

**GHCL's CSR Policy**

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## GHCL's CSR Policy

### 1. CSR IN GHCL

GHCL's commitment to the development of weaker sections of society is continuing since more than two decades. GHCL through its "GHCL Foundation Trust" has upgraded its CSR activities to cover a larger section of the society and included to provide support to the downtrodden, needy and marginalized citizens and also to create social infrastructure for their sustenance.

### 2. GHCL's CSR PHILOSOPHY

GHCL is committed for well being of all stakeholders. It is committed to bring equilibrium in use of natural resources and making efforts to maintain the ecological balances in the areas of operations and taking all efforts to rebuild/ replenish, the natural resources used in the process of its operations, and create a positive environment for bringing various entities / organizations working in the domain of protecting environment, developing well being of human resources, providing education, health and safety to the marginalized sections of society, to work jointly with GHCL for the overall growth and well being of society and environment. GHCL believes in the principle of well being of every human being which is precisely elaborated in following words

सर्वभवन्तु सुखिनः सर्वे सन्तु निरामयाः।

सर्वे भद्राणि पश्यन्तु माँ कश्चिद् दुःख भाग भवेत्॥

*Sarve Bhavantu Sukhinah, Sarve Santu Niramaya*

*Sarve Bhadrani Pashyantu, Maa Kaschith Dukhabhag Bhavet*

May all be happy. May all be healthy.

May all see auspiciousness. May none suffer from sorrows.

### 3. GHCL's CSR VISION STATEMENT AND OBJECTIVE:

GHCL through its CSR initiatives will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a **Socially Responsible Corporate**, with environmental concern.

The objective of the GHCL CSR Policy is

- ❖ To ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially, & environmentally sustainable manner, while recognizing the interests of all its stakeholders;
- ❖ To take initiatives, directly or in association with other organizations, and organizing programs that benefits the communities, in and around its areas of operations, over a period of time, in terms of enhancing the quality of life and economic well being of the local general public.
- ❖ To generate, through its CSR initiatives, a community goodwill for GHCL and help reinforce a positive & socially responsible image of GHCL as a corporate entity.



#### 4. ALLOCATION OF FUNDS:

- 4.1 In order to achieve its CSR objectives through implementation of meaningful and sustainable CSR programs and also to fulfill statutory requirement, the Board of Directors of GHCL will allocate adequate fund for its Annual CSR Budget.

Within the overall approval given by the Board, the CSR Committee constituted by the Board of Directors, will decide the amount to be made towards the following expenditure heads, on a year on year basis:

- a) Contribution towards corpus of GHCL Foundation Trust;
- b) Contribution towards Relief for Natural Calamities or Disasters;
- c) Need Identification, impact Assessment and sponsorship of CSR events/ publications;
- d) Allocation of budget to various divisions of GHCL / work centers of various divisions of GHCL, where CSR activities are concentrated.
- e) Such other area where CSR Committee feels appropriate;

#### 5. IDENTIFICATION OF THRUST AREAS AND STRATEGIC INITIATIVES:

- 5.1 For the purpose of focusing its CSR efforts in a continued and effective manner, the following areas may be identified;

- i. Drinking water/ sanitation;
- ii. Infrastructure for Roof Rain Water Harvesting;
- iii. Coastal Areas Development Project (CADP)
- iv. Agriculture, Agro base livelihood, irrigation, animal husbandry,
- v. Healthcare / medical facility;
- vi. Environment protection / horticulture;
- vii. Infrastructure development;
- viii. Community development;
- ix. Education / literacy enhancement;
- x. Employment enhancing vocational skill / empowerment
- xi. Eradicating extreme hunger and poverty
- xii. Promoting gender equality and empowering women
- xiii. Such other matters as it may think fit;

The budget allocation for the above activities in respect of each financial year can be approved by the CSR Committee which shall be within the overall all approval given by the Board.

- 5.2 GHCL will dovetail its CSR activities in a manner that it facilitates the fulfillment of the *National Plan Goals and objectives*, as well as the *Millennium Development Goals* so as to ensure gender sensitivity, skill enhancement, entrepreneurship development and employment generation by co-creating value with local institutions/ people. Activities related to Sustainable Development will form a significant element of the total initiatives of the CSR.



