

CSR Policy

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PHILOSOPHY

UBL is committed to operate and grow its business in a socially responsible way. We aim to bring about sustainable development by balancing the commercial and economic progress with the social and environment development.

We strive to reduce the impact of our business on the surrounding environment. Our CSR initiatives are focused on improving the quality of lives of the communities residing in the vicinity of our breweries.

GUIDING PRINCIPLES

- I. Conduct our operations with integrity and respect for the interest of all our stakeholders in alignment with our Code of Business Conduct.
- II. Leverage our resources, expertise, services, relationships and influence, for the benefit of our communities and our community partners.
- III. Regularly monitor outcomes of our initiatives and publicly report on our progress in a transparent and effective manner.

FOCUS AREAS

The following focus areas have been carefully chosen to maximise the output of the corporate social responsibility initiatives:

- **Water-** The primary raw material for all UBL products is water. The ability to manage our water footprint is inextricably linked to the success of our business and the local communities that we operate in.

Through our sustainability efforts, we are constantly striving to reduce freshwater consumption in the production of our products and is also consistently working towards recycling/reducing of waste water throughout our manufacturing process. Through our CSR interventions we aim to address the rising water crisis in our co-communities by focusing on:

Water Conservation: UBL's water conservation program aims at identifying and implementing large-scale projects to enable water replenishment and recharge through construction/rejuvenation of water bodies. These projects put the run-away rainwater to effective use and help improve the ground water levels which ultimately relieves the community of its water woes. Rainwater harvesting is an important part of this initiative and has been implemented at various places.

Safe Drinking Water: UBL understands that a large percentage of our population still endures the daily struggles to access safe drinking water. Its initiatives are aimed at equipping the communities around its breweries with technology that ensures them of water safety and security.

- **Responsible Consumption of Alcohol-** Promoting the message of responsible consumption of alcohol among the masses is a critical objective for UBL. Sensitisation and awareness generation for the same is what UBL is working towards through its initiatives which focus on creating awareness through behavioural change communication.
- **Women Empowerment-** UBL supports innovation and under this focus area we aim to support women through skill-based training and accelerator programmes. We will provide grants to early-stage innovators, scholarships, incubators to develop tech enabled solutions. This focus area will also support rural women to become entrepreneurs.
- **Community Development-** UBL responds to the local needs of its co-communities by supporting specific community requirements specially during times of distress like natural disasters.

CSR SPEND:

In accordance with Section 135(5) of the Companies Act, 2013 (the Act), UBL is committed to spend at least 2% of its average net profits made during the three immediately preceding financial years in some of the identified activities that are listed in Schedule VII. In case of any surplus arising out of CSR projects, the same shall not form part of business profits.

IMPLEMENTATION PROCESS

UBL shall implement its CSR programmes either directly or through partnerships with reputed non-profit organisations having expertise in the selected thematic areas.

The CSR initiatives shall be centrally driven by the Head-CSR & Sustainability at the Corporate Office under the guidance of the Director, Corporate Affairs. The responsibility of identification of project opportunities and allocation of funds would rest with the corporate office.

The Brewery HR leads would be responsible for supervision and monitoring of the local community interventions.

PARTNER SELECTION PROCESS

UBL implements its major CSR projects through established NGOs with expertise in the desired thematic areas and a good connect with the local community. A partner selection involves the following broad steps:

- A. Partner Identification
- B. Partner Assessment
- C. Due diligence
- D. Proposal discussion and final selection

A. PARTNER IDENTIFICATION

Identifying a pool of organisations that can be possible partners is the first step in finding an appropriate partner for implementing a CSR project. A preliminary identification of the probable partners is done using the following methods:

