



**THE INSTITUTE OF
Company Secretaries of India**
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
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SUPPLEMENT

PROFESSIONAL PROGRAMME

CSR

&

Social Governance

(FOR JUNE 2025 EXAMINATION)

GROUP 1

PAPER 4.1

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Lesson 1

CORPORATE SOCIAL RESPONSIBILITY

1. CSR in the pre-mandated period

- i. The tradition of 'giving' has been deeply entrenched in the culture of India for community, religious and spiritual causes. The concept daana (giving), karma (fate) and seva (service) in Hinduism; zakat (almsgiving) and sadaqat (voluntary offerings) in Islam; and of bhiksha (food given as alms) in Buddhism emphasize giving.
- ii. Institution-based voluntary donations have been existent since the medieval era, with more organized forms of philanthropy emerging with the advent of industrialization in the 19th century.
- iii. The growth of CSR in India can be seen in four distinct phases. They are as follow:
 - **1st phase (1850-1914):**
CSR, seen primarily in the form of donations by big industrialists and not for strategic purposes. In 1860, India legally recognized the existence of non-profit groups through the Societies Registration Act leading to the emergence of numerous non-profit organizations and philanthropic foundations.
 - **2nd phase (1914-1960):**
CSR assumed the shape of support towards social and cultural causes associated with the nationalist movement. Focus on tackling widespread poverty especially at the village level gained traction at the beginning of the 20th century. Mahatma' Gandhi's model of trusteeship inspired numerous wealthy individuals and industrialists to contribute to society in a larger capacity.
 - **3rd phase (1960-80):**
As the environment of mistrust grew especially as companies engaged in questionable business practices, the contribution of the sector declined. Post-independence evidenced the government assuming a larger role in development efforts and social welfare, with the participation of corporate sector slowing down.
 - **4th phase (1980 onwards):**
The liberalization of the Indian economy in 1991 and emergence of strong civil society saw the emergence of CSR as a strategic undertaking by companies going beyond the traditional form of donations, with numerous domestic and foreign charities and foundations also being setup.

Significant Milestones in Evolution of Responsible Business	
Year	Event
2009	Corporate Voluntary Guidelines released to encourage corporates to voluntarily achieve high standards of Corporate Governance
2011	Endorsement of United Nations Guiding Principles on Business & Human Rights by India
2011	National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released to mainstream the concept of business responsibility
2012	Securities and Exchange Board of India (SEBI) mandates top 100 listed companies by market capitalization to file <i>Business Responsibility Reports (BRR)</i> based on NVGs.
2013	Enactment of the Companies Act, 2013
2014	Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) comes in to force.
2015	High Level Committee on CSR (HLC-2015) under the chairmanship of Shri. Anil Bajjal makes recommendations on the CSR framework and stakeholder concerns.
2015	SEBI extends BRR reporting to top 500 companies by market capitalization.
2016	Companies Law Committee reviews the recommendations of HLC-2015 for adoption.
2018	The Second High-Level Committee on CSR constituted under the Chairmanship of Shri. Injeti Srinivas, Secretary, Corporate Affairs to review the CSR framework
2018	Committee on Business Responsibility reporting constituted under the chairmanship of Shri. Gyaneshwar Kumar Singh, Joint Secretary, Corporate Affairs
2018	Zero Draft of National Action Plan on Business and Human Rights released by Ministry of Corporate Affairs
2019	National Guidelines on Responsible Business Conduct released.
2019	SEBI extends BRR reporting to top 1000 companies by market capitalization.

Source: Social Impact Assessment of Corporate Social Responsibility in India, (Evaluation Period: FY14-15 to FY19-20) NITI Aayog

2. CSR in the European Union

- The European Union, in its Green Paper on Corporate Social Responsibility, defined CSR as ‘the voluntary integration of companies’ social and environmental concerns in their business operations and in their interaction with their stakeholders.’
- However, there are no defined CSR performance standards in European countries. For example, despite the fact that some government regulations are being developed and implemented, as was the case with the fossil fuels tax in France, there are no global CSR laws. Similarly, there is no such policy that requires companies to reduce their greenhouse gas emissions or that forces them to implement a waste reduction strategy.
- Although, big and public interest companies are expected to communicate extra financial information with regards to how they are handling with their environmental and social challenges.

3. CSR in the United States of America

- CSR in the United States of America is characterized by voluntary societal engagements by businesses since they are not obliged to undertake any social and environmental responsibility practices.
- The Corporate Social Responsibility (CSR) team in the Bureau of Economic and Business Affairs is given the responsibility of engaging with U.S. businesses for the promotion of responsible and ethical business practices.
- In spite of no CSR mandate, the United States of America is by far the largest and most active philanthropic sector in the world. In 2019, Americans donated USD 450 billion for philanthropic purposes i.e., ~2% of the US GDP, of which high net worth individuals/families contributed ~69%, foundations contributed 17% and corporates contributed 5% i.e., USD 21 billion.

4. CSR in South America

- In Brazil, CSR disclosure is not mandatory and there is no formal report form or measures for CSR disclosures. However, there are few initiatives that make CSR announcements compulsory.
- In Peru, all companies listed on Lima's Stock Exchange are mandated under law to report on sustainability practices. The law follows the "comply or explain" principle; In other words, Peruvian companies are required to disclose information, but they can also decide not to disclose information and explain the reasons for it.

5. CSR in Asia

- Philanthropy has been deeply rooted in the history and culture of Asian economies. **India** and **Nepal** have mandated spends on CSR by corporates. Indian companies with a net worth of INR 500 cr + or a turnover of INR 1000 cr +, or a net profit of INR 5 cr + must donate at least 2% of their net profit to CSR activities. On the other hand, Nepalese corporations with revenues above US\$1.3 million are mandated to spend 1% of their profits to CSR. Unlike India where companies exercise control over their CSR spending, the Nepalese government collects the CSR funds and directs them to charitable organizations.
- **China's** Company Law merely requires all companies to "undertake social responsibility." The Government of the Republic of China has issued directives for state-owned companies and export companies to encourage CSR as a way to create a "harmonious society" and improve the international image of the country. Government procurement from the social sector is one of the most significant reforms, adopted by China in 2004 when the government began outsourcing social service delivery to social organizations. According to the Doing Good Index 2020, China procures more services from SDOs than any other economy: 63% of Chinese respondents have government contracts compared

to the Asian average of 26%.

