

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 India 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 (available at <https://www.Flexco.co.in/>), 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 (available in the link provided above) 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 by preserving our ethics, discovering new knowledge and emerging as a world leader". Similarly the focus for Flexco India CSR practices as 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 India 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 To attain its CSR objectives in a professional manner and integrated manner, the Company through its CSR Committee 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:
- 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. CSR COMMITTEE

11.1 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.

11.2 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.

12. EXEMPTION FOR REQUIREMENT OF CSR COMMITTEE

Provided, where the amount of CSR to be spent is less than 50 (Fifty) Lakhs then requirement of CSR committee shall be omitted, the work of CSR Committee can be done by Board itself.

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