

# CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY



APRIL 30, 2021  
Ver.: 2.00



## CORPORATE SOCIAL RESPONSIBILITY POLICY



<b>Document Title</b>	Corporate Social Responsibility (CSR) Policy
<b>Version No:</b>	2.00
<b>Applicable to</b>	JSW Steel Coated Products Limited
<b>Purpose</b>	To provide guidelines for: <ul style="list-style-type: none"><li>• CSR activities</li><li>• Applicability &amp; scope of the framework</li><li>• Outlining of the key tenets</li></ul>
<b>Effective Date</b>	30.04.2021
<b>Number of Revisions (Since 06.05.2014)</b>	One
<b>Last Revised Date</b>	N. A
<b>Recommended by:</b>	CSR Committee
<b>Approved by:</b>	Board of Directors

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## Preamble

### Scope & Applicability of this Document

This policy is applicable to JSW Steel Coated Products Limited (the “**Company**”) in respect of its operations in India. The following are the key elements of the policy:

- Vision, Strategy and Approach towards Corporate Social Responsibility (CSR)
- Key Focus areas
- Implementation strategy
- Monitoring and Evaluation Framework
- Governance Structure
- Budget

### Introduction

JSW Steel Coated Products Limited (JSWSCPL) is a part of the \$14 billion JSW Group. JSW Steel Coated Products Limited is having state-of-the-art facilities in Maharashtra with a total capacity of 2.17 million tonnes per annum (MTPA) of value added products, with the capability to produce 0.76 MTPA of color-coated steel and caters to both domestic and international markets. With three manufacturing facilities at Vasind, Tarapur and Kalmeshwar, it is mainly engaged in the manufacture of tin plates, galvanized and galvalume coils/sheets and color-coated coils/sheets.

The key attributes of operations of JSW group are better execution, strong vision, expanding at least per-ton cost, operating at industry-leading efficiencies, conviction, passion and sustainability.

At JSW group, we believe better execution is the key to excellence. From our everyday operations to our strategic expansion programs, our differentiator has always been better execution, backed by a strong vision. Be it operating at industry – leading efficiencies or expanding at the least per ton cost, our will to undertake challenges, plan with conviction and execute with passion have sustained and improved over the years.

In line with our group philosophy of *BETTER EVERYDAY*, we continue to deliver on our responsibilities with utmost prudence, across parameters.

## Vision and Philosophy

Our vision is governed by the ideology that every life is important and must be given fair opportunities to make the best out of it.

### **Vision**

Empower communities with sustainable livelihoods.

### **Mission**

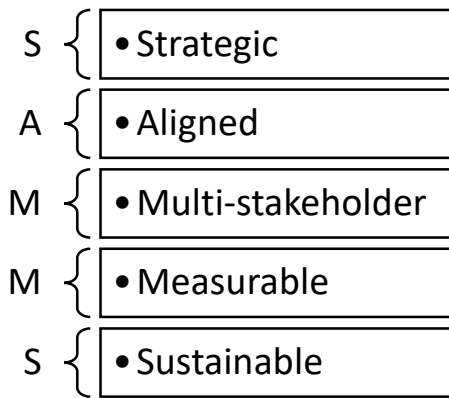
Empower citizens with better health, education and employment opportunities, and encourage sustainable development in key areas.

### **Guiding Principles**

- The CSR Policy of the Company shall be guided by the regulatory frameworks, international standards & best practices and industry norms, mentioned below:
  - Section 135 of The Companies Act, 2013 ('the Act') and the relevant notified rules.
  - International Finance Corporation (IFC) Performance Standards.
  - UN Global Compact Principles & Guidelines and UN SDGs.
  - Global Reporting Initiative (GRI) guidelines.
  - State as well as National Laws & statutes related to social development contribution by corporates.
- In all circumstances the provisions of Section 135 of the Companies Act, 2013 and the Rules made thereunder, as amended by the Government of India from time to time, shall prevail over any other rule/ convention/ best practice and above this policy and the same shall be adhered to by the Company.
- The CSR Policy of the Company will be applicable in close coordination with the **Holding** Company's Group policies on Human Rights, Social Development & Community Involvement and other Sustainability Policies as permissible within the ambit of the CSR Act under Section 135 of Companies Act, 2013.
- The Policy would be subject to review by the Board of Directors of the Company from time to time, to incorporate and to amend, as necessary.

## Our Approach

The Company's CSR interventions are oriented towards achieving better outcomes in local context by adopting the SAMMS approach:



Our larger focus is sustainable development where community leads and own initiatives in the long term. The Company shall initiate demonstrable models for replication which are aligned and linked to business case. During this journey, the Company will adopt multi-stakeholder approach and work closely with all stakeholders (Community, Government, other companies, National/International organizations).

