

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY
OF
FLEXIBLE STEEL LACING COMPANY PRIVATE LIMITED

PREFACE

Corporate Social Responsibility (CSR) is a concept whereby organizations serve the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations.

CSR is a Company's commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders. CSR is, therefore, closely linked with the practice of Sustainable Development. CSR extends beyond philanthropic activities and reaches out to the integration of social and business goals.

Flexible Steel Lacing Company Private Limited is a subsidiary of the Flexible Steel Lacing Company which is a dynamic global Company (Flexco Group) active in many Countries. As such, accepting our Corporate Social Responsibility at the local level is the part of the way we see and understand ourselves. As an integral part of our Sustainability Strategy, we consider CSR to be our opportunity to contribute to regional development and to engage as a member of society at the locations where we are based.

In the Flexco group, we focus our social engagement activities supporting public and private training and education institutes that are active in the areas of renewables & climate protection mainly, as well as focusing on backing social and humanitarian projects and institutions.

CSR OBJECTIVES

“To promote and work in the areas of Education, Healthcare and Social & Environment Sustainability in order to create impact and achieve results which will enable children and youth overcome poverty through education and to reach their full potential.”

CSR ACTIVITIES

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

- (i) eradicating 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) 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) 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;
- (vi) contributions or funds provided to technology incubators located within academic institutions which are approved by the central Government;
- (vii) rural development projects.

CSR activities shall not include activities undertaken by the Company during the normal course of its business.

IMPLEMENTATION

Areas for undertaking CSR

For undertaking CSR activities and programmes, the Company shall give preference to the local areas and the periphery around which it is operating. The Company may also choose to undertake CSR activities and programmes at other places in India.

Long-term, medium-term and short-term activities

The Company may, depending on the programmes, activities and needs, decide and undertake long-term, medium-term and short-term CSR activities and accordingly plan the implementation.

Executing Agency

The Company will identify suitable activities and programmes for implementation in line with aforesaid CSR activities of the Company.

These activities and programmes may be implemented, at the discretion of the Company, by one or more of the following modes:

- (i) through associate companies in India of the Company; or
- (ii) by collaborating with other companies for undertaking projects or programs or CSR activities; or
- (iii) directly undertake CSR activities by building CSR capacities of the Company's personnel; or
- (iv) by any other way / mode decide by the Company at its own discretion.

FUNDING

In a financial year, the Company shall spend the minimum amount as specified in the Companies Act, 2013 or its relevant rules notified in this behalf.

The Annual CSR Budget will be approved by the Board of Directors of the Company upon recommendation by the CSR Committee.

Surplus arising out of the CSR activities and programmes shall not form a part of the business profits.

CSR COMMITTEE

The Board of Directors shall constitute a CSR Committee of the Board of Directors (CSR Committee). The main functions of the CSR Committee shall be:

- (i) Recommend to the Board of Directors any modifications to this CSR Policy;
- (ii) Annually recommend to the Board of Directors, the amount of expenditure to be incurred;
- (iii) Institute a transparent monitoring mechanism for the implementation of the projects and activities.

MONITORING

For an effective implementation of CSR activities and programmes, an internal monitoring mechanism as approved by the CSR Committee will be put into force.

Internal Monitoring Mechanism shall ensure the following:

- (i) Prior approval of the CSR Committee or authorised CSR member for each spending
- (ii) Define Process Owners for each Activity/ different levels within each activity
- (iii) Periodic reporting to CSR Committee on the amount spent and activity(ies) undertaken
- (iv) Impact measurement
- (v) Report consolidation and communication to the Board of Directors
- (vi) Annual review of CSR activities by the Board of Directors/ the CSR Committee.

CORPORATE SOCIAL RESPONSIBILITY POLICY

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Flexible Steel Lacing Company Private Limited

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1. PREFACE

- 1.1 Corporate Social Responsibility (CSR) is a concept whereby organizations serve the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations.
- 1.2 CSR is a company's commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders. CSR is, therefore, closely linked with the practice of sustainable development. CSR extends beyond philanthropic activities and reaches out to the integration of social and business goals.

