

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

CSR Vision: “Creating a Sustainable and Responsible business”

Corporate Social Responsibility (“CSR”) is defined as the integration of business operations and values, whereby the interests of all stakeholders including investors, customers, employees, the community and the environment are reflected in the company's policies and actions.

Any Organization operates in Social Environment and the CSR is the ways and means through which the Corporate can repay the Obligations which the Society has made by contributing the resources in its various forms as required for the efficient operation of the Business. CSR is strongly connected with the principles of Sustainability and Social Welfare. An organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Waaree Energies Limited (the “**Company**”) to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

This Statement demonstrates commitment of Company to CSR through which the Company aim to align business values, purpose and strategy with the needs of the society as a whole in which the Company operates, whilst embedding such responsible and ethical principles into everything the Company do.

Guiding Principles:

Company is vigilant in its enforcement towards corporate principles which the Government of India has mandated through Companies (Corporate Social Responsibility) Policy, 2014 and is committed towards sustainable development. The company endeavors to make CSR a key business process for sustainable development. It constantly strives to ensure strong corporate culture which emphasizes on integrating CSR values with business objective. It also pursues initiatives related to quality management, environment preservation and social awareness.

Company constituted a CSR Committee which in exercise of its authority and discharge of its responsibility formulated the Corporate Social Responsibility Policy (“Policy”) in consonance with Section 135, Companies Act, 2013, as amended (the “Act”) on CSR and in accordance with the Companies (Corporate Social Responsibility) Rules, 2014, as amended (“Rules”). It shall apply to all CSR Projects/ Programmes undertaken by the Company as per liberal interpretation of activities listed in Schedule VII of the Act, within the geographical limits of India, preferably towards the benefits of marginalised, disadvantaged, poor and deprived sections of the community and the sustainable environment. Capitalized terms used in this Policy and not defined herein shall have the meaning as ascribed to them under the Act.

1. DEFINITIONS

“**Company**” means Waaree Energies Limited

“**Act**” means The Companies Act, 2013 and includes the Companies (Corporate Social Responsibility Policy) Rules, 2014 and all other applicable rules and any statutory modifications, re-enactment thereof.

“**Board**” means the Board of Directors of the Company.

“**Corporate Social Responsibility**” means and includes but is not limited to - (i) projects or programs relating to activities specified in Schedule VII to the Act; or (ii) projects or programs relating to activities undertaken by the Board in pursuance of the recommendations of the CSR Committee, as per the declared CSR policy of the Company.

“**CSR Committee**” means the Corporate Social Responsibility committee constituted under Section 135(1) of the Act.

“**Net Profit/Profit**” refers to the average net profits of the Company, calculated in the manner as provided under the Act.

CSR Objectives:

The main objective of the CSR Policy is to lay down guidelines for Company to make CSR as one of the key focus areas to adhere to company’s global interest in environment and society that focuses on making a positive contribution to society through effective impact and sustainable development programs.

Commitment:

The Company is committed to:

- Continuous improvement in our Corporate and Social Responsibility (CSR) strategy.
- Encouraging our business partners to strive for matching performance.
- Acting in a socially responsible way.
- Supporting a number of local communities and social / charitable causes.
- Continually improving our performance and meeting all relevant legislation.
- Encouraging our staff to be mindful of the effect of their actions on any natural resource.

Purpose and Aims:

- The purpose of the policy is to make clear to all stakeholders what we mean by CSR and how we propose to work towards achieving it. The CSR policy applies throughout all the activities undertaken in the organization and governs our approach to all our activities.
- In implementing this policy we aim to:
 - ❖ Be responsible.

 - ❖ Be an exemplar of good practice.