- **Indonesia** requires corporations operating in the oil, gas and mining sectors to invest 2% of their profits in CSR programs. However, due to the vague language and lack of enforcement mechanisms, these laws are effectively voluntary. In 2018, the government also implemented an amendment to the Government Procurement Regulation to facilitate the procurement of SDO services in research, capacity building, social mobilization and community-based construction.
- **Japan** has turned funds in dormant accounts into more resources for the social sector. The Japan Dormant Deposits Utilization Act, which came into effect in 2018, allows funds in dormant bank accounts to be directed towards meeting social needs. The law is estimated to have allocated approximately US\$28 million (~INR 200 cr) to social issues in 2019.
- Corporate funding and support have traditionally played an important role in the social sector in **Korea**. Of surveyed SDOs, 55% receive corporate funding, higher than the Asian average. **Korea** has been the first Asian country to introduce a legal framework for the certification of social enterprises, which grants them access to various kinds of benefits such as preferential procurement, subsidies and loans has seen a decrease in push from government to corporate sector to donate; rather the government has been focusing more on sustainable management practices. Corporations are moving beyond charitable giving to corporate social responsibility and creating shared value.

Lesson 2

CSR POLICY

1. CORPORATE SOCIAL RESPONSIBILITY POLICY OF ICICI BANK

Last amended on June 29, 2024

A. Introduction

Corporate Social Responsibility (CSR) is the commitment of companies to provide resources and support activities focused on enhancing economic and social development. It is the effort made by companies to improve the living conditions of the local area in which they operate and the society at large. The activities taken up as part of corporate social responsibility reflect the intent to create a positive impact on society without seeking any commensurate monetary benefits. CSR has been a long-standing commitment at ICICI Bank and the ICICI Group and forms an integral part of our activities. The Bank's contribution to social sector development includes several pioneering interventions, and is implemented through the involvement of stakeholders within the Bank, the Group and the broader community. The Bank established the ICICI Foundation for Inclusive Growth (ICICI Foundation) in 2008 with a view to significantly expand the ICICI Group's activities in the area of CSR. Over the last few years, ICICI Foundation has undertaken many initiatives in specific areas, and has built capabilities for direct project implementation as opposed to extending financial support to other organisations. ICICI Bank's objective is to pro-actively support meaningful socio-economic development in India and enable a larger number of people to participate in and benefit from India's economic progress. This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society. ICICI Bank aims to identify critical areas of development that require investments and intervention, and which can help to realize society's potential for growth and prosperity. The Corporate Social Responsibility Policy (CSR Policy) of the Bank sets out the framework guiding the Bank's CSR activities. The Policy also sets out the rules that need to be adhered to while taking up and implementing CSR activities.

B. Scope of Corporate Social Responsibility policy

The CSR policy would pertain to all activities undertaken by the Bank towards fulfilling its corporate social responsibility objectives. The CSR policy is in line with section 135 of the Companies Act, 2013 (the Act) and rules/ regulations thereunder. The following government notifications also guide the framework for CSR activities to be undertaken by the Bank:

- The Companies (Corporate Social Responsibility Policy) Amendment Rules 2021
- The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022
- Schedule VII of the Companies Act, 2013 as amended from time to time
- FAQs on CSR issued by the Ministry of Corporate Affairs from time to time

C. Governance structure

The Corporate Social Responsibility Committee (CSR Committee) will recommend to the Board the CSR Policy and CSR activities and plan, and review compliance with the same by the Bank. The CSR Committee would comprise of three or more Directors including at least one independent Director. The Bank has a CSR Committee which is duly constituted in accordance with the provisions of the Act with respect to its composition and terms of reference.

D. Operating framework

1. While the major CSR activities will be undertaken in focus areas identified by the CSR Committee, the Bank can undertake activities that qualify as CSR under Schedule VII of the Companies Act, 2013 and rules relating to CSR as amended from time to time.
2. A CSR plan shall be presented to the CSR Committee and, based on its recommendations, to the Board of Directors of the Bank for approval.
3. CSR activities may be undertaken by the Bank, or by/ through ICICI Foundation.
4. The Bank may also make contributions directly to entities for CSR-eligible projects. The funding of projects by such entities could be either in the form of donations, or grants, or sponsorships or milestone-based for projects. Such entities and projects shall be supported after ascertaining the credibility of the agency and its track record in implementing projects. The entity shall generally have a track record of three years in implementing such projects. Such entities shall be registered with the Central Government and will have a CSR registration number.
5. The responsibility for implementation of identified activities/projects shall be as per the organizational structure of the Bank and as approved by the CSR Committee and the Board.
6. The annual action plan shall incorporate the following:
 - i. The prescribed outlay on CSR as per the Act and related rules as amended from time to time;
 - ii. Key CSR activities proposed to be undertaken during the year, including analysis of their eligibility for classification as CSR under Schedule VII of the Act and related rules as amended from time to time, their conformity with the CSR Policy, provided that the Bank may directly or via ICICI Foundation or any other eligible entity undertake other eligible activities based on urgency and need arising out of circumstances such as natural disasters and emergencies;
 - iii. Proposed outlay on each activity and the schedule for implementation of each activity;
 - iv. The manner of execution of the project or programme;
 - v. The modalities of utilization of funds and implementation;
 - vi. Any excess CSR spends of previous three years that has to be offset against the prescribed outlay; vii. Activities to be undertaken by ICICI Foundation and the Bank's contribution to ICICI Foundation; viii. Activities to be undertaken by the Bank directly;
 - vii. Activities to be undertaken by other entities and the Bank's contribution to such entities;
 - viii. Mechanism of monitoring and reporting of the activities;

