

Nelco Ltd.- Corporate Social Responsibility Policy

1. Objective

Nelco Ltd. (NELCO) CSR vision is “To be a socially responsible company that consistently enhances stakeholders’ value”. This vision is also supported by the company’s values, one of which is “Social Responsibility: We will work for the communities around us”. Thus, social responsibility stands as one of the key pillars of NELCO’s way of doing business.

The Corporate Social responsibility policy integrates social commitment with best corporate practices.

2. Tata group Core Purpose

To improve the quality of life of the communities we serve through long term stakeholder value creation. NELCO is committed to this core purpose and aligned to the following guidelines:

- The requirements of section 135 read with Schedule VII and other applicable provisions, if any of the Companies Act 2013 (“Act”) (including any statutory modification or re-enactment thereof for the time being in force) and the Rules made thereunder as amended from time to time.

3. Scope

This policy comprises a set of rules adopted by NELCO’s Board of Directors and applies to all employees of NELCO.

These rules set the standards for the way we interact with society at large and the environment around us. They may be supplemented from time to time by additional policy statements and guidelines.

4. Definition

Corporate Social Responsibility, commonly known as CSR, would be defined as per the activities designed to:

- Serve – and be seen to serve – society, local and national goals in all the locations where we operate.
- Create a significant and sustained impact on communities affected by our businesses.
- Provide opportunities for NELCO employees to contribute to these efforts through volunteering.

5. Resources

We propose to deploy the following resources for our CSR activities:

- Funds: At the minimum, what is required by law (2% of average net profits of the past 3 years as per the Act and Rules made thereunder).

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- Expertise: Our employees' expertise would also be leveraged to the optimum through structured volunteering programs.
- Facilities: All facilities necessary for implementation of the CSR activities shall be made available.

Any unspent CSR amount and/or surpluses arising out of CSR projects or programs or activities shall not form a part of the business profits of a company and will be dealt with as per the Act and Rules made thereunder.

6. Key Focus Areas

Under the framework of this policy, the sectors and issues focused by the Company shall fall under the purview of activities specified in the Schedule VII of the Companies Act, 2013 in the areas of Education, Health and Sanitation, Enhancement of livelihood & Skill Building, support to weaker section of society and those approved by the Board from time to time.

7. Geographies and target communities

The geographical focus of the company's CSR activities will be the whole of India. However, the company shall give preference to the local area and areas around it where the Company or its Parent Company operates.

8. Implementation mechanism

Based on the above Key Focus Areas, senior management will create annual action plan for CSR activities. HR will be responsible to calendarize and drive periodically CSR activities based on the set parameters.

CSR activities will be implemented by the Company itself or through collaboration with Tata Group of Companies, Tata Trust, Other Corporate entities, Societies and Government institutions etc. as may be permitted under the Act and Rules made thereunder.

All CSR activities and expenditure will be monitored by the company CSR team. The monitoring process will cover both program and financial reviews and the progress will be reported periodically to the Board.

9. Role of the CSR Committee in respect of CSR:

- Formulate a CSR policy, indicating the activities as specified in Schedule VII of the Act;
- Approve the annual action plan set by the Senior Management and approve the amount of expenditure to be incurred on the activities indicated in the policy, if any;
- Monitor the CSR policy regularly;
- The Board's Report of the company shall include an annual report on CSR containing particulars specified under Companies Act and Rules made thereunder.