## Alignment to SDGs

The Company takes conscious steps to design its CSR programs in such a way that they align themselves to the mandate of at least one of the SDGs. The SDG progress is constantly monitored throughout the implementation phase. The Company has identified areas of intervention and their alignment to SDGs. Examples are in the figure below.



## Key Focus Areas

The Company follows a holistic and integrated approach that is community-led and -managed. Key focus areas of our interventions include strengthening rural education, provisioning of secondary & tertiary healthcare and strengthening of public health system, helping communities to access basic sanitation & promoting hygiene, contributing towards water and environment conservation, facilitating women-centric livelihoods and promoting agribusiness approach.

The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

### **Health & Nutrition**

- Improving access to affordable primary and secondary care
- Improving awareness and health-seeking behaviour amongst community

### **Education**

- Improving access to quality education for enhancing learning outcomes and life skills including support for need-based infrastructure.
- Creating enabling environment for access to higher education

### **Water, Environment & Sanitation**

- Conserving and augmenting water, promoting biodiversity, sanitary living conditions & sustainable livelihoods.
- Ensure zero dumping by promoting waste management practices amongst community

### **Agri-Livelihoods**

- Improve the economic well-being of farmers through appropriate interventions in farm value chains
- Focus on sustainable agriculture to make it a preferred rural livelihood option

### **Livelihoods**

- Skills enhancement of youth for improving employability
- Enhancing women workforce participation by creating livelihoods options

### **Other Initiatives**

- To undertake other need-based community development initiatives in compliance with Schedule VII of the Companies Act, 2013.

## Implementation Strategy

The Company is committed towards holistic inclusive development and implements its CSR initiatives largely through JSW Foundation<sup>1</sup>. JSW Foundation is a not-for-profit entity registered as a Public Charitable Trust spearheading development agenda of the JSW Group. JSW Foundation will engage partners, and build alliances and collaboration for executing CSR initiatives of the Company. JSW Foundation's core model of engagement is as follows:

- Focus on local needs, community ownership and long term sustainability.
- Partnerships with National/International organizations for technical and implementation support
- Leveraging technology for development solutions
- Support development and incubation of social enterprise to nurture an ecosystem to scale up innovation and connect it to grassroots level needs with need based partners

### Stakeholders Engagement

The Company involves all stakeholders at every stage of the CSR journey thereby building a robust institution where community owns and leads the development agenda. While our larger focus is sustainable development, the Company also initiates need based interventions subsequently driving the process with participation from community and collaborating with other stakeholders. All our programmes are formulated on the basis of need assessment from the community. Right from conceptualization to planning, designing, and execution, stakeholders' inputs form a



key basis for the formulation of the strategy. Various modes of dialogue deployed include:

- **One-on-one meetings** with Local self-governance bodies, district and state officials, academic institutions
- **Participating in Existing Platforms** to apprise the stakeholders of the progress and to and seek their support wherever required
- **Engaging with peers:** Participation at forums created by apex industry bodies/esteemed educational institutions with an aim to facilitate knowledge sharing and learning among

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<sup>1</sup> JSW Foundation ([www.jsw.in/foundation](http://www.jsw.in/foundation)), established in 1988, is a development organization having a long and rich legacy. The Foundation has completed its journey of more than three decades, working towards empowerment of communities and enriching their lives in various ways, fulfilling basic needs of health and education to skill development and also building up a common understanding and shared pride of the rich cultural heritage of the country and its diversity.

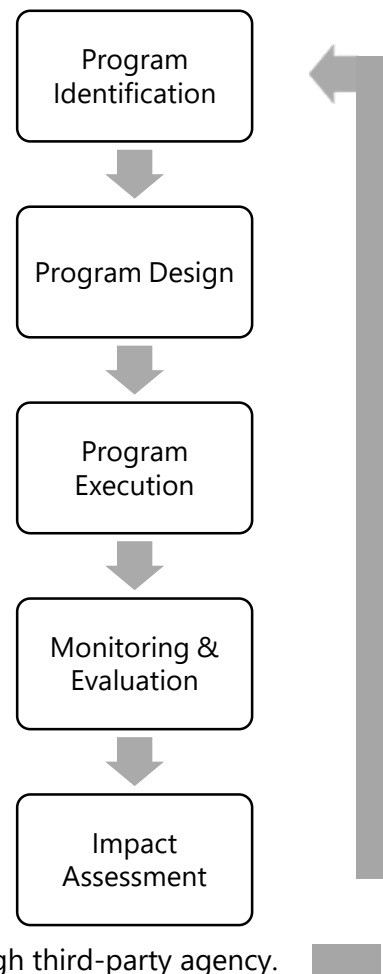


the peers.

