



## VA TECH WABAG LIMITED

### CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

#### **A. Introduction & Background**

Since 1995, WABAG has completed over 900 water and wastewater plants worldwide. Through the conservation and ecological use of the world's most valuable resource, WABAG has made a sustained contribution to the improvement in the quality of life of well over a hundred million people. WABAG is thus one of the world's leading partners for investments in a future that is worth living.

##### **A.1. Company**

Around the world, the WABAG name stands for innovative and successful solutions in the water engineering sector. As an internationally respected expert group, we act as a systems specialist and full service provider with a focus on the planning, installation and operation of drinking and wastewater plants for local government and industry in the growth markets of Asia, North Africa, Middle East, the Central and Eastern Europe states.

The WABAG Group represents a leading multinational player with a workforce of over 1,500 and has companies and offices in 19 countries. It possesses unique technological know-how, based on innovative, patented technologies and long-term experience.

#### **B. WABAG CSR Vision Statement and Objective**

Our Vision is to contribute to the social and economic development of the communities around by way of providing "sustainable solutions for a better life".

As part of the CSR Initiative, the Company has been committing voluntarily towards various CSR activities across locations in which the Company operates.

##### **B.1. Objective of this policy is to:**

Promote a unified and strategic approach to CSR across WABAG enabling maximum impact of the CSR initiatives.

Ensure an increased commitment at all levels in the organization, to operate in an economically, socially and environmentally responsible manner while recognizing the interests of all its stakeholders.

#### **C. Scope and Applicability**

This revision in policy shall be applicable to VA TECH WABAG LIMITED and shall be effective from 1st April 2021.



## **D. Policy Statement**

### **D.1 Core Ideology**

For WABAG, responsible business practices include being responsible for our business processes, engaging in responsible relations with employees, customers and the community. Hence for the Company, Corporate Social Responsibility goes beyond just adhering to statutory and legal compliances, and creates social and environmental value while supporting the company's business objectives and reducing operating costs, and at the same time enhancing relationships with key stakeholders and customers.

### **D.2 Allocation of Resources & Thrust Areas**

The CSR Committee of the Board of the Company will allocate and spend 2% of the average net profits made during the 3 immediately preceding financial years to undertake CSR initiatives which meet the needs of the economically weaker community for projects as set out in D.3 below.

### **D.3. CSR Approach & Guiding Principles**

WABAG CSR Committee may either on its own or by making contributions to corporate foundations/Trusts towards sustainable living, providing access to clean water, education for under privileged children, vocational and livelihood training of youth, , encouragement of sports, medical and disaster relief & rehabilitation.

WABAG will invest/spend its CSR funds in one or more of the following areas: Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water for the community;

- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects;
- 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;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art;
- Contribution to any fund set up by the Central Government for socio-economic development, disaster relief and for any other purpose for which these funds are allocated and utilized;
- Contribution of funds provided to technology incubators located within academic institutions which are approved by the Central Government for CSR purposes;
- Rural development projects;



- Setting up facilities related to pandemic illnesses like COVID-19 , health infrastructure for COVID care, establishment of medical oxygen generation and storage plants', 'manufacturing and supply of Oxygen concentrators, ventilators, cylinders and other medical equipment for countering pandemics',
- Any other projects and/or contribution for any specific purpose notified under CSR and/or recommended/ approved by CSR Committee/ Board of the Company, from time to time.

The surplus arising out of the CSR activities will not be considered as part of the business profits of the Company.

#### **D.4. Implementation**

WABAG has constituted a CSR Committee of the Board consisting of 3 Directors one of whom is an Independent Director.

The mandate of the said CSR Committee shall be:

- To formulate and recommend a CSR policy to the Board
- To identify, evaluate and recommend projects that meet the objectives of the CSR policy and are within the scope of activities that are set out in D3 above
- To recommend amount of expenditure to be incurred on CSR activities
- To monitor the CSR policy of the Company from time to time

“CSR” means, the activities undertaken by the Company in pursuance of section 135 of the Companies Act, 2013 (“the Act”) and rules made thereunder, but shall not include the following, namely:

- Activities undertaken in pursuance of normal course of business of the Company:
  - However, if the Company engaged in Research & Development (R&D) activity of new vaccine, drugs and medical devices in their normal course of business may undertake R&D activity of new vaccine, drugs and medical devices related to COVID-19 for the financial years 2020-21, 2021-22, 2022-23 subject to the conditions that:
    - a) such R&D activities shall be carried out in collaboration with any of the institutes or organizations mentioned in item (ix) of Schedule VII to the Act;
    - b) details of such activity shall be disclosed separately in the Annual Report on CSR included in the Board’s Report.
- 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;
- Contribution of any amount directly or indirectly to any political party u/s 182 of the Act;



- Activities benefitting employees of the Company as defined in section 2(k) of the Code on Wages, 2019;
- Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services;
- Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

"CSR Policy" means a statement containing the approach and direction given by the board of directors of the Company, taking into account the recommendations of the CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

In case of CSR implementation, the Board of Directors of the Company shall ensure that the CSR activities 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, 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, 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.

