

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

1. The Company operates in a live society. No business exists in a vacuum; nor can a business grow in isolation, and its activities have direct and indirect impact on the different elements of the Society. The Corporate Social Responsibility (“CSR”) is all about building sustainable business, which needs healthy economies, markets and communities. It is a commitment of business to contribute sustainable market development, working with employees, their families, the local community and society at large to improve quality of life, in ways that are both good for business and good for development. The CSR encompasses within itself wide range of issues relating to business conduct, from corporate governance and environmental protection, to issues of social inclusion, human rights and national economic development.

The major drivers of Corporate Social Responsibility are :-

- ❖ Concerns and expectations from citizens, consumers, public authorities and investors in the context of globalization and large scale industrial change.
- ❖ Social criteria are increasingly influencing the investment decisions of individuals and institutions both as consumers and investors.
- ❖ Increased concern about the damage caused by economic activity to the environment; and
- ❖ Transparency of business activities by the media and modern information and communication.

2. Guiding Principles

To attain its CSR objectives in a professional manner and integrated manner, the company shall:

- Undertake proactive engagement with stakeholders to actively contribute to the socio-economic development of the periphery/community in which it operates.
- Using environment friendly and safe processes in production.
- Create a positive footprint within the society by creating inclusive and enabling infrastructure/environment for livable communities.
- Ensure environmental sustainability by adopting best ecological practices and encouraging conservation/judicious use of natural resources.
- Work towards mainstreaming the marginalized segments of the society by striving towards providing equal opportunities and making meaningful difference in their lives.
- Focus on educating the girl child and the underprivileged by providing appropriate infrastructure, and groom them as future value creators.
- Assist in skill development by providing direction and technical expertise to the vulnerable thereby empowering them towards a dignified life.

- Emphasize on providing basic nutrition/health care facilities with special focus on establishing health centers for the mother and child as well as the elderly.
- Facilitate water conservation by reducing water consumption at the plants and taking up rain water harvesting projects.

3. Implementation :

- i) CSR programmes will be undertaken by various work centers of EICL to the best possible extent within the defined ambit of the projects to be undertaken by the Company under CSR activities.
- ii) The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.
- iii) Programmes which involve considerable financial commitment and are undertaken on a timeframe of 2-5 years, will be considered as '*flagship programmes*' and accorded enhanced significance.
- iv) By and large, it may be ensured that at least 60% of the CSR programmes are executed in and around the areas adjoining EICL installations.
- v) Initiatives of State Governments, District Administration, Local Administration as well as Central Government Departments! Agencies, Self-Help Groups, etc., would be dovetailed and synergized with the initiatives taken by EICL.

vi. Powers for approval

CSR programmes as may be identified by each work centre/corporate office will be put up to the CSR Committee of the Board at the beginning of each financial year, providing complete details of the activities proposed to be undertaken, the amount allocated for each activity and the implementation schedule of the proposed activity.

Approved CSR activities may be carried out by the Company through;

- a) Community based organizations whether formal or informal
- b) Elected local bodies such as Panchayats
- c) Voluntary Agencies (NGOs)
- d) Institutes/ Academic Organizations
- e) Trusts, Missions
- f) Self-help Groups
- g) Government, Semi-Government and autonomous Organizations
- h) Mahila Mandals/ Samitis

In case of programme execution by NGOs/Voluntary organizations the following minimum criteria should be ensured:

- The NGO / Agency has a permanent office / address in India;
- The NGO is a registered society under Societies' Registration Act;
- Possesses a valid Income-tax Exemption Certificate;

- The antecedents of the NGO / Agency are verifiable/subject to confirmation

Once the programmes approved by the Sub Committee of the Board are communicated to the work centres, they will be required to enter into an agreement with each of the executing/implementing agency.

4. Monitoring and Feedback

- i) To ensure effective implementation of the CSR programmes undertaken at each work centre, a monitoring mechanism will be put in place by the work centre head. The progress of CSR programmes under implementation at work centre will be reported to corporate office on a monthly basis.
- ii) Work centres will also try to obtain feedback from beneficiaries about the programmes.
- iii) Appropriate documentation of the Company's CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available in the public domain.
- iv) An impact study may be conducted on a periodic basis, through independent professional third parties/professional institutions, especially on the strategic and high value programmes.
- v) CSR initiatives of the Company will also be reported in the Annual Report of the Company.

5. “The Company will approve an annual budget which shall be project driven, for undertaking various CSR activities. The Company will allocate 2% of the average net profit of the Company for the last three immediately preceding years.

Any unspent/unutilized CSR allocation of a particular year, will be carried forward to the following years i.e. the CSR budget will be non-lapsable in nature”.

6. This policy shall apply to all CSR initiatives and activities taken up at the various locations of the Company, for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons.

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Chairman 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 Government, from time to time.

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

7. The Company will share experiences and network with other organizations and engage with well established and recognized programmes /platforms which encourages responsible business and CSR practices. This would help widen the Company's reach and leverage upon the collective expertise, wisdom and experience that this collaborative engagements bring to the table.