

SKECHERS SOUTH ASIA PRIVATE LIMITED

CSR Policy

Corporate Social Responsibility Policy (“CSR”)

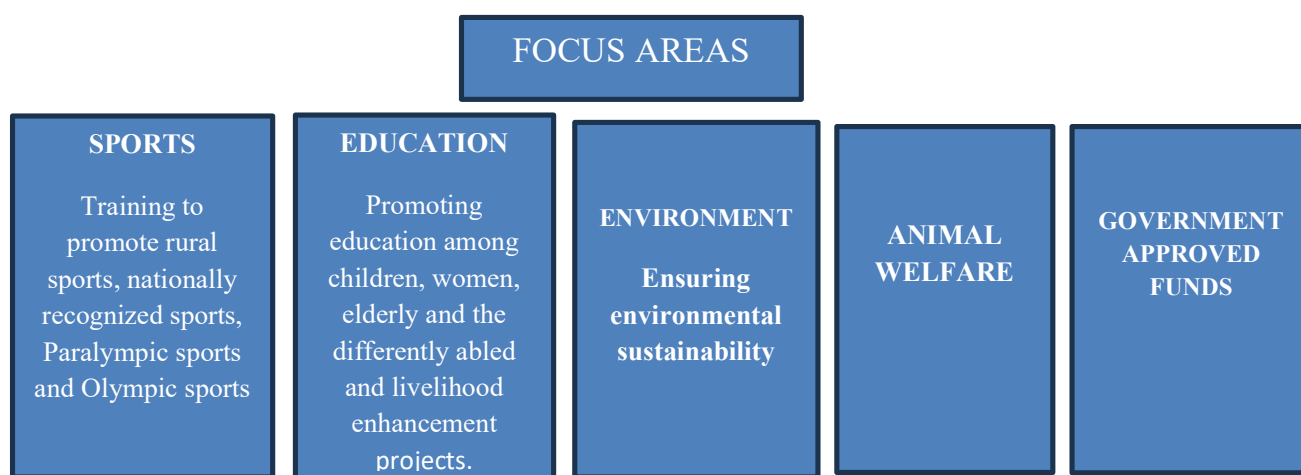
1. INTRODUCTION

With the applicability of Section 135 of Companies Act, 2013 (“the Act”) and Companies (Corporate Social Responsibility Policy) Rules, 2014 (“the Rules”), the Company is required to constitute the CSR Committee and formulate CSR Policy for spending 2% of average net profit of preceding three financial years on the activities as mentioned in Schedule VII of the Act.

We believe that Company’s CSR initiative would play a pivotal role in improving the lives of the communities and the society at large. This would also enable us to fulfil our commitment to be a socially responsible corporate citizen.

2. FOCUS AREAS OF CSR ACTIVITIES

In accordance with the provisions of the Act and the Rules, the Company shall carry out its CSR activities basis the focus areas identified by the Board as mentioned below. This focus areas are identified from the list of areas as specified in Schedule VII of the Act:



3. ACTIVITIES EXCLUDED FROM CSR

The following activities shall not form part of the CSR activities of the Company: -

1. The activities undertaken in pursuance of normal course of business of the Company
2. any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level
3. contribution to any amount directly or indirectly to any political party under section 182 of the Act
4. activities benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019)
5. activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services
6. activities carried out for fulfilment of any other statutory obligations under any law in force in India

4. GOVERNANCE

1. Composition of CSR Committee

The CSR Committee shall be comprised of the Board Members in accordance with the requirements of the Act read with the Rules. The CSR Committee comprises of below directors as the members:

- David Weinberg
- John Matthew Vandemore
- Sarin Catherine Collins
- Rahul Mahendra Vira
- Mayuresh Jambunathan

2. Meetings

The Committee shall hold meetings as and when required.

3. Functions of CSR Committee

The functions of CSR Committee are as follows:

- a) To formulate and recommend a CSR Policy indicating the activities to be undertaken by the company in alignment with the Focus Areas identified by the Board from the list of areas as specified in Schedule VII of the Act.
- b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a).
- c) To formulate and recommend an annual action plan in pursuance of CSR Policy as per the provisions of the Act read with the Rules.
- d) Recommend changes to the Board, if any, needed in the annual action plan with reasonable justification to that effect.
- e) The CSR Committee should recommend the approach and direction of CSR activities to be undertaken by the Company and also provide Guiding principles for
 - (i) Selection of CSR projects/programmes/activities
 - (ii) Implementation of CSR projects/programmes/activities
 - (iii) Monitoring of CSR projects/programmes/activities
 - (iv) Formulation of the annual action plan

5. FUNDING

The Committee shall spend 2% of the average net profits during the three immediately preceding financial years on CSR initiative undertaken by the Company. If the company spends any amount over and above such 2% of average net profits, the same is to be considered as excess CSR expenditure which can be set-off in the immediate succeeding three financial years subject to the conditions as prescribed under the Act and the Rules. The amount sanctioned by the Board of the Company will have to be utilized for the projects/programs/activities as specified by the CSR committee of the Company.

