# UNITED VAN DER HORST LIMITED

# CORPORATE SOCIAL RESPONSIBILITY POLICY

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**Introduction:**

At United Van Der Horst Limited ("the Company"), we recognize that our business operations have a significant impact on the communities in which we operate, as well as on the environment and society at large. We believe that corporate success and social well-being are interdependent, and we are committed to conducting our business in a socially responsible and ethical manner. This Corporate Social Responsibility Policy ("Policy") outlines our commitment to integrating social, environmental, and economic considerations into our core business strategies and operations.

Our CSR Policy is designed to guide our efforts in fostering sustainable development, promoting social equity, and contributing to the well-being of our employees, customers, shareholders, and the wider community. Through this Policy, we aim to align our business practices with internationally recognized standards and principles of Corporate Social Responsibility ("CSR").

**Objective and Purpose: -**

The purpose of this CSR Policy is to:

1. Define the principles and guidelines for the Company's CSR activities.

2. Establish a framework for identifying, planning, executing, and monitoring CSR initiatives.

3. Ensure compliance with legal requirements and adherence to ethical standards in all CSR endeavors.

4. Promote transparency and accountability in our CSR activities.

**Terms and Definitions:**

1) **"Act"** means The Companies Act, 2013, as amended from time to time.

2) **"Administrative overheads"** means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

3) **"Board"** means the Board of Directors of the Company.

4) **"Company"** means **United Vander Horst Ltd.**

5) **"Corporate Social Responsibility (CSR)"** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:

i. activities undertaken in pursuance of the normal course of business of the company;

ii. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at the national level or India at the international level;

iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;

iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019;

v. activities supported by the companies on a sponsorship basis for deriving marketing benefits for its products or services;

vi. activities carried out for the fulfillment of any other statutory obligations under any law in force in India.

6) **"CSR Committee"** means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;

7) **"CSR Policy"** means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation, and monitoring of activities as well as formulation of the annual action plan

8) **"Director"** shall have the meaning assigned to it under the Companies Act, 2013.

9) **"Independent Director"** means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules thereunder, and Listing Regulations

10) **"International Organisation"** means an organization notified by the Central Government as an international organization under section 3 of the United Nations (Privileges and Immunities) Act, 1947, to which the provisions of Schedule VII of the Companies Act, 2013 applies.

11) **"Net profit"** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:

i. any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
ii. any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act

12) **"Ongoing Project"** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three 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 one year by the board based on reasonable justification

Words and expressions used but not defined in this code shall have the same meaning assigned to them in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or the Companies Act, 2013 and the rules made thereunder, as the case may be or in any amendment thereto.

**Scope of CSR Policy:**

This CSR Policy is within the scope of the CSR mandate as specified under Section 135 read with Schedule VII of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules, 2014"), as amended from time to time and in line with the Government of India's notifications issued from time to time.

The Company also endeavour to align its CSR projects and programmes with Government initiated social development programmes, interventions, and the UN's Sustainable Development Goals (SDGs).

**Key Focus Areas:**

The Company will be guided by these permissible activities viz as mentioned in Schedule VII of the Act;

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, daycare 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 the 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 Paramilitary 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 the 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 scheduled 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 Organization (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.

**Governance Structure:**

For the effective functioning of CSR, the Company has aligned itself to the directives laid out under the Act and the various roles and responsibilities for each unit are as follows:

**The Board of Directors:**

The responsibilities of the Board, inter alia, include the following:

i. approve the CSR policy as formulated by the CSR Committee;

ii. disclose contents of such policy in its report and also place it on the Company's website;

iii. ensure that the activities included in the CSR policy are undertaken by the Company;

iv. ensure that the Company spends, in every financial year, at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years;

v. ensure that the administrative overheads shall not exceed 5% of the total CSR expenditure of the Company for any financial year.

vi. satisfy itself regarding the utilization of the disbursed CSR funds; and

vii. if the Company fails to spend at least 2% of the average net profits of the Company, the Board shall specify the reasons for not spending the amount and transfer the unspent CSR amount as per provisions of Section 135 of CSR

viii. for "Ongoing projects":
   a) identification of the ongoing projects;
   b) year-wise allocation of funds;
   c) transferring the unspent money to a separate bank account;
   d) monitoring the implementation of the projects with reference to the approved timelines and year-wise allocation, and
   e) making modifications, if any, for smooth implementation of the projects within the overall permissible time period.

**CSR Committee:** The CSR governance structure of the Company will be headed by the CSR Committee.

1. **Members of the CSR Committee**:

This will comprise of three or more Directors out of which at least one shall be an Independent Director & the Committee will report to the Board of the Company.

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

   a) formulate and recommend the CSR Policy to the Board;

   b) recommend the annual CSR budget;

   c) monitor the CSR policy of the Company from time to time and ensure that the activities included in the CSR policy are undertaken by the Company;

   d) formulate and recommend to the Board an Annual Action Plan developed for the current year in pursuance of its CSR policy, which shall include the following:

      i. the list of CSR Projects or programmes (annual or multiyear) that are approved to be undertaken;

      ii. the modalities of utilization of funds and implementation schedules for the projects or programmes pertaining to budget approvals for the current financial year or multi-year projects;

      iii. establish monitoring and reporting mechanism for the projects or programmes sanctioned in the Annual Action Plan for the current year and Ongoing projects (if any);

      iv. review details of need and impact assessment, if any, for the projects undertaken;

      v. review the implementation of the CSR projects/ programs and give suitable directions on a periodic basis for successful implementation of the approved projects; and

vi. recommend annual projects to be converted to multiyear projects or "Ongoing projects" in case of reasonable justification for the delay.