## **D.5. Governance**

### **WABAG Board**

**Role:** Approval and Oversight

### **Responsibilities:**

- The Board will ensure the following (a) that the activities included in the CSR policy are undertaken by the Company either directly or through an accredited agency as mandated by law. These projects may be completed during the year or may be ongoing projects that may extend upto three financial years for completion (b) that the Company allocates/ spends, in every financial year at least two percent of the average net profits of the company made during three immediately preceding financial years (c) that the Company



gives preference to projects in the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.

- In case the Company fails to spend such amount, unless the same has been allocated for an ongoing project, the same shall be transferred to the funds specified by the government for this purpose on or before 30<sup>th</sup> September of every financial year. Any amount that has been allocated for ongoing projects that have not been spent at the end of the financial year shall be transferred to an earmarked account by 30<sup>th</sup> April of every financial year and the amount spent for the project as scheduled within a period of three financial years. Any amount that is not spent as allocated for ongoing projects within a period of three financial years shall also be transferred to the funds as may be specified by the government from time to time before 30<sup>th</sup> September at the end of third financial year .
- Approval of Annual Action Plan or such other Plan as may be recommended by the CSR Committee
- Monitoring of Ongoing and other Projects as required under law, from time to time.
- The Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- The Board will also ensure disclosure of the names of CSR Committee members, the content of the CSR policy and reporting of its CSR activities on the Company website, and in the Annual Reports in the prescribed format.

The Board will also ensure compliance and adherence to any other conditions and other responsibilities as may be stipulated / required under CSR rule, as amended from time to time.

### **CSR Committee**

**Role:** Identification of projects, Approval and Monitoring

### **Responsibilities:**

- The CSR Committee is responsible for formulation and final recommendation of the CSR Policy and Annual/other Action Plan to the Board of the Company from time to time.
- The Committee will approve the project, recommend the amount to be spent, set project selection guidelines and monitor implementation to ensure spending is undertaken as per policy guidelines.
- The Committee will also ensure compliance with any other responsibilities as may be required under CSR rule, as amended, from time to time.

In addition to the functions specified in Section 135 of the Act, the CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:



- ❖ List of approved CSR projects and programmes;
- ❖ Manner of execution of such projects or programmes;
- ❖ Modalities of utilization of funds and implementation schedules for the projects or programmes;
- ❖ Monitoring and reporting mechanism for the projects or programmes;
- ❖ Details of need and impact assessment, if any, for the projects undertaken by the Company.

Provided that Board of Directors of the Company may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

#### **D.6. Executing Agency / Partners:**

CSR initiatives will be undertaken either through the WABAG's own CSR department with the active involvement of employees or through partnerships with other reputed Not For Profit Organization having an established track record of at least 3 years in carrying on the specific activity.

The CSR activities may also be undertaken by the Company through their own or holding or subsidiary or associate Company's registered society or trust or Section 8 company of the Companies Act, 2013 ("the Act"). The CSR activities may also be undertaken in collaboration with other companies where such collaborating companies are in a position to report separately as per the reporting requirements under the Act and Rules thereunder, as amended from time to time.

The following minimum criteria will be ensured while selecting NGO's / Voluntary organizations for program execution

- The NGO is a registered Society / Public Charitable Trust
- The NGO has a permanent office / address in India
- The NGO has a valid Income Tax Exemption Certificate
- The NGO has registered itself with central government and obtained unique registration no.
- Any other criteria as may be notified under CSR rule, as amended or recommended by CSR Committee/ Board of the Company, from time to time.

#### **D.7. Impact Assessment of CSR Projects**

The Company shall undertake impact assessment of its CSR projects as per the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as may be amended from time to time. The Committee will provide necessary guidelines as required for this compliance, from time to time.



## **E. Interpretation**

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as may be amended from time to time shall have the meaning respectively assigned to them therein.

## **F. Amendments to the Policy**

Any modifications / changes in this policy shall be made only after the approval of the Board of Directors of the Company on the basis of recommendation made by the CSR Committee. Any amendment or modification in any applicable laws relating to CSR shall automatically be applicable to the Company.

Original Policy approved: 24<sup>th</sup> May 2014

1<sup>st</sup> Revision : 5<sup>th</sup> June 2021

2<sup>nd</sup> Revision : 10<sup>th</sup> Feb 2023

Date: 10<sup>th</sup> Feb 2023