### Program Management Framework

The CSR programs implemented by JSW Foundation shall be governed by a robust program management framework. The programs shall be designed and executed following a lifecycle approach with the following stages:

1. **Conceptualization of program:** The need for a program to be identified through a need assessment with an aim to identify the community needs on the ground.
2. **Inception of the program:** After the interventional need is identified a program design shall be in place mentioning objectives, key performance indicators, timeline and execution model.
3. **Execution & monitoring of the program:** Program implementation shall be monitored through robust program management system to help keep track of the programmatic deliverables.
4. **Culmination of the program:** As the program nears its exit, an end-line assessment shall be conducted through third-party agency.



## Monitoring, Evaluation and Learning

Following enablers shall guide and facilitate the process of monitoring and evaluation through the stages of the program:

### I. Program design

- a. **KPI (Key Performance Indicators) Matrix:** Standard set of sector-wise output, outcome, and impact indicators to be devised to define the measurement matrix for each CSR program undertaken by the Foundation. The KPIs shall be used to monitor the program's progress concurrently and the change brought about over time.
- b. **Program Design:** A standard template shall be designed wherein every program has to be defined following the results-based management framework. The template shall provide all relevant information about the program, i.e., rationale, objective, KPIs, detailed budget break-up, activities, and timelines.

## II. Concurrent Monitoring & Reporting

- c. **Field level Monitoring Mechanism:** Specific mechanisms shall be put in place to ensure rigorous monitoring and field level supervision of the programs:
  - i. **Supervision/ Monitoring Checklist:** To facilitate the program monitoring team to capture details of field level execution and provide meaningful input to help keep the program aligned to the agreed plan.
  - ii. **Geo-tagging of community assets shall be undertaken.** This shall facilitate maintaining the inventory of community assets and cater to the maintenance needs arising from time to time.
- d. **Program Management System (PMS):** The cloud-based PMS shall take care of central data storage and reporting on the progress of each program through automated dashboards.

### Impact Assessment

The Company strives to capture the impact (social/economic and developmental) of its various initiatives through multiple mediums. The Company shall undertake Impact assessment of programs wherever applicable. The impact assessment studies shall be conducted in such manner as may be prescribed under applicable provisions of the Act and the Rules made thereunder, as amended, from time to time.

The reports of Impact assessments shall be put up for review to the CSR Committee and Board of Directors of the Company and shall be annexed to the annual report on CSR.

## Governance

### Board

- o The Board of the Company shall constitute a Corporate Social Responsibility (CSR) Committee.
- o The Board shall approve the CSR Policy of the Company recommended by CSR Committee.
- o The Board shall ensure that the administrative overheads shall not exceed five percent of the total CSR expenditure of the Company for any financial year.
- o The Board of the Company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer of the Company or the person responsible for financial management shall certify to this effect.

### **Corporate Social Responsibility (CSR) Committee**

- The Board constituted CSR Committee, along with the CSR team, shall be responsible for the decision making with respect to the Company's CSR policy.
- CSR Committee shall recommend the CSR policy to the Board of Directors of JSW Steel Coated Products Limited and Board of Directors shall approve the Company's CSR policy.
- The CSR Committee shall formulate and recommend to the Board, an annual action plan consisting of the following:
  - a. The list of CSR programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
  - b. The manner of execution of such programs;
  - c. The modalities of utilization of funds and implementation schedules for the programs;
  - d. Monitoring and reporting mechanism for the programs; &
  - e. Details of need and impact assessment, if any, for the programs undertaken by the Company Provided that Board may alter the Annual Action plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.
- The CSR Committee shall meet regularly to review the implementation of CSR programs/ programs and give suitable direction.

In case of an ongoing program, the Board of the Company shall monitor the implementation of the program with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the program within the overall permissible time period. "Ongoing Program" here means a multi-year program undertaken by the 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 program that was initially not approved as a multi-year program but whose duration has been extended beyond one year by the board based on reasonable justification.

### **Budget**

- The Board of Directors of the Company shall ensure that minimum of 2% of the average net profits of the company made during the three immediately preceding financial years is spent on CSR initiatives undertaken by the Company. The "net profit" shall be calculated in accordance with the provisions of section 198 of the Companies Act, 2013.
- All expenditure towards the programs shall be diligently documented.
- Any surplus arising out of the CSR activities shall not form part of the business profit of

the Company and shall be ploughed back into the same/similar program or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR Policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

- Where a Company spends an amount in excess of requirement provided under Section 135 of the Companies Act, 2013, such excess amount may be set off against the requirement to spend under Section 135, up to immediate succeeding three financial years subject to the conditions that –
  - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any; and
  - (ii) the Board of the Company shall pass a resolution to that effect.

## Treatment with respect to unspent CSR amount

- If the Company fails to spend prescribed CSR amount, the Board shall, in its report specify the reasons for not spending the amount and unless the unspent amount relates to any ongoing project and transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- Any prescribed CSR amount remaining unspent pursuant to any ongoing project, undertaken by a Company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

## Dissemination of the Policy

This Policy, as amended from time to time, shall be published on the Company's website.