

BLUE STAR LIMITED

CORPORATE SOCIAL RESPONSIBILITY ('CSR') POLICY AND ROADMAP

(effective May 6, 2021)

CSR Activities

- 1.0. The Companies Act, 2013 as amended from time to time (the 'Act') recognises the following activities, specified under Schedule VII of the Act, as permissible under its CSR mandate:
 - 1.1. 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.
 - 1.2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
 - 1.3. 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.
 - 1.4. 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.
 - 1.5. 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.
 - 1.6. 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.
 - 1.7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
 - 1.8. 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 government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women.

- 1.9. (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)
- 1.10. Rural development projects.
- 1.11. Slum Area development
- 1.12. Disaster management, including relief, rehabilitation and reconstruction activities

Composition of CSR Committee and Governance

- 2.0. Pursuant to the provisions of the Act read with the applicable Rules, the CSR Committee shall comprise of three (3) or more Directors, out of which at least one director shall be an Independent Director.
- 2.1. Roles and Responsibilities of CSR Committee:
- To formulate and recommend to the Board, a CSR Policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
 - To recommend the amount of expenditure to be incurred on the CSR activities; and
 - To monitor the CSR Policy of the Company from time to time.
- 3.0. The Act permits Companies to carry out recognised CSR activities directly or through its own charitable Foundation or through other registered NGOs or registered public trust or registered society registered under Section 12A and 80 G of the Income Tax Act, 1961 (hereinafter referred to as 'Implementing Agencies'). The Committee proposed that while the philanthropic activities currently carried out by and through the Blue Star Foundation should continue (in the areas of poverty alleviation, education, health and environment), the Company should also undertake certain activities directly which will serve

society in meaningful ways, and such activities ideally should leverage the Company's expertise in some manner, while complying with the provisions of the Companies Act. The Company's CSR activities that are undertaken by Blue Star Foundation or other Implementing Agencies shall take into consideration the capabilities, reach, cost and tax concessions. These entities will keep the CSR Committee periodically updated.

- 3.1. Implementing Agencies intend to undertake CSR activities *effective April 1, 2021* shall register itself with Central Government by filing eform CSR-1 with Registrar of Companies. A unique CSR Registration Number would be granted thereafter.

Focus Areas

- 4.0. The Committee will decide the list of CSR activities to be undertaken, and the Company will persist with such activities for a sufficient period of time (minimum of 2 or 3 years) in order to create and assess the impact.
 - 4.1. In the long term, Blue Star's CSR focus areas shall be Health, Hygiene and Wellness. The Company will undertake related projects, as approved by the Committee.
 - 4.2. Contributing to the Government's 'Skill India' mission, the Company will undertake vocational education programmes in the air conditioning, plumbing and electrical installation and maintenance trades; apprentice programmes as well as scholarships for academically deserving, less privileged engineering/architecture students.
 - 4.3. Pursuant to the 'Swachh Bharat' initiative of the Government, the Company will endeavour to construct toilets for the less privileged communities.
 - 4.4. The Committee may also consider other deserving causes in the areas of health, education, poverty alleviation and others.
 - 4.5. The Committee will decide on undertaking specific projects, in case of natural calamities, based on available budgets.
 - 4.6. The Company will continue to actively participate in the Affirmative Action Agenda of CII.
- 5.0. The Committee proposed to involve Company employees in these CSR activities, so as to give them a sense of purpose beyond the commercial, as well as to build pride in the Company.
- 6.0. The Company shall have a competent Manager with the necessary CSR background, and the Committee is in a position to manage the programmes efficiently.

Guidance, Implementation and Monitoring of Projects

7.0. The CSR Committee shall formulate and recommend to Board an annual action plan which shall *inter alia* include the following:

- a) the list of CSR projects that are approved to be undertaken;
- b) the mode of implementation including execution and financial plan of such projects;
- c) the reporting mechanism for the projects; and
- d) the details of need and impact assessment, if applicable/any, for the projects undertaken by the Company

The Board may alter the plan, at any time during the financial year, as per the recommendation of CSR Committee, based on reasonable justification.

(Ongoing Project means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding 3 years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond 1 year by the Board based on reasonable justification)

- 7.1. The Board shall monitor the implementation of the Ongoing Projects with reference to the approved timelines and year-wise allocation for smooth implementation of projects within the overall permissible time period.
- 7.2. A certificate from Chief Financial Officer of the Company to the Board, certifying that the funds disbursed have been utilised for the purposes and in the manner as approved by the Board.
- 7.3. In case, Company spends CSR obligation in excess of the requirement, such excess CSR spent, if any, may be set-off in the immediately succeeding 3 financial years subject to the conditions that:
 - a) Excess amount available for set off shall not include the surplus arising out of CSR activities;
 - b) Board shall pass necessary resolution to give effect.
- 7.4. The Board shall ensure that administrative overheads shall not exceed 5% of total CSR expenditure for the financial year

Transfer of Unspent CSR Amount

- 8.0. In case of Ongoing Project, Unspent amount, if any, shall be transferred to a special account opened by the Company within 30 days from end of financial year and such amount shall be spent by the Company within 3 financial years from date of transfer, failing which, the company shall transfer the same to a

fund specified in Schedule VII, within a period of 30 days from the date of completion of the 3rd financial year.

- 8.1. In case of Unspent amount other than ongoing projects shall be transferred to a fund specified in Schedule VII within 6 months from end of financial year.
- 8.2. Any surplus arising from CSR project shall be ploughed back to the same project or transfer to Unspent CSR account and spend in pursuance of CSR policy and annual action plan or transfer such surplus amount to a fund specified in Schedule VII, within 6 months from end of financial year.

Website disclosure

- 9.0. The Board shall disclose the composition of CSR Committee, CSR Policy and Projects approved by it on its website.

Amendment

- 10.0. The CSR Committee shall review and amend this Policy from time to time as and when necessary.

This Policy shall be subject to any amendment to the provisions of the Act.
