

CORPORATE SOCIAL RESPONSIBILITY POLICY

Policy Name	Draeger Safety India Private Limited CSR Policy
Policy Statement Summary	The CSR Policy focuses on addressing critical social, environmental and economic needs of the marginalized/underprivileged sections of the society
Issue date	December 12 th , 2019
Effective date	December 12 th , 2019
Review cycle	Annually
Owner / Contact	Managing Director
Approver	CSR Committee

STATEMENT OF PURPOSE

The key purpose of this policy is to:

- Define what CSR means to the Company
- Define the kind of projects that will be covered under the ambit of CSR in line with Schedule VII of the Companies Act, 2013
- Identify broad areas of intervention in which the Company will undertake projects
- Serve as a guiding document to help execute and monitor CSR projects
- Explain criteria for selecting implementation partners
- Explain the manner in which the surpluses from CSR projects will be treated

RESPONSIBILITY

The CSR Committee of Draeger Safety India Private Limited will review, update, and approve the CSR policy at least annually. Draeger Safety India Private Limited (“DSIPL”) is committed to grow in a socially and environmentally responsible manner, and as a result DSIPL strives to contribute to socially responsible activities. DSIPL’s CSR initiative aims at having a long-term sustainable impact on the community.

1. VISION & OBJECTIVES

DSIPL’s CSR Vision is to contribute to the social and economic development of the community. The Company’s strategy is to integrate its activities in community development, social responsibility and environmental responsibility and encourage each of its employees and business function to include these considerations into its operations.

CSR activities shall be undertaken as projects, programs of activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company.

2. SCOPE

The CSR Policy (the “Policy”) shall be applicable to all CSR initiatives and activities undertaken by DSIPL and all its employees for the welfare and sustainable development benefit of different segments of the society at large. This Policy is in line with the Section 135 of the Companies Act, 2013 (the “Act”) and the rules made thereunder. The Policy would function as a self-regulating mechanism for the Company’s CSR Activities and enable adherence to laws, ethical standards and international best practices in this regard. This policy will apply to all projects/programs

undertaken as a part of the Company's CSR Activities and will be developed, reviewed and updated by reference to the relevant codes of Corporate Governance and best practices.

3. GOVERNANCE / CSR COMMITTEE

Keeping in line with Section 135 of the Companies Act 2013 read with applicable rules thereon, the CSR governance structure at the Company shall be formed and will be headed by a Board. The CSR Committee (the "Committee"), shall consist of the Board of Directors of the Company in light of the private character of our organization. The Committee will be ultimately responsible for overseeing all the CSR activities of the Company. The Committee will report to the Company's Board of Directors. As the Company's CSR activities evolve further, this policy may be revised/updated with the approval of the Committee.

Responsibilities of the Committee:

The Committee shall meet at least once a year, the following shall be the terms of reference of the Committee:

- To formulate Company's CSR strategy, policy and goals;
- To recommend the amount of expenditure to be incurred on CSR activities;
- To monitor Company's CSR policy and performance;
- To review CSR projects/initiatives from time to time;
- To ensure regulatory compliance from CSR perspective;
- To ensure reporting and communication to the relevant stakeholders on the Company's CSR projects/initiatives.

The CSR activity within the Company will be executed by the Managing Director.

The Managing Director may designate certain employees within the Company ("CSR Team") to execute specific projects but will continue to retain full responsibility for the overall delivery and success of the CSR activity.

4. CSR BUDGET & EXPENDITURE

4.1. Budget

The annual budget for DSIPL CSR initiative shall be reviewed by the CSR Committee and recommended to the Board. The allocation of funds to specific projects or initiatives within the major heads may be decided by the Committee.

All projects undertaken by the Company will be approved / ratified by the Committee.

4.2. Expenditure

CSR spending may include the application of any of the assets or properties of the Company to a CSR project or program. Where any such property or asset is so utilized by the Company, the lower of its fair value or WDV shall be treated as the monetary amount of the spending. Any direct and/or indirect expenses incurred by the Company in accordance to this Policy for projects or programs relating to CSR activities shall be construed as CSR expenditure. It shall be the endeavour of the Company to fund projects and activities based on their merits and to the extent that is appropriate as determined by the CSR Board. The spending in any given financial year will

be established solely on the basis of the merits of the projects and activities identified in that particular year.

4.3. Treatment of Surpluses

Any surplus generated from CSR projects undertaken by the Company will be tracked and re-channelled into the Company's CSR corpus. The total amount rechanneled in such manner will be counted while calculating the total amount spent on CSR projects in that year.

