

**Jamshedpur Continuous Annealing & Processing Company Private Limited
(JCAPCPL)**

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
*Constituted on March 31, 2015***

**Principles, Responsibility & Governance
("Charter")**

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Process Owner: The Company Secretary

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Glossary

“Act” or CA”	implies the Companies Act, 2013 and the Rules thereunder as amended from time to time
“Board”	implies Board of Directors of JCAPCPL
“Chairperson”	implies chairperson of the Committee
“Committee”	implies the Corporate Social Responsibility Committee
“Company”	implies Jamshedpur Continuous Annealing & Processing Company Private Limited
“Directors”	implies all the Directors on the Board.
“NED/ Non-Executive Director”	implies Directors other than MD/ED

Any other term not defined herein shall have the same meaning as defined in the Act or any other applicable law or regulation.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE CHARTER

1. PRINCIPLES & OBJECTIVES OF THE COMMITTEE

1.1. The Board has constituted Corporate Social Responsibility (CSR) Committee in accordance with the provisions of the Act on March 31, 2015 and adopted the CSR Policy to outline the role, responsibilities and power of the Committee and the procedure for organizing the meeting of the Committee.

1.2. The Committee is a Quasi Governance or Quasi management body, which will assist the Board to formulate, monitor and review the CSR strategy and policy of the Company and the amount of expenditure to be incurred on CSR activities. The Committee will also assist the management to formulate, implement and review policies, principles and practices to foster the sustainable growth of the Company that creates value consistent with the long-term preservation and enhancement of financial, manufactured, natural, social, human and intellectual capital.

2. COMPOSITION OF THE COMMITTEE

2.1 The Committee shall be appointed by the Board and shall comprise three or more Directors as members. [CA Sec.135].

2.2 The Chairperson of the Committee shall be nominated and appointed by the Board, who should preferably be a non-executive Director.

3. MEETINGS & QUORUM

3.1 The Committee shall meet as often as needed to discuss the matters relating to the CSR activities of the Company. It is however recommended that the Committee meet at least two to three times during the year.

3.2 The Committee may invite such Directors, company executives or any other person, as it considers appropriate to be present at the meetings of the Committee with the permission of the Chairperson.

3.3 The quorum necessary for transacting business at a meeting of the Committee shall be at least one member from both the promoters.

3.4 The Chairperson of the Committee, in consultation with other members of the Committee shall be responsible for establishing the agenda for meetings of the Committee.

3.5 If the Chairperson of the meeting is not present at a meeting of the Committee, the members present may elect another member from amongst themselves to act as a Chairperson for that meeting.

3.6 The Company Secretary shall act as the Secretary to the Committee Meetings and shall attend the meetings of the Committee. The Secretary will be responsible for taking adequate minutes of the proceedings and ensuring 'Action Taken Report' is presented in the subsequent meeting.

3.7 The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio-visual means including telepresence as deemed appropriate.

4. AUTHORITY & POWER

The Committee shall have the powers to seek any information or explanation from any employee or Director of the Company that is necessary to discharge its duties under the terms of reference. The Committee may also engage advisers, consultants or legal counsel as deemed appropriate and necessary.

5. ROLES & RESPONSIBILITIES OF THE COMMITTEE

The responsibilities of the Committee shall be the following:

5.1 Formulate and recommend to the Board, the CSR Policy. Recommend the activities and expenditure to be incurred by the Company under the CSR Policy and monitor the same. [CA Section 135 (3)]

5.2 Review and monitor the CSR activities to ensure that the Company is in compliance with the Act and all relevant regulations. [CA Sec. 135]

5.3 Formulate and recommend to the Board, an annual action plan in accordance with the CSR Policy, which shall include:

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act
- (b) the manner of execution of such projects or programmes;
- (c) the modalities of utilization of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company.

5.4 Discuss with the management, its perspective on social trends and public issues, and concerns which they believe may affect the Company's business activities or performance and make recommendations to the Board

regarding how the Company should respond to these trends, issues and concerns to more effectively achieve its business and CSR goals.

- 5.5 Review management's position on key stakeholder expectations involving Corporate Social Responsibility and provide perspectives for the Board's consideration.
- 5.6 Review on a continuing basis, the partnerships and relationships, both current and proposed that support the Company's sustainable growth.
- 5.7 Review the Company's annual CSR report prior to its issuance.
- 5.8 Review benchmarking of the policies, systems and monitoring processes against global best practices in CSR.
- 5.9 Review and recommend to the Board the annual budget for CSR.
- 5.10 Review quarterly reports by management on CSR initiatives.
- 5.11 Review on a continuous basis, the Company's communication strategies relating to Corporate Social Responsibility and sustainable growth.
- 5.12 Review whether the Company's disclosure requirements on CSR are in compliance with the Act.
- 5.13 Review and assess the remit and reports of any audit processes to gain assurance over the CSR activities.
- 5.14 Oversee the company's conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen.
- 5.15 Oversee activities impacting the quality of life of various stakeholders.
- 5.16 Assist management in formulation, implementation and review of policies, principles and practices to foster the sustainable growth of the Company that creates value consistent with the long-term preservation and enhancement of financial, manufactured, natural, social, human and intellectual capital.
- 5.17 Provide formal feedback to the Board on the matters discussed by the Committee.
- 5.18 Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