The admissible administrative overheads pursuant with the Act read with the Rules, in relation to CSR shall not exceed 5% of total CSR expenditure of the Company for the financial year.

The unspent amount, if any, at the close of the financial year pertaining to on-going projects extending for a period beyond one year, shall be transferred to a separate bank account to be known as Unspent Corporate Social Responsibility Account within a period of thirty days from the closure of the relevant financial year. The Company shall endeavour to spend such unspent amount within a period of three years in terms of the Act. If the Company is unable to spend either the entire amount or any of such unspent amount of the CSR funds within the specified period of three years, then it shall transfer the unspent CSR funds to the specified funds as specified in the Schedule VII of the Act.

Further, in the event there are no specified on-going projects, then Company shall transfer the unspent CSR funds to the specified funds as specified in the Schedule VII of the Act within the period of six months from the date of closure of the relevant financial year.

Any surplus arising out of the contribution made for CSR Activities shall not form part of the business profit of the Company and shall be redeployed for such activities.

The Company can also spend CSR amount for creation or acquisition of a capital asset, which shall be held by –

- A company established under section 8 of the Act, or a registered public trust or registered society, having charitable objects and CSR Registration Number; or
- Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- A public authority

6. IMPLEMENTATION

CSR programs, projects or activities of the company should be implemented through following methods:

- Directly by the Company
- Implementing agencies
- Any foundation or body incorporated by the company and eligible to undertake such CSR projects
- in collaboration with other organizations/group companies

While the Company can engage suitable implementing agencies to undertake approved CSR projects, the Company can also partner with local governance bodies, such as Gram Panchayats, Civic Bodies, Municipality to directly undertake approved CSR projects with the help and support of these bodies.

An eligible implementing agency is the one which fulfils below mentioned conditions:

- a company established under Section 8 of the Act, or a registered public trust or

a registered society, registered under section 12A and 80G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or

- 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
- any entity established under an Act of Parliament or a State legislature; or
- a company established under Section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961 and having an established track record of at least three years in undertaking similar activities and have also filed form CSR-1 with the Registrar of Companies.

7. MONITORING

The CSR Committee will be responsible for the monitoring of CSR activities as it may deem fit and report the same to the Board from time to time. The CSR Committee shall also determine the manner of submission of information, reports, files, etc. by third parties as a part of the monitoring process. CSR Committee shall ensure that a transparent monitoring mechanism is put in place for ongoing projects.

The CSR Committee shall periodically report to the Board on the progress made by the Company in implementing the CSR activities undertaken by it.

8. IMPACT ASSESSMENT

In case, the Company has average CSR obligation of Rs. 10,00,00,000 (Rupees Ten Crores) or more in pursuance of the Act and the Rules, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of its CSR projects having outlays of ₹ one crore or more, and which have been completed not less than one year before undertaking the impact study. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR. In order to undertake impact assessment, the Company may incur an amount up to 5% of the total CSR expenditure for that financial year or ₹ fifty lakhs, whichever is less and the same shall be considered as CSR expenditure for that financial year.

9. GUIDING PRINCIPLES

The Company shall follow the following guiding principles for selection, implementation, and monitoring of CSR activities as well as formulation of Annual Action Plan:

- The Company shall undertake only such CSR projects, programmes and activities, as are identified as Focus Areas under this CSR Policy.

- The Company shall endeavour to ensure utmost transparency in selection, implementation, monitoring and reporting of CSR activities.
- The Company shall ensure that the implementation agency selected by the Company shall satisfy the criterion specified in the Act and the Rules.
- The Company shall ensure that all the CSR projects, programmes and activities are implemented as per approved Annual Action Plan.
- Annual Action plan shall be simple, action oriented, measurable, relevant and time bound.

10. REPORTING & DISCLOSURES

The Company shall 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”.

The CSR policy, details of the composition of the CSR Committee and annual action plan approved by the Board shall be hosted on the Company’s website at www.skechers.in.

11. AMENDMENTS

The CSR Policy may be reviewed and amended from time to time by the Board based on the recommendation of the CSR Committee.