

# L&T Hydrocarbon Engineering

## Corporate Social Responsibility Framework

1. L&T Hydrocarbon Engineering (Company) has developed a CSR Framework & Policy comprising the Company's philosophy for demonstrating its responsibility as a corporate citizen. This policy lays down the principles and mechanisms for undertaking various programs in accordance with section 135 of the Companies Act 2013 for the community at large.
2. The framework shall apply the CSR programmes and activities undertaken by the Company at various locations for the benefit of diverse sectors of society.

### 2.0 Validity of CSR Policy

The Board may amend the CSR Framework & Policy as may be required from time to time.

### 3.0 CSR Program Area & Objectives

The Company will primarily focus on the following programmes as part of its CSR:

1. **Health care**
2. **Skill Building**
3. **Education**
4. **Water & sanitation**

### 4.0 CSR Budget

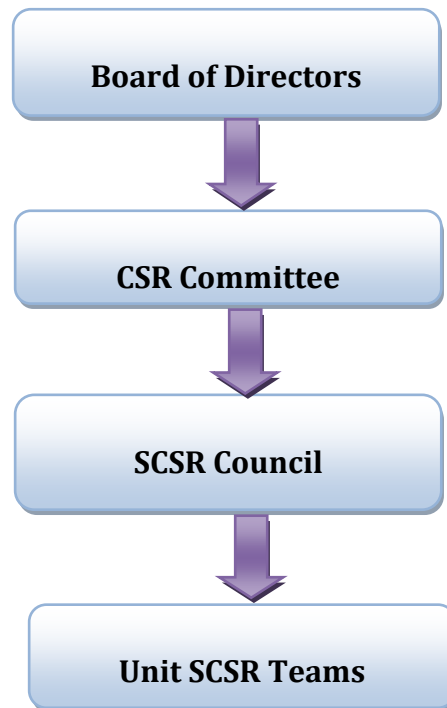
- ❖ The Board shall ensure that in each financial year, the Company spends at least 2% of the average net profit considering during the three preceding financial years.
- ❖ The Company may collaborate or pool resources with other organizations to undertake CSR activities.
- ❖ In case of any surplus arising out of CSR projects the same shall not form part of business profits of the Company and used for CSR Projects only.

### 5.0 Implementation

- ❖ CSR programs will be undertaken by the Company in areas selected for interventions. The Company may choose to undertake need assessments as and when they deem it necessary.
- ❖ The time period/duration over which a particular program will bespread, will depend on its nature, extent of coverage and the intended impact of the program.
- ❖ The Company may enter into partnerships with government, business partners and communities to create multiplier effect of its social projects.
- ❖ The mode of implementation of CSR programs will include a combination of direct implementation, and partners such as L&T CSR Team, NGOs, business partners, registered societies etc. The Company will select its partners after due diligence.

- ❖ The Company may use the services of internal teams, expert agencies, consultancy firms etc. wherever required for carrying out base line surveys, guidance on project design and implementation, impact assessment surveys etc.
- ❖ The teams responsible for implementing the various CSR projects are mentioned in the section on the Governance Structure of the Policy.

## 6.0 CSR Governance Structure



## 7.0 Role and responsibilities

### The Board:

The Board of Directors of the Company is responsible for:

- ❖ Approval of the CSR Framework & Policy of the Company
- ❖ Disclosing the content of the Framework & Policy in its report and on the Company's website as prescribed under Section 135 of the Companies Act 2013 read with the CSR Rules
- ❖ Ensuring that the social projects included are undertaken by the Company
- ❖ Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR projects
- ❖ Ensuring that it specifies the reasons in its report for not spending the earmarked amount for the financial year.

## CSR Committee:

1. **Composition of the the CSR committee:** The composition of the CSR Committee is as under.

S. No.	Name	Category	Designation
1	Vikram Mehta	Independent Director	Chairman
2	Bhagyam Ramani	Independent Director	Member
3	U. Dasgupta	Whole Time Director	Member
4	K. Ravindranath	Whole Time Director	Member

2. **Responsibility of the CSR Committee:**

- ❖ Formulate and recommend the CSR Policy to the Board for approval
- ❖ Recommend the amount of expenditure to be incurred on CSR projects
- ❖ Monitor the Policy implementation from time to time
- ❖ Constitute a monitoring mechanism for ensuring implementation of the CSR projects

## Sustainability & Corporate Social Responsibility (SCSR) Council:

1. **Responsibility of the SCSR Council:**

- ❖ The team shall seek guidance from the Board & CSR Committee regarding policy, budget and implementation guidelines
- ❖ Spread awareness regarding approved CSR policy and display the same on the company's website
- ❖ Provide guidance to Company's location management to ensure that all long term strategic proposals include environment, health, safety and social considerations
- ❖ Prioritize location wise projects in line with thrust areas and overall CSR plan for the year
- ❖ Recommend targets and timelines for implementation of developmental initiatives.
- ❖ Apprise project performance periodically to the Board & CSR Committee
- ❖ Facilitate effective implementation of Company's CSR plan across locations
- ❖ Promote synergy amongst locations and share best practices to achieve desired outcome for community development.
- ❖ Allocate appropriate resources to achieve desired performance in alignment with Sustainability & CSR targets and initiatives .

## Unit SCSR Teams

- ❖ Develop budgets for CSR projects at Unit Location.

- ❖ Submit the proposals to SCSR Council for approval.
- ❖ Formulate & implement programmes at locations
- ❖ Monitor CSR projects implementation.
- ❖ Submit periodic status to SCSR Council.

## 8.0 Monitoring and Reporting Framework

### Project Monitoring:

The Company will institute a well-defined monitoring and evaluation mechanism to ensure that each CSR program has:

1. Objectives developed out of the societal needs that may be determined through baselines studies and secondary research
2. Targets, time lines and measureable parameters wherever possible
3. A progress monitoring and reporting framework that is aligned with the requirements of the section 135 of the Companies Act and the CSR Rules

The CSR progress monitoring authorities and the frequency of review is given below.

S. No.	CSR Progress Review and Monitoring Authority	Frequency of review
1	Board of Directors	Annually
2	CSR Committee	Quarterly
3	SCSR Council	Monthly

### Meetings & quorum:

The CSR Committee shall meet on a quarterly basis. Two third or the minimum of the members present shall form the quorum for the meeting.

### Budget monitoring:

The Company will establish an accounting system to ensure project wise accounting of CSR spends.

### Reporting Framework:

The SCSR Council will monitor progress on CSR projects and CSR spend and report to the CSR committee quarterly. The Company will report CSR performance in its annual report as per the structure and format prescribed in the notified CSR Rules.