Eligible areas of CSR under the Companies Act, 2013:

The Company may carry out any of the CSR activities, notified under the Section 135 of the Companies Act, 2013 read with Schedule VII

CSR Governance:

Constitution of the CSR Committee

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company, the composition of which shall be in accordance with Section 135 of the Companies Act, 2013 as amended from time to time. The Composition of the committee pursuant to section 135 (1) of the Act is duly constituted and approved in the Board Meeting dated September 17, 2021 and shall be as under:

Mr. Hitesh Chimanlal Doshi – Member & Chairman

Mr. Hitesh Pranjivan Mehta – Member

Mr, Jayesh Dhirajlal Shah - Member

Functions and Powers of Committee

To effectively implement the objectives of the Company with respect to CSR, the Committee is vested with the following functions and powers:

- (i) Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval
- (ii) Recommend the amount of expenditure to be incurred on the activities referred to in Schedule VII of the Act.
- (iii) Approve to undertake CSR activities, if necessary, in collaboration with other Companies/firms/NGOs etc., and to separately report the same in line with the CSR Rules. It must be noted that while undertaking any project or program with other partnering organizations, the Company will undertake due diligence to evaluate the Companies'/ Firms'/ NGO's reputation, track record, capacity and competency, including organization structure, requisite permits and licenses, presence in desired geography and compatibility with the CSR Policy.
- (iv) Recommend the CSR Budget
- (v) Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules.

- (vi) Create transparent monitoring mechanism for implementation of CSR initiatives in India, and to assure the end use of the amount spent by it towards CSR activities. Submit the Reports to the Board in respect of the CSR activities undertaken by the Company.
- (vii) Monitor CSR Policy from time to time.
- (viii) Monitor activities/charter of Internal Working and Monitoring Group (WG) who are authorized to ensure that the CSR activities of the Company are implemented effectively
- (ix) Authorize executives of the Company to attend the CSR Committee Meetings, if necessary.
- (x) Decide on the mechanism by which the Company will encourage and enable employees and other stakeholders to participate in the projects supported by it through Employee Volunteering Programmes (EVP).

The role of the Board with respect to CSR is as under:

- (i) Review the recommendations in respect of annual budget for CSR;
- (ii) Disclose contents of the Policy in the Company's report and also place it on the website of the Company;
- (iii) Ensure that the [activities](#) as are included in Policy of the Company are undertaken by the company; and
- (iv) Ensure that the Company spends in every financial year, at least two percent of the average net profits made during the three immediately preceding financial years of the Company on CSR activities.

Company CSR initiatives can be implemented directly and / or through Waaree Group Trust or any other registered foundations, trusts, not for profit organizations with an appropriate track record, NGOs and local Government bodies for the purposes of accessing expertise/enhancing resources and for support in project implementation. Any surplus arising out of the CSR projects or programs shall not form the part of the business profits of the Company.

Meetings of the Committee

- (i) For smooth functioning of the Committee, the members of the CSR Committee shall meet at regular intervals so as to discuss such matters and to take such decisions as may be necessary to achieve the object of the Policy;
- (ii) The members of the Committee may mutually agree between them regarding time and place for the said meetings.
- (iii) The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.
- (iv) The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio-visual means as may be convenient.

The Committee may, at its discretion, decided to spend more than 2% of its average profit on any project or programme benefiting only the employees of the Company or their families shall not be considered a CSR activity. The Committee shall ensure that any contribution made by the Company to any Foundation, trust, NGO or other entities is used for specified projects or programmes.

1.1. CSR Budget and Expenditure

- (i) Net profit for the purpose of allocation towards CSR means profit more fully described under Rule 2(f) of the CSR Rules. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.
- (ii) The amount of expenditure to be spent on CSR projects, programs or activities undertaken in each financial year will be recommended by the CSR committee of the Company and the same will be approved by the Board of Directors.
- (iii) In case the Company fails to spend the required amount in a particular financial year, it is the duty of the Committee to submit a report in writing to the Board of Directors specifying the reasons for not spending the amount, which in turn shall be reported by the Board of Directors in their Annual Report pertaining to that particular Financial Year and, unless the unspent amount relates to any ongoing project referred to in sub-section (6) of the Act, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. If the company spends an amount in excess of the requirements provided under this sub-section, such company may set off such excess amount against the requirement to spend under this sub-section for such number of succeeding financial years. Surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.
- (iv) Any amount remaining unspent under sub-section (5) of the Act, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, 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.

