



Corporate SoCial reSponSibility & SUSTAINABILITY POLICY

Braithwaite & Co. Limited

With effect from: April 2014



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1. Preamble

- 1.1 The Corporate Social Responsibility (CSR) and Sustainability Policy of Braithwaite & Co. Limited (hereinafter referred as BCL) is formulated within the frame work of CSR Provision of the Companies Act 2013, Schedule VII of the said Act, CSR Rules 2014 of Ministry of Corporate Affairs (MCA) and the DPE's Guidelines issued on the subject, namely 'Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises' effective from 01.04.2014.
- 1.2 The CSR and Sustainability Policy has been approved by the Board of Directors (hereinafter referred as BoD) of BCL during its (187th meeting held on 19.12.2014). BoD of BCL is authorized to approve / ratify the CSR and Sustainability Policy (& activities to be undertaken) based on the recommendation of CSR Committee within the ambit of these Companies Act, CSR Rules, DPE Guidelines.
- 1.3 The philosophy and spirit of Corporate Social Responsibility and Sustainability is firmly ingrained in the policy of BCL. The policy is consistent with the guidelines on corporate social responsibility and sustainability enunciated by the Department of Public Enterprises (hereinafter referred as DPE), and the policy directions on the subject issued by the Government from time-to-time. However, it is clarified that in case of any perceived conflict between provision of Companies Act or CSR Rules or DPE Guidelines with our CSR & Sustainability Policy, the former shall prevail in all circumstances. The policy document is not a mere statement of good intentions, but shall serve as a roadmap for formulation of actionable plans.
- 1.4 Whenever any amendments are made in Companies Act or CSR Rules (by MCA) or Guidelines (by DPE) or any other Authority on the subject, the same shall be duly incorporated in the policy document. Any modification / amendment in the policy document may be carried out by CSR Committee.
- 1.5 This policy supersedes the previous 'Corporate Social Responsibility & Sustainability Policy' approved by BoD of BCL on its 179th meeting held on 23.08.2013 based on the guidelines / circulars / instructions issued earlier by the Department of Public Enterprises (DPE) on this subject.



2. Aims & Objectives:

- 2.1 Corporate Social Responsibility and Sustainability is BCL's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

Stakeholders include employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and non-government organizations, local communities, environment and society at large.

- 2.2 The term Sustainability has been used in conjunction with CSR in the title of DPE Guidelines because CSR activities which are envisaged in the Companies Act and in the CSR Rules can be supplemented with sustainability initiatives as both aim at achieving sustainable development goals. In the DPE Guidelines the need for taking sustainability initiatives is emphasized in addition to the requirement of mandatory compliance with the CSR Rules. The Guidelines are aimed at providing an over arching framework of Sustainability within which CSR is firmly embedded. The change in nomenclature of the policy document and its information expanse would not in any way detract from the Company's commitment to CSR, or dilute its content.
- 2.3 Corporate Social Responsibility and Sustainability is essentially a way of conducting business responsibly and BCL shall endeavor to conduct their business operations and activities in a socially responsible and sustainable manner at all times.
- 2.4 CSR and Sustainability Policies and activities are aligned and integrated with BCL's business goals, plans and strategies. The philosophy and spirit of corporate social responsibility and sustainability shall be embedded in the core values of the company, be imbibed by the employees at all levels and it shall permeate into all the activities, processes, operations and transactions of the enterprise.
- 2.5 The CSR and Sustainability Policy addresses social, economic and environmental concerns and the selection of specific activities shall focus on the social, economic and environmental impact thereof. BCL will strive to contribute to inclusive growth and sustainable development by taking up development of backwards regions, empowerment of communities which have since long been socially marginalized, upliftment of under-privileged sections deprived of resources even for fulfilling their basic needs in health, nutrition, clothing, shelter, education etc.



3. Vision and Mission Statement

Corporate Social Responsibility and Sustainability is BCL's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

BCL shall endeavour to conduct their business operations and activities in a socially responsible and sustainable manner at all times.



4. CSR Committee & Its Function

4.1 Board Level Committee

'CSR Committee' means the Corporate Social Responsibility Committee of the Board referred to in 135 of the Companies Act. which consist of three or more directors, out of which at least one director shall be an independent director.