6. REPORTING & DISCLOSURE

- 6.1 The Committee will report to the Board.
- 6.2 The Committee will submit an annual report to the Board for it to include in the Board's Report details about the policy developed and implemented by the company on CSR initiatives taken during the year. [CA Sec 134 (3)(o) & Sec 135 (2)]
- 6.3 The annual report of the Company shall disclose: [CA Sec 92(1)(f)]
 - a. The composition of the Committee (including names of the members and Chairperson)
 - b. Brief description of the terms of reference of the Committee.
 - c. Number of meetings and attendance. [CA Sec 94(1)(f)]
- 6.4 The Company shall disclose the composition of the CSR Committee, the CSR Policy and the projects approved by the Board on the website of the Company. [CA Sec 135(4) and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

7. COMPENSATION OF THE COMMITTEE

Non-Executive Directors of the Committee may receive such sitting fees and / or commission, if any, for their services as Committee members, as may be determined by the Board at its discretion from time to time.

8. EVALUATION OF THE COMMITTEE

- 8.1 Committee shall define its key priorities and goals for the year and evaluate its performance on an annual basis.
- 8.2 It will adopt a self-evaluation mechanism to assess its performance. Each member of the Committee shall fill the evaluation questionnaire provided for in **Annexure** and submit the same to the Chairman of the Committee.
- 8.3 The self-evaluation report in terms of the Committee Report will need to be provided to the Board. This report should also highlight any exceptional items that have been mandated by the Board which have not been carried out by the Committee. A discussion on this report with the Board may then be facilitated by the Chairman of the Committee.

9. REVIEW OF THE CHARTER

The adequacy of this Charter shall be reviewed and reassessed by the Committee periodically and appropriate recommendations shall be made to the Board to update the Charter based on the changes that may be brought about due to any regulatory amendments or otherwise.

10. CONFIDENTIALITY

The members of the Committee shall not disclose, in particular, the information contained in the confidential reports they receive or the contents of confidential discussions. They shall also ensure that any employees appointed to support them likewise comply with this rule.

11. COMPLIANCE RESPONSIBILITY

Compliance of this charter shall be the responsibility of the Company Secretary of the Company who shall have the power to ask for any information or clarifications from the management in this regard.

Annexure

Corporate Social Responsibility Committee of the Board Self Review Template

(To be filled in by each member of the Committee to evaluate the performance of the Committee as a whole)

This questionnaire has been designed to evaluate the committee. Every question would need to be evaluated on a 5 point scale as given below. The questionnaire also provides for space for qualitative comments

Strongly disagree	Neither agree nor disagree	Strongly Agree
1	2	3
		4
		5

SN	Parameters for Self-Evaluation		Scale
1	Degree of fulfilment of key responsibilities	The committee effectively performs the responsibilities as outlined in the charter	
		The mandate of the committee is sufficient in addressing the objectives for which it was set up by the Board	
2	Adequacy of Committee Composition – The committee.... Effectiveness of meetingsis staffed adequately (in terms of size, skills/ expertise, experience) to carry out the responsibilities	
		The frequency of committee meetings is adequate	
		The agenda discussed in the meetings is clear and realistic in terms of number and nature of items to be covered	
		Time allotted for every meeting is adequate to cover most of the agenda items	
		Information provided for the meeting is adequate, timely and presented in a way that facilitates productive discussion (i.e. material is relevant with the right amount of detail and is “reader friendly”)	
		Sufficient time is spent in discussing critical issues/ issues of strategic importance	
		The committee does not wander into unwanted minutiae or tangents while discussing agenda items	
		Appropriate balance is maintained in analyzing the past, discussing current issues and planning for future	

		Discussions/ decisions made in the meeting show a large degree of alignment with the overall company strategy	
		There is an effective system for monitoring and driving closure of critical post meeting actions/ decisions	
3	Committee dynamics	All members have clarity of their role and responsibilities	
		All members feel free to speak their mind and contribute effectively on key issues	
		There is cohesiveness in the overall working of the committee	
		There is adequate dialogue and participation from members on critical issues/ issues of strategic importance	
		Conflict/ differences of opinion between members are managed Constructively	
		Members are respectful to each other	
4	Quality of relationship of the committee with the Board and the management	There is clarity between the Board, management and committee with respect to the role played by the committee	
		There is good coordination and cohesiveness in the working of the Board, management and the committee	
		Committee members are accessible to senior management employees	
		Adequate opportunities are availed by the committee to be exposed to the company's management and to understand the company's products and operations	
		The Board and the management show a high degree of responsiveness/ acceptance of the guidance/ direction provided by the committee	

