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Policy

Corporate Social Responsibility

MMTC-PAMP India Pvt. Ltd.

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03	15-02-2023	All departments of MMTC-PAMP India Pvt. Ltd.	Approved by Board of Directors in Board meeting dated 15 <sup>th</sup> February 2023	15-02-2023	.....

## 1. CONTEXT AND PHILOSOPHY

MMTC-PAMP Corporate Social Responsibility Policy “CSR Policy” has been laid down to integrate its business values and operations with the objective of creating value for our stakeholders.

MMTC-PAMP has been an early adopter of Corporate Social Responsibility (“CSR”) initiatives and focused on contributing to several community initiatives such as ensuring access to safe drinking water, providing vocational skills, promoting education, environmental sustainability and preventive healthcare. We have made forward leaps in women empowerment, extending our support to prepare women in achieving fulfilling careers, and creating a cadre of successful women professionals.

Our talented employees are volunteering with great excitement in initiatives that bring our core group beliefs of inclusivity and sustainability to life. We are committed to inculcating the same spirit going forward in bringing a meaningful, sustained change to the society and people around us.

## 2. CSR FRAMEWORK

### 2.1. FOCUS AREAS

In accordance with the requirements under the Companies Act, 2013, MMTC-PAMP’s CSR activities, amongst others, will focus on:

MAKING AVAILABLE SAFE DRINKING WATER	Making available safe drinking water through focus on installing as well as maintaining highly energy efficient Reverse Osmosis Water Purification Systems
EDUCATION	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled, and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc., with the objective of assisting students in their studies.
PROMOTING HEALTH CARE INCLUDING PREVENTIVE HEALTH CARE AND SANITATION	Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation

ENVIRONMENTAL SUSTAINABILITY	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.
GENDER EQUALITY AND EMPOWERMENT OF WOMEN	Supporting uplift of women in difficult circumstances and granting scholarship, campus development grant, academic resources including setting up homes, hostels and day care centres for women and orphans; setting up old age homes and such other facilities for senior citizens; and adopting measures for reducing inequalities faced by socially and economically backward groups.
RURAL DEVELOPMENT PROJECTS	Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.
RURAL SPORTS	Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
DISASTER RESPONSE	Managing and responding to disaster

While the Company will primarily engage in the CSR activities specified in the aforesaid focus areas, the company can support or undertake any of the following activities as per Schedule VII to the Act as amended from time to time attached as Annexure I. The List is illustrative and must be interpreted liberally to capture the essence of the subjects enumerated above.

This CSR Policy issued pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time has been recommended by the CSR Committee and adopted by the Board.

## 2.2. UNDERTAKING CSR ACTIVITIES

**2.2.1.** The Board of Directors shall ensure that MMTC-PAMP spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years. For the purposes of ascertaining the CSR Budget "average net profit" shall be calculated in accordance with the provisions of section 198 of the Act. Any additional or discretionary spend shall be as per the directives of the CSR Committee and approved by the Board from time to time.

**2.2.2.** MMTC-PAMP's will undertake its CSR activities as per the duly approved Annual CSR Plan supported by the activities or project details in accordance with the provisions of Act. While engaging with partners, Company will evaluate the

credentials of the implementing entity and seek relevant documents, information, and details as per Annexure II.

**2.2.3.** The surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the Company and it would be dealt as per Rule 7(2) of the Companies [Corporate Social Responsibility Policy] Rules, 2014 as in force read with the provisions of the Act

**2.2.4.** CSR activities does not include the activities undertaken in pursuance of normal course of business of a company including the other activities which are specifically excluded under the provisions of the Act, as amended from time to time.

### **2.3. LOCATION OF CSR EFFORTS**

MMTC-PAMP's focus areas for community development projects will be the States in which it has operations. The Company may also periodically take up programs of national importance outside its core States.

## **3. COMPOSITION OF CSR COMMITTEE**

The CSR Committee shall be comprised in accordance with the requirements of the Companies Act, 2013 and the Rules made thereunder including any amendment thereof

## **4. RESPONSIBILITY OF THE COMMITTEE**

The responsibilities of the CSR Committee include:

- 4.1.** To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of Companies act 2013.
- 4.2.** To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) of Section 135(3) of the Act.
- 4.3.** Monitor the Corporate Social Responsibility Policy of the company from time to time.
- 4.4.** Monitor the quality of programmes and review of expenses incurred by the company.
- 4.5.** Any other responsibility as may be assigned from time to time by the Board.