The BLC has been re-constituted and approved during 200th meeting of Board of Directors (BoD) of the Company on 20th March, 2017 as follows:

Chairman and Managing Director	-	Head of the Committee
Independent Director	-	Member
Director (Finance)	-	Member

4.2 Board Level CSR Committee (hereinafter referred as BLC) will be headed either by Chairman and Managing Director of BCL which shall

- a) formulate and recommend to the Board of Directors (BoD), a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act.
- b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and
- c) monitor the Corporate Social Responsibility Policy of the company from time to time.

4.3 The BoD shall

- a) after taking into account the recommendations made by the CSR Committee, approve the CSR & Sustainability Policy and disclose contents of such Policy in its report and also place it on the company's website.
- b) Ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.



4.4 **Corporate Level Committee**

A Corporate Level Committee (hereinafter referred as CLC) will be headed by a Nodal Officer / Senior Executive to facilitate coordination of CSR and Sustainability initiatives, to report on various initiatives and action taken thereon, to issue policy directives on the subject, and to devise an appropriate corporate communication strategy in this regard. The Committee will regularly submit reports regarding the progress in the implementation of CSR and Sustainability activities to the BLC. The CLC shall have the members, as follows:

General Manager (Corporate)	-	Head (Nodal Officer)
Senior Manager (P, A & S)	-	Member
Senior Manager (CA)	-	Member

5. CSR & Sustainability Agenda

5.1 **Selection of activities:** The decisions regarding the selection of a CSR and Sustainability activity will be taken with due diligence, with the involvement of the Committees. After taking into consideration the resource capabilities of BCL, the expectations of the key stakeholders, the expected social, economic and environmental impact of the planned initiative, a carefully calibrated decision with regard to the choice of CSR and Sustainability project and its location will be taken.

As per clause (a) of sub section (3) of the Companies Act, BCL will select its CSR project/ program as specified in the amended Schedule VII of the Companies Act, excluding activities undertaken in pursuance of its normal course of business. BCL will priority to the issues which are of foremost concern in the national development agenda like safe drinking water for all, provision of toilets especially for girls, health & sanitation, education etc. Preference will also be given to the local area which selecting the location of CSR activities.

5.2 **CSR & Employees of BCL:** The CSR projects or programs or activities that benefits only the employees of the company and their families shall not be considered as CSR activities in accordance with section 135 of the Companies Act. However, in case of schools, hospitals, training institutes and other such infrastructure which are created primarily for environment protection and / or for the benefit of under-privileged communities, deprived sections and the society at large. These facilities may be availed by the families of BCL employees.

5.3 **Pooling of resources:** BCL may join hands and pool its resources for undertaking joint ventures in Public-Public Partnership / Corporate partnership mode for long term mega projects for greater social impact, greater visibility, covering large number of beneficiaries, and with wider and long lasting impact.



- 5.4 **Scale of activities:** BCL will take up projects in accordance with Schedule VII of the Companies Act as Annexure 2 herewith, and as would be approved by the BoD.
- 5.5 **Location:** In general, CSR and Sustainability activities / projects will be preferentially undertaken for stakeholders who are generally located in the periphery of Company areas of BCL. However, BCL of BCL may decide to locate CSR and Sustainability projects / activities anywhere in the country.
- 5.6 **Needs Assessment / Base Line Survey:** Before taking any final decision on the selection of any CSR and Sustainability activity / project, needs assessment exercise / study and / or base line survey will be done to assess the needs of the intended beneficiaries for a realistic assessment of the resource inputs required for the expected level of social / economic / environmental impact through the implementation of the activity / project. The data / information collected through this exercise / study before the commencement of the project will be used in impact assessment after completion of the project. The needs assessment study may be done through BCL's own resources / through specialized agency based on the accessed reliable data in this regard from recognized authoritative sources.
- 5.7 **External agency:** While engaging / partnering with external agencies, care shall be exercised in selecting only such specialized agencies which have the necessary capabilities and expertise in the field. Specialized agencies may include Government departments, semi-government or non-government organizations (NGOs), autonomous organizations, professional bodies, planning commission, autonomous organizations etc. with established track records of at least three financial years.
- 5.8 **Project proposal:** CLC will forward the project proposal with its recommendations for consideration of BCL. If necessary, external agencies may be engaged for preparation of project proposal, project report and base line survey / needs assessment, implementation, monitoring, evaluation audit etc.
- 5.9 **Project approval:** The project proposal forwarded by CLC will be put up for sanction / approved of BCL. Sanction of BCL will be communicated to CLC for entering into necessary agreement / MoU with project implementation / monitoring / audit agencies by CLC. In order to meet routine / day-to-day requirements pertaining to successful implementation of the CSR and Sustainability activities in time bound manner, CLC is nominated and authorized on behalf of BCL to approve proposals related to implementation of ongoing projects etc. However, the same will be put up to BCL for ratification. Finally, proposal will be approved by the BoD of BCL.



