

NEZONE TUBES (TN) LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Philosophy

An aspiration to create meaningful societal value is manifest in Nezone Tubes (TN) Limited strategy to enhance the competitiveness of value chains of which it is a part. It is therefore a conscious strategy to design and implement CSR programmes in the context of Nezone Tubes (TN) Limited businesses, by enriching value chains that encompass the most disadvantaged sections of society, especially those residing in rural India, through economic empowerment based on grass-root capacity building. As an Indian enterprise, Nezone Tubes (TN) Limited undertakes the Corporate Social Responsibility as a genuine expression of goodwill and gratitude towards society and believes that such an approach can unleash strong drivers of growth to make it more inclusive and equitable for the most marginalized sections of society, through the creation of sustainable livelihood, preventive health care, promoting education, provisioning of safe drinking water, women empowerment, environment sustainability and animal welfare etc. through its service, conduct, business practice and social initiatives.

Preamble

Corporate Social Responsibility is strongly connected with the principles of sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Nezone Tubes (TN) Limited to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders and with intent to make a positive difference to society.

Guiding Principles

Corporate Social Responsibility (CSR) of Nezone Tubes (TN) Limited defines the statutory obligations and has been framed in accordance with the applicable provisions of the Companies Act, 2013 and Companies (CSR Policy) Rules as amended from time to time. It is vigilant in its enforcement towards corporate principles and is committed towards sustainable development and inclusive growth. The company constantly strives to ensure strong corporate culture which emphasizes on integrating CSR values with business objective and is committed towards aligning with nature and shall always adopt eco-friendly practices. The Company's CSR Activities shall revolve around the following guiding principles:

The principles for selection and implementation of CSR Activities shall be to ensure sustainable and inclusive growth of the society preferably in the areas of operation and areas around it. The CSR Activities should be selected in a way that it contributes positively towards sustainable and inclusive growth of the society with focus on India's most pressing development challenges as highlighted under schedule - VII of the Companies Act, 2013 and as amended from time to time. The Company will give preference, while spending the amount earmarked for CSR Activities, to the areas of operation and areas around it for societal benefit and promotion of social cause for the benefits of the community at large and strives to integrate its business values and operations which enable creation and distribution of wealth for the betterment of its stakeholders.

Whenever possible, initiatives of State Governments, District Administration, Local Administration as well as Central Government Departments Agencies, Self-Help Groups, NGOs, Trust, etc., would be dovetailed and synergized with the initiatives of the Company.

Care for all Stakeholders

We, at Nezone Tubes (TN) Limited , strive to conduct our business operations in socially responsible, ethical and transparent manner to demonstrate commitment to respect the interest of, and be responsive towards all stakeholders, including shareholders, employees, customers, suppliers, project affected people, society at large etc. and create value for all of them. We shall develop such mechanism to actively engage with all stakeholders, inform them of inherent risks and mitigate them wherever occur.

Ethical functioning

Our governance system shall be underpinned by Ethics, Transparency and Accountability and we shall not engage in business practices that are abusive, unfair, corrupt or anti-competitive.

Respect for workers' rights and welfare

We shall provide a workplace environment that is safe, hygienic and humane and which upholds the dignity of our employees. We shall provide all our employees with access to training and development of necessary skills for career advancement on an equal and non-discriminatory basis. We shall uphold the freedom of association and the effective recognition of the right to collective bargaining of labour, an effective grievance redressal system, non-employment of child or forced labour and provide and maintain equality of opportunities without any discrimination on any grounds in recruitment and during employment period.

Respect for human rights

We shall respect human rights for all and avoid complicity with human rights abuses by us or by any third party.

Respect for Environment

We shall take proper measures to check and prevent pollution; recycle, manage and reduce waste, management of natural resources like land and water. We shall proactively respond to the challenges of climate change by adopting cleaner production methods, promoting efficient use of energy and environment friendly technologies.

Activities for social and inclusive development

We shall undertake CSR activities in consonance with the provisions of the Section 135 read with Schedule VII of the Companies Act,2013 and the Companies (CSR Policy) Amendment Rules, 2021 as amended from time to time, for economic and social development of communities and geographical areas, to the vicinity of our operations i.e. the peripheral areas/direct impact zones of Nezone Tubes (TN) Limited's Plants & Offices . However, few projects may also be undertaken across the country as deemed fit. Such activities may include:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- 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;
- 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 the 'Clean Ganga Fund' set-up by the Central Government for rejuvenation of river Ganga;
- 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;
- 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 widow;
- Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- 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
- 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)
- Rural development projects.
- Slum area development.
- Disaster management, including relief, rehabilitation and reconstruction activities.
- Any other Project as may be specified under Schedule VII of the Companies Act,2013 from time to time.

Identification of Programmes

All programmes/activities are to be identified in a participatory manner, in consultation with the community and understanding their basic needs. We must seek recourse to the participatory rural appraisal mapping process and based on a consensus and in discussion with the village panchayats, and other local opinion leaders, programmes are to be undertaken.

