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	Approved By: Board of Directors& CSR Committee Department: Corporate Communications Applies To: Herbalife International India Private Limited	

1. PURPOSE:

The Company's CSR Policy has been developed in conformity with the provisions of Section 135 of the Companies Act, 2013 (referred to as the Act in this Policy) and in accordance with the CSR Rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India.

The Company's CSR initiatives strive to achieve a vision of 'Building it Better'. It intends to undertake corporate social responsibility in a strategic manner and will leverage its financial and human resources, networks and expertise to encourage positive impact for its stakeholders.

This policy is to be read in conjunction with the CSR Process Manual.

2. SCOPE:

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies Rules, 2014, Herbalife International India Private Limited ('HI IPL' or 'the Company') is, inter alia, required to formulate a CSR Policy to lay down guidelines describing company's approach and strategy for its CSR activities.

This policy is applicable to all activities/projects/programs undertaken by Herbalife International India Private Limited as part of its Corporate Social Responsibility. The policy is developed, reviewed, and updated in line with the governing laws by the Joint Working Group and approved by the Board of Directors (BoD).

3. Governance:

The CSR Lead referred to in this policy is defined as the Head of Department of Corporate Communication and CSR.

The Company follows a structured governance mechanism wherein the BoD governs the CSR function and related activities. Furthermore, for all statutory compliance purposes BoD will act as CSR Committee.

The structure is as follows -

A. Board of Directors (BoD)

The BoD are responsible for the following –

- a) Formulate Joint Working Group and oversee its functioning;

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- b) Review and approve CSR Policy;
- c) Ensure implementation of CSR activities and utilization of funds in line with the CSR Policy and Governing Laws;
- d) Disclose information on CSR activities, the amount spent, implementing agencies, and other related aspects as prescribed by the regulatory body(s);
- e) Disclose reason(s) for any shortfall in meeting prescribed spend requirement (if applicable);
- f) Share information on CSR projects with relevant stakeholders;

The BoD shall also undertake any action as required by the Law or situation. The current BoD consists of Ajay Khanna, Mark David Storey & Trevor Ivan D’Cruz.

B. Joint Working Group

The BoD has constituted a JWG to monitor the Policy and activities time to time.

The BoD may define a separate charter for the JWG, at its discretion; JWG’s role is but not limited to the followings:

- a) To formulate the Company’s CSR strategy, policies, goals, annual plans, and budget;
- b) To recommend suitable partners to the Joint Working Group;
- c) To recommend suitable projects to the Joint Working Group;
- d) To advise in support of operational challenges faced by CSR Team;
- e) To provide relevant guidance to CSR Team for effective and efficient management of CSR activities;
- f) To monitor Company’s CSR Policy and review CSR projects/initiatives on a periodic basis;
- g) To ensure legal and regulatory compliance in accordance with CSR rules;
- h) To ensure reporting and communication to stakeholders on the Company’s CSR projects/initiatives;
- i) To make recommendations on implementing agency(s), project(s) and budget(s) to BoD;

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- j) Any other matter/thing as may be considered expedient by the Members of the JWG in furtherance of and to comply with the CSR Policy of the Company.

The JWG may identify appropriate organizations/persons engaged in the activities that may be proposed to be undertaken by the Company as a part of the CSR projects and shall formulate the appropriate modes to implement the same. The JWG may engage external agencies to evaluate the CSR projects and monitor its progress, as appropriate.

The JWG will review and submit reports quarterly, to the BoD indicating the followings:

- a) Details of the CSR projects/programs/activities undertaken during the period;
- b) Details of CSR outlay, stating the budgeted and actual amount spent during the period and reasons of variance, if any;
- c) Achievements or impacts or improvements recorded in the society due to the CSR initiatives of the Company during the period;

Based on the periodic reports, the BoD shall recommend and ensure that the projects/programs and activities included in the CSR Policy of the Company are undertaken accordingly.