6. Budget & Expenditure

- 6.1 As per sub section (5) of the Companies Act, BCL shall with the approval of BoD make a budgetary allocation for CSR activities for the year, which will be at least 2% of the "average net profits" of BCL made during the three immediately preceding financial years. BCL shall strive to maximize its spending on CSR activities. BCL shall specify reasons, if it fails to spend the 2% of the average net profits of the last three financial years, in its Board Report.

Average net profit shall be calculated in accordance with the provisions of section 198 of the Companies Act. (Copy enclosed in Annexure 3).

In case BCL fails to spend such stipulated amount in any year, it shall have to specify the reasons for not spending it. The stipulated amount would not lapse and instead shall be carried forward to the next year for utilisation for the purpose for which it was allocated.

- 6.2 CSR expenditure shall include contribution to corpus of a Trust / society / Section 8 companies created exclusively for undertaking CSR projects or programs approved by BoD.

Amount spent by BCL, on sustainability initiatives in the pursuit of sustainable development while conducting normal business activities would not constitute a part of the CSR spend from 2% of profit as stipulated in the act & the CSR Rules.

- 6.3 BCL may build CSR capacities of its own personnel as well as those of its implementing agencies through institutions with established track records of at least three financial years but such expenditure shall not exceeds 5% of total CSR expenditure of the company in one financial year.

7. Implementation

- 7.1 BCL shall take steps to implement its CSR agenda within the organization through the active involvement of the employees, who are important internal stakeholders. For the CSR agenda to be internalized in the organization, the employees at all levels in BCL will be educated to the need for conducting business in a manner that is economically, socially and environmentally sustainable. BCL will devise internal communication strategies to spread awareness of CSR and sustainability amongst the employees, providing them with education and training necessary for attitudinal change and their conversion to socially and environmentally sustainable methods and practices of doing business and adopting motivational tools to provide just the right momentum to push all such initiatives.



8. Monitoring

- 8.1 Monitoring of CSR & Sustainability project goes concurrently with implementation, and is essential to assess if the progress is on expected lines in terms of timeliness, budgetary expenditure and achievement of physical targets. Monitoring will be done periodically with the help of identified key performance indicators; the periodicity being determined largely by the nature of performance indicators. Like implementation, monitoring too will be done with recourse always available for mid-course correction in implementation, whenever required. Overall implementation and monitoring of the CSR & Sustainability activities of BCL will be overseen by CLC and BLC.
- 8.2 Monitoring will be done by CLC / external agency. The external agency engaged for implementing a project shall not be considered for the task of monitoring and evaluation because of the likely conflict of interest involved in the assignment. Services of the agency engaged for doing the need assessment study prior to the commencement of the project can be utilized to perform the task of monitoring and eventual evaluation of outcome.

9. Impact Assessment

- 9.1 The ultimate test of the success of any CSR and Sustainability activity / project is the social, economic or environmental impact thereof. Impact assessment has a wider connotation and is a cumulative effect of outcome(s) on the developmental process affecting society, economy and environment. Thus, impact assessment studies of the activity / project will be made after their completion and necessary minimum gestation period to ascertain the degree of its success or failure with reference to the project report prepared at the commencement of the activity / project containing a well-documented baseline survey / need assessment study.

