

CORPORATE SOCIAL RESPONSIBILITY [CSR] POLICY

ENPRO INDUSTRIES PRIVATE LIMITED [E IPL]

“Salus Populi Suprema Lex Esto”
“Let The Welfare of The People Be Supreme Law...”

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This policy has been instituted based on the Corporate Social Responsibility (CSR) philosophy of Enpro Industries Private Limited and provisions of Section 135 of the Companies Act, 2013, read with Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2013. This policy will at all times be subject to the provisions of the aforesaid Act and Rules (as amended from time to time).
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Topic	Corporate Social Responsibility Policy
Approved & Authorized By	CSR Steering Committee & Board of Directors

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1. CSR Philosophy/Policy Statement:

EIPL is committed to operate and grow its business in a socially responsible way. Our vision is to grow our business whilst reducing the environmental impact of our operations and increasing our positive social impact. The Company is not only committed to being a good citizen, but also to being a good neighbor in the communities we call 'HOME'. We contribute as a Company to various charitable causes and we seek to participate in ways that touch people's lives in these communities. The Company aims to create educated, healthy, sustainable and culturally vibrant communities. EIPL has always believed in giving back to the society and recognized its role and responsibility as a corporate citizen. EIPL has social values ingrained into its culture and manner of working. We strongly believe that, businesses cannot be successful when the society around them fails.

Recognizing that business enterprises are economic organs of the society and draw on societal resources, EIPL believes that the Company's performance must be measured by its contribution to Society building and overall development of Communities across multiple geographies in turn leading to societal sustainability. EIPL believes the enterprises possesses the transformational capacity to create game-changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity. EIPL's focus has always been to contribute to the sustainable development of the Society and environment, and to make our planet a better place for future generations.

2. Objectives of the Policy:

This CSR Policy establishes the scope, CSR goals of the Company and funding approval process. This CSR Policy shall operate as the Corporate Social Responsibility Policy of the Company for the purposes of Section 135 of the Companies Act, 2013 and CSR Rules. The CSR Policy of EIPL inter-alia, provide for the following:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- Creating opportunities for employees to participate in socially responsible initiatives.

3. Definitions:

In this Policy unless the context otherwise requires:

- (a) 'Act' means Companies Act, 2013;
- (b) 'Corporate Social Responsibility' means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014;
- (c) 'Ministry' means the Ministry of Corporate Affairs;
- (d) 'Net Profit' means net profit as defined in Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as set out below:

Net Profit as per financial statements 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.
- (e) Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

4. Guiding Principles:

The Company's CSR will revolve around the guiding principles such as – Integrity, Partnership, Sense of Responsibility & Respect, Affirmative Action, Volunteerism, Communication, Innovation & Positive Social Impact.

5. Areas of Interest for CSR Activities:

The Policy recognizes that CSR is not merely a compliance; nor a Charity but it is the necessity. It is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under the Act & Rules:

(a) Areas of Interest that the Company may undertake under the ambit of CSR are listed below:

- (i) 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;
- (ii) Promoting education, including special education and employment enhancing vocational skills specially 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, day care centres 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 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 arts and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- (viii) Contributions to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, Tribes, other backward classes, minorities and women;
- (ix) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organization (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) 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;
 - (xii) disaster management, including relief, rehabilitation and reconstruction activities.
- (b) The Company may update the above list in the light of amended provisions of Section 135 and Schedule VII of the Act r.w. the Companies (CSR Policy) Rules as and when effective.
- (c) The Company focuses its philanthropy primarily in geographic regions of India, where the Company has a business presence. However, the Company may contribute to causes in other parts of India, if the CSR Committee is of the opinion that such contribution is appropriate. However, at all times preference shall be first given to local areas as required by the Act.
- (d) The Company will prepare the list of specific projects/programs it plans to undertake for any financial year, and the modalities of execution, including implementation plan, etc. will be prepared for the purpose of convenience and ease of reference.

6. CSR Budget/Allocation of funds:

The Board of the Company shall ensure that minimum 2% of average net profit of the last 3 years is spent on CSR initiatives undertaken by EIPL, as per the provisions of the Companies Act, 2013 or such higher amount, if approved by the Company. The total CSR Spends will be decided as a part of the Annual Operating Plans, in accordance with the goals and priorities identified for each of the different pillars by the CSR Committee. Provided that all reasonable efforts will be made to ensure that the annual CSR allocation is fully utilized in the respective year. However, if the Company fails to spend such amount, the Board of Directors shall in its report u/S. 134(3)(o) of the Act specify the reasons for not spending the amount. The Committee ensures to spend actual amount plus unspent amount of a previous year, if any by carrying forward the same to next following year.

Tax treatment of CSR spend will be in accordance with the Income Tax Act, 1961 as may be notified by the Central Board of Direct Taxes, unless otherwise required by the law in force.

