

FABINDIA's Corporate Social Responsibility (CSR) Policy

CSR PHILOSOPHY

Fabindia Overseas Private Limited (hereinafter referred to as “**Fabindia**” or “**the Company**”) was formed by John Latane Bissell with a mission to provide a platform to artisans who are based in rural parts of India, to produce and market the traditional handicraft products made with age old techniques.

This mission created a base for providing skilled, sustainable employment to rural artisans, weavers, local communities and in turn preserving India's traditional handicrafts in the process.

Over the years, Fabindia has been operating as an ethical and trust-worthy brand, promoting a stakeholder based community model of inclusive capitalism and fostering our founder John Latane Bissell's vision- *"In addition to making profits, our aims are constant development of new products, a fair, equitable and helpful relationship with our producers, and the maintenance of quality on which our reputation rests."*

We believe that corporate social responsibility (CSR) is the responsibility to conduct business in a socially responsible, ethical and environment friendly manner and in turn contribute to the economic and social growth of the nation.

CSR MISSION

We have identified the following focus areas as our CSR mission:

1. Promotion of Education and Vocational Skills:

To promote education, employment enhancing vocational skills among children, especially girls in rural areas and children with disabilities, children of families who have financial constraints by providing access to high quality education, scholarships, other incentives such as supply of books, stipends, awards etc without any discrimination on the basis of caste, creed, religion or sex.

2. Social Welfare:

To help and assist the needy, poor, aged, homeless, destitute, orphans, widows in case of any emergency by providing financial assistance or aid including medical aid and provide other welfare facilities to reduce the inequalities faced by the socially and economically backward groups.

3. Empowerment of Women:

To participate in programmes or projects that promote gender equality, support creation of opportunities and facilitate employment for women and provide financial support with a view to make them more educated and thus socially and economically empowered.

4. Sanitation and Health Care:

To support campaigns and awareness programmes initiated by government, local bodies, non-government organizations, trust, societies or companies to educate people in rural areas on the importance of maintaining hygiene which in turn will prevent occurrence of various diseases.

5. Conservation of Environment:

To ensure environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources, animal welfare and maintaining quality of soil, air and water and help in providing safe drinking water and to support Clean air and sustainable mobility initiatives or programmes.

6. Rural Development Projects:

To promote rural development projects that help in skill development, community development, generation of employment opportunities and eradication of poverty in rural areas.

7. Disaster Relief:

To provide financial assistance and other humanitarian aid and medical aid to help rehabilitate persons hit by floods, earthquakes or any other natural disaster or calamity and to undertake any other general public utility service.

CSR ACTIVITIES AND IMPLEMENTATION

The CSR activities to be undertaken by the Company shall be in line with our CSR Mission stated in this CSR Policy and shall include activities prescribed under schedule VII of Companies Act, 2013.

Our identified CSR implementing partners will be Bhadrajun Artisans Trust, a registered Society and Centre for Science and Environment, a registered Society. We may further identify and collaborate with other organizations, registered trusts, registered societies or companies incorporated under Section 25 of Companies Act 1956 or Section 8 of Companies Act 2013 to implement our CSR Mission.

We shall either directly or through BAT implement the mission of providing disaster relief to victims of natural calamities or force majeure events like floods, cyclones and earthquakes etc., by way of contribution to the Prime Minister's National Relief Fund (PMNRF) or any other fund set up by the Central Government for socio-economic development. The Company may also help in rehabilitation of persons affected by natural calamities in any other approved form.

Introductory Brief on the activities of Bhadrajun Artisans Trust (BAT)

BAT was established as a not-for-profit Society, registered with the Registrar of Societies in Delhi, in the year 1988 to build social development programs with a focus on education and crafts.

The Fabindia School, established in the year 1992 in the village of Bali, Rajasthan is being managed by BAT. There are over 800 students with nearly 45% female enrollment. The School has been committed to providing access to high quality education in rural India and encouraging education for girls.

