
CORPORATE SOCIAL RESPONSIBILITY POLICY

OF

Prodair Air Products India Private Limited

*[Pursuant to Section 135 read with Schedule VII of the Companies Act 2013 "The Act" and the
Companies (Corporate Social Responsibility Policy) Rules, 2014]
Including recent amendments made therein*

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1. OVERVIEW:

1.1 Prodair Air Products India Private Limited (“**Company**”) believes that Corporate Social Responsibilities is a way of conducting business, by which corporate entities contribute to the social good.

1.2 As required under the provisions of Companies Act, 2013 (“Act”), the Company is pleased to announce its Corporate Social Responsibility Policy (“CSR Policy” or “Policy”).

Company always believed that serving the community around it in some form is one of the purposes of its business. The Company is committed to operate and grow its business in a socially responsible way. Our vision is to embrace social responsibility for the Company’s actions and encourage a positive impact on society.

2. CSR FOCUS AREAS:

2.1 In accordance with the primary CSR philosophy of the Company and the specified activities under the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and any made amendment(s) thereof from time to time, the CSR activities to be undertaken by the Company under this Policy shall be any of the following:

2.2 Activities relating to: —

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh 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 or supporting homes and hostels for women and orphans; setting up or supporting old age homes, day care centers 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 art and handicrafts;
- (vi) 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 widows;
- (vii) Training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports;

- (viii) Contribution to the Prime Minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) (a) 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
- (b) 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 Organisation (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);
- (x) Rural development projects;
- (xi) Slum area development;
- Explanation- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
- (xii) Disaster management, including relief, rehabilitation and reconstruction activities.
- (xiii) Any other activities as may be introduced by the Companies Act, 2013 from time to time and as approved by the CSR Committee.

3. CSR COMMITTEE (CSRC):

CSR Committee shall be constituted in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder, if required, by the Board of Directors of the Company. The roles, responsibilities and functioning of the CSR Committee shall be as provided under the Act and the rules as amended from time to time.

4. CSR EXPENDITURE

The Company will necessarily spend the statutory requirement of 2% of its average net profits for the immediately preceding three financial years, being calculated in accordance with Section 198 of the Act. Though the endeavour is to continue the spend year after year, the expenditure may not be uniform for all coming years as the percentage of allocation for CSR activities is directly co-related to the profits of Company.

5. IMPLEMENTATION OF CSR ACTIVITIES:

The CSR Committee and / or Board will ensure that the activities mentioned in CSR Policy of the Company are undertaken by the Company and will not be undertaken in pursuance of normal course of business of the Company. Any surpluses arising out of CSR projects or programmes or activities shall not form part of the business profits of the Company.

Where the Company fails to spend the amount then it shall mention the reasons thereof in its board report.

The 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 progress of CSR programmes under implementation will be reported to the Board on a timely basis.

The Company may carry out the CSR activities in accordance with the terms of this Policy, either on its own; or the following agencies shall be eligible to carry out CSR activities on behalf of the Company:

- ❖ **Entity established by the company itself or along with any other company** - 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;
- ❖ **Entity established by the Central Government or State Government ('Government Agencies')** - a company established under section 8 of the Act, or a registered trust or a registered society;
- ❖ **Statutory bodies** - any entity established under an Act of Parliament or a State Legislature;
- ❖ **Public agencies** - 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, and having an established track record of at least three years in undertaking similar activities.
- ❖ **Such other entity / organizations** as may be introduced by the Companies Act, 2013 from time to time and as approved by the CSR Committee and / or by the Board as applicable.

A company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

A company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees and / or by the Board as applicable of respective companies are in a position to report separately on such projects or programmes in accordance with the rules.

6. MONITORING:

We follow structured governance procedures to monitor CSR activities. Our CSR Policy is governed by the Board of Directors of the Company.

6.1 The administration of the CSR Policy and the execution of identified CSR projects, programs and activities shall be carried out under the overall superintendence of the CSR Committee or the Board of Directors of the Company, in case constitution of CSRC is not applicable to the Company.

6.2 The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

6.3 The CSR Committee (as may be applicable) or the Board of Directors of the Company shall procure status report detailing the utilization of the funds, CSR Activities carried out, reasons for

deviation from the implementation schedule, if any, corrective measures taken in this regard, requirement of additional funds, if any, along with the reasons for such escalations as and when necessary.

6.4 The CSR Committee or the Board of Directors shall satisfy itself that the funds disbursed towards the CSR activities 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, who is identified by the Board of Directors shall provide a certificate to that effect.

6.5 The Board's report of a Company shall include an annual report on CSR containing particulars of the CSR Activities in the manner as specified in the Rules.

6.6 In case of ongoing project, the Board of the Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

7. Annual Action Plan:

The CSR Committee and / or by the Board as applicable shall formulate and recommend to the Board, an annual action plan, which shall include the following:

- the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- Manner of the execution of such projects;
- Modalities of utilization of funds and implementation of schedule for the projects or programmes;
- Monitoring and reporting mechanism for the projects or programmes; and
- Details of need and impact assessment, if applicable, for the project undertaken by the Company.

The Board shall have the power to alter such plan at any time during the financial year, as per the recommendation of the CSR Committee (as may be applicable), based on reasonable justification to that effect.

8. EXCLUSIONS TO CSR ACTIVITIES

8.1 The following activities shall not qualify as CSR activities:

- (i) activities undertaken in pursuance of normal course of business of the company:

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that:

- a. such research and development activities shall be carried out in collaboration with any of the institutes or organisations 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;
- (ii) Projects or programs or activities undertaken that benefit in any way the Company's employees as defined in clause (k) of Section 2 of the Code on Wages, 2019, or its customers or vendors, or their families;
 - (iii) Contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - (iv) Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
 - (v) 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;
 - (vi) Any activity carried out by the Company for the fulfilment of any other statutory obligations under any law in force in India;
 - (vii) Such other exclusions as may be amended from time to time.

9. WEBSITE DISCLOSURE

The Company shall mandatorily disclose the following information on its website (if any):

- Composition of CSR Committee;
- CSR Policy;
- Details of projects approved by the Board.

10. POLICY REVIEW AND FUTURE AMENDMENT

The CSR Committee and / or by the Board, as may be applicable, shall review the CSR Policy from time to time and make suitable changes as may be required as per the amendments introduced in the provisions of the Companies Act, 2013 by the Ministry and submit the same for the approval of the Board of Directors of the Company.