- ix. Impact assessment through a third party of any CSR Project/activities that have outlays of at least ₹10.0 million and have completed at least one year and meet specific conditions as prescribed in the Act and related rules as amended from time to time; and
 - x. Aggregate proposed outlay and action plan for spending shortfall, if any, compared to the prescribed outlay.
7. The authority to incur expenditures under the above plan shall be as per the approved Delegation of Financial Powers in the Bank.
 8. Funds would be disbursed either in tranches or as one-time payment. The terms, conditions and timing of disbursement would be conditional upon the nature and requirement of the CSR project or programme.
 9. The Bank may make contributions in the form of donations, grants, sponsorships or project support either to government funds specified in Schedule VII of the Act or any other entity or fund after due verification of the implementing agency and conformity to the activities approved by the Board.
 10. Surplus arising from CSR activities will be ploughed back into the same project, or transferred into the Unspent CSR Account and spent as per the CSR Policy and annual action plan or transferred to a fund specified in Schedule VII of the Act, within a period of six months of the end of the financial year.
 11. Pursuant to an ongoing project, any amount remaining unspent in a financial year would be transferred within a period of thirty days from the end of the financial year to the Unspent CSR Account and such amount will be spent within a period of three financial years towards the project. In the event the amount is not spent, it will be transferred to a fund specified in Schedule VII of the Act within 30 days from the date of completion of the third financial year.
 12. Pursuant to CSR spending on other than on-going projects, any amount remaining unspent in a financial year would be transferred to a fund specified in Schedule VII of the Act within six months of the end of the financial year.
 13. The Bank would ensure that the CSR amount spent for creation or acquisition of a capital asset would be held in accordance with the Act.

E. Monitoring

The Board of Directors, on the recommendation of the CSR Committee, shall ensure a transparent monitoring mechanism for CSR activities.

1. The CSR Committee shall review the progress of CSR activities at least twice a year, including the annual review.
2. The Performance, Information & Value Management Group under the Group Chief Financial Officer shall be responsible for monitoring expense on CSR activities with respect to the plan and submission of the same to the CSR Committee and the Board.
3. The Board of Directors shall review the progress of CSR activities and monitoring of projects as per the annual action plan every six months.
4. The Bank shall undertake impact assessment of projects as approved by the Board in the CSR action plan and as per extant rules and regulations.

F. Disclosure

The Bank shall disclose the CSR Policy and the projects approved by the Board of Directors

for the financial year on its website. The Bank shall, as part of the Directors' Report included in the Bank's Annual report, include the information as per regulatory reporting and any other statutory requirements. The information shall also be displayed on the Bank's website.

G. Corporate Social Responsibility Activities

The CSR Committee would identify the focus areas, from amongst the themes specified in Schedule VII of the Act, for initiatives to be undertaken by the Bank as CSR. While the major CSR activities will be undertaken in focus areas identified by the CSR Committee, the Bank may undertake activities that qualify as CSR under Schedule VII of the Companies Act, 2013 and rules relating to CSR, as amended from time to time, based on urgency and need arising out of circumstances such as natural disasters and emergencies.

Guiding principles for selecting CSR projects or programmes and implementation will be as follows:

- i. Selection of CSR projects or programmes would depend on the areas of focus recommended by the CSR Committee and approved by the Board of Directors, and in activities that are in compliance with the areas or subject as specified in Schedule VII of the Act;
- ii. Projects or programmes undertaken shall be either on-going projects of over one year or projects completed within the financial year;
- iii. For engaging any third party for CSR activities, other than ICICI Foundation, the Bank shall conform to regulatory requirements and ensure the third party is registered with the central government and has a CSR registration number and fulfils any other condition(s) for an implementing agency as laid out under the CSR Rules issued by the Ministry of Corporate Affairs (MCA);
- iv. Enhanced due diligence may be performed at the time of engaging a third party, other than ICICI Foundation, for undertaking a CSR activity. This would include checking for negative news on the entity and its promoter(s), verifying possibility of misuse of funds or anti-money laundering and seeking clarifications if required on any matter of relevance. Due diligence may also be undertaken for activities that have been recommended by any public official or third party, including those with whom the Bank may have business relations;
- v. Ensure that the CSR activities undertaken are non-discriminatory, apolitical and have no religious affiliations;
- vi. Any project or programme that is exclusively for the benefit of the Bank's employees would not be considered as CSR;
- vii. Any surplus generated out of the CSR activities shall be ploughed back for CSR activities or transferred to funds as per Schedule VII of the Act or as required by regulation;

The primary focus areas for the Bank for CSR activities are:

1. Education

(Schedule VII (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects)

Education represents a critical area of action to realise India's growth potential as also make it inclusive, by enabling children from all sections of society to have access to quality basic education that equips them for taking up higher education or job oriented skill training. At the same time, India's institutions of higher learning also require investment in capacity building and infrastructure to support India's growing and evolving needs and become global centres of excellence. With the growth and rising complexity of financial needs and available products & services, financial education & counselling is a key area requiring attention. At the same time, educating a wider population on environmental and socially relevant issues is also necessary to increase awareness among the masses. The Bank can focus on activities in these areas and endeavour to improve the quality of education, including education through digital medium and awareness on relevant issues.

2. Health Care

(Schedule VII (i) Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation including contribution to Swach Bharat Kosh and making available safe drinking water; (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 socially and economically backward groups; (x) Rural development projects). The healthcare challenge in India spans a number of dimensions, including access to affordable healthcare; awareness of health issues & available facilities/benefits among the less privileged segments of society and specific vulnerable sections of the population. Addressing this challenge is essential to achieve the objective of inclusive growth. The Bank may work to improve the delivery of healthcare, access to healthcare facilities, facilitating healthcare for society at large, improving nutrition and promoting preventive healthcare through activities like awareness campaigns. The Bank may also support initiatives to make available clean and safe drinking water.

