

CORPORATE SOCIAL RESPONSIBILITY POLICY

(Last amended on 31st January, 2023)

PREAMBLE

The concept of Corporate Social Responsibility (“CSR”) has gained prominence from all avenues. Corporate Sector has come forward to join Government’s endeavor to uplift the downtrodden of Society and already started investing in environment friendly technology and to ensure that environment and ecology must be protected, safeguarded for future generations. After gaining so much prominence Ministry of Corporate Affairs has made the Corporate Social Responsibility mandatory under Section 135 of the Companies Act, 2013 for the companies, which fall under the criteria specified in the said Section. Orient Bell Limited (“OBL”) has adopted CSR as a strategic tool for sustain able growth even much before the issue of CSR became a global concern.

INTRODUCTION

The Manufacturing plants of OBL are located in different parts of the Country spread in 3 states at Sikandrabad (Uttar Pradesh), Dora (Gujarat) and Hoskote (Karnataka) which are relatively in isolated areas with little contact to the outside society. The obvious impact of the introduction of any production activity in such areas change the traditional lifestyle of the original inhabitants and indigenous communities and also change the socio-economic profile of the Area. Hence, the primary beneficiaries of CSR should be those staying nearby area where the plants of the Company are located. Poor and needy section of the society living in different parts of locations of these States should be second beneficiaries. Moreover, OBL’s CSR policy should be integrated with the business plan so that environment and social concerned are well addressed along with growth in business.

In the aforesaid backdrop, policy on Corporate Social Responsibility of OBL is broadly framed taking into account the following:

- The objective of the CSR Policy is to help and enrich the quality of life of the community of the nearby areas of plants.
- Contribution to the society at large by way of social and cultural development, imparting vocational education and skills, training and social awareness specially with regard to the economically backward class for their development and generation of income to avoid any liability of employment.
- To be responsible and responsive corporate citizen through endeavors to create a safe, harmonious and ecologically balanced environment for its members and the community at large.
- To maintain commitment to quality, health and safety in every aspect of the business and people.
- To promote equality of opportunity and diversity of workforce through its business operations.

OBJECTIVE

The main objective of CSR policy is to lay down guidelines for OBL to make CSR a key business process for sustainable development of the Society. It aims at supplementing the role of the Govt. in enhancing welfare measures of the society based on the immediate short term and long term and environmental consequences of their activities.

SCOPE

The scope of this policy is to strategically draw the guiding principles for selection, implementation and monitoring of CSR projects/programs as well as formulation of the annual action plan by the Board of the Company, after taking into account the recommendations of its CSR Committee.

CSR FOCUS AREAS

CSR committee will recommend to the Board of Directors periodically the focus area out of the areas as given in schedule VII of Companies Act 2013 as amended from time to time which presently include:

- i) eradicating hunger, poverty and malnutrition, promoting preventive health care 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;
- ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii) promoting gender equality, empowering women, setting up homes and hostels 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;
- iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- v) 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 art and handicrafts;
- vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- vii) training to promote rural sports, nationally recognised sports, paralympics sports and Olympic sports;
- viii) contribution to the Prime Minister's National Relief 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;

- a. 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
- b. 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).
- ix) rural development projects;
- x) slum area development;

Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

- xi) disaster management, including relief, rehabilitation and reconstruction activities.
- xii) Various activities related to COVID – 19 relating to promotion of health care, including preventive healthcare and sanitation, and, disaster management.

GOVERNANCE OF CSR ACTIVITIES

The Company's CSR activities are governed by CSR Committee and the Board of Directors of the Company. CSR Committee shall mean the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Companies Act, 2013. The CSR Committee determines the overall scope of, provide input on, and recommend adoption of the CSR report to the Board of Directors of the Company and reviews the effectiveness of the CSR Policy and activities included in the Policy.

CSR Activities to be undertaken by the Company under this Policy shall be formulated by CSR Committee which inter alia recommend to the Board an Annual Action Plan. The CSR Committee and/or Board of Directors may authorize officials/Group of officials for the purpose of deciding and negotiating and to take overall decisions with regard to Annual Action Plan including the decisions related to areas, activities, projects or programmes where CSR funds shall be utilized, the modalities, manner and purpose of utilization of CSR funds and implementation schedules for such projects and programmes.

The Annual Action Plan shall, inter alia, contain the following information with respect to the CSR Activities proposed to be undertaken by the Company:

- List of the approved CSR programmes or projects to be undertaken in subjects or areas specified in Schedule VII of the Act.
- Manner of execution of the CSR programmes or projects.
- Modalities of implementation schedules and utilisation of funds for the projects or programmes.
- Reporting and monitoring mechanism for the projects or programmes.
- Details of impact and any need assessment for the projects undertaken by the company.

The Board may alter annual action plan as per the recommendation of CSR Committee based on the reasonable justification to that effect.

The CSR expenditure made shall be reviewed based on the basis of Annual Action Plan and a report thereon shall be placed before the Board indicating status of implementation of the approved CSR programs / projects for the purpose of monitoring.

The Chief Financial Officer or the person responsible for financial Management shall certify to the fact that CSR funds so disbursed have been utilized for the CSR activities only in accordance with Schedule VII of the Companies Act, 2013 and/or the CSR Policy of the Company.

CSR BUDGET

The budget for CSR activities shall be decided by the CSR Committee after taking into consideration of limits and parameters mentioned under the relevant law and the same shall be recommended to the Board for its approval.

Any unspent amount/ spent in excess shall be treated in accordance with the applicable provisions of the Companies, 2013 and rules made thereunder.

In exceptional circumstances percentage of budget allocation may be varied with the approval of the Board on recommendation of CSR Committee.

IMPLEMENTATION

- i) The CSR Committee and/or Board of Directors of the Company may authorize any person, Companies, Registered Society, Registered Public Trust, Entity established under State Legislature or an Act of Parliament, group of persons or directly by the Company to deal with all activities related to CSR in accordance with applicable provisions of the Companies, 2013 and rules made thereunder.

AMENDMENTS TO THE POLICY

The Board of Directors may as per the recommendations of CSR Committee amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant Statutory authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

The CSR policy issued pursuant to the Act has been recommended by the CSR Committee of the Board of Directors and approved by the Board of Directors and shall be placed on the Company's website www.orientbell.com.