Projects:

The Company shall endeavor to implement the identified CSR Projects by the following means:

1. The Company may itself implement the identified CSR Projects or through an eligible Section 8 Company, Trust, Society, Institution or such entities as may be specified under CSR Rules within the scope and ambit of the Thrust areas as defined in the Policy;
2. The Company may collaborate with other companies, including its Group Companies if required, for fulfilling its CSR objectives provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.
3. The Company shall seek extension/approval from the Board for a multi-year project that has exceeded beyond one year, based on reasonable justification.

J. Monitoring:

Monitoring process for CSR Projects shall include the following:

- Evaluation of Planned progress V/s Actual Progress
- Actual expenditure V/s expenditure as per the approved budget

K. Fund allocation and others:

A. Fund allocation

1. The Company, in every Financial Year, shall endeavor to spend the feasible amount, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the immediately preceding three Financial Years. However, the aforementioned expenditure in any Financial Year shall be at least 2% of Company's average Net profits for the three immediately preceding Financial Years.
2. The CSR Committee shall prepare a CSR Annual Plan for the above which shall include:
 - a. Identified CSR Projects
 - b. CSR expenditure
 - c. Implementation Schedules
3. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee
4. In case the Company fails to spend the statutory minimum limit of 2% of Company's average net profits of the immediately preceding three years, in any given financial year, the unspent amount, relating to a project, other than ongoing project, shall be transferred to any fund included in Schedule VII of the Act (until a fund is specified in Schedule VII of the Act) within a period of six months from the expiry of the financial year and Board shall specify the reasons for the same in its report in terms of clause (o) of sub-section (3) of section 134.

The unspent amount relating to ongoing project shall be transferred within a period of thirty days from the end of the financial year to a special account which will be opened by the Company in that behalf in that financial year in any scheduled bank to be called 'Unspent Corporate Social Responsibility Account and such amount will be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which the Company will transfer the same to a fund specified in Schedule VII within a period of thirty days from the date of completion of third financial year. The disbursement of funds shall be submitted to the Board as a part of the review along with the details of how the funds have been utilized, which shall be certified by the Company's CFO & Company Secretary.

In case of a multi years projects, the implementation along with the approved timelines and year-wise allocation will be presented to the Company's Board.

B. Others

1. The CSR Committee shall ensure that major portion of the CSR expenditure in the annual plan shall be for the Projects in the thrust areas. However, beyond any particular thrust area

taken up for budgetary allocation, CSR Projects can also be identified on need basis for implementation in a given year.

2. The Company's CSR Committee shall formulate and recommend to the Board, an annual action plan at the beginning of every financial year in pursuance of its CSR Policy, which shall include the following:

- i. The list of CSR projects or programmes that are approved to be undertaken in the areas or subjects specified in Schedule VII of the Act;
- ii. The manner of execution of such projects or 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;
- v. Details of need and impact assessment, if any, for the projects undertaken by the company

3. Surplus arising out of CSR activities shall not form part of business profits and shall be ploughed back in the same project or shall be transferred to unspent CSR Account and spent in pursuance of CSR policy and annual action plan 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.

4. An amount spent in excess of the requirements, such excess amount may be set off against the requirements to spend upto immediate succeeding three financial years subject to conditions that:

- a. The excess amount available for set off shall not include the surplus arising out of CSR activities.
- b. The Board of the Company shall pass a resolution to this effect.

If CSR amount is spent by the company for creation or acquisition of a capital asset, it shall be held by: Section 8 Company or beneficiaries of said CSR project in form of self-help groups, collectives, entities or a public authority.

8. COMPOSITION OF CSR COMMITTEE

The CSR Committee shall consist of the following directors to whom Board appoints/re-appoints from time to time:

- (a) Two Executive Directors
- (b) Three Non –executive Independent Directors

CSR Reporting:

Impact assessment, if and when mandated, will be undertaken by an independent agency and such impact assessment report shall be placed before the Board and annexed to the annual report of CSR.

Display of CSR activities:

The composition of CSR Committee, and CSR Policy and Projects approved by the Board will be displayed on the company's website, for public access.

Transfer of unspent CSR amount:

The unspent CSR amount, if any, shall be transferred by the Company to any fund included in schedule VII of the Act, (until a fund is specified in Schedule VII of the Act).