



CORPORATE SOCIAL RESPONSIBILITY POLICY



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1. CONCEPT AND VISION:

The company strongly believes that sustainable community development is essential for harmony between the community and the industry. It endeavours to make a positive contribution to the underprivileged communities by supporting a wide range of socio-economic, educational and health initiatives.

In this regard, the Company has made this policy which encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large and is titled as the "CSR Policy" which is based as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 initiated by the Central Government under the relevant provisions of Section 135 of the Companies Act, 2013 read with the rules made thereunder and Schedule VII of the said Act.

This CSR Policy shall apply to all corporate social responsibility initiatives and activities undertaken by the Company for the benefit of different segments of the society and for enhancement of the fields like education, health care, environment, employment, promoting gender equality and women empowerment etc. more particularly described below.

2. OBJECTIVES OF THE POLICY

The objectives of this policy are to:

- i. Demonstrate commitment to the common good through responsible business practices and good governance.
- ii. Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models.

3. APPLICABILITY

- i. The Company's CSR policy has been developed as per Section 135 of the Companies Act, 2013 (referred to as the Act in this policy) on CSR and in accordance with the CSR Rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India.
- ii. The policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII (Activities which may be included by Companies in their Corporate Social Responsibilities Policies) of the Act.



- iii. CSR Policy is also in accordance with the various clarifications and notifications of MCA issued till date.

4. CSR INITIATIVES AND ACTIVITIES

In accordance with the requirements under Section 135 of the Companies Act, 2013 (“the Act”), Corporate Social Responsibility Rules, 2014 (“the Rules”) and any other applicable provisions of the Act, DCW CSR Activities, amongst others will focus on:

- **HUNGER, POVERTY, MALNUTRITION AND HEALTH:**
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.
- **EDUCATION:**
Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- **GENDER EQUALITY AND WOMEN EMPOWERMENT:**
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.
- **ENVIRONMENTAL SUSTAINIBILITY:**
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to Clean Ganga Fund set – up by the Central Government for rejuvenation of river Ganga.
- **PROTECTION OF NATIONAL HERITAGE:**
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.
- **ARMED FORCES:**
Measures for benefit of armed forces veterans, war widows and their dependants, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.



- **PROMOTION OF SPORTS:**
Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympics sports.
- **CONTRIBUTION TO GOVERNMENT FUNDS:**
Contribution to Prime Ministers 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 Government for socio – economic development and relief and welfare of Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women.
- **TECHNOLOGY INCUBATORS:**
Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- **RURAL DEVELOPMENT PROJECTS:**
Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.
- **SLUM AREA DEVELOPMENT**
Strengthening slum areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods.
- **DISASTER MANAGEMENT**
Disaster management, including relief, rehabilitation and reconstruction activities.
- Any other such area as may be stipulated under the Act from time to time.

5. GOVERNANCE

The CSR Governance structure at DCW comprises the CSR Committee and the Board of Directors of the Company.

BOARD

- The Board monitors and reviews the performance and impact of the CSR programmes, provides



input and course corrections if required 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.

- The CFO shall certify to the fact that CSR funds so disbursed have been utilised for the purposes and in the manner approved by the Board.

CSR COMMITTEE OF THE BOARD OF DIRECTORS

The CSR Committee of the Company shall consist of minimum three Directors, out of which at least one director shall be an Independent Director.

The CSR Committee is mandatory where the Company has any amount in its Unspent CSR Account in terms of the provisions of Section 135(6) of the Act i.e., if the Company has any extant ongoing project, it is mandatorily required to constitute a CSR Committee.

The CSR Committee provides oversight and guidance on CSR performance and monitor compliance with the CSR Policy, commitments and the applicable CSR provisions.

The role & responsibilities of CSR Committee shall be as set out in the Act and the terms of reference of CSR Committee.

The Company takes all actions including requisite board approvals to comply with Section 135 of the Companies Act, 2013 and the rules made thereafter.

6. FUNDING, SELECTION, IMPLEMENTATION AND MONITORING AND THEIR GUIDING PRINCIPLES

A. Funding obligation:

The Board of DCW to ensure that 2% of average net profits during the three immediately preceding financial years is spent on CSR initiatives undertaken by DCW. If DCW spends any amount over and above such 2% of average net profits, the same is to be considered as excess CSR expenditure which can be set-off in the immediate succeeding three financial years subject to the conditions as prescribed under the Act.

In order to compute whether DCW has under spent or over spent, DCW shall consider the following:

- a. **Project Cost** – it shall include designing, implementation, monitoring and evaluation cost incurred directly or indirectly on the project.
- b. **Administrative Overheads** – to ensure that such expenses shall not exceed 5% of the total CSR expenditure of the company for the financial year. Further, these expenses would not include expenses incurred by the Company towards designing, implementation, monitoring



and evaluation.

B. Selection of activities:

The guiding principles for Selection of activities are:

- a. **Eligibility** - Statutory eligibility of implementing agency through which the CSR activities are selected, i.e., to ensure whether those implementing agencies have registered under section 12A and 80G of the Income Tax Act, 1961, have an established track record of at least three years in undertaking similar activities and have also filed form CSR-1 with the Registrar of Companies.
- b. **Sustainability** - Implementing agency has a track record of 3 years in undertaking similar programs or projects.
- c. **Goodwill** – Implementing agency shall have a goodwill in performing its activities diligently.
- d. **Law of land** – Implementing agency shall have a good stand in terms of Law of Land.

