



Loram Rail Maintenance India Private Limited

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Corporate Social Responsibility Policy

1 Scope:

Loram Rail Maintenance India Private Limited (hereinafter referred to as “**Loram India**” or “**Company**”) envisage to contribute in the uplifting of the quality of life of communities in and around its business operations in India through diverse sets of community development programs.

The key elements of this Corporate Social Responsibility (“**CSR**”) policy of Loram India include:

- (i) Vision and framework of CSR
- (ii) Key focus area of community development and approach
- (iii) Implementation strategy for CSR

2 Vision and Framework:

CSR for the Company is not philanthropy - it is a far-reaching, engaging and participative model. Corporate Social Responsibility relies on an endless loop of symbiotic associations between employees, organization and the community at large. We go beyond just adhering to statutory and legal compliances and creates social and environmental value for our key stakeholders.

The Company’s CSR vision is “to engage, empower and facilitate the communities for the betterment of their quality of life”.

CSR framework is rolling out dedicated community development programs by engaging capable implementing agencies, monitoring and measuring the outcomes and impact, encouraging and empowering employees to explore their passion towards communities, as well as fostering sustainable coalitions with community stakeholders.

3. CSR Policy

3.1 Upon approval by the Board of Directors (“**Board**”) of Loram India, the Company shall undertake any of the following activities as prescribed in Schedule VII of the Companies Act, 2013, (“**Act**”) as amended from time to time:

- (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 programs;
- (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

- (iv) socially and economically backward groups; 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 art and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- (viii) contribution to the Prime Minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio economic development and relief and welfare of the schedule 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 Organisation (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) rural development programs;
(c) 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;
(d) disaster management, including relief, rehabilitation and reconstruction activities.

4 Focus Areas:

4.1 The major thrust areas primarily focused by the Company and mapped with the activities as prescribed in schedule VII of the Companies Act, 2013 are as follows:

- (i) Healthcare
- (ii) Environment
- (iii) Education
- (iv) Livelihood
- (v) Natural Calamity/Disaster, epidemic response etc



4.2 **Healthcare:**

To address the issues around availability, accessibility and affordability of quality healthcare services and creating awareness and promoting health seeking behavior among communities resulting in improving the quality of life through:

- Primary, secondary and occupational healthcare facilities
- Organising need-based health and satellite camps and providing consultation, counselling, medicines and basic lab tests
- Behavioural change communication for health seeking behaviour
- Working around communicable and non-communicable diseases
- Using technology for training, clinical decision support for medical professionals to improve the quality of health care

4.3 **Environment:**

The Company is committed to maintain high standards on the environmental front and continuously make efforts to improve environmental sustainability through initiatives including but not limited to:

- Plantation
- Conservation and /or restoration of natural resources
- Creating awareness in protecting the environment
- Protecting the environment through community engagement and facilitation
- Contribution for technology upgradation to facilitate conservation of the environment

4.4 **Education:**

Quality education is the foundation for a better future of the economically challenged communities. CSR programs will contribute through the following initiatives:

- Support for improving infrastructure for a better teaching and learning environment in primary and secondary schools
- Provide support to children in obtaining access to quality education through scholarships
- Contribute towards enabling access to digital modes of learning across remote areas
- Skills development and vocational trainings for people of legal employable age i.e. 18 years and above

4.5 **Livelihood:**

Better livelihood opportunities to address poverty, hunger and malnutrition. CSR will be focusing on livelihood among economically challenged communities through:

- Facilitating farm and non-farm-based livelihood programs
- Skills and vocation training of the needy
- Addressing livelihood allied issues



4.6 **Natural Calamity/Disaster, epidemic response etc:**

Natural disasters are inevitable. The CSR program will be helping the impacted communities through:

- Providing material support to the affected people
- Engaging our employees to support the affected communities

4.7 **Other Initiatives:**

Any other need-based programs in accordance to schedule VII of the Companies Act, 2013 and any amendments from time to time will be taken with due approval from the Board.

5. **Total Outlay:**

- 5.1 The Company will contribute on CSR activities as per the requirements stated in the Companies Act 2013 and Companies (Corporate Social Responsibility) Rules, 2014 (“**CSR Rules**”) as amended from time to time.