## 5. IMPLEMENTATION AND MANAGEMENT OF CSR

### 5.1. DELIVERY MECHANISM

- 5.1.1. MMTC-PAMP shall consider 3 (Three) implementation models for delivering its CSR programs
- 5.1.2. Through forming partnerships with third parties as prescribed under the Rule 4(1) of the Companies [Corporate Social Responsibility Policy Rules] 2014 from time to time such as registered public trust or registered society, or Section 8 entity, and other prescribed entities.
- 5.1.3. In House implementation by MMTC-PAMP - including design and delivery of the project.
- 5.1.4. Collaboration with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with specified governing CSR rules under Companies Act 2013.

### 5.2. GOVERNANCE MECHANISM

MMTC-PAMP will have a three- tiered governance mechanism which shall include monitoring and reporting process as below:

#### 5.2.1. Internal CSR Department

The Chief Human Resource Officer of the Company will be held responsible to identify, analyse and scrutinize the CSR projects to be undertaken by the Company every year supported by the dedicated team. Thus, an Annual CSR plan will be drafted which shall include- list of approved projects, manner of execution, modalities of utilisation, implementation schedules, monitoring and reporting mechanism and the details of impact assessment, if applicable, amongst other relevant details

Post internal approvals, the said Plan will be sent to the CSR Committee of the Company.

#### 5.2.2. MMTC-PAMP Corporate Social Responsibility Committee [“CSR Committee”]

- 5.2.2.1. The CSR Committee will then accord its recommendations and place for the Board's approval, an Annual CSR Plan delineating the CSR Programmes to be carried out during the financial year in terms of this policy which will be in line with the approved budgets thereof.

- 5.2.2.2. The Board will consider and approve the Annual CSR Plan with or without any modification that it may deem necessary.
- 5.2.2.3. The provisions related to CSR Committee and framing of CSR Policy shall be complied as per the provisions of the Act.

### 5.2.3. Board of Directors

The Board of directors shall be responsible to-

- 5.2.3.1. approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and place it on the company's website.
- 5.2.3.2. monitors and reviews the performance and impact the CSR programmes, provides input, guidance and satisfies itself that the CSR funds so disbursed are aligned to the CSR policy of the company and have been utilized for the purposes and in the manner as approved by it. Further, the Board of Company, upon recommendation of the CSR Committee, may proceed to commence any ongoing projects or classify an existing project as an ongoing project in the circumstances beyond the company's control. If the required amount to be spent by the Company may not be expended in its entirety in the relevant financial year, the company shall ensure due compliance with necessary provisions under the Act including reclassification of the project as an ongoing project. Ongoing Project(s) shall have the same meaning as provided under the Act read with Rules.
- 5.2.3.3. alter the Annual CSR plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.
- 5.2.3.4. ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year as per the provisions of the Act.
- 5.2.3.5. note that the company has obtained necessary certification from the CFO or any person responsible for the Financial Management that the funds so disbursed have been utilized for the purposes and in the manner as approved by them [Board].



#### 5.2.4.MONITORING OF CSR ACTIVITIES

The CSR Activities will be duly monitored by the Internal CSR Department as it will include obtaining of reports of different kinds, self-declaration, On-site visit, pictures, or videos of project sites etc. Further, the monitoring process may include:

- 5.2.4.1. **Periodic reporting-** The implementing agency may be required to submit project fund utilization statement on a periodic basis and audited financial statement, utilization statement etc. on a yearly basis or at such intervals as may be determined by the company.
- 5.2.4.2. **Periodic review and assurance visits:** The company will undertake field visits, review calls, conduct independent assurance or evaluation visits to assess the project implementation including key milestones or key performance indicator, fund utilization and usage of capital assets etc.

Notwithstanding the aforesaid, Company may undertake any specific review and require any reporting requirement including third party audits or evaluation by external agencies depending on the nature of implementing agencies and the project involved.

#### 5.2.5.OTHER GUIDELINES

The other details pertaining to CSR Activities or funds are endorsed as Annexure III.

#### 5.3. CONSISTENCY

The provisions of this policy are consistent to the provisions of Companies act 2013[“Act”] as on date in force. In case of any inconsistency or matters not provided herein the provisions of Act shall prevail and overrule this policy, including any amendments and as applicable from time to time.

### 6. REVIEW OF THE POLICY

This CSR policy document will be reviewed from time to time and any changes, if necessary, will be approved by the CSR Committee. The said committee shall then recommend the policy to the Board for its approval.