*[Handwritten signature]*

### 5.3 Preparedness and Capacity Building in Disaster Management:

GHCL's CSR will take all effective steps in organizing community / specific programs through public – private partnership with the Government, by networking with the Ministries in Government of India at the National level and State level so that GHCL should be prepared and ready in disaster management.

## 6. IMPLEMENTATION PROCESS:

- 6.1. CSR programs will be undertaken by GHCL Foundation Trust under supervision of CSR Committee. All programs to the best possible shall be within the defined ambit of the identified "Thrust Area".
- 6.2. The time period / duration over which a particular program will be spread, will depend upon its nature, extent of coverage and the intended impact of the program.
- 6.3. Programs which involve considerable financial commitment and are undertaken on a time frame of 2 to 4 years, will be considered as "flagship programs" and is accorded enhanced significance.
- 6.4. By and large, it may be ensured that at least 60% of the CSR programs are executed in an around the areas adjoining GHCL's area of operations.
- 6.5. All endeavor to dovetailed and synergized, the initiatives taken by Central Government, State Governments, District Administration and Local Administration and self help group and Non Government Organization (NGOs) with the initiative taken by CSR of GHCL.
- 6.6. Project activities identified under CSR are to be implemented by specialized agencies, which could include – voluntary organizations, formal or informal elected local bodies such as Panchayats, Institutes/ academic Institutions, Trusts, Self Help Groups, Govt./ Semi Govt./ autonomous organizations, Mahila Mandals, Professional Consultancy organisation, etc.
- 6.7. **Identification of Programs:** Identification of Programs at Corporate and plant level will be done by means of the following:
  - i. Need identification studies by professional institutions/ agencies;
  - ii. Internal need assessment by cross functional team at local level;
  - iii. Receipt of proposals/ requests from district administration/ local govt. etc
  - iv. Discussion and request with local representatives/ civic bodies/citizen's forums/voluntary organization.



6.8. **Areas of CSR activities:**

CSR works being focused to the surrounding areas of operation of the Company specially within the range of 50 to 100 km of the plant locations/work locations.

6.9. **Project based approach:**

Project based accountability approach shall be followed to stress on the long term sustainability of CSR projects, where its action plan will be distinguished as "short term", Medium term" and "Long term" qualified as

Short Term	-	6 months to 1 year
Medium Term	-	1 year to 2 years
Long Term	-	2 years and above – Flagship Programs

6.10. **Long term programs – Guidelines**

While identifying long term programs, all efforts must be made to the extent possible to define the following;

- a. Program objectives;
- b. Baseline survey – it would give the basis on which the outcome of the program would be measured;
- c. Implementation schedules – timelines for milestones of the program will need to be prescribed;
- d. Responsibilities and authorities;
- e. Major results expected and measurable outcome;

7. **POWERS FOR APPROVAL**

- 7.1 CSR Programs as may be identified, by each division of the company/ corporate office shall be placed before the GHCL Foundation Trust at the beginning of each financial year.
- 7.2 The consideration of the GHCL Foundation trust shall be placed before the CSR Committee in the first meeting held in the beginning of the financial year for its approval.
- 7.3 The CSR Committee will recommend the proposal to the Board for their approval.
- 7.4. For meeting the requirements arising out of immediate & urgent situations, Managing Director is authorized to approve proposals in terms of the empowerment accorded to him by the CSR Committee.



**8. MEETING OF CSR COMMITTEE:**

8.1 The CSR Committee shall meet at such place and time as may be mutually agreed to among the members or as and when required.

8.2 Besides the physical meeting, CSR Committee may hold a meeting on video conference or tele-conference or any other similar mode.

**8.3 Notice of Meetings and List of Business**

Notice of not less than 7 (seven) clear working days from the date of posting, containing date, time and place of every Meeting, (together with list of business to be conducted at the Meeting) shall be given/ circulated to each member of the Committee present in India, either by hand or by Fax or by e-Mail, whatsoever is convenient.

Notice period may be reduced to one day / or waved off provided consent of all member is recorded in writing.

**8.4 Quorum for CSR Committee**

No business shall be transacted at the meeting of the committee unless at least two members are present.

**8.5 Secretary of the CSR Committee:**

The secretary of the Company shall be secretary of the CSR Committee.