3. Skill development and sustainable livelihoods

(Schedule VII (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects; (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 socially and economically backward groups; (x) Rural development projects) Enabling India's youth to gain skills that can improve employment opportunities is key to realizing the potential of India's demographic dividend and driving inclusive growth. Improving employability of the youth from lower-income sections of society is hence an important focus area. The Bank will focus on providing skill training and improving livelihood opportunities of marginalized segments of the population. In the rural areas, the Bank will participate in enhancing the village economy by providing locally

relevant skills and facilitate linkages to markets to create sustainable livelihood opportunities for the beneficiaries. The Bank can also work on strengthening value chain for various agri, agri allied and non-agri products/services for improving the livelihood prospects for villagers as well as improvement in overall value generation. The activities can cover aspects of improving nutrition, waste land development, sanitation and waste management and other eligible areas.

4. Environmental projects

(Schedule VII (iv) 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 Clean Ganga Fund set up for rejuvenation of river Ganga). Protecting environmental resources and ensuring adoption of environment-friendly practices is important to ensure sustainable and self-sustaining local economies. The Bank will focus on activities promoting environmental sustainability. This can include activities relating to soil conservation, water harvesting, management of natural resources, sustainable agricultural practices and other eligible activities. Encouraging families to become self-sufficient and creating an ecosystem that is environmentally and socially sustainable may be another focussed initiative. The Bank may also work on maintaining/improving the ecology, afforestation, waste water recycling, animal welfare, addressing human-wildlife conflict and other eligible areas.

5. Rural development through financial inclusion and literacy

(Schedule VII (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 socially and economically backward groups (x) Rural development projects). The Bank strongly believes that to improve the overall economic condition of the low-income population and to empower them with means to overcome adversities or inequalities, access to financial services is an important factor. Increasing the participation of the rural population as well as the urban poor and migrant workers in the economic mainstream is imperative for India to leverage its growth potential. The Bank recognizes the need for critical interventions in promoting rural development and will initiate programmes that would empower the rural people. The Bank's initiatives in this area include using various channels like branches and business correspondents, and leveraging technology, to make banking services accessible to low-income groups and the rural population, including the urban poor and migrant workers. The Bank will continue to focus on further expanding outreach and increasing the number of customers with access to banking services, with special focus on rural and under-banked/unbanked areas. The Bank will also promote use of technology and digital channels to enable financial transactions that are convenient. The Bank can also work in areas relating to financial needs and available products & services, financial education and counselling, digital literacy and inclusion.

6. Support employee engagement in CSR activities

The Bank supports the involvement of its employees in CSR activities. The Bank will encourage employees to participate in CSR activities of the Bank and ICICI Foundation.

7. Capacity building for corporate social responsibility

ICICI Bank, through ICICI Foundation, can promote incubation of expertise for implementing corporate social responsibility initiatives. It may also work towards providing a platform for organisations engaged in social initiatives, and discussion & thought leadership on critical challenges to inclusive growth. The Bank and ICICI Foundation can continue to support initiatives that promote individual and corporate philanthropy.

8. Other areas

ICICI Bank will continue to provide support to specific needs such as during natural disasters, through financial as well as logistical support. Further, the Bank can support any other activities that are conforming to Schedule VII of the Act as amended from time to time, and any new areas that may be notified by the government and qualify for CSR.

References

1. <https://www.icicibank.com/content/dam/icicibank/managed-assets/docs/about-us/ICICI-Bank-CSR-Policy.pdf>

2. CORPORATE SOCIAL RESPONSIBILITY POLICY OF NTPC

2022 Revision

Preamble

NTPC has set its vision and mission reflecting NTPC's goal and present work.

Vision: "To be the World's Leading Power Company, Energizing India's Growth.

Mission: "Provide Reliable Power and Related Solutions in an Economical, Efficient and Environment Friendly Manner, Driven by Innovation and Agility."

Sustainability and Corporate Social Responsibility objective

- To deliver business and environmental value through projects which are beneficial for business and the larger ecosystem.
- To ensure sustainable power development by ensuring minimal wastage across operations.
- To actively contribute towards societal development.
- To lead the sector in the areas of environment protection including effective ash-utilization, peripheral development and energy conservation practices.

NTPC has following policies in place to actualize its CSR objectives:

1. Initial Community Development Policy (ICD) - 2009
2. Resettlement and Rehabilitation Policy – 2017
3. CSR & SD Policy – 2019

This revision of CSR policy-2019 is brought out to have a greater strategic orientation with more connect with stakeholders and an outcome centric approach.

CSR policy is intended to be in conformity with the provisions of Companies Act 2013 and DPE Guidelines on CSR, as applicable.

Purpose

The purpose of this policy is to make CSR activities aligned so that they are:

- Focused on broad areas of Education, Water, Health and Sanitation, bringing maximum value to the society and the organization
- Outcome centric, rather than activity based
- Monitored in terms of impact and opportunity for improvement
- Useful in instilling confidence in stakeholders through effective communication

Applicability

This policy is applicable to

- All NTPC locations in India.

- Formulation, implementation, monitoring, evaluation, documentation and reporting of CSR activities taken up by NTPC anywhere in India.

Scope

- NTPC CSR efforts are focused on Local Area/immediate vicinity of its stations/locations.
- The Geographical limits of a district & adjacent area within 10 km where NTPC has its presence shall be considered as “local area” for CSR activities. In addition to the CSR activities in the local areas, NTPC shall also undertake CSR activities outside it. The indicative ratio of CSR spends between the local areas and outside would be approximately 70:30. However, projects/ activities executed under the directives of GoI or of foremost concern in the national development agenda will be outside the purview of this ratio.
- The CSR committee is authorized to approve any project, irrespective of the amount involved, which is beyond the above ratio.
- NTPC may take up CSR activities in areas beyond the district depending on specific requirements like natural calamity, requirements for key communities, type and nature of projects, GoI directive and other strategic activities.

