



Corporate Social Responsibility Policy

To ensure people's happiness and welfare, facilitate the sustainable growth of society, each of our employees is striving to put into practice the principles embodied in the Subros philosophy in order to meet the expectations and earn the trust of our stakeholders.

1. Approach & Guiding Principles:

To contribute to a better world, Subros will provide solutions to social issues through its business activities, thus delivering new value to society.

The Company endeavors to integrate social and environmental concerns in its business operations and interactions with all stakeholders in order to achieve a balance of economic, environmental and social imperatives.

The Company's Core Ideology and Envisioned Future Framework, given hereunder encompassing its core purpose, core values and vision acts as the guiding principles for all business decisions and actions to realize the intended deliverables for immediate, short term and long term.

CORE IDEOLOGY

i. Core Purpose – Cooling the Planet

ii. Core Values

- | | |
|---------------------------------|--|
| Respect & Humility | <ul style="list-style-type: none">• Respect for individual irrespective of level• Respect for all stakeholders |
| Passion & Commitment | <ul style="list-style-type: none">• Inspired minds• Drive Excellence• Keeping Promises |
| Trust | <ul style="list-style-type: none">• Integrity - Personal & Professional• Transparency |
| Team Work | <ul style="list-style-type: none">• Shared Purpose• Collaborative Action• Joy & Happiness at the Workplace |

ENVISIONED FUTURE FRAMEWORK

i) Vision

- In an ever warming world we aim to provide innovative ways of "Cooling Comfort " to all including the

V2 (24-05-2022)

SUBROS LIMITED



planet we live in.

- We believe in creating a community of Passionate and Committed Individuals who respect everyone, foster teamwork, trust each other and experience joy & happiness at work.

ii) VIVID Description – 25 Years Later

- In not too distant a future, we shall be redefining “Cooling Comfort” while reducing our Carbon footprint.
- We shall be finding new ways of doing “more and more” while consuming “Less and less” in efforts and resources, through innovative designs and processes respectively.
- We shall be actively contributing to “Sustainable Energy” and “Sustainable Transport.”
- Our products and services shall expand to all areas where thermal management becomes crucial – Public Transport / Smart Buildings, and Cold Chains.

The Board of Directors and the executive management of the Company will always strive to inculcate deep commitment and passion towards Social Responsibility and contribution for community development amongst its employees and business associates including its customers, vendors and service providers.

2. Policy Statement

Contribute to and earn the trust of the society by meeting the social imperatives envisaged in Company ideology towards "preserving the Earth's environment" and contribute towards continual up-gradation of the society through - Community Development Programs, Skilling up of Human Resources, Environment Friendly Initiatives and Sustenance and Technology Development amongst others.

3. Objectives

The objective of this policy is to:

- 3.1 demonstrate an increased commitment at all levels of the organization to operate business in an economically, socially and environmentally sustainable manner, while recognizing the interest of all stakeholders;
- 3.2 strive to develop and achieve appropriate business processes and strategies to discharge Corporate Social Responsibilities;
- 3.3 inculcate social responsibility in the Company’s organizational culture;
- 3.4 to give boost to the economic growth of the country.

V2 (24-05-2022)

SUBROS LIMITED



4. Strategy

In order to achieve CSR objectives, strategies adopted by the Company are outlined below:-

4.1 CSR Activities

4.1.1 The Company may allocate its resources earmarked for CSR activities in any of the following manner:

- a) undertake various CSR activities on its own within the overall framework of this Policy;
- b) undertake ongoing project in fulfillment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced;
- c) undertake various CSR activities through a registered trust, a registered society or a company established under section 8 of the Companies Act, 2013;
- d) collaborate resources with other companies to undertake CSR activities.

- 4.1.2
- a) As per section 135 of the Companies Act, 2013 and rules made there under the CSR Activities of the Company shall include the activities related to the projects and programs specified in schedule VII to the Companies Act, 2013, as amended from time to time.
 - b) Preference shall be given to CSR activities in local area where the operations of the Company are carried out.
 - c) The surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company, and shall be used only for CSR activities.

4.2 CSR Budget/Corpus

CSR Corpus of the Company shall include the following:

- (a) 2% of average net profits (calculated in terms of Section 198 of the Companies Act, 2013) made during the 3 immediately preceding financial years.
- (b) Surplus arising out CSR activities, if any.
- (c) The Company may spend up to 5% of total CSR expenditure in one financial year on Administrative Overheads*.
- (d) Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of Subros, and shall be used only for CSR activities.

**Note: "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*

V2 (24-05-2022)



of a particular Corporate Social Responsibility project or program.