C. CSR Team

The JWG has appointed a CSR team, led by a CSR Head, and supported by a dedicated team for effective implementation of company's CSR activities.

The CSR team is responsible to:

- a) Act as a central point of contact for the delivery of CSR activities;
- b) Identify and manage the implementing partners to execute CSR activities as required;
- c) Prepare annual plans for CSR projects and submit to the Joint Working Group;
- d) Document and report all CSR activities of the Company in pursuit of the Companies Act and the CSR Rules;
- e) Any other activity(s) that may be required to effectively deliver the CSR programs of the Company.

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- f) To monitor progress of CSR activities and fund utilization and share a status update with Joint Working Group with action plan and recommendations.
- g) To provide suitable/appropriate recommendations to the Joint Working Group as required.

4. CSR Implementation

A. Intervention Areas

Enumerated below are the areas under which the Company will undertake its CSR activities. This will be reviewed from time to time by the Joint Working Group and specific initiatives under these will be undertaken in line with the CSR Policy to meet the overall objectives of these interventions:

- **Education:** Contribution for initiatives focused on supporting formal and informal education, co-scholastics, computer and digital literacy, life skills, etc.;
- **Health:** Contribution for initiatives focused on Herbalife Nutrition's Zero Hunger initiative, preventive care, maternal and child health and nutrition, etc.;
- **Water, Sanitation and Hygiene (WASH):** Contribution for initiatives focused on safe and clean drinking water, sanitation facilities, hygiene, etc.
- **Environmental Sustainability:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.
- **Livelihood:** Contribution for initiatives focused on providing livelihood opportunity through skill training, socio-economic support, capacity building, and market linkages, etc.;
- **Sports:** Contribution for initiatives focused on promoting sports and sports based education, training, skilling, infrastructure development, etc.
- **Incubators:** Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and
- **Research:** Contributions towards research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs) to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);"

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The activities to revolve around marginal and under-privileged sections of the community with key focus on children, women, athletes, para-athletes, armed forces, adolescents, senior citizens, people with disability in rural and urban areas close to areas of company's operation.

In addition to the above, Company may also undertake specific activities with due approval. These activities will be in accordance with Schedule VII, Section 135 of Companies Act 2013.

B. Implementation

The Company will undertake CSR activities which are closely linked with its philosophy and objectives with the principles of sustainable development and shared value. Activities will be implemented in the form of a Project / Program with a defined time frame, clear result framework and indicators, and an exit plan. Company can implement these through:

- directly, or
- an organization established under section 8 of the Act or a registered trust or a registered society, established by Company, either singly or along with any other entity, or
- an organization established under section 8 of the Act or a registered trust or a registered society, established by Central Government or state government or any other entity established under the Act of parliament or a state legislation, or
- specific CSR projects and initiatives as established by the Government of India and/or State Government Authorities.

The company may choose to undertake a due diligence exercise of implementing partners before/after awarding grant.

The CSR projects are implemented in a time-bound manner with clear objectives, plan, targets and robust monitoring and evaluation mechanisms.

The Company will use services of expert agencies, consultancy firms etc. wherever required for carrying out baseline surveys, identifying the implementing partner, guidance on project design and implementation, third-party monitoring and evaluations, impact assessment surveys etc.

C. Inclusion & Exclusion

CSR expenditure to include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved as per this policy on the recommendation of its Joint Working Group but does not include any expenditure incurred on below items:

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- a) Activities not aligned to Schedule VII, Section 135 of Companies Act 2013;
- b) Benefiting employees of the Company and their families only.
- c) Activities undertaken by Company in pursuance of its course of normal business;
- d) All HNF activities (Herbalife Nutrition Foundation) are excluded from the purview of Schedule VII of the (Corporate Social Responsibility Policy) Rules, 2014.
- e) One-off events and sponsorship of events such as Marathon, Awards, Charitable Contribution, Advertisement, Sponsorship of TV Programs, etc.
- f) Expenses incurred for fulfilment of regulations of any other act;
- g) Direct / indirect contribution to political parties;
- h) Project undertaken outside India, if not especially notified as eligible by Government of India;

D. Building Capacity

The Company may incur expense to build capacity/capability of its personnel as well as of its implementing agency(s), such expenditure shall not exceed 5% of the total prescribed CSR spend of the Company (as defined in the governing law).