Guiding principles

The following principles guide the design of our CSR activities:

- *Self-Supported and Sustainable:* During planning and selection, thrust shall be given on long term viability of activities which remain viable upon disengagement at the end of the project period. This will ensure that communities can operate and maintain the assets and systems created.
- *Low Cost - High Impact:* To adopt appropriate solutions to make the CSR activities more effective, cost efficient and impactful.
- *Long lasting enduring in nature:* Priority to be given to projects which will bring long term, sustainable and lasting benefits to the community.
- *Strategic alignment to core business:* In order to fully exploit the core competency and mobilise the resource capabilities in implementation of CSR activities, preference to be given to the CSR models requiring / supporting NTPC's strengths, capabilities and knowledge in a specific area.
- *Measurement and feedback-based outcome centric:* All CSR activities will have well-defined measures to assess impacts on target groups. For high impact projects, there may be an independent, third-party assessment and feedback will be a key input for redesign and / or rollout of further initiatives. NITI Aayog and MoSPI have mapped the Sustainable Development Goals (SDGs) in Indian context. NTPC CSR activities shall be suitably aligned to the same.

Governance

Board level CSR Committee ensures operating system and monitoring mechanism for development and implementation of CSR activities. CSR committee in NTPC constituted by Board of Directors as per extant CSR norms which consists of three or more directors, out of which at least one director is an independent director. To support the board level committee, NTPC has a Three-tier structure i.e. Corporate, Regional, Station level who are

responsible for planning, implementation, monitoring and reporting on CSR projects.

Three-tier structure

Level	Responsibility
Corporate	<ul style="list-style-type: none">• Policy formulation & MIS• Project selection• Budget planning• Monitoring & Evaluation• Capability development of NTPC CSR professionals
Region	<ul style="list-style-type: none">• Coordination for state/region level activities• Monitoring & Evaluation for regional level activities
Unit Level	<ul style="list-style-type: none">• Project selection and implementation• Budget planning• MIS

CSR Programme – Selection, Design, Delivery, Monitoring

Focus Areas

NTPC shall undertake activities in four focus areas as mentioned in section 2(a). The linkage of these areas to the activities mentioned in Schedule-VII, Section 135 of Companies Act. And List of activities mapped to Schedule-VII, Section 135. Majority of CSR programs taken up, shall be tailored to bring wide reaching, long lasting, impactful contribution to these focus areas.

Criteria for selection of CSR Activities

NTPC shall undertake the CSR activities conforming to any of the following:

1. Activities identified through need assessment survey periodically and/or inputs from panchayat, district administration, neighborhood community, various stakeholders including public representatives, Village Development Advisory Committee (VDAC) and
2. other participatory forums/bodies like interaction with senior management etc.
3. Identified activities should be in line with the list of activities specified in Schedule VII of the Companies Act 2013 & rules made there under.
4. Any other activity for benefit of community at large.

CSR PLANNING

Stations /Regions/CC of NTPC shall propose to Corporate CSR, an annual CSR action plan including budget for the financial year for their respective locations. The Corporate CSR department shall prepare a comprehensive annual Action Plan of CSR activities and Budget for the financial year based on the inputs received and put it up for approval of the CSR Committee. The CSR Committee shall recommend the Annual Action Plan to the Board for approval. However, the Board may alter such plan any time during the financial year as per the recommendation of the CSR Committee. Broadly, the CSR Annual Action Plan for CSR Activities will be in line with the CSR Strategy of NTPC and complying the extant rules/norms.

Delivery Mechanism

- i. CSR activities/projects/programs shall be undertaken by the company itself or-
 - (a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
 - (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
 - (c) any entity established under an Act of Parliament or a State legislature (Explanation. - For the purpose of clause the term "entity" shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.); or
 - (d) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- ii. By "NTPC Foundation", a charitable trust: With an objective to serve the society, "NTPC Foundation", a charitable trust has been set up by NTPC that takes up projects and programmes addressing domains of socio- economic concerns.
- iii. NTPC encourages volunteering by its employees and their family members under the banner "Employee Voluntary Organizations for initiatives in Community Engagement (EVOICE)"
- iv. The Corporation may collaborate with other Corporations/Companies/PSUs for undertaking projects or programs or CSR activities. However, CSR Committees of respective CPSEs/companies should be in a position to report separately on such projects or programs in accordance with the Companies (CSR) Rules. All the related requirements /provisions of the Companies Act 2013 in this regard shall be applicable.
- v. As far as possible every effort is made to ensure that approved CSR activities are implemented within the specified schedule.

Monitoring & Evaluation

1. The Monitoring and Review will be done at station and corporate level. Station level shall do local reviews, disseminate MIS and generate exception report. Review of company-wide CSR and budget utilization shall be done at corporate level.
2. Effectiveness of CSR programme will be assessed through both internal and external evaluation.
3. Progress will be measured against the findings of a need-assessment / baseline survey (Conducted prior to start of the project), wherever required.
4. Periodical audits will be carried out to verify effectiveness of implementation.
5. Impact Assessment shall be undertaken, through an independent agency, of CSR projects having outlay of Rs. 1 Crore Or more and which have completed not less than one year before undertaking the impact study. The expenditure for the impact

assessment shall be booked towards CSR for that financial year, which shall not exceed two percent of total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

6. In addition to the above, Social Impact Evaluation (SIE) may be done through credible external agencies for gauging impact of CSR initiatives, wherever required. Findings of SIE would form the basis for initiating corrective actions and formulating future schemes/ plans.
7. Success of large CSR projects will be assessed with improvement in developmental indicators.