CSR FOCUS AREAS

While the list of the specific CSR activities which the Company will undertake in any given year will be approved by the Committee at the beginning of each year, CSR efforts will broadly cover the following activities permitted under the Act:

- Promoting health care including preventive health care and sanitation;
- Eradicating hunger, poverty and malnutrition;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintain quality of soil, air & water
- Protection of national Heritage, art and culture including restoration of buildings and sites of historical importance and works of art; and setting up public libraries; promotion and development of traditional arts and handicrafts;
- Measure for benefits of armed forces veterans, war widows and their dependents;
- Contribution to Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects
- Slum area development

6. IMPLEMENTATION PROCESS

CSR programs will be implemented through a combination of:

(a) Company's Employees

Employee volunteering in execution, monitoring and evaluation of CSR programs is one of the key pillars of implementation strategy. It is expected that the employees will work in scoping opportunities for CSR activity and to the extent possible, get involved in actually implementing the activities.

(b) NGO partners, registered societies etc. (hereinafter collectively referred to as

“Specialized External Agencies”). Such agencies should be eligible for carrying out the CSR project. The Company will select its partners after appropriate due diligence.

(c) Incubators within academic institutions which are approved by the Government.

7. EXECUTING CSR ACTIVITIES THROUGH CLIENTS OR EXTERNAL SPECIALIZED AGENCIES

As described in Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company may carry out CSR activity by partnering with clients or through an External Specialized Agency. In either case, the Company will adhere to the following guiding principles:

(a) Where a CSR project is executed through an existing Client:

- The Client must be an existing client of the Company with the loan exposure in Current status.
- The Client must have a track record in carrying out its business for a period to the satisfaction of the Committee of not less than 3 years.
- No director of the Company may be associated or affiliated as a trustee, governing body member or in any other manner with the Client and no personal benefit, directly or indirectly, should flow from such Client to any such director.
- The funding provided by the Company must be used only for the project which has been identified by the Client and must not be paid to the Company or in any manner, adjusted against any loan commitments by the Client.
- The Client shall provide specific project agenda, targets, target spending, accomplishments, manner of execution, etc.
- The disbursement of funds to the Client for the project that has been identified must be done on a progressive basis so as to align with the funding needs of the project, and to permit the evaluation of the activity carried so far.
- The Client must provide periodic reports, to the satisfaction of the Committee, about execution of the project.

(b) Where a CSR project is executed through an External Specialized Agency:

- The Agency must be eligible for carrying the CSR Project, and must have track record in carrying similar project for a period to the satisfaction of the Committee, but not less than 3 years. Subject to the above, any director of the Company may be associated/ affiliated as a trustee, governing body member or in any other manner with the Agency, provided that no personal benefit, directly or indirectly, should flow from such Agency to any such director.
- The Committee shall provide specific Project agenda, targets, target spending, accomplishments, manner of execution, etc. to the Agency.
- The disbursement of funds to the Agency must be done on a progressive basis so as to align with the funding needs of the Project, and to permit the evaluation of the activity carried so far.
- The Agency must provide periodic reports, to the satisfaction of the Committee, about execution of the Project.

8. MONITORING, EVALUATION & REPORTING

8.1 MONITORING & EVALUATION

The Committee shall institute a well-defined evaluation mechanism to ensure that each CSR activity which is to be funded fulfils the following:

- Clear objectives;
- Clear targets, timelines and measurable parameters, where possible;
- A progress monitoring and reporting framework that is aligned with the requirements of the Act and the CSR Rules;
- Designated staff within the Company would have the responsibility of monitoring approved projects and funds disbursements for such projects. Monitoring mechanism would include visits, meeting and regular project status reports to the Committee;
- The Committee shall periodically monitor and evaluate the performance of the projects and achievement of targets including the spending thereon;
- The Committee shall review the reasons for Company's inability, if any, in spending the allocated amount or in meeting the timelines for execution of its projects.

8.2 REPORTING

The CSR Team will share regular reports with the Committee on the projects undertaken and will also ensure annual reporting in the format recommended in the CSR rules as part of the Company's Annual Report. The Board will be kept apprised at regular intervals regarding the status and progress of CSR activities.

9. AMENDMENT / MODIFICATION

Based on changing requirements of the target beneficiaries and make such modification(s), as may be necessary, the Committee may amend or modify this Policy from time to time, subject to approval of the Board.