E. Collaboration

The Company may also collaborate its CSR activities with other affiliates or its subsidiaries or any other Company as may be eligible and approved as per this policy. The Company may jointly along with other Affiliates or its subsidiaries or any other Company form separate entity to administer the CSR activities.

5. Monitoring & Evaluation:

A. Monitoring & Evaluation

The CSR team will devise Result Framework with implementation partner for effective monitoring and evaluation of project activities and funds. The framework shall define results and respective indicators, milestones, review frequency, documents to be submitted, etc. The mechanism to ensure that each project has:

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- a) Clear objectives developed out of the societal needs that are determined through need assessment and research;
- b) Clear targets, timelines and measurable parameters wherever possible;
- c) Clear format for periodic reporting;
- d) Periodic reviews by implementation team;
- e) Involvement of third party for independent assessment of results and achievements;
- f) Relevant documents and information to support the work done.

B. Grant

The budget for CSR shall be 2% of the average net profits made by the company during the three immediately preceding financial years.

The budget may maintain a cushion of 20%-25% between committed amount and prescribed tentative amounts keeping in mind business fluctuations.

For each financial year, the minimum amount available for CSR spending will be defined in accordance with the applicable provisions of the statute. Any surplus arising out of CSR projects shall not form part of business profit of the company.

As per the statute, any unspent budget shall be reported in the Annual Report.

The Company allocates budget for CSR activities, which is calculated as per the relevant provisions of the Companies Act 2013 and rules promulgated thereunder. The Joint Working Group allocates funds to individual projects within the overall budget.

The disbursement of funds will either be based on milestones or one-time payment depending upon the nature and requirement of the project. The terms, conditions, and timing of disbursement are discussed and agreed to with the CSR team, and typically forms a part of the MOU with the implementing agency.

C. Reporting framework

The Company monitors progress on CSR activities and spends on periodic basis; the frequency for each project/program is decided and agreed with implementing agency on case

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to case basis. The CSR Team reports to JWG on progress every quarter BoD on half-yearly basis.

The Company prepares and submits its annual report as per the structure and format prescribed in the notified CSR Rules.

D. The company can implement its CSR activities through the following methods:

- Non-government-organization (NGO), independent of the company, registered under Society, Trust, Section 8 (25) Company, with atleast 3 years of functional experience from the date of registration.
- Non-government-organization (NGO), established by the company, registered under Society, Trust, Section 8 (25) Company.
- Any other entity/department, as prescribed by central government or any other competent authority from time to time, for receiving CSR funds such as Incubation Centre, Research Institution, CSR Cell, etc.
- Direct Implementation, wherein, the company executes the project by itself.

6. Approvals:

A single Purchase Requisitions (PR) shall be raised for the mandatory CSR Expenditure for every Financial year i.e. amounting to 2% of the Average Net Profits of the Company for immediately three preceding Financial Years as defined under the Companies Act, 2013. The Purchase Requisition shall be as per approved by the designated individuals as per the 03.20 Approval Authority Matrix policy.

On approval of PR for the given Financial Year, the CSR Contracts can be executed and approved locally in India on the basis of the discussion & finalization of the CSR Project by JWG and the CSR Committee of the Company.

7. Information Dissemination:

Appropriate documentation of company CSR Policy, annual CSR activities, implementing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available in the public domain.

CSR initiatives of the Company will also be reported in the Annual Report of the Company.

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In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference should be made to Corporate CSR Team. In all such matters, the interpretation & decision of the Joint Working Group shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from the Government, from time to time.

The Company reserves the right to modify, cancel, add, or amend any of these Rules.