



**FIEM INDUSTRIES LIMITED**

**CORPORATE SOCIAL RESPONSIBILITY POLICY**

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#### **1. BACKGROUND**

Corporate Social Responsibility (“CSR”) at **Fiem Industries Limited** (“the Company”) is our commitment towards Inclusive Growth. The Company believes that long-term sustainability can be achieved by meeting legitimate concerns of all stakeholders. Company’s approach to sustainable development focuses on the triple bottom line of Economic, Environmental and Social performance. As a responsible corporate citizen, the Company is constantly engaged in delivering value to its stakeholders through its promise of ***Caring, Sharing & Growing***.

This Policy shall be called “Corporate Social Responsibility Policy” or “CSR Policy”, which is framed in accordance with the provisions of Section 135 of the Companies Act, 2013 (“the Act”) read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules”) as amended from time to time and shall also be subject to any other provisions of the Act.

This Policy outlines the Company’s philosophy and responsibility and lays down the guidelines and mechanism for undertaking socially useful programmes towards welfare & sustainable development of the community preferably around the area of operations of the Company and other parts of the country.

#### **2. APPROACH**

The Company would follow “4P model” (i.e. Public-Private-People-Partnership) for empowering communities and believes that for sustainable social intervention, participation of communities must be ensured in the Company’s CSR activities/projects/programs.

The CSR activities, programs, projects under the framework of this Policy will be through:

- a) **Fiem Foundation - which will be formed either as a trust, a society or a Section 8 Company, and**
- b) **Directly by the Company.**

Cumulatively, the objective would be to evolve the CSR work as a meaningful exercise in true spirit of Section 135 of the Act while working in the areas as indicated under Schedule VII of the Act, including any subsequent amendment thereof.

As and when required, Company may align and partner with external agencies in the true spirit of “togetherness” to maximize the impact and contribution to social development and change. This will also include that Company will provide financial and other possible resources and the partner will use their domain expertise in the programme. Further, the Company either by itself or in partnership with others may initiate or continue to pursue such other social improvement whether listed under Schedule VII of the Act or not.

### 3. CSR ACTIVITIES

The Company shall undertake and execute the CSR activities (“CSR projects/ Programs”) in the areas listed under Schedule VII of the Act, which are as under:

- (i) 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;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) 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;
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, 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;
- (v) 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;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognized sports, paraolympic sports and Olympic sports;
- (viii) Contribution to the Prime Ministers National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the scheduled tribes, other backward classes, minorities and women;
- (ix) Contribution or funds provided to technology incubators, located within academic institutions which are approved by the Central Government;
- (x) Rural development projects.
- (xi) Slum area development.

#### 4. FOCUS AREAS OF INTERVENTION

Considering the activities listed in Schedule VII as broad indicator of the scope of CSR area, following are the focus areas of intervention identified by the Company under its SCR objectives by way of direct involvement or in partnership with outside agencies:

- 1) Elementary education, vocational education by way of scholarships, financial aids etc.
- 2) Preventive healthcare, medical cure in needy cases, eye operations camp for cataract etc., support equipment to disabled and like activities.
- 3) Women empowerment, underprivileged upliftment and child care initiatives, financial support in marriage of poor girls.
- 4) Working for environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- 5) Promote rural sports, rural development projects, drinking water availability in rural areas, supporting schools situated in rural areas, improving sanitation-toilet construction.
- 6) Contribute in relief funds, donate in monetary terms, in kind and otherwise help in rehabilitation measures in case of natural calamities in any part of the country.

The above list is illustrative and not exhaustive. CSR Committee is authorized to consider activities that may or may not fall in this list and also consider the activities which may be specified by the Ministry of Corporate Affairs from time to time under Schedule VII of the Act in exercise of its power under Section 135 of the Act.

#### 5. RESOURCES

##### **Financial Support:**

- Corpus contribution by the Company;
- Contributions from the employees and other stakeholders, if any;
- External contribution from partners and stakeholders and likeminded people/ organizations, if any.

##### **Personnel Support**

- Employees of Company;
- Organizations which are engaged as partners.