The Corporate Social Responsibility Committee of the Board of Directors of the Company will ensure a transparent monitoring mechanism for ensuring effective implementation of the projects/programs/activities undertaken.

**<u>Budget Allocation:</u>**

In accordance with Section 135 of the Companies Act, 2013 the total amount to be spent for CSR projects undertaken by the Company will be calculated on the basis of 2% of the average net profits of the three immediately preceding financial years. The net profit shall be calculated in accordance with the provisions of Section 198 of the Companies Act.

On the recommendations of the CSR Committee, the Board shall ensure that in every financial year, the Company spends at least two (2) % of its average net profits made during the three (3) immediately preceding financial years in pursuance to the provisions of this CSR Policy and in accordance with Section 135 read with schedule VII of the Act and CSR Rules, 2014 as amended from time to time.

**<u>Treatment of Amounts: Excess, Unspent, and Surplus:</u>**

The Company shall categorize and treat an amount in CSR in the following manner:

**Excess Amount:**

The Company can choose to utilize any excess amount spent in CSR by setting off the amount against the requirement to spend under section 135, in the succeeding 3 financial years.

**Unspent Amount:**

In the event that any CSR funds remain unspent, the Board in its report made under Section 134(3)(o) of the Act, shall specify the reasons for not spending the said amount. However, if such unspent CSR funds do not relate to any Ongoing Projects, as mentioned above, such unspent funds shall be transferred to any fund specified under Schedule VII of the Act, within a period of Six (6) months of the expiry of the financial year

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In the event that any CSR funds remain unspent pursuant to an Ongoing Project, the Company shall transfer such unspent CSR funds to any scheduled bank account named as "Unspent Corporate Social Responsibility Account within 30 (thirty) days from the end of the Financial Year.

Such unspent CSR funds shall then be spent in accordance with the terms of the CSR Policy within a period of three (3) Financial Years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII of the Act, within a period of thirty (30) days from the date of completion of the third financial year.

**Surplus Amount**:

Surplus refers to income generated from the funds spent on CSR activities e.g. interest income earned by the implementing agency on funds provided under CSR, revenue received from the CSR projects, disposal/sale of materials used in CSR projects, and other similar income sources.

Any surplus arising out of the CSR activities shall be dealt with in the following manner:

a. Surplus to be ploughed back either into the same CSR project and/or programme or;

b. Surplus to be transferred to the Unspent CSR Account and spent in pursuance of this CSR Policy and the annual action plan of the Company; or

c. Surplus to be transferred to a Fund specified under Schedule VII of the Act within a period of 6 (six) months of the expiry of the financial year.

**Capital Asset: Creation or Acquisition:**

CSR amount may be spent by the Company for the creation or acquisition of a Capital Asset, which shall, however, be held by either:

a. company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects;
b. beneficiaries of the CSR Project, in the form of self-help groups, collectives, and entities;
c. government/ municipal hospitals and schools; and
d. a public authority.

**Guiding Principles for Implementation of CSR Activities:**

The Company will either directly implement its CSR projects and programmes, and/or collaborate with eligible organizations meeting the minimum criteria as set out in subsequent paragraphs:

**Direct, Self-execution CSR projects:**

CSR Projects undertaken, executed, and implemented by the Company itself under its direct CSR projects may include engagement and involvement of all stakeholders including employees, across Indian geography.

For the purpose of implementation and monitoring, the Company may engage a third-party organization /consultant, etc. however, the onus and responsibility on implementing and monitoring rests with the Company.

**CSR projects with Implementing Partner Organizations:**

CSR Project with Implementing Partner in the CSR context denotes:

The Company partners/collaborates with Non- Government Organizations (NGOs) or Not for Profit Organizations (NPOs) to implement CSR projects where the CSR projects are fully or partially funded by the Company's CSR budget (i.e.; Company is the funding partner) and project implementation carried out by the partner organization (through a partner organization like NGOs, or NPOs).

**Execution of approved Projects:**

The Company shall ensure that the CSR activities are undertaken by itself or through any of the following entities registered with the Central / State / Local Government under the CSR Rules:

a. A Company established under section 8 of the Act, or a registered public Trust or a registered Society, registered under section 12A and 80G of the Income Tax Act 1961 and has an established track record of at least three (3) years in undertaking similar activities.

b. A Company established under Section 8 of the Act or a registered Trust or a registered society established by the Central Government or State Government or

c. Any entity established under an Act of the Parliament or a State Legislature.

**Engagement of International Organizations:**

The Company may engage International Organizations for designing, monitoring, and evaluating of CSR projects or programmes as well as for the capacity building of its personnel for CSR.

**<u>Process for Project Identification and Evaluation:</u>**

In order to identify projects under CSR the Company will adopt the following process:

i. The Company shall reach out to its employees at regular intervals to suggest CSR initiatives for potential engagement;
ii. The Company may call for proposals through its social media handles as and when required;
iii. the CSR policy of the Company will be made available on the website for potential beneficiaries and implementation partners to engage with the Company by identifying its key focus areas;
iv. the approved projects will be updated on the Company's website on an annual basis and reported in the Company's annual report.

**<u>Review and Revisions:</u>**

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective.

Any changes or modifications to the Policy as recommended by the Committee would be placed before the Board for their approval.

In any circumstance, where the terms of this Policy differ from any law, rule, regulation, etc. for the time being in force, the law, rule, regulation, etc. shall take precedence over this Policy.

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