Fund Allocation & Expenditure

- Fund allocation shall follow the GoI stipulated guidelines as issued from time to time. Surplus arising out of any CSR projects/ activities does not form part of business profit of NTPC. Funds allocated are earmarked for CSR activities approved by Board level CSR Committee. Any amount remaining unspent will be dealt with as per provisions of companies act.
- NTPC shall spend, minimum two percent (2%) of the average net profits made during the three immediately preceding financial years, for CSR activities.
- Major portion of the CSR budget will be allocated for activities in the vicinity of NTPC stations/locations as mentioned in clause 4 of this document.
- The Board shall ensure that the administrative overheads shall not exceed five percent (5%) of total CSR expenditure of the company for the financial year.
- In an event, where CSR expenditure is in excess of requirement as per section 135 of Companies Act, 2013, such excess amount may be set-off against the requirement to spend as per Section 135 of Act, up to immediate succeeding three financial years subject to the condition that
 - (a) this excess amount shall not include any surplus arising out of CSR projects; and
 - (b) Board of NTPC shall pass a resolution to this effect
- In the event, that amount mandated above is not spent in its entirety in that Financial Year, unspent amount shall be accounted for as per the provisions of the extant statute.
- Any capital asset created/acquired out of CSR funds shall be held by a company established under section 8 of the Companies Act, 2013, or a registered Public Trust or Registered Society having charitable objects and CSR Registration Number, or beneficiaries of the said project, in the form of self- help groups, collectives, entities or a Public Authority.

Reporting and Communication

Stations will communicate CSR related information including efforts, achievements etc. to stakeholders through

- Company's Annual Report including in Business Responsibility Report (BRR) Sustainability Report
- Local/ National print & visual media, conferences, workshops and other forums.
- Internal workshops, training, news bulletins, brochures, intranet etc. to be extensively used to create awareness about CSR initiatives, among internal stakeholders.

Review

- Any new provision arising out of amendments to the Companies Act, 2013 in the Companies (CSR Policy) Amendment Rules 2021, 2022 framed there under, shall be construed to be part of this policy
- In case of any contradiction between the policy and the CSR provisions of Companies (CSR Policy) Amendment Rules 2021, 2022, under companies act, 2013, the later shall prevail.
- The policy shall be reviewed every three years or sooner if necessitated by changes in business and regulatory framework.

References

1. <https://ntpc.co.in/sites/default/files/inline-files/NTPC%20Policy%20for%20CSR%202022-Revised%20%281%29.pdf>

3. CORPORATE SOCIAL RESPONSIBILITY POLICY OF INFOSYS LIMITED

Amended and effective April 18, 2024

1. CONTEXT

Infosys Limited (“**Infosys**” or “**Company**”) has been an early adopter of corporate social responsibility (“**CSR**”) initiatives. Along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth. The Company has established the Infosys Foundation and it may establish/ partner with other eligible entity / organization to fulfil its CSR commitments (“**CSR Implementing Agencies**) The Company’s focus has always been to contribute to the sustainable development of society and the environment, and to make our planet more liveable for future generations.

2. FOCUS AREAS

While the Company may undertake CSR activities which the Corporate Social Responsibility Committee of the Board (“**CSR Committee**”) may decide from time to time, in any areas or subjects in accordance with the requirements under the Companies Act, 2013 (the “**Act**”) and the rules / regulations framed thereunder and circulars / Clarifications issued thereunder (collectively, “**Applicable Law**”), Infosys’ CSR activities, amongst others, will focus on:

- (a) Hunger, Poverty, Malnutrition and Health
- (b) Education
- (c) Rural Development Projects
- (d) Gender Equality and Empowerment of Women
- (e) Environmental Sustainability
- (f) National Heritage, Art and Culture
- (g) Disaster Management

3. UNDERTAKING CSR ACTIVITIES

Infosys will undertake its CSR activities (being projects / programs / other permitted activities) either directly by itself or through CSR Implementing Agencies or in collaboration with other companies, as approved by the CSR Committee, in accordance with the requirements of Applicable Law.

Identification and implementation of multi-year CSR projects / programs (ongoing projects) will be monitored by the CSR Committee and the Board of Directors of the Company (“**Board**”), as required under Applicable Law.

4. CSR ANNUAL ACTION PLAN AND LOCATION OF CSR EFFORTS

The CSR Committee shall decide on the locations for CSR activities and formulate and recommend to the Board for approval a CSR annual action plan, which shall contain all matters which are required under Applicable Law and any other matters as the CSR Committee may deem fit from time to time. The Board may modify the annual action plan as per the recommendations of the CSR Committee at any time during the financial year, based on reasonable justification.

5. IMPACT ASSESSMENT

Impact assessment shall be undertaken by the Company or by recipient or by implementing agency as required by and in the manner set out under Applicable Law, and the impact assessment report(s) shall be placed before the CSR Committee and the Board, and shall be disclosed as legally required.

6. COMPOSITION OF CSR COMMITTEE AND DISCLOSURES

The CSR Committee shall be comprised in accordance with the requirements of Applicable Law. This Policy, details of the composition of the CSR Committee and projects approved by the Board shall be hosted on the Company's website at www.infosys.com.

7. FUNDING, SELECTION AND MONITORING PROCESS

Infosys’ CSR Committee will evaluate proposals received for CSR projects from the Infosys Foundations or other eligible implementing entities *inter alia* based on Company’s focus areas, assessment of potential impact of such proposals and any other criteria as may be determined by the CSR Committee and approve funding for any proposals for implementation at its discretion.

Infosys Foundation or other implementing / collaborating entity will work closely with and support the Board and the CSR Committee in carrying out the CSR activities of the Company. Infosys Foundation or such other implementing / collaborating entity will assist the CSR Committee in identifying the areas of CSR activities and execution of initiatives in such manner as may be mutually agreed. Infosys Foundation or such other entity will also assist the Board and the CSR Committee in reporting the progress of deployed initiatives and in making appropriate disclosures (internal / external) on a periodic basis.

Infosys' representatives will collaborate with the relevant implementing entity (Infosys Foundation or others) to monitor the status and utilization of funds for each project and will report its findings to the CSR Committee, the Board and the chief financial officer (CFO) of the Company periodically to enable them to meet their reporting, monitoring and other legal obligations.

