

realme

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**REALME MOBILE TELECOMMUNICATIONS (INDIA)  
PRIVATE LIMITED**

**CORPORATE SOCIAL RESPONSIBILITY  
POLICY**

(Amended on 27.11.2023)

## **INTRODUCTION**

Realme Mobile Telecommunications (India) Private Limited (hereinafter referred to as realme/the Company) has always endeavored to go beyond its business focus and contribute to the well-being of the community and society in which it operates. The company has a deep commitment towards social responsibilities.

As an organization, we believe that sustained economic growth cannot be achieved without social progress and the well-being of local communities.

In line with the aforesaid CSR philosophy, the Company has issued CSR policy keeping in consideration the critical societal needs and statutory provisions.

## **LEGAL FRAMEWORK**

Section 135 of the Companies Act, 2013 ('the Act'), read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ('CSR Rules') requires every company having:

1. net worth of Rs. 500 crore or more; or
2. turnover of Rs. 1,000 crore or more; or
3. net profit of Rs. 5 crore or more

during the immediately preceding Financial Year ('FY') to constitute a Corporate Social Responsibility Committee ('CSR Committee') of the Board.

Further, the CSR Committee so constituted shall formulate a Corporate Social Responsibility Policy ('CSR Policy') and recommend the same to the Board of Directors of the Company ('Board') for its approval.

## **OBJECTIVES**

This CSR policy intends to:

- Strive for economic development that positively impacts the society at large with minimal resource footprint.
- Embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, society

and other stakeholders.

## DEFINITIONS

In this Policy unless the context otherwise requires:

(a) "**Act**" means the Companies Act, 2013;

(aa) "**Administrative overheads**" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

(b) "**Corporate Social Responsibility (CSR)**" means the activities undertaken by realme in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the rules, but shall not include the following, namely:-

- i. activities undertaken in pursuance of normal course of business of the realme;
- ii. any activity undertaken by realme 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;

(c) "**CSR Committee**" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

(d) "**CSR Policy**" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

(e) **“CSR Expenditure”** shall include all expenditure including contribution to corpus for projects or programs relating to the CSR activities approved by the Board on the recommendation of its CSR Committee but shall not include any item not in conformity or not in line with activities which fall within the areas or subjects specified in Schedule VII to the Act.

(ee) **“International Organisation”** means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;

(f) **“Net profit”** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely

(i) Any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and

(ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.

(g) **“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.

(h) **“Public Authority”** means ‘Public Authority’ as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);

(i) **“Rules”** means the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued by the Ministry of Corporate Affairs (MCA) as amended from time to time.

(j) **“section”** means a section of the Act.

## **SCOPE**

realme has developed this Corporate Social Responsibility Policy (‘CSR Policy’) in consonance with the CSR Policy framework enshrined in the section 135 of Companies Act, 2013 (Act) and in accordance with the Companies (CSR Policy) Rules, 2014 (Rules) notified by the Ministry of Corporate Affairs, Government of India and subsequent amendments in the (Rules) and the

Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 notified by the Ministry of Corporate Affairs, Government of India in January 2021.

It shall apply to all CSR Projects / Programmes undertaken by realme in accordance with the CSR policy of realme and approved by Board of realme on the recommendation of CSR Committee of the Board of realme.

## **CSR VISION AND PROGRAMS**

In alignment with our CSR philosophy, the Company, through its CSR programs, intends to focus on the following areas:

Our main objective is to make Corporate Social Responsibility as one of the key focus areas to adhere to a strategy that focuses on making a positive contribution to the society through high impact, sustainable programs.

Our CSR activities include strategies that define plans for the future

- Eradicating hunger, poverty and malnutrition
- Promoting Health care including Preventive Health care
- Ensuring environmental sustainability
- Employment and livelihood enhancing vocational skills and projects
- Promotion of education
- Promoting gender equality and empowering women
- Rural Development Projects.