10. CSR Reporting and Disclosure

- 10.1 As per clause (o) of sub section (3) of section 134 of the Act, BCL shall report and disclose the contents of CSR Policy and CSR activities implemented by BCL for the benefit of all stakeholders through the following:

- a. **Official website** : www.braithwaiteindia.com
- b. **Annual Report of BCL** : In the Board's Report (as per Annexure 1 enclosed)

Additionally, the details may also be published in Companies News Letter.



11. Annexure 1

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee.
3. Average net profit of the company for last three financial years.
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year:
 - (b) Amount unspent, if any:
 - (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR Project or activity identified.	Sector in which the Project is covered.	Projects or programs 1. Local area or other 2. Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1. Direct expenditure on projects or programs. 2. Overheads:	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
1							
2							
3							
	TOTAL						

- Give details of implementing agency :
6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
 7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman CSR Committee)	Sd/- [Person specified under clause (d) of sub-section (1) of section 380 of the Act] (wherever applicable)
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12. **Annexure 2**

Schedule VII

(Activities which may be included by companies in their CSR Policy)

Ministry of Corporate Affairs Notification dated 27th February, 2014 & 6th August 2014

1. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
2. promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. 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;
4. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;
5. 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;
6. measures for the benefit of armed forces veterans, war widows and their dependents;
7. training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
8. contribution 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, the Scheduled Tribes, other backward classes, minorities and women;
9. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. rural development projects
11. slum area development
12. Contribution towards Swachh Bharat Kosh, Clean Ganga Fund



13. Annexure 3

Companies Act 2013
(Section 198 – Calculation of Profit)



SN	References
1	Section 135 of the Companies Act, 2013
2	The Companies (Corporate Social Responsibility Policy) Rules, 2014
3	Schedule VII of the Companies Act, 2013 and amended schedule issued thereafter
4	Guidelines on Corporate Social Responsibility for CPSEs issued by DPE on 21 st October 2014.

Abbreviations used:

<i>BCL</i>	-	<i>Braithwaite & Co. Limited</i>
<i>DPE</i>	-	<i>Department of Public Enterprises</i>
<i>CSR</i>	-	<i>Corporate Social Responsibility</i>
<i>BoD</i>	-	<i>Board of Directors of BCL</i>
<i>BLC</i>	-	<i>Board Level Committee</i>
<i>CLC</i>	-	<i>Corporate Level Committee</i>
<i>MCA</i>	-	<i>Ministry of Corporate Affairs</i>



Synopsis:

Applicability:

As per Section 135 of the Companies Act 2013, CSR is applicable to every Company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year.

As per DPE Guidelines, the need for taking sustainability initiatives is emphasized in addition to the requirement of mandatory compliance with the CSR Rules. Since CSR and Sustainability issues are complementary in nature, and both are to be mentioned in the policy document, it is suggested that it may be referred to as 'CSR and Sustainability' Policy.

Committee & its function to take care of CSR Policy & implementation of activities:

Shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. The Committee will formulate and recommend the CSR Policy to the Board and implement the same.

Framework of CSR Activity:

Activities which may be included by companies in their CSR Policy are specified in the Schedule VII of the Companies Act. The CSR projects or programs or activities that benefits only the employees of the company and their families shall not be considered as CSR activities.

Minimum CSR Expenditure:

Board shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. If the company fails to spend such amount, the Board shall, in its report specify the reasons for not spending the amount. The stipulated amount would not lapse and instead shall be carried forward to the next year for utilisation for the purpose for which it was allocated.

Needs Assessment / Base Line Survey / Monitoring / Implementation:

May execute CSR activities of its own personnel as well as those of its implementing agencies through institutions with established track records of at least three financial years but such expenditure shall not exceed 5% of total CSR expenditure of the company in one financial year.

CSR Reporting and Disclosure:

BCL shall report and disclose the contents of CSR Policy and CSR activities implemented by BCL for the benefit of all stakeholders through the following:

Official website : www.braithwaiteindia.com

Annual Report of BCL : In the Board's Report (as per format stipulated).