
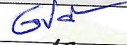

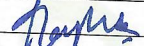



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Standard Operating Procedure
Operation: Corporate Function
Periodic review date: 31st March 2024


Name	Reason for Signature	Signature	Date of Signature
Function			
Varsha Gnanaskandan – Business Controller	Author		20/10/23
Manish Khandelwal – Chief Financial Officer	Reviewer		20/10/23
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1. PURPOSE AND OBJECTIVES


UNS Corporate Social Responsibility (“CSR”) program is built on shared values and the commitment of our employees to live those values. CSR is strongly connected with the principles of Sustainability; 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 UNS to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

UNS recognizes that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. UNS endeavors to make CSR a key business process for sustainable development. UNS is responsible to continuously enhance shareholders wealth; it is also committed to its other stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society.

Our Policy is based per the provision under section 135 of the Companies Act 2013 (“**Act**”) and Companies (Corporate Social Responsibility) Rules, 2014 (“**Rules**”), made thereunder including amendments thereto.

Philanthropy - Powering Potential

- Powering Potential, UNS’s philanthropic focus, is designed to help others in need by concentrating on basic needs and workforce development.
- UNS believes in working with community partners by providing food, clothing, and shelter to those who require immediate help. Emphasize on providing education, health and social care to the under privileged children and needy elderly citizens.¹
- The company's workforce development investments are designed to individuals from under-privileged backgrounds have better access to employment through job training, education, mentoring and skills development, adding a rung to the ladder of opportunity.
- At the heart, UNS charitable giving is about lifting others.

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2. STATEMENT

At UNS, we are invested in our people, market integrity and our world. UNS is vigilant in its enforcement towards corporate principles and is committed towards sustainable development and inclusive growth with our main objective to protect environment and to create awareness in the area of sustainability and the responsibility to be a good corporate citizen. The company 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.

- a) **Invested in market integrity:** Contributing to the well-being of the markets in which we operate through the resiliency and effectiveness of our operations, as well as demonstrating high standards of excellence and integrity within the industry.
- b) **Invested in our people:** Providing our talented, diverse workforce the opportunities and training they need to contribute and succeed.
- c) **Invested in our world:** Making local communities better places to live and work in and contributing to solutions for important global issues.

3. DEFINITIONS

- a) **Administrative Overheads** means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.
- b) Administrative overheads generally comprise of items such as employee costs, utilities, office supplies, legal expenses, etc. However, expenses which are attributed to the project implementation shall be included in project cost only
- c) **Board** means the Board of Directors of the Company.
- d) **Corporate Social Responsibility or CSR** means and includes but is not limited to
 - i. Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013; or
 - ii. Projects or programs relating to activities undertaken by the Company in pursuance of the recommendations of the CSR Committee and approved by the Board as per this policy.

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- e) **CSR Committee** means Corporate Social Responsibility Committee constituted by the Board pursuant to Section 135 of the Companies Act, 2013.
- f) **Ongoing Project** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.
- g) **Net Profit** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013 but shall not include the following viz:-
- i. Any profit from any overseas branch or branches of the Company whether operated as a separate Company or otherwise and
 - ii. Any dividend received from other Companies in India, which are covered under and complying with the provisions of Section 135 of the Companies Act, 2013.

Words and expressions used in this Policy and not defined herein but defined under the Companies Act, 2013 shall have the meanings respectively assigned to them therein.


4. COMMITTEE

The CSR Committee members shall be nominated by the Board from time to time per the provisions of the Act and Rules. The Board of UNS has power to nominate/change/induct members of CSR Committee.

5. MEETINGS

Committee shall meet per the provisions of the Act.