## **CSR BUDGET AND CSR EXPENDITURE**

- The Board shall ensure that Company spends, in every financial year, at least 2 per cent of the average net profits made during the three immediately preceding financial years on CSR activities mentioned in Schedule VII of the Act or such minimum budget as may be statutorily mandated. Computation of average net profits will be carried out in accordance with the provisions of Section 198 of the Act.
- The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

- In the event, that amount indicated as above is not spent in its entirety in that Financial Year, the reasons thereof will be outlined as per section 134 (3) (o) of the Act to be shared with all the stakeholders through the Annual Report and until a fund is specified in Schedule VII for the purposes of subsection (5) and (6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act.
- In an event where realme makes any surplus or profit arising out of the CSR activities, these shall not form part of the business profit and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company 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
- In an event where CSR expenditure is in excess of requirement as per section 135 of Companies Act, 2013, such excess amount may be set-off against the requirement to spend as per Section 135 of Act, up to immediate succeeding three financial years subject to the condition that
  - (a) this excess amount shall not include any surplus arising out of CSR activities; and
  - (b) Board of realme shall pass a resolution to this effect

## **GOVERNANCE STRUCTURE**

Realme's CSR governance structure comprises of CSR committee and the Board, wherein CSR committee reports directly to the Board.

The approval of the CSR policy and overall oversight is the responsibility of Realme's Board of Directors. The responsibility of the CSR committee is to promote the strategy and administer and execute the policy through the Corporate Foundation or an implementing partner(s). The CSR committee is to ensure that projects/programmes are compliant with this Policy and are monitored and reported effectively.

The Board shall reconstitute the CSR Committee, as and when required inter alia, to comply with the provisions of the Companies Act, 2013 and applicable statutory requirements.

### **Responsibility of the above Committee is as follows:**

- a) To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company in areas or subjects, specified in Schedule VII;
- b) To recommend the amount of expenditure to be incurred on CSR activities;
- c) To monitor the CSR policy of the Company and its implementation from time to time;

d) any other matter as the CSR Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time

## **I. RESPONSIBILITIES OF THE BOARD**

The responsibilities of the Board concerning CSR are as follows:

- Approving CSR Policy of the Company
- Disclosing the contents of the policy in its report and placing the policy on the Company's website, if any, in the manner prescribed under section 135 of the Act read with CSR Rules
- Ensuring that the CSR activities are related to the activities, areas or subjects included in Schedule VII of the Act.
- Ensuring that CSR activities included in the policy are undertaken by the company
- Ensuring that the Company spends, in every financial year, at least 2 percent of the average net profits made during the three immediately preceding financial years or such minimum budget as may be statutorily mandated under the law
- Ensuring that reasons for not spending of earmarked amount are disclosed in the Board's report in case the company fails to spend such amount
- Ensuring that realme gives preference to the local areas around its operations for spending the amount earmarked for CSR projects
- Ensuring that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

## **FOCUS AREAS/ACTIVITIES UNDER CSR**

In accordance with Schedule VII of Companies Act, 2013, realme CSR Activity will focus on

- Eradicating extreme hunger, poverty and malnutrition, promoting health care including preventive healthcare and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

- Promoting Education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Promoting Gender equality and empowering women; setting up hostels and homes for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining the quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural



Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).;

- Rural development projects;
- Slum area development;
- Disaster management, including relief, rehabilitation and reconstruction activities.

## **CSR PLANNING**

To assist in planning of the activities, the CSR Committee shall formulate and recommend to the Board for its approval, an annual action plan in pursuance of its CSR Policy, which shall include the following, namely:-

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company:

However, the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect. ”

## **CSR IMPLEMENTATION**

The Board shall ensure that the CSR activities are undertaken by the company.

The Board of realme shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the person responsible for financial management/Finance head shall certify to the effect.

## **MONITORING & REVIEW MECHANISM**

The Committee members will apprise the Board of CSR spent during the year. A presentation on the progress of the CSR projects/activities will be made to the Committee by the CSR executives at the Committee meetings to be held from time to time.

The Board of Directors of the Company will review the implementation of CSR and same will be noted in the minutes of the board.

## **REPORTING FRAMEWORK**

realme will make a full report of its CSR projects / programmes undertaken during the previous year in the format prescribed for the “Annual Report on CSR Activities to be included in the Board’s Report” in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 which is in consonance with section 134(3)(o) of the Act.

## **AMENDMENTS TO THE POLICY**

The Board on its own and/ or as per the recommendations of CSR Committee can amend this Policy, as and when required. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the provisions of the Act and Rules thereunder on the subject, from time to time.

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