In any year, where the Company has spent in excess of its CSR obligation, such excess spending shall be available for set off against the Company's CSR obligations for up to the next three financial years in accordance with Applicable Law, and the Board shall be competent to pass a resolution in this regard.

8. LIMITATION, REVIEW AND AMENDMENT

In the event of any conflict between the provisions of this Policy and of the Applicable Law, the provisions of Applicable Law shall prevail over this Policy. Any subsequent amendment / modification to the Applicable Law shall automatically apply to this Policy.

The CSR Committee may review this Policy periodically and recommend amendments for the Board's approval from time to time, as may be deemed necessary.

Lesson V

GUIDELINES ON CSR

1. Key CSR Contributing Firms in India

i. **ICICI Bank:** During fiscal 2024, the Bank's contribution towards social causes was 5.19 billion. The CSR initiatives were mainly in the areas of healthcare and sanitation, environmental and ecological projects, livelihood and social interventions focussed on meeting specific local needs. In the area of healthcare, support was extended for cancer care, cardiac care, eye care and trauma care by providing equipment, funds for surgeries, undertaking capacity building, organising eye screening camps and support for emergency care. In the area of environment and ecology, extensive watershed and rainwater harvesting projects were taken up during the year as part of water conservation projects. The Bank is also committed in contributing towards socio-economic development and, for the larger benefit of the society, is undertaking corporate social responsibility activities across the length and breadth of the country. Inter alia, they are as follows:

- (a) The Bank significantly increased the proportion of renewable energy in its total energy consumption from grid and on-site solar from 9% in fiscal 2023 to 35% in fiscal 2024. This was enabled through the procurement of green tariff power for the Bank's facilities in Maharashtra and in Hyderabad.
- (b) The Bank's total Scope 1 and 2 emissions declined by 15.7%, driven by a reduction in Scope 2 emissions by 19.7% during fiscal 2024.

(Scope 1 emissions include CO₂ emissions from the combustion of fuel in diesel-generating sets and company-owned vehicles, emissions due to loss of refrigerants and emissions due to CO₂ based fire extinguishers. The emissions from diesel-generating sets was estimated based on expenses on procurement of diesel and applying the lowest diesel price in the country to estimate quantity of diesel consumed. The emissions from fire extinguishers and owned vehicles was based on actual consumption.

Scope 2 emissions are due to electricity purchased from the grid. The estimation was based on actual consumption of electricity, and using the grid emission factor published by the Central Electricity Authority, India.)

- (c) Evaluation of the Bank's Scope 3 emissions in own operations was expanded to include the upstream categories of capital goods and employee commuting, apart from business travel.

(Scope 3 emissions for Capital goods have been estimated in accordance with the GHG Protocol. For the purpose, EXIOBASE 2019 emission factors have been considered. Scope 3 emissions for business-related travel by employees through modes like aircraft, train, buses, and cars have been estimated. Emissions from hotel stay during such travel is not included. For the purpose, DEFRA (Department for Environment, Food and Rural

Affairs) 2023 emission factors have been considered. Scope 3 emissions for employee commuting have been estimated based on an survey conducted. The Average-data method has been used for extrapolating to all employees. For the purpose, latest India GHG Program emission factors have been considered)

- (d) Better identification and management of risks relating to climate and ESG was an ongoing effort at the Bank, which involved sectoral analysis of hard-to-abate sectors to transition risks, and expanding the ESG risk assessment tool to more sectors.
- (e) Several communications relating to well-being were disseminated to employees through a dedicated portal, which included videos and webinars focussing on areas like health and fitness. The portal is also an avenue for employee volunteering in CSR activities.
- (f) Initiation of better monitoring and measurement of water and waste management efforts resulted in the BKC Service Centre (Corporate Office) getting a rating of 'Net Zero Waste' in the category of 'Net Zero Waste to Landfill (Operations)' by the Indian Green Building Council.
- (g) A dedicated section on ESG was introduced on the Bank's website to improve disclosures on our sustainability journey.
- (h) Continuous engagement with internal stakeholders to build awareness and create capabilities.
- (i) The Bank has initiated efforts to strengthen the governance on ESG data collation and reporting.
- (j) The Bank is committed to minimising the environmental impact of its operations and business.

ICICI Foundation engaged with marginal and landless farmers and provided support for agricultural value chain development, livestock rearing and skill development for livelihood. This effort benefited about 80,000 individuals across various projects in fiscal 2024. As part of social interventions, projects were undertaken based on local needs and enabling community welfare and included activities such as development of infrastructure in remote areas, promotion of financial literacy, and improvement of access to education among marginalised communities. For more details on ICICI Foundation's activities, refer to the Bank's ESG Report for fiscal 2024. (<https://www.icicibank.com/content/dam/icicibank/managed-assets/docs/investor/annual-reports/2024/annual-report-of-icici-bank-2023-24.pdf>)

- ii. **NTPC Limited:** The Company's focus areas of CSR activities are Health, Sanitation, Safe Drinking Water and Education. Moreover, Capacity Building of the youth, Women Empowerment, Social Infrastructure Development, livelihood creation through support for implementation of innovative agriculture & livestock development, support to Physically Challenged Person (PCPs), and for the activities contributing towards Environment Sustainability have also been taken up. The Company is committed to contribute to the society, discharging its Corporate Social Responsibilities through initiatives that have positive impact on the society, especially the community in the neighborhood of its operations by improving the quality of life of the people, promoting inclusive growth and environmental