However, if the Company ceases to be covered u/S. 135(1) of the Act for three financial years, then it shall not be required to, comply with the provisions laid down under sub-sections (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act.

7. Mode of Carrying Out CSR Activities:

EIPL may carry out the CSR activities either on its own, or through a registered trust/Society/Section 8 Company of the Companies Act, 2013 or through any of the modes as it deems fit. It may also collaborate with other companies for undertaking projects, programs and activities in such manner as it deems fit. Company may thus collaborate or pool resources with other Companies to undertake CSR activities within India.

8. Composition of CSR Committees:

The Board of Directors of the Company shall constitute two Committees for carrying out CSR activities. The main Committee shall be called 'Steering Committee' consisting of three directors. This Committee shall be vested with the power of decision making and selecting areas for CSR spend.

The current members of the CSR Steering Committee are as follows:

Name	Title	Role in the CSR Committee
Mr. Srikrishna B. Karkare	Managing Director	Board Member & Chairman
Mrs. Alka S. Karkare	Jt. Managing Director	Board Member
Mr. Vinesh P. Sadekar	Independent Director	Board Member

The other Committee shall be called 'Internal CSR Committee', this Committee shall assist & shoulder the responsibility of actually executing and implementing the decisions taken by the Steering Committee and thereby making endeavor to achieve the objective of CSR Policy and ensure compliance of the Act. This Committee in addition to Mr. Srikrishna B. Karkare, the Managing Director and Mrs. Alka S. Karkare, the Joint Managing Director consists of 6 members including the Company Secretary who shall act and serve as the Secretary on both the Committees. Any change in the constitution of the Internal CSR Committee shall be approved, recorded and effected at the Internal CSR Committee Meeting itself and the same will be final.

The Internal Committee will work as per the directions of CSR Steering Committee.

9. Meetings and Quorum of CSR Committees:

- The Steering Committee and Internal CSR Committee shall meet as frequently as it determines necessary.
- The Committee members may attend the meeting physically or via such other audio-visual means as permitted under the Act.
- The CSR Committees shall review proposed projects and make recommendations to the Board for approval of such projects and allocation of Funding.
- The final decision with regard to the acceptance or rejection of a CSR Proposal shall be with the Steering Committee of the Board.
- Two members present shall form the quorum for the Steering Committee Meetings, while three members present shall form the quorum for Internal CSR Committee Meetings.

10. Role, Powers & Responsibilities of CSR Committees:

The CSR Committee shall have, inter alia, the following role, powers and responsibilities:

- Formulate and recommend the CSR Policy and any amendments therein to the Board of Directors of the Company,
- Develop and approve various CSR projects, programs and activities to be undertaken from time to time either directly by the Company or through other entities,
- Determine modalities of execution of such CSR projects, programs and activities,
- Undertake all necessary steps to implement the CSR activities,
- Recommend, authorize and approve CSR expenditure from time to time subject to the limits approved by the Board of Directors,
- Monitor the CSR activities in such manner as it deems fit,
- Carry out all such acts, deeds, matters and things as may be required in connection with the aforesaid matters and generally for any matter connected with the CSR policy of the Company,

To perform such functions as may be entrusted by the Board of Directors from time to time.

The CSR Committees shall have access to any internal information necessary to fulfil its role. The Committee shall also have authority to obtain advice and assistance from internal or external sources such as legal, accounting or other advisors including but not limited to implementing agencies for the purpose of accomplishing of overall CSR objectives laid down under the Act.

11. Reporting Mechanism:

The Company shall publish its annual report on CSR Activities as an annexure to the Directors Report in the manner prescribed under the Companies Act 2013 and the CSR Rules. This policy will also be available on the Company's website.

12. Monitoring Process:

CSR Committee shall monitor the implementation of various programs, projects and activities in such manner as it deems fit. CSR Committee shall also determine the manner of submission of information, reports, files, etc. by third parties as a part of the monitoring process. CSR Committee shall ensure that a transparent monitoring mechanism is put in place.

13. Review & Amendment of Policy:

This CSR Policy document will be reviewed from time to time and any changes, if necessary, will be approved by the Steering CSR Committee of the Board. The CSR Committee could, from time to time, recommend donating or making grants to the PM's fund or funds set up by the State/Central Government(s) or to non-profit organizations and other institutions whose activities are aligned with the Company's CSR. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities from time to time.

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Without prejudice to the generality of the contents of this policy, the Company may undertake CSR projects, programs and activities as permitted under the framework of Companies Act, 2013 (including any amendments, clarifications, circulars, notifications or other official communications issued/introduced from time to time). The Company may also carry out the purposes of this CSR Policy in accordance with any amended position of law from time to time notwithstanding that such amended position is not reflected in this Policy.

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