2. PHILOSOPHY AND VISION

- 2.1 Flexco understands that being a business citizen should go beyond having profit-making objective, to develop the society within its reach and accordingly, contribute towards welfare of various segments of society by undertaking socially and economically useful programs for sustainable development of the community and society at large. To this extent, it should be noted that the conduct guidelines contained in the Corporate Policies of the Company understands that it should contribute actively towards improving the socio-economic system of the communities in which it operates. The Social Action Policy reflects the main principles that should be observed to align social collaboration and business activity.
- 2.2 Flexco vision for the company focuses on "Shaping the future of engineering by preserving our ethics, discovering new knowledge and emerging as a world leader". Similarly, the focus for Flexco CSR practices is sustainable business practices is not just philanthropy but also encompasses economic, environmental and social imperatives covering businesses and the communities around creating upliftment of the society.
- 2.3 In alignment with its corporate vision, the Company, through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, by encompassing holistic community development, institution-building and sustainability-related initiatives. Our CSR Policy aims to provide a dedicated approach to community development in the areas of improving healthcare infrastructure, supporting primary education, rehabilitating the destitute, abandoned women and children, rural development and contribute to the sustainable development of society and environment, and to make our planet a better place for future generations. In fulfilment of its role as a Socially Responsible Corporate, with environmental concern Flexco promotes sustained growth for the society and Community.

3. CSR MISSION

“Our mission is to bolster and promote a holistic community development, institution-building and sustainability driven initiatives with a focus on the needs and expectations of the communities around us. “

4. CSR SCOPE

- Contribute to solving the various social issues as a member of the global society, and thereby live up to the expectations of stakeholders.
- Contribute to the stable and sustainable development of the global society through its business activities based on the "Management Philosophy" as a member of the global society.

5. CSR IN INDIA

- 5.1 Section 135 of the Companies Act, 2013 (hereinafter referred to as the “Act”) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as the “Rules”) as amended from time to time lays down the frameworks and modalities for carrying out CSR activities by the qualifying companies.

6. OBJECTIVES OF CSR POLICY

- 6.1 Objectives of this CSR Policy is to define the framework for undertaking CSR activities for achieving the CSR objectives of the Company and to lay down the guiding principles with respect to the following
- CSR Spend
 - CSR Activities
 - Identification of CSR Projects
 - Mode of implementation of the CSR Projects
 - Formulation of an Annual Action Plan
 - Manner of implementation of CSR Projects
 - Manner of monitoring Mechanism of the CSR spend with respect to the CSR Projects undertaken by the Company

7. CSR SPEND

7.1 CSR Budget

- 7.1.1 The Board of Directors shall ensure to spend at least 2% (two per cent) of the average net profit made during the three immediately preceding financial years towards CSR activities / programs. The computation of average net profits shall be in accordance with the Act.
- 7.1.2 The Annual CSR Budget shall be approved by the Board of Directors of the Company on recommendation of the CSR Committee before undertaking any CSR spend.
- 7.1.3 Prior approval of the CSR Committee and the Board of Directors shall be obtained for any change in the CSR Budget already approved by the Board.
- 7.1.4 Any surplus arising out of the CSR activities and programmes shall not form a part of the business profits and shall be utilized for CSR activities in accordance with the Act. However, this spend shall not be considered for the CSR spend as required under the Act.

7.2 Excess CSR Spend

- 7.2.1 Subject to the provisions of the Act, CSR spend in excess of the statutory requirement, may be set off against the requirement to spend towards CSR activities for the subsequent years with the approval of the Board.

7.3 Creation or acquisition of a capital asset out of CSR amount

- 7.3.1 Any capital asset acquired / created by the Company for the purpose of CSR will be in the name of the prescribed CSR entities or beneficiaries of CSR project only.

7.4 Administrative Overheads

- 7.4.1 The Board of Directors shall ensure that Administrative overheads as defined under the Act and Rules shall not exceed Five percent of the total CSR expenditure of the Company for the financial year.

8. CSR ACTIVITIES

- 8.1.1 To attain its CSR objectives in a professional manner and integrated manner, the Company through its CSR Committee, if any and the Board, will undertake the activities listed under Schedule VII of the Companies Act, 2013 read with Section 135 and the Rules made thereunder including any amendments thereon from time to time as follows:
 - i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh 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 project;
- 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- vii. Training to promote rural sports, nationally recognized 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) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, 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, where slum 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; and
- xii. Disaster management, including relief, rehabilitation and reconstruction activities.

- 8.2 CSR activities shall not include activities undertaken by the Company during the normal course of its business.

9. IDENTIFICATION OF CSR PROJECTS

- 9.1 The Company will identify suitable activities and programs for implementation in line with aforesaid CSR activities of the Company.
- 9.2 CSR Activities shall be undertaken strictly in conformity with the activities specified under Schedule VII of the Act as amended from time to time and in line with the CSR objectives of the Company.