1. **Secondary Research:** Once a location is identified, a secondary research is undertaken to identify NGOs that are working in that or nearby regions. The websites of the NGOs are referred to for detailed information on the NGO and its experience. Further research is done to understand the nature of projects done across the identified thematic areas. If the experience seems relevant, an introduction follows to explain the organisation and gauge the NGO's willingness to work in the chosen theme and region.
2. **Professional network:** With experience of working in the sector over the years and having a network helps locate and identify several relevant NGOs. The experience of having worked with the NGOs is beneficial and Industry connect helps as well. Other corporates working on the selected themes sometime help identify partners as well. HR managers at the brewery are usually well connected with other HR managers in the nearby industries. They sometimes help identify several partners with whom a dialogue can be established.
3. **Networking at Conferences and Conclaves:** A lot of networking happens during conferences and conclaves where one gets to meet representatives of NGOs and understand their work. Such platforms form the basis of identifying partners that the organisation can work with.

B. PARTNER ASSESSMENT

The prospective partners are introduced to the basic objective of the project which is usually a broad idea at the stage of partner identification. Based on mutual willingness to work on the chosen thematic area, the dialogue is taken further.

Discussions are held to understand the work ethics of the NGO, their processes and systems. They are encouraged to share their experiences and learning of similar projects. Relevant project related documents are requested for from the NGO to establish a better understanding of their work and experience.

C. DUE DILIGENCE

Due diligence measures include collecting relevant documents from the NGOs, including:

1. Organisational profile
2. Certificate of Registration-12A
3. CSR 1 Registration number
4. Pan card
5. 80G Certificate
6. FCRA Certificate
7. Audited financial statements for the last three years
8. Memorandum of Association
9. Cancelled cheque

The documents are further shared with the legal team for vetting.

D. PROPOSAL DISCUSSION AND FINAL SELECTION

Once partners are shortlisted, proposals are invited based on which discussions are held. Every component of the proposal is thoroughly discussed and deliberated upon. The shortlisted partners meet/ virtually present about their organisation, their capabilities and experience. Based on this discussion, selected partners go through UBL's internal procurement process. The selected partner is presented by the CSR team to the CSR committee for approval. Once approved the committee recommends the partner to the Board for final approval.

The final selection is followed by introducing the NGO team to the team at the brewery (HR and Unit Head) around which the projects are proposed. The NGO highlights its experience and expertise in the meeting. The baseline assessment procedure is explained to the brewery team. Discussions on the expectations from the project as well as sharing of experience with the local community (by the brewery team) are held during this meeting.

The brewery team and the NGO, together, decide the priority villages where the baseline assessment is to be conducted. Basis the baseline report, the final project is identified, planned, and implemented.

Project Approval Process:



For projects that are valued under 20 lakhs we follow the below mentioned process of approval:



MONITORING AND EVALUATION

A robust system of monitoring has been put in place to ensure effective implementation of planned CSR initiatives. The project sites are visited on a regular basis by brewery HR team and the HO CSR team to understand the physical progress. A third party is also appointed to review CSR interventions on a regular frequency to ensure unbiased impact evaluation.

CSR COMMITTEE

As per the Companies Act 2013, the Company must set up a Corporate Social Responsibility Committee with representation by a minimum of three Directors of the Board, with at least one of them being an Independent Director. The CSRC will be responsible for formulation and approval of the company's CSR Policy, the activities to be undertaken and monitoring the CSR Policy and programmes on a regular basis.

The members of the CSR Committee are:

- Ms. Geetu Gidwani Verma, Chairperson
- Mr. Radovan Sikorsky, Member
- Mr. Christiaan A J Van Steenberg, Member
- Ms. Kiran Mazumdar Shaw, Member

REPORTING

UBL monitors the progress of CSR projects and reports to the board of directors and the CSR Committee once in every quarter. The Company reports CSR performance in its annual report and CSR report as per the structure and format prescribed.

AMENDMENTS TO THE CSR POLICY

The Board of Directors of the Company shall have the powers to revise/modify/amend this Policy from time to time, as the Board may think fit, based on the recommendations to be made by the CSR Committee to confirm to the revision/ amendment, if any, to be made to the CSR Rules by the MCA, under the Companies Act 2013.