On the basis of identified CSR activities/projects, the Annual Action Plan will be prepared by the CSR department of Plants/Units well in advance which will be scrutinized and examined by the subsequent level(s) of authorities and shall be put up to the CSR Committee constituted under Section 135 (1) of the Companies Act 2013 and Section 5 of the Companies (CSR) Rules, 2014 for its consideration and necessary modification if any, advised by the said Committee . The Annual Action Plan thus finalized shall then be recommended in such form as deemed fit by the CSR Committee to the Board for its approval. Once approved by the Board, the Annual Action Plan would be incorporated in the CSR Policy of the respective year. All efforts should be made to finalize the Annual Action Plan before commencement of the financial year.

Implementation Process

1. The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules and the annual action plan formulated and recommended by the CSR Committee.
2. Mode of Implementation: The Company will take up its CSR Activities through eligible entity as defined under the CSR Rule 4(1) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021

The Board shall ensure that the CSR Activities are undertaken by the company itself or through any of the following entities as “Implementation Agency” being duly registered with the Central Government and having a unique CSR Registration Number (with effect from 1 April 2021)

- (a) A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 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) A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

3. The Company shall conduct due diligence prior to selection of an entity as its implementation agency, to inter alia verify the credentials and ensure that the proposed implementation agency is eligible and capable to be appointed as such.

Collaboration

Collaborative partnerships may be formed with the Government, the District Authorities, the Village Panchayats, NGOs and other like-minded stakeholders. This helps widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.

Monitoring, Evaluation and Reporting:

To ensure effective implementation of the CSR Activities within specified budgets and timeframes as approved by the Board, a monitoring mechanism will be put in place by CSR Committee. The progress of CSR Programmes under implementation and status of the work done shall be reported to the CSR Committee. The CSR Committee will review periodically and keep the Board apprised of the status of the progress of implementation of the approved CSR Activities..

Duties and responsibilities of CSR Committee

The CSR Committee shall be responsible for providing recommendations to the Board with respect to CSR Activities that may be undertaken by the Company in accordance with the CSR Policy as well as the Act and the CSR Rules.

Without prejudice to the generality of the foregoing, the CSR Committee shall be responsible for the following activities:

- i. To formulate and recommend CSR Policy to the Board of Directors.
- ii. To ensure spending of CSR amount on approved Activities and put up progress of Activities to the Board of Directors.
- iii. To implement the CSR Policy and monitor progress of Activities on half yearly basis in the CSR Committee Meeting.
- iv. To formulate and recommend to the Board, Annual Action Plan / Budget as per the provisions of the Companies Act, 2013 and Rule 5 (2) of the CSR Rules as amended from time to time as well as the CSR Policy, including the followings:
 - a. List of approved CSR Activities.
 - b. Manner of execution of CSR Activities in line with the specified Rules.
 - c. Modalities of utilization of funds and implementation of schedules of CSR Activities.
 - d. Monitoring and reporting mechanism for the Activities; and
 - e. Details of need and impact assessment, if any, for the Activities under taken by the Company.

Provided that the Board of Directors may alter such plan at any time during the FY, as may be recommended by CSR Committee based on reasonable justification to that effect. The Board of Directors of the Company shall approve the CSR Activities upon recommendation of the CSR committee from time to time through meetings/circular resolutions

The CSR Committee shall be constituted as per the provisions of the Act. The number of members of the CSR Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to the provisions of the applicable law.

CSR Expenditure

- i. The Company shall spend at least 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years in accordance with the Act and the Rules and the CSR Policy.
- ii. The CSR Committee shall recommend the manner in which the CSR Expenditure shall be incurred in a year, in accordance with the Act and the Rules and the CSR Policy.
- iii. The Board shall be responsible for sanctioning the CSR Expenditure and along with the CSR Committee responsible for taking steps to ensure that the amount for the CSR Expenditure is available to the Implementing Agency for application towards the CSR Activities.
- iv. Any surplus arising out of the CSR Activities shall not form part of the business profit of the Company and may only be re-allocated to the CSR Activities being undertaken in terms of this CSR Policy and the annual action plan for the financial year in which such surplus has arisen.
- v. CSR funds remaining Unspent would be transferred to “Unspent Corporate Social Responsibility Account” or to a Schedule VII Fund or to such fund as may be prescribed within the time prescribed under the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021
- vi. In order to count towards CSR Expenditure, CSR Activities must be undertaken in compliance with the applicable laws and shall not include the following:
 - a) activities undertaken in pursuance of normal course of business of the company any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - b) contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
 - c) activities benefitting employees of the company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019);
 - d) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
 - e) activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- vii. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

CAPITAL ASSET

The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by -

- a. A company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number.
- b. Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- c. A public authority

Provided that any capital asset created by the Company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with this requirement, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

Information dissemination

The Company's engagement in this domain is disseminated on its website, annual reports, its in house journals and through the media.

Management Commitment

Our CSR Committee, Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterised by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

Amendment

The Company shall be entitled to all the privileges, exemptions, relaxations, if any, as may be conferred by the Central Government/Ministry of Corporate Affairs or any other authority from time to time by way of amendment to provisions of Companies Act 2013, Rules, circular or otherwise. Such exemption/relaxation shall override the restrictive provision if any contained in this policy. Based on recommendations of the CSR Committee, the Board will review the policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary. In case of any contradiction between the provision of law applicable to the Company from time to time and this Policy, then such provision shall override the relevant clause or part of the clause of this Policy without requiring any specific alteration to this Policy.