C. Implementation & Monitoring:

i. Implementation:

The Board shall ensure that the CSR projects/programmes/activities in identified areas are undertaken by the Company itself or through:

- (a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
- (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

The Company may also collaborate with other companies for undertaking projects/programmes/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 the Act and Rules made thereunder.

ii. Monitoring:

Impact Assessment – In the event of average CSR obligation of Rs. 10 crores or more in the three immediately preceding financial years, the Company shall ensure that impact assessment



through an independent agency is carried out for CSR projects having an outlay of Rs. 1 crore or more. Expenditure incurred for such assessment shall not exceed 2% of the total CSR expenditure for the financial year or 50 lakh rupees, whichever is higher.

Monitoring will be done with the help of identified key qualitative and quantitative performance indicators, with a continuous feedback mechanism, and recourse for mid-course correction in implementation, if needed, to ensure efficacy.

Assessment of utilisation of funds will also be done on a quarterly basis, along with submission of an annual consolidated utilisation which will be part of the Company's Annual Report. This will include a rationale for shortfall or surplus of funds.

All expenditure towards the programs to be diligently documented. In case 2% of average net profit of the last 3 years is not spent in a financial year, reasons for the same to be specified in the CSR report.

The surplus from the allocated CSR budget will not be utilized for business or form part of business profits.

All activities will be undertaken in project mode with defined objectives and deliverables, clarity on target beneficiaries, implementation plans with schedule of timeline agreed prior to commencement of activities.

iii. Guiding Principles for Implementation and Monitoring:

- a. **Accountability and Transparency** – Implementing agency shall be accountable for all expenses along with the acknowledgements. Further, there should be transparency in the actions to protect the interest of all the stakeholders.
- b. **Ethical Behaviour** – Management and Implementing agency shall maintain ethical behaviour while implementing and monitoring CSR programs without any corruption.
- c. **No conflict of interest** - There shall not be any conflict of interest in the objectives of employees involved in CSR activities and the implementing agencies. Both of them should work for benefits of the needy.
- d. **Respect for stakeholder's interest** - While identifying CSR programs, interest of all the stakeholders shall be taken into consideration.

7. GUIDING PRINCIPLES FOR ANNUAL ACTION PLAN:

DCW shall prepare an Annual Action plan of the Company to identify the activities and the CSR expenditure to be spent during the year which shall include the details as mentioned in the rules.



Further, the guiding principles required to formulate the Annual Action Plan are as follows:

- a. CSR programs shall not include activities as restricted under the amended CSR Rules.
- b. The preference for CSR programs is to be given by DCW to local areas and areas around its operations.
- c. The CSR activities may be carried out directly or through implementing agency/ies.
- d. Payments to implementing agencies or to vendors should be milestone based.
- e. All the guiding principles as required to be followed for implementing and monitoring the CSR Activities shall also be followed while formulating the Annual Action Plan.
- f. Action plan shall be Simple, Action oriented, Measurable, Relevant and Time Bound.

During any financial year, the Annual Action Plan of the Company may be modified to include any unbudgeted expenditure, either on account of new project(s) or due to increase in the outlay for approved project(s).

Subject to the provisions of the Act, the Company may also utilize its CSR spend towards creation or acquisition of a capital asset.

8. DISCLOSURES

Regular reporting and disclosure of all CSR activities will be a mandatory component as per the Act. Established reporting mechanisms will be put in place. DCW will also disclose the CSR projects /programmes /activities on the official website as required under the Act and the rules.

A brief summary of CSR projects/programmes/activities will also be included in the Annual Report in the prescribed format as per the CSR rules of the Act.

The CSR Policy issued pursuant to the Act has been recommended by the CSR Committee of the Board of Directors and approved by the Board of Directors and shall be placed on the Company's website www.dcwlimited.com

9. CONDITIONS AND RESTRICTIONS

The CSR Committee and the Board of Directors shall be governed by the following conditions and restrictions while undertaking any CSR projects/programmes/activities:

- The CSR projects/programmes/activities undertaken by the Company, as per this policy shall exclude activities undertaken in pursuance of its normal business.
- The CSR projects/programmes/activities shall be undertaken in India only except for training of Indian sports personnel outside India who is representing any State or Union Territory at national level or India at international level.
- The CSR projects/programmes/activities that benefit only the employees of the Company



and their families, shall not be considered and not qualify as CSR expenditure.

- Contribution of any amount directly or indirectly to any political party under Section 182, shall not be considered and not qualify as CSR expenditure.
- The surplus, if any, arising out of the CSR projects/programmes/activities shall not form part of the business profit of the Company.
- Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services shall not form part of CSR expenditure.
- Activities carried out for fulfilment of any other statutory obligations under any law in force in India shall not form part of CSR expenditure.

10. EFFECTIVE DATE

This policy was first approved by the Board of Directors on November 12, 2014

Further, the last amendments made to this policy are approved by the Board of Directors as on February 9, 2023

11. LIMITATION AND AMENDMENT

The Board of Directors may in their discretion and on recommendation of the CSR committee, make any changes/modifications and/or amendments to this Policy from time to time.

Requirements with respect to quorum, notice of meeting, documentation, etc shall be in conformity with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government, unless expressly stated otherwise.

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.