**8.6 Resignation**

Member of the CSR Committee may resign his office by a letter, in writing, to the Chairman of the Committee and Secretary of the Committee and his office shall fall vacant from the date on which his resignation has been accepted by the Chairman of the Committee. In case the Chairman of the Committee resigns his office, he will address a letter to the senior-most, other than himself, of the remaining member of the Committee and his resignation will be effective on an acceptance by such senior most member.

Further, any member of the Committee shall ceases to be the member of the Committee, moment on which he ceases to be member of the Board of Directors of the Company.

Company Secretary shall place the resignation of the member of the Committee before the next committee meeting or shall inform to all the members of the Committee as soon as possible for their information and necessary decision.

**8.7. Disposal of Business**

Every question considered at a committee meeting shall be decided by a majority of votes of the members present and voting. In the event of an equality of votes, the Chairman shall exercise his casting vote; provided that the Chairman may, if he thinks fit, direct that any question shall be decided by circulation of necessary papers to the members present in India and by securing their opinion in writing. Any such question shall be decided in



accordance with the opinion of the majority of the members received within a time limit allowed and, if the opinion is equally divided, the opinion of the Chairman shall prevail.

Provided further that any member may request that the question referred to the members by circulation for an opinion be considered at the committee meeting and thereupon, the Chairman may, and if the request is made by not less than two members, shall direct that it can be so considered.

#### 8.8 **Minutes of Meeting**

- a) The Secretary shall be responsible for drafting and maintaining the minutes of CSR Committee;
- b) Draft minutes of CSR Committee shall be circulated to the members of the Committee for their input.
- c) The Board of Directors shall be updated periodically about the decision taken by the CSR Committee on various CSR Projects.
- d) Each minutes of the CSR Committee shall be placed before the Board for their noting.
- e) Each page of every minutes books shall be initialed or signed and the last page shall be dated and signed by the Chairman of the said meeting or the Chairman of the next meeting.
- f) Once the minutes are signed by the Chairman, it shall be conclusive evidence of proper meeting.

#### 8.9. **Resolution without Meeting**

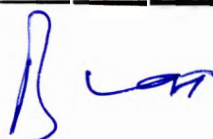
A resolution shall be as valid and effectual as if it had been passed at a Meeting of Committee duly called and constituted, if it is passed by circulation by an affirmative vote by majority of members.

#### 8.10. **Sitting fee**

Members of the committee shall be paid Rs. 20,000/- per meeting towards sitting fee and Rs. 5,000 towards out of pocket expenses.

### 9. **MONITORING AND FEEDBACK:**

- 9.1 To ensure effective implementation of the CSR programs undertaken at each divisions/ locations, a monitoring mechanism will be put in place by the division head or location head. The progress of CSR programs will be reported to the Company Secretary at Corporate Office on a periodical basis.
- 9.2. Company Secretary shall compile the information and may seek such clarification, which may be required to explain the complete facts to the CSR Committee about the CSR Project undertaken by the respective division / work location.





- 9.3. The Company Secretary, while placing report to the CSR Committee, on progress of CSR Activities, shall have report on impact studies, by independent professional / third party, in relation to those activities which are strategic and high value program. For conducting impact studies, Company Secretary consult with Executive Director (Finance) for identifying agencies / bodies for doing impact studies.
- 9.4. Each division/ work location will also try to obtain feedback from beneficiaries about the program and shall submit the report to the Company Secretary;
- 9.5. Appropriate documentation of the GHCL's CSR Policy, Annual CSR Activities, and expenditure details will be undertaken on a regular basis and the same shall be placed before the Board;
- 9.6. CSR initiatives of the Company will also be reported in the Annual Report of the Company in the format prescribed by the SEBI or other statutory authorities;

#### 10. GENERAL

- 10.1. 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 the Company Secretary.
- 10.2. Company secretary in consultation with the Managing Director and / or Executive Director (Finance) shall clarify the doubt and communicate the same the respective person. In case, clarification or doubt is subject matter of policy then, Secretary shall refer the matter to the CSR Committee for their direction. On receipt of direction/ clarification, secretary shall communicate the same to the respective person / division.
- 10.3. 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 by the Central Government, or Ministry of Corporate Affairs or SEBI, from time to time.