9.3 Areas for undertaking CSR

For undertaking CSR activities, the Company shall give preference to the local areas and the periphery around which it is operating. The Company may also choose to undertake CSR activities and programmes at other places in India.

9.4 Long-term, medium-term and short-term activities

The Company may, at its own discretion, depending on the programmes, activities and needs, decide and undertake long-term, medium-term and short-term CSR activities and accordingly plan the implementation.

10. MODE OF IMPLEMENTATION

- 10.1 The CSR activities and programmes may be undertaken, at the discretion of the Company, by one or more of the following modes:
- i. Directly by building CSR capacities of the Company's personnel
 - ii. Through Section 8 Company/ Registered Public Trust/ Registered Society registered under Sec 12A and 80G of the Income Tax Act established by any of the following and having CSR Registration Number allotted by the Ministry of Corporate Affairs:
 - Company singly or along with any other company
 - Central or state Govt
 - Any third party provided that the said entity has a track record of minimum 3 years in undertaking similar activities
 - Any entity established by an Act of Parliament or state legislatures

10.2 The Company may also collaborate with other companies for undertaking CSR activities or programs.

11.EXEMPTION FROM REQUIREMENT OF CSR COMMITTEE

Where the amount of CSR to be spent is less than 50 (Fifty) Lakhs then requirement of CSR committee can be omitted and the functions of the CSR Committee shall be discharged by the Board itself. However, in the subsequent financial year, if the CSR obligation of the Company exceeds Rs. 50 lakh, the Company shall again need to reconstitute the CSR Committee.

12.CSR COMMITTEE

12.1 In order to comply with the applicable law, the Board of Directors of the Company shall constitute a CSR Committee of the Board of Directors (CSR Committee) consisting of at least two or more directors for reviewing and recommending the CSR budget and the Annual Action plan with respect to the CSR activities to be undertaken and to monitor the CSR spend and implementation of CSR activities by implementing agencies. The CSR Committee may be reconstituted by the Board of Directors of the Company from time to time.

12.2 The main functions of the CSR Committee shall be:

- i. Formulating CSR Policy and recommending the same to the Board of Directors for approval;
- ii. Recommending any modifications to the CSR Policy;
- iii. Recommending annual CSR Budget to the Board of Directors;
- iv. Review of the Annual Action plan submitted by the CSR Team and recommending the same for the approval of the Board of Directors;
- v. Periodic review of CSR spend and utilization reports issued by the implementing agencies or internal CSR implementation team;
- vi. Submitting periodic summary to the Board of Directors;
- vii. Institute a transparent monitoring mechanism for the implementation of the activities referred to in this CSR Policy.

13.CSR TEAM

13.1 The CSR Team will comprise of one or more persons who would be involved in executing the CSR activities in line with the CSR Policy and shall report to the CSR Committee on the same periodically.

14. ANNUAL ACTION PLAN

14.1 On the basis of the CSR activities or programs identified, the CSR Team shall prepare an Annual Action Plan including but not limited to the below mentioned details and submit to the CSR Committee:

- i. Details of CSR activities or programmes identified including the details of beneficiaries of the proposed CSR programs
- ii. Evaluating the activity to ensure it is in line with Schedule VII of the Act and as per the Company's CSR policy.
- iii. Location of the project
- iv. Amount allocated for the project
- v. Mode of implementation
- vi. Details of Implementing Agency which shall include the below details:
 - a. Registration Certificate under section 12A
 - b. Registration Certificate under 80G of the Income Tax Act, 1961
 - c. CSR Registration Number allotted by the Ministry of Corporate Affairs
- vii. Project duration which shall include the below details:
 - a. Timeline for spending and completing the CSR activity
 - b. Timeline for contributing the CSR fund to the Implementing Agency
 - c. Timeline for utilization of the CSR fund by the Implementing agency
- viii. Monitoring and reporting mechanism for each CSR Project
- ix. Details of need of impact assessment, if any required to be undertaken for the CSR projects to be undertaken by the company as required under the Act.

14.2 The CSR Committee shall review the Annual Action Plan and recommend for the approval of the Board of Directors.

14.3 Any change in the details mentioned in the Annual Action Plan shall be approved by the CSR Committee and Board of Directors.

15. MONITORING MECHANISM

For an effective implementation of CSR activities and programs, and monitoring the activities and spend, a monitoring mechanism comprising the following shall be stipulated:

15.1 Prior approval for each spending

- i. CSR activities/programs shall be approved by the CSR Committee and the Board of Directors before undertaking any CSR spend. For this purpose, a detailed

Annual Action Plan shall be formulated by the CSR Team and placed before the CSR Committee and the Board of Directors for their review and approval.