2. CSR INITIATIVES

Pursuant to Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee at the beginning of each year. The Committee is authorised to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

2.1. Annual CSR Plan

The Annual CSR Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company based on recommendation of its CSR Committee which outlines inter alia the following aspects of CSR initiatives of the Company: (i) Project Proposals; (ii)

Targeted Beneficiaries and their key needs; (iii) Alignment with Schedule VII of the Act; (iv) Project Goals and milestones; (v) Activities and Timelines including expected closure dates; (vi) CSR Budget with projections; (vii) Monitoring mechanism; (viii) Progress reporting and frequency of reports; (ix) Risks and mitigation strategies; and (x) any other information as may be required by the CSR Committee.

2.2. Collaboration

It is expressly allowed under the CSR Rules that the Company may collaborate with any other Company or association formed in this regard subject to approval by CSR Committee, to implement CSR activities and the same shall form a part of the Annual CSR Plan.

2.3. Disqualifying Activities for CSR

- (i) The CSR Rules disqualifies the CSR projects and programs that are implemented by the Company for benefit of the employees of the Company and their families.
- (ii) The CSR activities implemented outside India also fall outside the purview of the Rules and hence CSR expenditure on such activities will not be considered for inclusion in the CSR Report.
- (iii) Any amount directly or indirectly contributed towards any political party under Section 182 of the Act shall not be considered as CSR Spend.
- (iv) Activities that are undertaken by the Company in pursuance of its normal course of business will not be considered as CSR activities.
- (v) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019)
- (vi) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services
- (vii) activities carried out for fulfilment of any other statutory obligations under any law in force in India

2.4. Monitoring Mechanism

The Company may donate funds to a trust/society/ Section 8 Company- Companies with Charitable Objects etc., where it is created exclusively for undertaking CSR activities or where the corpus is created exclusively for a purpose directly relatable to a subject covered in schedule VII of the Companies Act, 2013.

Further, the CSR expenditures and donations to be incurred or made may be sanctioned or approved by the officers of the Company as may be authorized by the Board from time to time.

- (i) The CSR Committee shall recommend the expenditure to be incurred on the above activities and shall from monitor timely and report to the Board about the implementation thereof.
- (ii) As deemed fit by the Board of Directors, appropriate documentation of the Company's CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.
- (iii) The Company undertakes to ensure that an Annual Report on CSR Activities detailing the amount required to be expended, detailed CSR projects and amount expended on each CSR activity will be included in the Board's Report of the Company.
- (iv) CSR Committee shall give a responsibility statement that implementation and monitoring of the CSR Policy is in compliance with CSR objectives and policy of the Company.

Our objective is to strive to achieve greater impacts, outcomes and outputs of our CSR projects and programmes by: (i) judicious investment; (ii) utilization of financial and human resources; and (iii) engaging in like-minded stakeholder partnerships for higher outreach benefitting more lives.

3. REPORTING AND PUBLICATION OF CSR POLICY

As per the CSR Rules, the contents of the CSR Policy composition of the CSR Committee, and Projects approved by the Board shall be included in the Directors' Report and the same shall be displayed on the Company's website www.waaree.com.

Accounting & Auditing

The Company will follow the Accounting and Auditing Guidance Note/ Standards duly approved by the Ministry of Corporate Affairs, Government of India.

Disclosure

The Company shall comply with Sections 135 (2), 135(4)(1) and 134 (3) (o) of the Act thereby ensuring that it makes a full disclosure of its CSR Policy, Strategy, Projects/ Programmes, Activities, monitoring mechanism, Implementing Agencies, Expenditure details as well as the composition of the CSR Committee of the Board, as required under the Act.

Interpretation

In case of any conflict between the provisions of this Policy and provisions of any applicable law, the provisions of the applicable law shall prevail over this Policy. Any subsequent amendments/modifications in the provisions of applicable law shall automatically apply to this Policy.

Policy review and amendment

The Board of Directors may revise/ amend this CSR Policy based on the recommendations of the CSR committee from time to time, as may be required under the Companies Act, 2013 or the Rules framed thereunder.