6. **Monitoring and Reporting Framework:**

- 6.1 A comprehensive monitoring and reporting framework shall be put in place in order to ensure that funds spent on CSR programs are creating the desired impact. The monitoring and reporting mechanism shall be divided into three distinct areas:
- (i) Setting up of pre-set monitoring and evaluation framework for governance of all activities
 - (ii) The framework to include quantitative and qualitative measurables, key performance indicators, milestones and reporting periodicity prior to CSR program commencement
 - (iii) Along with regular financial and progress reporting mechanisms, financial and timelines-based measurement

Key objectives of monitoring throughout the implementation period will be to check:

- (i) the satisfactory and timely progress of program towards the agreed objectives
- (ii) the financial management and reporting

The impact of such CSR social investments will be evaluated at the end of the implementation period of a given project

7. **Governance Framework**

7.1 **Board’s Responsibilities:**

As per the provisions of Section 135 of the Companies Act, 2013 (“**the Act**”), the CSR outlay of the Company is less than Rs 50 lakhs and hence the Company is not required



to constitute a CSR Committee and all the functions of the CSR Committee as prescribed under Section 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014 (**"the Rules"**) including any statutory modifications or re-enactment thereof are to be rendered by the Board. Provided further that if there is any amount lying in the unspent CSR account of the company, the Company shall constitute a CSR committee.

In this regard, the Board of the Company shall be responsible for:

- (i) Formulation of the CSR Policy which shall indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Act as amended from time to time;
- (ii) Decide and approve the programs to be undertaken, modes of execution and implementation schedule from time to time;
- (iii) Providing guidance on CSR performance and monitoring compliance with CSR Policy, commitments and applicable statutory regulations
- (iv) Preparation and adoption of the CSR report;
- (v) Decide and approve the amount of expenditure to be incurred on the activities referred to in clause (i);
- (vi) Monitor effectiveness of the CSR Policy from time to time;

The Board of Directors of the Company shall review the CSR programs as they may deem necessary.

7.2 Implementing Agency

7.2.1 The Board of the Company may decide to undertake its CSR activities through itself or through an Implementing agency which shall comply with the eligibility criteria or requirements as stated in the applicable provisions of the Companies Act, 2013 and Rules framed thereunder as amended from time to time.

7.2.2 Track Record:

The Implementing Agency shall have an established track record of three years in undertaking similar programs or projects; and the Company has specified the projects or programs to be undertaken, the modalities of utilisation of funds of such projects or programs and the monitoring and reporting mechanism.

7.2.3 Due Diligence:

The Implementing Agency shall be required to undertake the Company's due diligence process prior to entering into an agreement with the Company. The CSR engagement with the implementing agency will be project based.

7.2.4 Collaboration with other entities:

The Company may also collaborate with other entities (registered Society / Public Charitable Trust / not for profit organization established under section 8 of the Act as allowed under Rule 4(1) of the Companies (Corporate Social Responsibility Policy)



Rules, 2014) to undertake CSR programs, provided the CSR committee / board of the respective entity are able to report separately on such programs.

7.2.5 CSR Activities and Spent:

For CSR activities undertaken through other entities, the Company will specify the projects or programmes to be undertaken through these agencies, the modalities of utilization of funds on such projects or programs.

7.2.6 Budget Review:

The CSR budget for each project will be reviewed and approved every year by the Board. Each project will be reviewed against the respective program milestones agreed.

8 Treatment of Unspent Amount, Excess Spent and Surplus

Any unspent amount relating to ongoing projects or not, any excess spent and any surplus arises out of the CSR projects or programs or activities shall be treated as per the requirements stated in the Companies Act 2013 and Rules framed thereunder from time to time.

9 CSR Policy Guidelines:

- (i) All CSR Projects must be aligned as prescribed in Schedule VII of the Companies Act, 2013
- (ii) CSR projects or programs or projects or activities must be undertaken in India alone.
- (iii) CSR activities must not include the programs or projects or activities undertaken in pursuance of normal course of business of the Company
- (iv) Projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR.
- (v) CSR activities should be in project/ program mode. One-off events such as marathons/ awards/ charitable contribution/ advertisements / sponsorship of TV program etc. will not qualify as part of CSR expenditure.
- (vi) Contribution of any amount directly or indirectly to any political party shall not be considered as CSR.

10 Formulation of Annual Action Plan

The Board shall formulate an Annual Action Plan which shall include the following:

- (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (ii) the manner of execution of such projects or programmes
- (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes
- (iv) monitoring and reporting mechanism for the projects or programmes; and
- (v) details of need and impact assessment, if any, for the projects undertaken by the company



The Company reserves its right to modify, cancel, add, or amend any of the contents of CSR Policy. However, this policy, in whole or in part, shall stand modified / amended from time-to-time, without any further act on the part of the Company, as and when there would be any statutory modification(s)/ amendment(s) / revision(s) to the applicable provisions thereto.

11 For enquiries related to CSR, please contact us at:

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