- ii. Any deviation from Annual Action Plan placed before CSR committee and Board in respect of the below details shall require prior approval by the CSR Committee and Board.

15.2 **Execution of CSR Projects/Programs**

- Direct Spending

CSR Team of the Company shall work towards the approved CSR activities and approved CSR Budget. CSR Team shall monitor the execution of CSR projects and utilization of CSR fund as per the Annual Action Plan approved by the Board.

- Spending through Implementing Agencies

CSR Team of the Company shall work with the respective implementing agencies for making the CSR contribution and shall monitor the execution of CSR projects by the implementing agencies and utilization of CSR fund as per the Annual Action Plan approved by the Board.

15.3 The CSR Team shall submit periodic report to the CSR Committee on the details of CSR spend, utilization and status of CSR activities/programs.

15.4 The CSR committee shall update the Board on the details of CSR spend, utilization and status of CSR activities/programs.

15.5 **Periodic meetings of CSR Committee**

The CSR Committee shall recommend to the Board of Directors CSR Budget, CSR activities/programs to be undertaken by the Company based on the Annual Action Plan. For effective implementation and monitoring of the CSR activities, CSR Committee shall meet periodically.

15.6 **Unspent CSR Amount**

Any unspent CSR amount at the end of a financial year shall be reported by the CSR Committee to the Board of Directors specifying the reasons for not spending the amount which in turn shall be reported by the Board of Directors in their Report for

that particular financial year. Transfer of the unspent CSR amount to government specified fund shall be governed by the applicable provisions of the Act.

16. PUBLICATION OF CSR POLICY AND PROGRAMS

Contents of the CSR Policy and such other details as may be required by the applicable laws shall be displayed on the Company's website, if any.

17. AMENDMENTS TO CSR POLICY

The Board of Directors of the Company shall have the powers to revise/modify/amend this Policy from time to time, as the Board may think fit, based on the recommendations made by the CSR Committee to confirm to the revision/amendment, if any, to be made to the Act/Rules.

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- Annexure:
1. Roles and Responsibilities
 2. Sequence of CSR Activities by CSR Team

ROLES AND RESPONSIBILITIES

CSR TEAM

- Recommending Annual CSR Budget to the CSR Committee based on the statutory requirement
- Identification of CSR projects based on the guidelines of this CSR Policy
- Selection of Implementing agencies as per the criteria mentioned in this CSR Policy
- Formulation of an Annual Action Plan for the CSR projects to be undertaken during a Financial Year
- Presenting the Annual Action Plan to the CSR Committee
- Undertaking the CSR spend as per the Annual Action Plan approved by the Board of Directors
- Submitting deviation, if any, to the Annual Action Plan approved by the Board for the approval of the CSR Committee and Board of Directors
- Obtaining periodic utilization reports from implementing agencies and submitting to CSR Committee for reviewing and monitoring the utilization of CSR fund
- Reporting any unspent amount to the CSR Committee along with justification for not spending

CSR COMMITTEE

- Formulating and recommending the CSR Policy for the approval of the Board
- Recommending modification to the CSR Policy, if required
- Recommending annual CSR Budget for the approval of the Board of Directors
- Review of the Annual Action Plan submitted by the CSR Team and recommending for the approval of the Board
- Review of subsequent changes to the Annual Action Plan, if any requested by the CSR Team and recommending the same for the approval of the Board of Directors
- Review of the periodic summary submitted by the CSR Team and submitting periodic report to the Board of Directors

BOARD OF DIRECTORS

- Approving CSR Policy / subsequent modification recommended by CSR Committee
- Approval of Annual CSR Budget based on the recommendation of the CSR Committee
- Approval of Annual Action Plan based on the recommendation the CSR Committee
- Approval of subsequent changes to the Annual Action plan, if any recommended by the CSR Committee
- Monitoring the CSR activities based on the summary submitted by CSR Committee

SEQUENCE OF CSR ACTIVITIES BY CSR TEAM

- ❖ Identification of Community needs and expectations
- ❖ Evaluation of community needs and expectations with CSR team
- ❖ Cost estimation based on community needs and expectations
- ❖ Set a priority based on community needs and expectations
- ❖ Approval from Country manager & CSR Board and committee members
- ❖ Formulation of an Annual Action Plan
- ❖ Implementation of the CSR Projects
- ❖ Monitoring Mechanism of the CSR spend with respect to the CSR Projects undertaken by the Company
- ❖ Completion of CSR projects and handover to the community
- ❖ Arrange a community meeting to handover the completed CSR project