## 7. USEFUL LINKS

A copy of this Policy is available on the website of the Company at link: [www.mmtcpamp.com/reports](http://www.mmtcpamp.com/reports)

The MCA has issued FAQ's on CSR Provisions which is available at link- [https://www.mca.gov.in/Ministry/pdf/FAQ\\_CSR.pdf](https://www.mca.gov.in/Ministry/pdf/FAQ_CSR.pdf)

## 8. REPORTING

Process Owner / Executive Board Member, if noticed any non-compliance w.r.t this policy has an obligation to inform the same to Risk and Compliance Office immediately. Risk and Compliance team to check the risk associated with the non-compliance reported by the respective function, identify the gap and mitigation plan, discuss it with EB Member and inform the same to Risk and Compliance Committee for any material or systemic breaches noticed.

## 9. FINAL PROVISIONS

Initiatives for preparation and proposals for amendment to the wording of the Policy of CSR to be raised on the direction and recommendation of the Board of Directors /CSR committee of the Board/MD & CEO/ CHRO / or the Chief Risk and Compliance Officer.

CSR Policy was approved by the Board of Directors on 15th February 2023.

CSR Policy becomes effective on 15th February 2023.

Haryana, India on .....

On behalf of MMTC-PAMP India Pvt. Ltd.

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.....

Chairman of the Board of Directors

Member of the Board of Directors

## ANNEXURE-1

### SCHEDULE VII

Activities which may be included by companies in their Corporate Social Responsibility Policies Activities relating to: –

- 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. 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; (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 Organization (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.

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.]

xii disaster management, including relief, rehabilitation and reconstruction activities

## ANNEXURE-II

### INDICATIVE LIST OF ASPECTS TO BE CONSIDERED WHILE ENGAGING WITH OTHER ENTITIES

- Due diligence of the implementing agency would be conducted to check the credentials of the organization.
- The following information from the interested implementing agencies would be sought, as relevant:
  - a. Memorandum/ Article of Association or Constitution;
  - b. Registration Certificate;
  - c. Registration Certificate under Section 12A;
  - d. Audited Accounts of last three years;
  - e. IT Exemption Certificate under Section 80G; (Lifetime validity)
  - f. Pan Card;
  - g. IT Exemption Certificate under Section 35(i), if available;
  - h. Acknowledgement of Income Tax Return along with IT Return filed (last three years);
  - i. FCRA Certificate (if any) and latest copy of FCRA Return FC-3, if available;
  - j. Description of the project.
- Ensure that the project/ programme is consistent with list of activities in Schedule VII.
- The team may visit and/or meet the representatives to assess the organization (as required).
- Reserving the rights, to be exercised at its sole discretion, of stopping the funding at any stage of the project, if the program is not being implemented as per program objectives and goals

## ANNEXURE-III

### OTHER GUIDELINES

#### A. UNSPENT AMOUNT ON CSR ACTIVITIES

The company is required to fulfill its CSR obligations in a timely manner. However, if there is any unspent amount is left from any projects in the relevant financial year, the company shall act as per the relevant provisions of the act including reclassification of that project as ongoing project.

#### B. OVERSPENT AMOUNT ON CSR ACTIVITIES

That any excess amount spent in excess of the requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions as prescribed under the Rule 7(3) of the Companies [Corporate Social Responsibility Policy] Rules, 2014 *as in force.*

#### C. ALTERATION OF ONGOING PROJECTS

As per provisions of the CSR Rules, the Board may abandon or modify an ongoing project, partially or wholly under exceptional circumstances, during the prescribed project period as per the recommendation of its CSR Committee, and by providing reasonable justification to that effect. It is important to keep in mind that the maximum permissible period for an ongoing project is three years excluding the year of its commencement.

#### D. ACQUISITION OF CAPITAL ASSETS

For serving the community at large, the Company is eligible to create or acquire any capital assets in the pursuance of CSR projects/ initiatives as per the manner prescribed under the act.

#### E. GUIDELINES FOR RELEASING FUNDS AND CONTRIBUTIONS FOR CSR ACTIVITIES

Following things shall be kept in mind while ensuring adherence to spends incurred on CSR activities

- No cash payments shall be made, and all payments shall be through online transfer/Demand Draft/Cheque;
- All contributions or payments shall be supported by a donation receipt or supporting invoice with details;
- No payments or contributions shall be spent through credit card;
- No political donations are allowed or any amount to support any political affiliation;

**F. SEPARATION OF ANTI-BRIBERY AND CORRUPTION POLICY**

No amount shall be spent on hospitality or gifting under this budget. Such expenses shall continue be reviewed under Anti-Bribery or Corruption Policy.

Works:

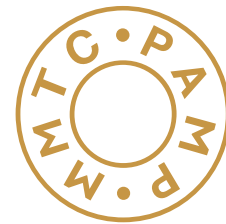
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