

GEA BGR ENERGY SYSTEM INDIA LIMITED

Policy on Corporate Social Responsibility (CSR)

1. Title and Applicability

GEA BGR Energy System India Limited ('Company') adopted this Corporate Social Responsibility Policy ('Policy') in accordance with section 135 of the Companies Act, 2013 ("Act") read with the Companies (Corporate Social Responsibility) Rules, 2014.

2. CSR Mission Statement

The Company, through its CSR programs, is committed to contribute to the cause of social, economic and infrastructural development of places and locations where its operations are carried out and thereby seeks to support and promote such society and community and earn goodwill of the public and authorities concerned.

3. Validity of CSR Policy

This CSR policy may remain valid until and otherwise modified by the Board.

4. CSR Program Areas / Activities

The Company's CSR activities may, without restriction and among other things, may take up any permissible programs or projects, in the following areas as per the provisions of Schedule VII of the Act:

- I. Eradication of hunger, poverty and malnutrition, promoting health care including 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. Promotion of 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 arts and handicrafts.

- VI. 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.
- VII. Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.
- VIII. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) any other fund set up by the Central Government for socio-economic development and relief and welfare of the scheduled castes, tribes, other backward classes, minorities and women.
- IX. (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).
- X. Rural development projects.
- XI. Slum area development.
- XII. Disaster management, including relief, rehabilitation and reconstruction activities.
- XIII. To do all such things as may be necessary for or conducive to the advancement of the objects above mentioned.

5. CSR Budget

- (a) The Company will endeavour to spend in every financial year at least 2% of the average net profits made during the three immediately preceding financial years (CSR Budget).
- (b) Any surplus arising out of CSR activities shall not form part of business profits of the Company and shall be ploughed back and utilised for CSR activities.
- (c) Excess spent CSR amount may be set off against the requirement to spend as per 135(5) upto immediate succeeding three financial years by passing Board resolution and it shall not include surplus arising out of the CSR activities.
- (d) The Company may collaborate or pool resources with other credible organisations with proven track record to undertake CSR activities, if required.

6. CSR implementation

- (a) The CSR activities will be implemented with clear objectives, plan, targets and robust monitoring and evaluation mechanisms with dedicated implementation team. And the implementation team is responsible for implementing various CSR activities.
- (b) The Company shall give preference to the local area and areas around it where it operates its business either by direct implementation by the Company or implementation through appropriate partner after due diligence, who is having CSR registration number. The appropriate partners are:
 - i) Companies established u/s 8 of the Act, or a registered public trust, registered society or registered u/s 12A and approved u/s 80G of IT Act, 1961 and having an established track record of at least three years in undertaking similar activities;
 - ii) Companies established u/s 8 of the Act, or a registered public trust, registered society, established by Central Government or State Government; and
 - iii) Any entity established under Act of Parliament or a State Legislature.
- (c) The Company will use services of expert agencies, consultancy firms etc., wherever required for carrying out baseline surveys, guidance on project design and implementation, third-party monitoring and evaluations, impact assessment surveys etc.
- (d) The team is responsible for implementing various CSR activities under supervision of Board and CSR Committee.

7. Roles and responsibilities

A. The Board

The Board of Directors of the Company will be responsible for:

1. Approval of the CSR Policy of the Company.
2. Disclosing the CSR reporting in the Board's report as per Annexure II of Companies (CSR Policy) Rules, 2014, as amended along with mandatory disclosure of the composition of CSR Committee, and CSR Policy and Projects approved by the Board on Company's website.
3. To ensure that, Company should spend CSR budget in every financial year, if any unspent CSR amount, that should be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year, in case of ongoing CSR project, transfers should be as per section 135(6) of the Act.
4. To comply with the sec 135 of the Act and relevant rules amended from time to time.

B. CSR Committee

- i. Composition of the CSR committee: The CSR Committee shall consist of the following:

Sr. No.	Name & Designation of the Director	Position in CSR Committee
1	Mrs.Sasikala Raghupathy, Executive Chairperson	Chairperson
2	Mrs.Priyadershini Raghupathy, Managing Director	Member
3	Mr.Arjun Govind Raghupathy, Director	Member

- ii. The Board shall have the power to make any change(s) in the constitution of the Committee. The requirement of CSR Committee shall not be applicable, if CSR amount to be spent by a Company does not exceed Rupees Fifty Laks, in such cases, Board will take full responsibility of CSR implementation.

iii. Responsibility of the CSR Committee:

- (a) Formulate and recommend the CSR Policy to the Board for approval.
- (b) The Committee shall indicate the projects to be undertaken by the Company as specified in Schedule VII of the Act.
- (c) Monitor the Policy from time to time and recommend changes to the Board, if required.
- (d) Recommend the amount of expenditure to be incurred on CSR Activities.
- (e) Formulate a transparent monitoring mechanism for ensuring implementation of CSR activities (either by way of ongoing project or yearly base spend) undertaken by the Company.

C. CSR Implementation Team

Responsibility of the CSR Implementation Team shall be as given below:

- (a) Act as central coordinating point for the delivery of CSR activities.
- (b) Co-ordinate with the implementing departments for project design and implementation of CSR programs in compliance with section 135 of the Act and the CSR Rules.
- (c) Plan annual budgets for CSR projects in coordination with the implementing persons and make a proposal to the CSR Committee.
- (d) Identify and manage partners to implement programs as required.
- (e) Report to the CSR Committee the progress on CSR projects and status of CSR expenditure once in each quarter.
- (f) Ensure proper documentation and reporting of all CSR activities in accordance with the Act and Rules.
- (g) Carry out any other activities as advised by the CSR Committee to effectively implement the Company's CSR programs.

8. Monitoring and Reporting Framework

The Company will establish a comprehensive monitoring and evaluation system to ensure that all CSR activities, (either by way of ongoing project or yearly base spend), comply with the requirements of Section 135 of the Act and Rules amended from time to time. This system will also include adherence to the reporting framework in the Board's Report and the display of the CSR policy on the Company's website.

The Board, CSR Committee, and Implementation team will regularly review the progress of CSR initiatives at specified intervals. In case any deviations are identified, immediate corrective actions will be taken, as clear targets, timelines, and measurable parameters have been established from the outset.

CSR Policy is framed on 01/12/2022 and remain valid until and otherwise modified by the Board, earlier the Company was following BGR Group CSR Policy.