(Note: Where the amount required to be spent by a company on CSR does not exceed fifty lakh rupees, the requirement for constitution of the CSR Committee is not mandatory and the functions of the CSR Committee, in such cases, shall be discharged by the Board of Directors of the company)

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6. ROLES & RESPONSIBILITIES OF THE BOARD

CSR is a Board-driven process. Roles and responsibilities of the Board of Directors of UNS include:

- a) Approve the CSR Policy after taking into consideration the recommendations made by the CSR committee.
- b) Approve the annual action plan after taking into consideration the recommendations of the CSR committee.
- c) Review and approve projects that were initially not approved as a multi-year project, but whose duration has been extended beyond one year.
- d) To monitor the implementation of ongoing projects and to ensure that the funds are utilized for approved purpose and the same shall be certified by the Chief Financial Officer or Person in charge of finance.
- e) Ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its CSR Policy.
- f) Satisfy itself that the funds disbursed for the CSR activities have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- g) Ensure that CSR activities included in the CSR Policy are undertaken by UNS and that such activities are related to the activities specified in Schedule VII of the Act.
- h) Include in the Board's Report an annual report on CSR containing particulars in the prescribed format.
- ï) if the company fails to spend at least two per cent of the average net profits of the company, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and transfer the unspent CSR amount as per provisions of sections 135(5) and 135(6) of the Act.
- j) Ensure disclosure of the contents of the CSR Policy on UNS's website, if any.


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7. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

- a) Formulate and recommend the CSR Policy to the Board, which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013.
- b) Review and recommend any amendments to be made in the CSR policy of the Company.
- c) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a).
- d) Monitor the CSR Policy of the company from time to time;
- e) Formalize a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- f) Devise proper implementation/execution schedule in consultation with CSR Team for each project/program.
- g) Review and recommend projects that were initially not approved as a multi-year project but whose duration has been extended beyond one year.
- h) Formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy.
- i) Review and recommend to the Board any amendments to be made to the annual action plan.
- j) Review/monitor the process of projects or programs.
- k) Carry out such other functions as may be required towards CSR as per instructions of the Board.

8. CSR ACTIVITIES

- a) UNS's CSR activities shall focus on the activities as mentioned in Appendix 1, which are broadly classified under the following categories:
 - i. Healthcare Projects
 - ii. Sanitation
 - iii. Education
 - iv. Any other activities covered under Schedule VII

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- b) The CSR activities shall be undertaken in locations within India. UNS shall give preference to the local areas from where it operates while considering the activities to be undertaken and spending the amount earmarked for CSR activities.

CSR expenditure can be incurred in multiple modes:

- i. **Activities route**, which is a direct mode wherein a company undertakes the CSR projects or programs as per Schedule VII of the Act, either by itself or by engaging implementing agencies as prescribed in Companies (CSR Policy) Rules, 2014.
- ii. **'Contribution to funds route'**, which allows the contributions to various funds as specified in Schedule VII of the Act. (Swachh Bharat Kosh, Clean Ganga Fund, Prime Minister's Natural Relief Fund)
- iii. **Contribution to incubators and R&D projects**, as specified in item (ix)(a) and contribution to institutes/organizations, engaged in research and development activity, as specified under item (ix)(b) of Schedule VII of the Act.

9. IMPLEMENTATION OF CSR ACTIVITIES


- a) The Board may decide to undertake and implement its CSR activities by itself or through:
- i. a section 8 company, or a registered Public Trust, or a registered Society registered u/s 12A & 80G of Income Tax Act, 1961 established by the company, either singly or along with any other company, or
 - ii. a company established under section 8, or a registered trust or a registered society, established by the Central Government or State Government; or
 - iii. any entity established under an Act of Parliament or a State legislature; or
 - iv. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having track record of at least 3 years in undertaking similar activities.
 - v. An international organization cannot act as an implementing agency. Pursuant to rule 4(3) of the Companies (CSR Policy) Rules, 2014, a company can engage international organizations for the limited purposes of designing, monitoring, and evaluation of the CSR projects or programmes, or for capacity building of personnel of the company involved in CSR activities.