Name of the Member :

Signature :

Date :

JCAPCPL CSR POLICY

The Company has always endeavored to conduct its business in a responsible manner and be mindful of its social accountability, respecting applicable laws and with regard for human dignity. The Company's long-term CSR objective is "to improve the quality of life of the communities we serve globally through long term value creation for all stakeholders", which is in alignment with the Tata Group Core Purpose.

The Company shall allocate at least 2% of its average net profits before taxes of the preceding three financial years, towards CSR activities to sustain and improve a healthy and prosperous environment and to improve the quality of life of the communities it serves. The Company may also utilize its products and services as suitable for its CSR activities. Any surpluses arising out of CSR projects or programmes or activities shall not form part of the business profits of the Company and shall be utilized in the manner specified in the Companies Act, 2013 and Rules there under.

The company shall strive to positively impact and influence its employees and partners in fostering a sense of social commitment for their stakeholders.

Focused Geographic Spread

JCAPCPL's focus areas for developmental activities will be in urban as well as rural areas in the states in which it is located.

The Company may also support initiatives in other geographies, as approved by the CSR & Sustainability Committee of the Board, from time to time.

While the Company will ensure that all communities benefit from its CSR activities, the focus will be on those groups that are socially and economically marginalized. These would include women, girl children and scheduled castes and tribes.

CSR Focus Areas

JCAPCPL's CSR in alignment with the Tata Group focus initiatives (Skills, Water, Governance, Education) will focus on four thrust areas – Education, Health, Livelihoods and Rural and Urban infrastructure. Besides, it will also undertake Interventions in the areas of sports, disaster relief, environment and ethnicity etc. (Refer **Annexure A**), all aimed at improving the quality of life of the communities.

Approach

The Company's CSR will revolve around six guiding principles – Impact, Partnerships, Affirmative Action, Volunteerism, Communication and Innovation. (Refer **Annexure B**)

Delivery Mechanism

Whilst a considerable part of the CSR efforts of JCAPCPL will be implemented by an in-house CSR Team, the Company will also partner with credible organizations – individually or as a consortium such as Tata Steel Foundation and other Societies, Trusts and Section 8 companies to design, fund, implement and review projects in line with the Provisions of the Companies Act, 2013 and Rules thereunder. Partner agencies will be selected based on well-defined selection criteria.

Governance Mechanism

JCAPCPL's CSR will have a multi-tiered governance mechanism.

Board of Directors

- At the helm of the governance mechanism is the Board of Directors who shall have the overall responsibility to ensure that the funds disbursed towards CSR activities have been utilized for such purposes and in the manner as approved by the Board.

Corporate Social Responsibility Committee

- The Board of Directors shall constitute a CSR Committee of the Board. The CSR Committee of the Board will oversee the CSR activities of the company from time to time. The CSR Committee will recommend the Annual CSR Action Plan to the Board for its approval. The plan will *inter alia* include resource requirements and allocation across CSR Activities and locations.

Apex CSR Steering Committee

- An Apex CSR Steering Committee chaired by the Managing Director and comprising the senior management team of JCAPCPL will carry out a quarterly review of the activities and monitor achievements against targets set at the beginning of the year.

Chief Financial Officer

- The Chief Financial Officer of the Company shall, on an annual basis, certify to the Board of Directors with respect to the utilization of funds earmarked towards CSR Activities.

Review of Policy

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

	Annexure-A: CSR Intervention	
CSR Theme	CSR Programmes and Initiatives	Ref to Sch VII of CA,2013
Education	<ul style="list-style-type: none"> • Setting up and running educational institutions and hostels • Setting up and running mid-day meal kitchens • Training of teachers and headmasters • Improving quality of education in existing schools • Augmenting and supporting infrastructure in educational institutions • Offering scholarships and financial assistance to needy and meritorious students • Bridging drop-out children and mainstreaming them to formal schools • Developing educational material and methodologies • Supporting and promoting co-curricular activities • Advocacy of best practices • Education for mainstreaming disabled children 	I & II
Health	<ul style="list-style-type: none"> • Setting up and running clinics and hospitals • Running mobile medical vans and ambulances • Organizing health camps • Providing financial assistance to needy patients, on a case-to-case basis • Reducing infant and maternal mortality • Preventing and treating communicable diseases like malaria, tuberculosis and HIV / AIDS • Treating and rehabilitating • Working on adolescent and reproductive sexual health issues • Promoting awareness about various health issues and generating demand for health services • Undertaking and supporting research on health-related issues • Ensuring access to potable drinking water and hygienic sanitation 	I
Livelihoods	<ul style="list-style-type: none"> • Setting up and running skill development centers industrial training centers, diploma and polytechnic institutes, community colleges, etc • Sponsoring candidates for skill development and vocational training programmes offered at identified institutions 	II