In addition, the School seeks to enroll and sponsor children from socially and economically marginalized communities who otherwise do not have access to quality education. It also stresses upon environmental education, and teaches students to take pride in their local heritage. The School has been affiliated to the CBSE, Delhi since 1997 and has consistently produced good results.

BAT also supports various non- government organizations, charitable companies, trusts, societies which have been working for the upliftment of weaker sections of the society with a specific focus on areas like education, provision of scholarships, employment, sanitation, healthcare, empowerment of women, animal welfare, clean environment, social economic development of backward classes by providing financial assistance to the needy, poor, aged, homeless, orphans, widows etc. and development of rural areas.

The Company shall provide financial aid or assistance to BAT. BAT for us represents our efforts put forth towards fulfillment of CSR Mission stated in this policy. The Company has further authorized BAT to provide all kinds of assistance, relief, aid or grant to non-government organizations, charitable companies, trusts, societies etc. that are being supported by BAT and are engaged in undertaking projects, programmes or activities for welfare and development of society in line with CSR activities specified under Schedule VII of the Companies Act 2013.

Introductory Brief on the activities of Centre for Science and Environment (CSE)

CSE is an independent, public interest registered society or organization involved in advocacy and knowledge based activism on issues of science, technology, environment and development. Since its inception in 1980s, CSE has been actively campaigning on the issues of water, air pollution, tribals, forests and other environment related issues.

CSE organizes training programmes, campaigns, workshops and projects in areas such as environment conservation, protection of public health, right to clean air, clean water, rain water harvesting, climate change, environment impact assessment, renewable energy, environment education sustainable industrialization etc.

Fabindia will contribute funds to CSE and support its endeavors to educate society on various issues related to environment. CSE for us represents the efforts that we have put forth towards environment education, conservation of natural resources, renewable energy, health care and environment sustainability.

CSR Funds

The Company for the purpose of carrying on the CSR activities would spend at least 2% of the average Net Profits made during three immediately preceding Financial Years. Any surplus arising out of the contribution made for CSR Activities, shall not form a part of the business profit of the Company and shall be redeployed for such activities.

Monitoring Mechanism

For the purposes of monitoring implementation of the CSR Policy and the CSR Activities, the Company shall constitute a CSR committee ("**CSR Committee**"). The CSR Committee shall comprise of the following three Directors of the Company:

1. Mr. William Nanda Bissell
2. Ms. Charu Sharma and
3. Mr. Sunil Chainani

who shall monitor the implementation of the CSR Policy through periodic reviews of the activities or projects or programmes undertaken by BAT and CSE.

The CSR Committee shall ensure that a half yearly progress report on the CSR Activities and a CSR fund utilization certificate with statement of expenditure duly certified by an authorized auditor is obtained from BAT and CSE on a half yearly basis.

The Board of Directors of the Company ("**Board**") shall seek a short progress report from the CSR Committee at the end of every financial year.

CSR Expenditure

The CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Activities undertaken in accordance with this CSR Policy. Any income arising from CSR Activities will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

Disclosures

1. The Board of Directors of the Company shall ensure that contents of the CSR Policy are disclosed in its report and place the Policy on the Company's website in the prescribed manner as specified under Section 135 of the Companies Act 2013 read with CSR Rules.
2. The Board will review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.
3. The CSR Committee shall ensure that the CSR implementing partners of the Company are entities registered as trust or society or company or companies incorporated under Section 8 of Companies Act 2013 or Section 25 of Companies Act 1956. The implementing partner should not have less than three years' experience in implementing CSR activities.
4. The Company sources its products from 80,000 artisans and weavers in rural sector spread across 28 states of India, thereby providing 100,000 sustainable skilled jobs in the rural sector and promoting the age old traditions of India's craftspeople. This activity is part of the normal course of business of the Company and therefore is not included in the CSR Mission.