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- b) In case activities are undertaken through the above-mentioned entities, UNS shall specify the project or programs to be undertaken through these entities, the modalities of utilization of the funds on such projects and programs and the monitoring & reporting mechanism.
- c) UNS shall take into account the restrictions and compliances under Foreign Contribution and Regulation Act and rules framed under such Act, while undertaking CSR activities.
- d) Implementation and execution of the CSR activities/projects shall be carried out through CSR team of UNS.
- e) CSR Committee shall have full discretion to specify or modify the modalities of execution of CSR projects or programs and to determine implementation schedules.
- f) UNS shall undertake the CSR activities directly and also through various implementing agencies such as, NGOs, non-profit organizations, etc. Such implementing agencies shall have an established track record as prescribed under the law. **(NOTE:** Every implementing agency mentioned in rule 4(1) of the Companies (CSR Policy) Rules, 2014 shall mandatorily register itself in the MCA21 portal w.e.f. 01st April 2021 in order to enable it to undertake CSR activities on behalf of the company)
- g) UNS may also collaborate or pool resources with other companies to undertake CSR activities in such a manner that each company is in a position to report separately on such CSR projects.
- h) Below activities do not qualify as CSR Activities under the Act:
 - i. Projects or activities not falling within Schedule VII of the Act.
 - ii. Activities undertaken in pursuance of normal course of business.
 - iii. Projects or programs or activities that benefit only the employees of and their families.
 - iv. Direct or indirect contribution to any political party.

10. CSR CORPUS / EXPENDITURE


- a) CSR Corpus available for expenditure shall be calculated per the provisions of the Act and CSR Rules as amended from time to time.
- b) CSR Expenditure shall mean all expenditure incurred in respect of specific projects/programs relating to the abovementioned approved CSR activities.

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- c) CSR Expenditure shall not include expenditure on an item not in conformity or not in line with activities which fall within the purview of the CSR activities listed in Schedule VII.
- d) CSR Expenditure shall not include projects or programs or activities undertaken outside India.
- e) The surplus arising out of the CSR activities will have to be ploughed back into the same project or will have to be transferred to the Unspent CSR Account and spent in pursuance of CSR Policy and annual action plan or such surplus amount will have to be transferred to a Fund specified in Schedule VII, within a period of 6 months of the expiry of the financial year.
- f) Administrative Overheads shall not exceed 5% of the total CSR expenditure of the company for the financial year.
- g) A maximum of either 5 percent of CSR Expenditure or INR 50,00,000 (Indian Rupees fifty lakh) whichever is less may be booked as impact assessment expenditure.
- h) Any excess amount spent in a financial year can be set off against the requirement to spend in subsequent financial years up to immediate succeeding three financial years provided that the excess amount available for set off shall not include the surplus arising out of the CSR activities.
- i) Expenditure should be made in projects/program mode. Expenditure on one off events like such as marathons/ awards/ charitable contribution/ advertisement will not qualify for eligible expenditure for CSR purpose. Expenditure to discharge statutory obligation will not form part of CSR expenditure under the Act.

11. REVIEW & MONITOR

- a) It shall be the responsibility of the CSR Committee to review expenditure and monitor activities periodically.
- b) Records relating to the CSR activities/expenditure shall be maintained. The records shall be submitted for reporting and audit.
- c) The CSR architecture is disclosure-based and CSR-mandated companies are required to file details of CSR activities annually in MCA21 registry. UNS are required to make necessary disclosures in the financial statements regarding CSR including non-compliance.

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- d) The existing legal provisions such as mandatory disclosures, accountability of the CSR Committee and the Board, and provisions for audit of accounts of the company provide sufficient mechanisms for monitoring.

12. IMPACT ASSESSMENT

In case the Company has average CSR obligation of Rs. 10,00,00,000 (Indian Rupees ten crore) or more in the 3 (three) immediately preceding financial years shall undertake impact assessment through an independent agency for projects of Rs. 1,00,00,000 (Indian Rupees one crore) or more which have been completed not less than 1 (one) year before undertaking the impact study.

13. REPORTING & DISCLOSURES

- a) The contents of the CSR Policy and composition of the CSR Committee are required to be disclosed on the website, if any, of the UNS.
- b) At the end of each Financial Year, the Board's Report required to include an annual report on CSR containing particulars in the prescribed format specified in Annexure I or Annexure II of the said rules, as applicable.
- c) All projects approved by the Board.

14. APPENDIX 1

CSR activities include:

- a) Healthcare Projects
b) Sanitation
c) Education
d) Any other activities covered under Schedule VII as amended from time to time

15. DOCUMENT HISTORY

Version Number	Previous Effective Date	Description of change
NA	NA	NA

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