	<ul style="list-style-type: none"> • Coaching candidates to appear for entrance examinations of different institutions • Creating, training and supporting entrepreneurs • Supporting Persons With Disabilities to lead a life of self- dependence and dignity • Creating, training and supporting self-help groups, federations, co-operatives, societies and similar institutions • Building capacities of farmers on improved methods of agriculture and other allied sectors • Developing water harvesting structures and irrigation facilities • Supporting farmers with quality inputs, technical know-how and timely information 	
Rural Development	<ul style="list-style-type: none"> • Creating markets and marketing linkages for farm and forest based produce • Rural development projects of building and maintaining community based rural infrastructure like roads, bridges, culverts, drains, rural electrification, water infrastructure, community centres, youth clubs, etc 	X
Sports	<ul style="list-style-type: none"> • Setting up and running academies and sports training centres for supporting grassroots sports talent • Organizing sports tournaments and coaching camps for community • Supporting sportspersons to participate in state, national and international events • Offering scholarships and sports equipment to deserving sportspersons • Promoting adventure sports organizing leadership and motivational camps • Constructing stadia and sports infrastructure 	VII
Ethnicity	<ul style="list-style-type: none"> • Preserving and promoting tribal languages, scripts and literature • Preserving and promoting fine arts and performing arts • Preserving and promoting indigenous sports • Preserving and promoting various aspects of folk and tribal cultures • Organizing cultural events • Restoring and renovating memorials, monuments and heritage structures • Mainstreaming Particularly Vulnerable Tribal Groups (PVTGs) 	V

	<ul style="list-style-type: none"> • Undertaking and supporting research on anthropological and ethnic issues 	
Environment	<ul style="list-style-type: none"> • Promoting renewable sources of energy • Recharging ground water levels • Conserving biodiversity and supporting research, awareness and advocacy on issues related to biodiversity • Undertaking plantation and afforestation activity • Promoting awareness about environmental issues 	IV
Disaster Relief	<ul style="list-style-type: none"> • Extending relief measures during times of natural disasters anywhere in the country • Undertaking and supporting rehabilitation measures post-disasters 	XII
Support to Technology Incubators	<ul style="list-style-type: none"> • Funding research projects at technology hubs for environmental and social sustainability 	IX

The CSR Committee of the Board may, from time to time, recommend donating or making grants to the PM's fund or funds set up the State Governments or to non-profit organizations and other institutions whose activities are aligned with the CSR programmes and activities of the Company.

Annexure B: Guiding Principles for CSR

- **Impact** – All CSR initiatives will have well-defined Key Performance Indicators to measure impacts on target communities and groups. For high impact projects, there will be independent, third-party assessments and feedback will be a key input for redesign and / or rollout of further initiatives.
- **Partnerships** – The Company will forge collaborations with business partners, other Tata Group Companies and like-minded corporate organizations, funding agencies, non- government organizations, community based organizations, Governments and Government organizations, based on well-defined selection criteria. Partners will bring in complementary resources, expertise and influence which would be leveraged to force-multiply the company's CSR initiatives.

JCAPCPL will engage closely with **Tata Steel Foundation** and work jointly on projects which are aligned to JCAPCPL's CSR strategy and in its operational areas. JCAPCPL will also leverage the products and services of Tata Group Companies for its CSR initiatives in alignment with its CSR strategy.

- **Affirmative Action** – The Company will design targeted interventions for Scheduled Castes and Scheduled Tribes to promote Education, Employability, Employment and Entrepreneurship. The Company will also work on promoting Ethnicity to preserve the cultural fabric of these communities.

- **Volunteerism** – JCAPCPL is committed to providing opportunities to its employees, their families and the larger ecosystem to engage in volunteering activities that will benefit the communities in which they live and work, and at the same time, support JCAPCPL's own CSR efforts. This will not only deepen local community connect but will also leverage in-house skills in addressing social challenges, thereby creating both social and business impacts.

- **Communication** – The Company will have a two-way communication channel, so that the stakeholders' needs, expectations and aspirations can be mapped and their feedback and satisfaction levels can be obtained and assessed for the purposes of design and improvement of initiatives.

- **Innovation** – JCAPCPL will endeavor to develop innovative solutions to solve seemingly intractable social problems. These will encompass technology, as well as models for sourcing, partnering and delivery of initiatives.