

CORPORATE SOCIAL RESPONSIBILITY POLICY

CSR PHILOSOPHY

L&T Howden Private Limited fosters a culture of caring, trust and continuous learning while meeting the expectations of all stakeholders and society at large. As a responsible Corporate Citizen, the Company contributes towards inclusive growth by empowering communities and accelerating development.

The Company's CSR Policy framework details the mechanisms for undertaking various programmes in accordance with section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules) (as amended from time to time) made thereunder for the benefit of the community.

CSR THEMES

The Company will focus on various CSR activities as stipulated under the Companies Act, 2013 which will include, amongst others, the following;

Water & Sanitation – may include but not limited to support for programmes making clean drinking water available, conservation, purification of water and proper sanitation facilities.

Education - may include but not limited to construction and renovation of schools, libraries, science laboratories, etc., education infrastructure support to educational Institutions, educational programmes & nurturing talent at various levels.

Health - may include but not limited to support for community health centres, mobile medical vans, dialysis centres, general and specialized health camps and outreach programmes, centres for elderly / disabled, support to HIV / AIDS programme.

Skill Development - may include but not limited to vocational training such as skill building, computer training, women empowerment, support to ITI's, support to specially abled (infrastructure support & vocational training), CSTI's, providing employability skills at project sites, creating training centres.

Governance and Technology would be the Key drivers across all the CSR initiatives.

CSR BUDGET

- The Board of the Company shall allocate at least 2% of the average profit (as required by Companies Act 2013) during the three preceding financial years.
- The Company may collaborate or pool resources with other entities to undertake CSR activities.
- In case of any surplus arising out of CSR programmes the same shall not form part of business profits of the Company.

CSR - ROLES AND RESPONSIBILITIES

The CSR Governance structure comprises of the Board, CSR Committee of the Board and the working level committee.

BOARD

The Board of Directors of the Company shall:

- Approve the CSR Policy of the Company.
- Ensure spend of at least 2% of average profit during the three preceding financial years.
- Disclose the content of the CSR Policy in its report as prescribed under Section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- Ensure that the social programmes undertaken are aligned to the CSR Policy of the Company.
- Specify reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount.
- Approve the Annual Action Plan as recommended by the CSR Committee;
- Oversee and adhere to all other responsibilities as mandated by the CSR Rules.

CSR Committee of the Board

The Board has formed the CSR Committee in accordance with the requirements of the Act which shall:

- Formulate and recommend the CSR Policy to the Board for approval.
- Monitor the Policy from time to time.
- Recommend the amount of expenditure to be incurred on CSR programmes.
- Constitute transparent monitoring mechanism for ensuring implementation of the CSR programme.

- Recommend the Annual Action Plan to the Board for approval, provided that the Company may directly or any other eligible entity undertake other eligible activities based on urgency and need arising out of circumstances such as natural disasters and emergencies.

Working level Committee

- Spread awareness regarding the approved CSR policy.
- Provide guidance to operating teams to ensure that all CSR programmes are aligned with company's CSR policy.
- Recommend programmes to be undertaken during the financial year to the CSR Committee of the Board.
- Facilitate effective implementation of CSR policy.
- Keep reviewing the CSR policy and actual implementation status to achieve desired outcome for community development.
- In case Projects / Programmes are being planned to be executed through partners, the CSR Apex Team will verify and establish the credibility of such partners;
- Monitor the progress of the CSR programmes closely and report to CSR Committee appropriately.
- Carry out an impact assessment of the projects implemented by the Committee.

IMPLEMENTATION

- CSR programme will be undertaken by the Company in identified areas. The Company will undertake need assessments as and when required.
- The time period / duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.
- The Company may enter into partnerships with the government, business partners and communities to create multiplier effect of its social programmes.
- The mode of implementation of CSR programmes will include a combination of direct implementation and / or through partners such as NGOs, Trusts, academic institutions, business associates, registered societies etc. The Company will select its partners after appropriate due diligence.
- The Company may use the services of internal teams, employee volunteers, expert agencies, consultancy firms etc. wherever required for carrying out base line surveys, guidance on programme design and implementation, impact assessment surveys etc.

MONITORING AND REPORTING FRAMEWORK

The Company has a constituted committee to monitor and report the progress of its CSR programmes. An accounting system has been established by the Company to ensure appropriate accounting of CSR spends. The working level committee will be responsible for monitoring and implementing the CSR programmes.

The Committee of the Board shall:

- The Board CSR Committee will review the implementation of the CSR programmes periodically, preferably on a quarterly basis and arrange to share in the Company the best practices.
- Review the implementation and monitoring mechanism appropriately.
- Report to the Board appropriately.

The Chief Financial Officer or the person responsible for financial management shall certify the funds disbursed have been utilized for the purposes and in the manner as approved by the Board.

DISCLOSURE

The CSR Policy framework, Committee composition and projects approved by the Board (Annual Action Plan) will be displayed on the website of the Company. The Board Report will include an Annual report on the CSR activities in the format specified under the CSR Rules.

General Provisions

No contribution shall be made to any political party through CSR Fund.

The CSR projects or programmes or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with Section 135 of the Act.

(Last amended by the Board of Directors at their Meeting held on 28th April, 2021)