4.3 Implementation and Monitoring

- ❖ The CSR Committee of the Board has been constituted as per requirements of the Companies Act, 2013 and prescribed Rules.
- ❖ The CSR Committee may nominate a CSR Team comprising senior officials to assist CSR Committee in discharging its functions.
- ❖ CSR Team, if nominated, shall subject to supervision and direction of CSR Committee be responsible for the implementation of CSR activities.
- ❖ CSR Team or employees of the Company may identify and propose CSR Projects to the CSR Committee
- ❖ Any proposal for CSR activity/project shall be first vetted by the CSR Team, to confirm whether it meets the criteria of this Policy, any guidelines prescribed by the CSR Committee and all the conditions prescribed under the Companies Act, 2013 (including all rules, circulars, notifications issued there under).
- ❖ CSR Team, from time to time, will review the progress of each CSR project in terms of outcome assessment and financial monitoring, and report the same to the CSR Committee.
- ❖ The CSR Committee shall formulate and recommend the CSR Policy to the Board for approval.
- ❖ The CSR Committee shall monitor and review the Policy from time to time and recommend changes to the Board.
- ❖ the CSR Committee shall formulate and recommend to the Board an annual action plan along with Annual CSR Budget comprising of list of CSR Projects/ activities and amount to be spent thereon.
- ❖ Board of Directors shall approve CSR policy and bring amendments in the policy as & when required.
- ❖ Board of Directors shall approve Annual Action Plan and Annual CSR Budget comprising of list of CSR Projects/ activities and amount to be spent thereon.
- ❖ Board of Directors shall ensure that the activities under this policy are undertaken under the overall supervision of the CSR Committee.
- ❖ Any unspent CSR amount shall be transferred to any fund as per Schedule VII of the Companies Act, 2013 or to the unspent CSR Account (as the case may be), as amended from time to time.
- ❖ In order to ensure transparency and communication with all stakeholders, disclose composition of CSR Committee, the content of CSR policy in the prescribed format shall be available in the Director's Report in the Company's Annual Report and on the Company's website. CSR Team shall provide information and support to CSR Committee for this purpose.
- ❖ Further, employee participation in CSR projects shall be encouraged and supported through various initiatives from time to time.

4.4 Guiding Principles for Formulation of Annual Action Plan and Selection of Projects

The Company is taking lead in contributing to the sustainable development of society. The Company seeks to optimistically integrate the concerns related to society and environment in its business operations and interactions with all stakeholders in order to achieve a balance of economic, environmental and social imperatives.

The company will focus its CSR initiative in following areas:

V2 (24-05-2022)

SUBROS LIMITED



- a) Community Development;
- b) Skilling up of Human Resources; and
- c) Environment Friendly Initiatives and Sustenance
- d) Technology Development

The Annual Action Plan will comprise off details as required under Sec 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 as amended from time to time and such other details as may be required to ensure proper implementation & monitoring of the Policy/ Project/s.

To contribute to a better world, the Company will provide solutions to social issues through its CSR activities, thus delivering value to society. Hence following areas will be focused while selecting the project/s:

- (i) Promoting education - Education for under privileged children
- (ii) Poverty and Malnutrition - Promoting health
- (iii) Promote Paralympics Sports - Promoting Sports
- (iv) Enhancing Vocational Skills - Skill Developments
- (v) Environment Sustainability - Cooling the planet by Green Plantation
- (vi) Any other activity in conformance to clause 3 of the policy

5. Partners

As mentioned in clause 4.1.1(c) of this Policy, Company may also conduct its CSR programs/ activities through the following entities:

- (i) 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 (43 of 1961), established by the company, either singly or along with any other company, or
- (ii) 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
- (iii) any entity established under an Act of Parliament or a State legislature; or
- (iv) 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 having an established track record of at least three years in undertaking similar activities

However, while selecting such entity/ voluntary organization for programme execution it shall be ensured that the entity / voluntary organization:

- a) is a registered Society / Public Charitable Trust/ Company registered under section 8 of the Companies Act;
- b) has a permanent office/ address in India;
- c) has a valid Income Tax Exemption Certificate;
- d) have an established track record of at least three years in carrying on activities in related areas;

V2 (24-05-2022)

SUBROS LIMITED



e) has registered itself with the Central Government by filing form CSR-1 with the Registrar.

When CSR activities are conducted through partners, CSR Team shall obtain details such as Sector in which the program is conducted, local area or regions where the program is conducted, specific nature of expenditure incurred etc. to ensure compliance with this Policy.

6. GENERAL

- i. In case of any ambiguity with regard to any provision of the policy, a reference to be made to the CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.
- ii. Any or all the provisions of CSR Policy would be subject to revision/ amendment in consultation with CSR Committee and in accordance with the guidelines on the subject as may be issued by the Government from time to time.
