

## ALSTOM T&D India Limited

### CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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1. At Alstom we strive to position ourselves as a prominent player in the global sustainable environmental transition: a corporate culture enabling the Group to generate competitive advantage. To follow this path and grow our business in the medium and long term means the involvement of every manager, employee and partner - individually and collectively - in the deployment of our CSR strategy.
2. Alstom has been present in India for over a century and participating in the development of the country by offering advanced and sustainable technologies in the power and transport sectors while at the same time promoting manufacturing and operational excellence, adhering to the environmental and high-ethical standards in the country.

The Board of Directors (hereinafter referred to as 'the Board') of ALSTOM T&D India Limited (hereinafter referred to as 'Company') has decided to adopt its CSR policy that will comply with the objectives and requirements set both in section 135 of the Companies Act, 2013 (hereinafter referred to as 'the Act') and the Rules notified thereunder. Company intends to be a significant and durable contributor to CSR initiatives in India by devising and implementing social improvement projects wherein it could employ technological innovation(s) in favour of disadvantaged communities, towns and villages.

Company in the initial phase will focus on the following areas for CSR projects from amongst the activities specified under Schedule VII of the Companies Act, 2013 and the Rules made thereunder:

- i. 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.
- ii. Rural development projects.
- iii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- iv. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.
- v. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government, and
- vi. CSR committee may recommend to the Board of Directors additional CSR initiatives, based on specific merit, provided that these projects fall under the scope of schedule VII of the Companies Act, 2013, as may be amended from time to time.

We at Alstom through CSR initiatives of the Company will remain committed to our duty to provide environmentally friendly products and services, and a desire to improve the lives of individuals and communities in the country.

### 3. **Applicability**

- The CSR Policy shall apply to all CSR projects undertaken by the Company in India as per Schedule VII of the Act.
- The CSR Policy shall be applicable to the Company and all its employees.

#### 4. Responsibility of the Board of Directors

The Board is responsible for:

- approving the CSR policy as formulated by the CSR Committee, subject to necessary changes/modifications as the Board may deem fit.
- ensuring that in each financial year the Company spends at least 2% of the average net profit before taxation excluding profits arising from overseas branches made during the three immediate preceding financial years in accordance with the provisions of section 135 of the Act and the Rules notified thereunder.
- ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively.
- disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company website. Any other acts, deeds and things as may be required under law from time to time.

#### 5. CSR Committee

**I. Composition of the CSR Committee:** consists of three or more directors of which, at least one will be an independent director.

**II. The CSR Committee of the Company is responsible for:**

- formulating and recommending to the Board the CSR policy which shall indicate activities to be undertaken in line with Section 135 read with Schedule VII of the Act.
- Recommending to the Board the CSR projects/activities to be undertaken by the Company.
- recommending to the Board the CSR expenditure to be incurred.
- recommending to the Board, modifications to the CSR policy as and when required.
- regularly monitoring the implementation of the CSR policy and reporting to the Board.

#### 6. CSR Budget and utilization

CSR Committee will recommend the annual budgeted expenditure for each project to the Board for its consideration and approval and shall be utilized on approved projects in accordance with the CSR Policy.

The surplus, if any, arising out of the CSR projects or programs or activities will not form part of business profit of the Company.

#### 7. Project identification and selection criteria

- Projects to be undertaken shall be in line with Section 135 read with Schedule VII of the Act. and the Rules made thereunder.
- For selection of any project, the scope, vicinity of Company operations / projects, environmental impact, cost, timelines, sustainability, visibility of the Company and other relevant factors needs to be evaluated. CSR Officer shall submit a detailed proposal before the CSR Committee for consideration regarding the projects and selection of partner agency/NGOs to implement the project(s).
- The CSR Committee, after due evaluation of the projects and competency, cost, credibility etc. of implementing agency/NGOs, will take the decision regarding the recommendation to be made to the Board.
- Any selected partner agency/NGO shall necessarily be Foreign Contribution Regulation Act, 2010 compliant, for carrying any identified project.

## 8. Monitoring and Reporting Framework

Company's CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the approved projects. The annual budget and list of CSR projects, and activities shall be presented to the CSR Committee for its approval. The CSR Committee will in turn recommend this to the Board for its final approval.

In compliance with the Act and to ensure funds spent on CSR projects and activities are creating the desired impact on the ground, a comprehensive Monitoring and Reporting framework would be followed in compliance with the provisions of the Act. The monitoring and reporting mechanism for each project will be divided into following three areas:

### I. Project Monitoring

- a) Project monitoring mechanism will ensure:
  - The CSR policy is implemented as per the Act and the Rules.
  - The CSR policy is implemented ensuring that all projects as budgeted are duly carried out
- b) CSR spends will be closely monitored. Project monitoring may include periodic field visits, comprehensive documentation, and if required interaction with beneficiary communities.
- c) CSR spends will be audited in an accountable and transparent manner.
- d) Quarterly review of report of each project by the CSR Committee and six monthly reviews by the Board.

### II. Evaluation

- a) Management Information System (MIS) monitoring mechanism and evaluation plan will be put in place.
- b) In case of need, third parties will be engaged to ensure objective assessment across baseline and end line parameters of CSR projects

### III. Reporting

The CSR Committee will prepare the annual CSR report to be filed by the Company on approval of the Board. This report will ensure:

- CSR projects are being properly documented.
- An MIS is maintained on expenditure across sectors and geographies and beneficiaries impacted. The MIS structure will be in alignment with the prescribed reporting format.
- Responsibility is fixed at each level of CSR process and implementation.

## Disclaimer

*This CSR policy contains forward-looking statements, which may be identified by their use of words like 'plans', 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will', 'projects', or other words of similar expressions as they related to the Company or its business are intended to identify such forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, development, market position, expenditures etc. are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company undertakes no obligations to publicly update or revise forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such statements. Therefore as a matter of caution, undue reliance on the forward-looking statements should not be made as they speak only of their dates. The aforesaid CSR policy should be read in conjunction with the developments occurred in the Company from time to time.*