## 6. CSR EXPENDITURE AND MODALITIES OF UTILISATION OF FUNDS

- 1) As CSR programs / projects may spread for more than one year, hence it is not necessary that all expenses should be spent in a financial year. CSR expenditure shall include all expenditure including contribution to corpus for projects of Fiem Foundation for projects/ programs relating to CSR activities, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act. **[Rule 7]**
- 2) The amount to be spent on CSR activities would be at least 2% of the average net profits of the Company for immediately preceding three financial years (“**CSR Expenditure**”). If amount is not spent as mentioned above, reason of the same will be disclosed in Directors Report.
- 3) The Company may build CSR capacities of its own personnel as well as those of its implementing agencies through institutions with established track records of at least three financial years but such expenditure including expenditure on administrative overheads shall not exceed 5% of total CSR expenditure in one financial year. **[Rule 4(6)]**.
- 4) Surplus, arising out of CSR activities / programs, if any, will not form part of business profit of the Company, but the same will be spent on CSR activities. **[Rule 6(2)]**.

## 7. MODE OF IMPLEMENTATION

The Company will identify location wise projects and allocate funds on requirement basis either directly or by the Fiem Foundation. The CSR activities will be carried out preferably around the areas of the Company’s manufacturing and office locations. However, in general the areas will remain throughout India. **[Rule 4(4)]**.

The funds will be utilized for such projects. Separate details of expenditure / reports for each project will be maintained in a manner as may be desired by the Company.

The allocated CSR budget / corpus will be utilized for CSR activities to be undertaken within India:

- (i) Which shall not be exclusively for the benefit of employees of the Company or their family members.
- (ii) Which are not in pursuance of normal course of business of the Company.

**The execution of CSR programs will be carried out by Company staff, volunteers and the agency engaged in partnership as under:**

- Formulate, design and propose the CSR activities and programs as per CSR policy;
- Design and propose the structure to support Fiem Foundation
- Ensure execution of CSR projects/programs as per plan;
- To assess, whether external partnership needed, if yes, then Identify and forge external partnerships as per nature of CSR program;
- Liaison with agencies for smooth implementation of CSR programs; and
- Report progress to Management and the CSR Committee
- Create project application and reporting formats.
- Create visibility of the policy and implemented initiatives

## **8. MONITORING AND REPORTING MECHANISM**

The CSR Committee will monitor all CSR projects / programs through periodic reporting. Broadly, the following procedure will be adopted by the CSR Committee:

- 1) Funds towards particular projects/programs will be released on requirement basis.
- 2) The CSR Committee would meet periodically to take stock of project wise status of project completion and funds utilization. The minutes of the meetings of the CSR Committee will be placed before the Board.
- 3) CSR activities and programs will be well documented with photographs, reports and utilization certification as well as will be directly monitored by the employees of the Company deputed on the programs.
- 4) Composition of the CSR Committee shall be disclosed in the Board Report;
- 5) The Board Report shall include an annual report on CSR activities in prescribed format (by MCA) containing specified particulars i.e. brief outline of CSR Policy, its content the average net profit for the last 3 financial years and the prescribed CSR expenditures etc.
- 6) If the company fails to spend the prescribed amount, the Board shall, in its report specify the reasons for not spending the amount; and
- 7) The content of CSR Policy shall be displayed on the company's website.

## **9. BROAD RESPONSIBILITY OF CSR COMMITTEE**

- 1) Framing of CSR Policy and recommend the same to Board for its approval.
- 2) Recommend the amount of expenditure on CSR activities.
- 3) Monitoring the CSR Policy and implementation of CSR activities.

- 4) Ensure that the Company spends, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this Policy.
- 5) The reasons for not spending the above amount are to be explained in the Board's Report, if the Company fails to spend such amount.

## 10. REVIEW/AMENDMENT

- 1) Policy is framed under provisions of Section 135 of the Companies Act, 2013 ("the Act") read with Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules") as amended from time to time. The words and expressions used in the document and defined in the Act and/or Rules shall have the same meanings respective assigned to them in the Act and/or Rules, as the case may be.
- 2) In case, any subsequent changes in the Companies Act, 2013 or any other applicable rules or regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, the provisions of the Act or regulations would prevail over the Policy with effect from their enforcement and the Policy would be modified in due course to make it consistent with the amended laws.
- 3) This Policy may be reviewed as and when any changes are to be incorporated in the Policy due to change in regulations or as may be felt appropriate by the Company. Any changes or modification on the Policy would be approved by the CSR Committee of the Company. However, typographical corrections and minor incidental changes may be carried out by authorised officers of the Company.

## 11. DISCLOSURE

The CSR Policy will be displayed on the Company's website [www.fiemindustries.com](http://www.fiemindustries.com)

An annual report on CSR containing the particulars as prescribed under the Act and CSR Rules shall form part of the Board's Report of the Company.

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Contact Person: Arvind K. Chauhan, Company Secretary / [arvind.chauhan@fiemindustries.com](mailto:arvind.chauhan@fiemindustries.com)