



CORPORATE SOCIAL RESPONSIBILITY POLICY

1. INTRODUCTION

This policy is called **“GMM PFAUDLER LIMITED–CORPORATE SOCIAL RESPONSIBILITY POLICY”** (hereinafter referred as “Policy”) framed in accordance with Section 135 of the Companies Act 2013, read with the rules framed thereunder, including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force (“Act”).

2. VISION

Our vision is to inspire positive change in people and communities across India and beyond through sustainable development and inclusive growth by improving lives through enhanced access to quality healthcare, education, and environmental sustainability. Our CSR efforts are aligned with the United Nations Sustainable Development Goals, reflecting our dedication to responsible corporate citizenship and meaningful social impact.

3. OBJECTIVE

This CSR Policy outlines our approach to social responsibility by defining the focus areas, identifying key initiatives, and establishing a robust governance and monitoring framework. The objective is to ensure that our CSR efforts are strategic, impactful, and aligned with our core values, enabling us to create long-term value for the communities in which we operate.

4. IMPLEMENTATION PARTNER

GMM Pfaudler Foundation (“Foundation”), the philanthropy arm of GMM Pfaudler Limited, is the principal implementation agency for all CSR activities of the Company and its subsidiaries. All CSR activities of GMM Pfaudler Limited shall be undertaken by the Company either directly or through the Foundation or through any other implementation agency.

Subject to the applicable laws, the Company may collaborate with other companies for undertaking projects or programmes or CSR activities, provided that the CSR committee of GMM Pfaudler Limited, shall separately report to the Board, such projects or programmes that have been undertaken as GMM Pfaudler Limited’s CSR activities.

In case the Company undertakes any CSR activity through any implementation agency other than the Foundation, such implementation agency shall satisfy the requirements prescribed under the applicable laws and shall be approved by the Board of Directors of the Company.

5. GUIDING PRINCIPLES

The Company shall follow the guiding principles enclosed as an Annexure to this Policy, for selection, implementation and monitoring of CSR activities as well as formulation of annual action plan.

6. FOCUS AREAS

While the Ministry of Corporate Affairs has spelt out the CSR activities under Schedule VII to the Act, in order to build focus and have a more impactful execution – with a view to make a difference, the CSR Committee has identified the following focus areas around which the Company shall be focusing its CSR initiatives and channelizing the resources on a sustained basis. In addition, the CSR initiatives of the Company may focus on such other areas as may be decided from time to time:

- i. **Healthcare:** Programmes aimed at promoting affordable healthcare, preventive healthcare and alleviation of malnutrition among the less privileged.
- ii. **Education:** Enhancing vocational skills and thereby improving the employability of youth. Improving the quality of education imparted in schools in the villages.
- iii. **Environmental Sustainability:** Supporting projects aimed at protecting the environment, protection of flora and fauna, and conservation of natural resources. Contributing to create a clean environment in and around its area of operation to ensure that the quality of air and water is maintained above safety levels.

7. GOVERNANCE

The Board will have an oversight on the adherence to this Policy. The CSR Committee of the Board, comprising a minimum of three directors and one of whom at least will be an independent director of the Company, shall assist the Board in the overall governance of the Policy and the CSR activities pursuant thereto. The CSR Committee shall work under the superintendence and control of the Board.

The CSR Committee shall be responsible to:

- Recommend, formulate and implement directly or indirectly, CSR activities approved by the Board and in compliance with Schedule VII of the Act.
- Approve the budgets for the CSR expenditure and recommend to the Board for approval.
- Monitor and recommend the amount of CSR expenditure to be incurred for CSR activities and to ensure it is in line with the CSR Policy.
- To regularly monitor CSR Policy of Company from time to time.
- Any other activity as may be decided by the Board.

8. MODALITIES FOR EXECUTION OF CSR ACTIVITIES

- The Company shall spend, minimum two percent (2%) of the average net profits made during the three immediately preceding financial years, for CSR activities. The CSR committee through the Foundation will evaluate the projects identified and implement them through Foundation. The contribution shall be made to the Foundation every quarter.
- The Company also encourages building other partnerships as required with government organizations, Non-Government Organizations (NGOs) and other local government bodies, etc. to build sustainable impact and reach out to a large and varied section of the society.
- Credible and committed NGOs having a minimum track record of 3 years of consistent and impactful work will be meticulously selected.

- Any surplus arising out of the CSR projects or programs shall not form the part of the business profits of the Company and would be ploughed back to the CSR corpus for spending on CSR projects only.
- Company will be allowed to set-off excess amount, if any, that may have been spent in excess of the requirement provided under sub section (5) of Section 135, in the three succeeding financial years, subject to compliance with the applicable laws.

