

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR) BHARAT ALUMINIUM COMPANY LIMITED (BALCO)

BALCO's vision is "to empower and support communities specially neighborhood communities in achieving greater economic and social well-being". Our social license to operate comes from government, neighborhood communities and particularly people of Chhattisgarh. Our growth has meaning only when it creates progressive opportunities for people around us.

POLICY OBJECTIVE

Bharat Aluminium Company Limited ('BALCO' or 'the Company') is committed to conduct its business in a socially responsible, ethical, and environment friendly manner and to continuously work towards improving quality of life of communities around its operational areas and beyond.

This Policy provides guidance in achieving the above objective, especially to do with community betterment.

COMPANY PHILOSOPHY

BALCO is committed to the principles of sustainable development; protecting human life, health and environment; ensuring social well-being and bringing prosperity to communities. We have a well-established history and commitment to reinvest in the social good of our neighborhood and nation.

We believe, that

- we can positively impact and contribute to the realization of integrated and inclusive development of the country, in partnership with National Government, and other local, national and international partners
- sustainable development of our businesses is dependent on sustainable, long lasting and mutually beneficial relationships with our stakeholders, especially our neighborhood communities
- as a socially responsible entity our programs are aligned to community needs, national priorities and the United Nation's Sustainable Development Goals

FRAMEWORK

I. Geographical Reach –

BALCO's focus areas for community development projects will be the States in which it has operations subject to the guidelines issued by the State government in this regard. The Company may also periodically take up programs of national importance outside its core States.

II. CSR Thematic Areas –

BALCO's CSR will focus on Education; Sustainable Livelihoods; Women's Empowerment; Health, Water & Sanitation; Sports & Culture; Environment & Safety; and Community Development including Community Assets Creation. The initiatives are targeted to enrich communities and such as are best suited for company-community collaboration for long term outcomes and impacts. BALCO will proactively seek to encourage and involve its own employees in community initiatives.

III. Implementation and Management of CSR -

a) Delivery Mechanism –

BALCO shall consider following implementation models for delivering its CSR programs.

- i. Through forming partnerships with third parties such as registered civil society/NGOs, Academic and training institutions, Corporates, and community groups.
- ii. In House implementation by BALCO – including design and delivery of the project.

The preferred route for implementation will be through partnerships – with civil society organizations, government and others. BALCO may also consider participation in larger projects/programs where more than one Corporate / National/ Multi-lateral/ International agencies are involved.

b) Governance Mechanism -

BALCO shall have following governance mechanism –

- i. BALCO Executive Committee (ExCo)/Management Committee (ManCom), which will review the annual CSR plan & budget including the progress of the programs once every quarter.
- ii. BALCO CSR Committee, which will meet at least once a year to review and recommend annual CSR plan/ budget to the Board, ensure that CSR activities being undertaken are as per the Board policy and review the progress of the CSR activities.

c) Monitoring Mechanism –

BALCO shall monitor and review the programs in following manner –

- i. Internal reviews by CSR team.

- ii. **Baseline/need & impact assessment** of overall CSR interventions once every three years through independent agency.
- iii. Company shall undertake an **impact assessment** of every CSR project with a total outlay of Rupees One crore or more. Such an assessment will be undertaken 12 months (or more) after project completion.
- iv. **Audit** - All CSR activities and expenses made thereon will be subject to an audit by auditor appointed by Vedanta group CSR.

IV. CSR EXPENDITURE

- a) It will be the Company's endeavour to spend in every financial year, two percent of its average net profits during the three immediately preceding financial years (or such other limit as may be prescribed under the Act), on CSR Programmes in pursuance of this Policy.
- b) The CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the CSR Plan.
- c) If CSR expenditure in a financial year exceeds the statutory limit, such excess may be set-off against CSR expenditure for the next three financial years with the approval of the Board, on the recommendation of the CSR Committee.

V. The surplus arising out of CSR projects or programs or activities shall not form part of business profits.

VI. The CSR activities are as per Annexure I or any other activity specified in Schedule VII of the Companies Act, 2013.

RESPONSIBILITY

The responsibility for CSR compliance can be broadly classified in below manner:

a) CSR Team –

- i. Identification & Implementation of CSR projects;
- ii. CSR Compliance;
- iii. Regular reporting including periodic need & impact assessment

b) Management –

- i. Review of implementation of CSR Projects;
- ii. Review of overall CSR Compliance;

c) CSR Committee –

- i. Formulation and recommendation of CSR policy;
- ii. Review and recommendation of CSR Budget and CSR projects to the Company Board.

d) Board –

- i. To approve the CSR Policy of the company after considering the recommendations given by the CSR committee;
- ii. To approve the CSR Budget;
- iii. To ensure that the statutory specified amount is spend by the company on CSR activities.

REVIEW OF POLICY

This Corporate Social Responsibility (hereinafter referred to as 'CSR') Policy is framed in terms of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Corporate Social Responsibility Policy) Amended Rules, 2021 (hereinafter referred to as 'the CSR Rules').

This policy document will be reviewed from time to time and changes, if necessary, will be approved by the Board on the recommendation of the CSR Committee of the Company.



Abhijit Pati
Chief Executive Officer & Director

Date: 19th May, 2021

Annexure – I**BALCO's CSR Activities****Education**

1. Project Connect-Vedanta Study Centre
2. Programs for Early childhood Care
3. Setting up Model Anganwadis/Nand Ghar
4. Support to Educational Initiatives
5. Support for the Differently Abled
6. Scholarships and financial support to students
7. Coaching Programs

Sustainable Livelihoods

1. Land and Water Management/Climate Change Project: Farm based Interventions enhancing agricultural and livestock productivity
2. Skill Development of Youth – Vedanta Skill School & support for other vocational, technical & professional trainings

Women's Empowerment

1. Promotion and formation of Unnati Self Help Groups
2. Promotion of livelihood among SHG women
3. Skill building of women in various trades

Health, Water and Sanitation

1. Primary healthcare services through Rural Health posts
2. Organizing Health and awareness camps
3. Initiatives on eradication of malnutrition
4. Initiatives to create awareness among women and adolescent girls on Menstrual Hygiene and Hygiene
5. COVID-19 relief measures and support for countering any such pandemic
6. Build/ enhance/ support hospital and health initiatives
7. Drinking water facilities in rural areas
8. Watershed Development
9. Sanitation facilities in the area

Sports & Culture

1. Supporting sports tournaments for community
2. Organizing/supporting cultural events
3. Promotion of tribal art and cultural heritage

Environment & Safety

1. Plantation activities
2. Promotion of solar energy or any such interventions
3. Undertaking safety initiatives for community

Community Development including Community Assets Creation

1. Building/ upgrading community- based rural infrastructure like community buildings, roads, upgradation of facilities, etc.

Additionally, company may take up any other activity as specified in Schedule VII of the Companies Act, 2013.