sustainability. Considering Inclusive Growth and Environment Sustainability and to supplement Government efforts, activities are also taken up in other parts of the country. During the year 2023-24, 581 villages and more than 558 schools have been benefitted on various CSR initiatives at different locations. The Company's CSR initiatives have touched, in one way or the other, the lives of around 16 lakhs people residing at remote locations. In FY 2023-24, NTPC (Standalone) spent Rs. 425.76 cr on CSR on various sectors such as Rural Development, Sports Art & Culture, Environmental Sustainability & Animal Health, Empowerment of Women and other Economically Backward Sections, Education and Skill Development, Eradicating Hunger and poverty and Health Care, Sanitation and Drinking Water. None of NTPC operating entities witnessed any significant actual or potential negative impacts on local communities in reporting year. NTPC Foundation, established to serve and empower the differently abled and economically weaker sections, including women, undertakes projects addressing socio-economic concerns. Key programs include the Girl Empowerment Mission (GEM), Utkarsh Scholarships, and Disability Rehabilitation Centers (DRCs). NTPC Foundation, a charitable trust, is registered with the central government (CSR-1 certification) for CSR activities under the revised Companies (CSR Policy) Rules, 2021. (<https://ntpc.co.in/sites/default/files/annual-report/complete-reports/Annual%20Report%202023-24.pdf>)

iii. **Reliance Foundation (RF):** The Reliance Foundation, the CSR arm of Reliance Industries has had a massive impact on Indian society, impacting 36 million people across India in more than 37,000 villages and several urban locations across India. The foundation focuses on rural development, healthcare, education, sports, disaster response, urban development, and art, culture and heritage through its programs and initiatives, spending Rs. 1,271 crore in FY 2020-2023 towards supporting a number of needs based, impactful CSR initiatives. The foundation uses a direct engagement model and leverages technology and innovation to achieve its 3 core values: Scale, Impact and Sustainability. (<https://www.ril.com/sites/default/files/2023-08/CSR202223.pdf>)

iv. **Oil and Natural Gas Corporation (ONGC):** ONGC through its CSR Projects has been reaching out to marginalized and deprived sections of its local communities and bridging developmental gaps primarily in the thrust areas of Healthcare, Education, Skill Development, Promoting Art and Culture, Environmental Conservation and other focus areas specified under Section 135 of the Schedule VII of the Companies Act, 2013. The developmental activities initiated by the company have been consciously directed towards betterment of the Human Developmental Indices of the country, thereby also fulfilling the objectives of the UN sustainability development goal. ONGC's CSR initiatives have resulted in spends of over Rs. 4748.92 Cr. during FY 2022-23. Following the government direction, 33% of CSR funding has been on the Swachh Bharat projects. (<https://ongcindia.com/documents/77751/2660534/CSR AR FY2022-23.pdf/210ce2c6-c63a-5997-d2e3-51e6d3cd05f5>)

- v. **Hindustan Unilever Foundation (HUF):** HUL's CSR policy follows its parent company, Unilever's Sustainable Living Plan (USLP) which aims to empower a billion people to take action to improve their health and wellbeing, reduce the environmental footprint of their products and enhance the livelihoods of people across the world. In addition, and specific to India - as India is a water-scarce region and water availability is expected to go down further, HUL has identified water as a key area of intervention by creating capacities in conserving water through significant investments in partnership with relevant stakeholders with the objective of water conservation which is carried out through HUF - the HUL foundation which operates the "Water for Good" program. While HUL actually spent Rs. 201.32 crore during FY 2022-23, the remaining Rs. 7 crore which the company was obligated to spend, was deposited in the unspent CSR Account as per Section 135(6) of the Companies Act. (<https://thecsrjournal.in/csr-report-hul-spent-116-crore-rupees-on-corporate-social-responsibility/>)
- vi. **Mahindra & Mahindra:** The M&M group, set up a CSR council in 2004 and committed 1% of profit after tax for CSR initiatives. The council kept 0.5% and the remaining was given to various group companies for spending on CSR Projects. [35] Post the Companies Act, 2013, the group increased its CSR spending to 2% profit before tax, where CSR council spends 1% and the other 1% is given to individual companies to spend on CSR. The group continues to create social impact through CSR in the areas of education, livelihoods, and skill development. 16 The M&M Group has now further streamlined their CSR operations and brought the CSR activities of their different companies under the unified umbrella of 'Rise for Good', allowing the group to act with greater efficiency, and managing and tracking the CSR activities better. Mahindra has demonstrated its commitment to corporate social responsibility (CSR) through a total CSR spending of Rs. 582.2 crore from FY19 to FY23. This significant investment showcases the company's dedication to creating a positive impact on society. Tech Mahindra is a multi-dimensional digital transformation specialist with a focus on human-centric experience and ESG-focused digital solutions. (<https://indiacsr.in/csr-analysis-tech-mahindra-spends-rs-582-2-cr-in-5-years/>)
- vii. **Tata Motors:** In 2014, we designed and adopted a comprehensive 4-pillar approach to harmonise our nationwide CSR initiatives with a clear mandate to address some of India's most critical and social challenges across the domains of Health (Aarogya), Education (Vidyadhanam), Employability (Kaushalya) and Environment (Vasudhara). Capabilities, experience and expertise acquired by individual units and teams in each of these fields led to the creation and execution of focused interventions with clearly defined outcomes and remarkable results. In 2014, we synchronised our diverse and distinct locational, Do-It-Yourself CSR programmes to create Harmonised Programmes across all locations based on a Common Minimum Programme, with a focus on proximate communities. To

complement this and as a response to the Sustainable Development Goals, we adopted a **Human Life Cycle** Approach, establishing linkages between programmes for the age continuum of beneficiaries. The “**More from Less for More**” philosophy replaced our dependence on allocations from the plant revenue budget and opened the doors to multi-stakeholder partnerships with the immense opportunity to tap Government Schemes and our ecosystem to expand the corpus, scale and impact of our CSR interventions. A key addition to our CSR Strategy was the concerted effort made in **2017** to adopt digital technologies into its various programmes to ensure replicability and scale. Five years later, in **2019**, the success of some of these programmes allowed us to consolidate with the use of digital technologies and convergence to achieve nation-wide scale and impact. Tata motors CSR initiatives have resulted in spends of over 20.81 Cr in FY 2020-2023. (<https://www.tatamotors.com/wp-content/uploads/2023/10/annual-csr-report-2022-23.pdf>)