9. MONITORING/ REVIEW MECHANISM

- For the purpose of CSR activities of the Company, Foundation shall work under the overall supervision of the CSR Committee, and the CSR Committee shall be fully authorised to issue any instruction, guidelines, direction, order, advisor etc. which shall be binding on the Foundation.
- Foundation will monitor the implementation of the CSR activities and report the progress to the CSR Committee on a six-monthly basis.
- Annual audit of the amount spent on CSR Projects will be carried out and report/ observations will be forwarded to the CSR Committee.
- The CSR Committee will meet twice a year to monitor the process, progress, impact and outcomes of the various projects undertaken. The CSR committee in turn would keep the Board informed.
- The Company will also obtain a report on the implementation of its CSR projects in the prescribed form under the Act and include the same in the Company's annual report.
- Impact assessment shall be conducted by a third party in case of long-term partnerships and for short term funding, evidence through the impact of quality work on the ground, a regular observation by the Foundation, and quarterly updates from implementing agencies.

10. EMPLOYEE ENGAGEMENT:

Employee volunteering is one of the important areas through which the Company would extend its contribution towards CSR. The Company shall propose both short-term need-based CSR volunteering activities and long-term sustainable avenues for employees to offer their service in the areas including education, environment, skill-building, or a befitting area that will make a difference.

11. DISCLOSURES:

- a. Details of composition of the CSR Committee, the CSR policy and details of CSR activities shall be available on the Company website at www.gmmpfaudler.com.
- b. Annual report on CSR activities shall be included in the Board's report forming part of Company's annual report.

12. INTERPRETATION

Words, terms, and expressions used in this Policy and not defined herein shall have the same meaning ascribed to it in the Act, SEBI Act, 1992 or rules and regulations made thereunder, Listing Regulations or any other relevant legislation/law applicable to the Company.

In the event of conflict between the terms of this Policy and any provision in an applicable Law, the provision of the applicable Law shall prevail.

13. REVIEW AND AMENDMENT

This Policy may be amended by the Board, upon recommendation of the CSR Committee, from time to time to be in line with any amendments made to the Act, Listing Regulations or any other relevant legislation/applicable law.



ANNEXURE
Guiding Principles under CSR Policy

For selection of activities:

1. **CSR activities:** The Company shall undertake only such CSR activities:
 - As identified under the focus area in this Policy.
 - As permitted under the applicable laws.
2. **Location:** Preference should be given to the local areas in India where the Company operates, to the extent reasonably possible.
3. **Benefits:** Priority should be given to projects which will bring long term, sustainable and lasting benefits to the community. Emphasis to be given on long term viability of activities which have the potential of remaining viable even upon disengagement at the end of the project period.
4. **Budget allocation:** The Company shall spend, minimum two percent (2%) of the average net profits made during the three immediately preceding financial years, for CSR activities. The spend on any identified activity should be decided on the need assessment either undertaken by the Company or the Foundation.
5. **Non-Discrimination:** The Company shall not discriminate against the beneficiaries of the CSR activities, on any grounds whatsoever, including race, gender, age, ethnicity, caste, religion, domicile, but may focus its CSR activities to benefit the economically or socially weaker, or marginalised sections, of the society.
6. **Transparency:** The Company shall endeavour utmost transparency in selection, implementation, monitoring and reporting of CSR activities.

For implementation and monitoring of activities:

1. Once the CSR projects or programs are identified and finalized, the Foundation should make a schedule for implementation. Unless it is an ongoing project, the entire CSR activities should be fully implemented before the close of the financial year.
2. For ongoing project, year wise budget would be allocated, and milestones of completion should be defined and adhered to.
3. As far as possible every effort should be made to ensure that approved CSR activities are implemented in line with the implementation schedule(s) shared with the CSR Committee which forms part of the annual action plan.
4. For monitoring, the Foundation, implementing the projects or programs shall place reports/update(s) at CSR Committee meeting(s). The minutes of such CSR Committee meetings shall be placed before the Board of Directors of the Company.
5. Company shall review its average CSR obligation to ascertain the applicability of the impact assessment, if any, through an independent agency, of CSR projects. In such cases, the impact assessment reports should be placed before the Board and shall be annexed to the annual report on CSR, if required.

The guiding principles set out hereunder are indicative and not exhaustive and the CSR Committee is permitted to carry out such changes herein, as deemed fit and expedient, from time to time.

Document Control

All changes to the process document can be made only by the Document Owner.

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