



CORPORATE SOCIAL RESPONSIBILITY POLICY

DOOSAN POWER SYSTEMS INDIA PVT. LTD.



Contents

I. Preamble	3
II. About the Company	3
III. Vision	3
IV. Purpose of the CSR Policy	4
V. Guiding Principles towards Our Stakeholders	4
VI. Governance & Administration	5
VII. CSR at DPSI	6
VIII. Implementation	6
IX. Monitoring, Documentation, Review, Reporting	7
X. General	7



I. Preamble

Doosan Power Systems India Private Limited (hereinafter referred to as 'DPSI') is a part of over 120 year old Doosan Group of Companies.

Guided by our parent company the Doosan Heavy Industries & Construction (DHIC), DPSI has been an early adopter of Corporate Social Responsibility (CSR). At DPSI, CSR has been an integral part of the way we have been doing our business, and is the way of functioning for all DPSI employees and offices. DPSI recognizes that integrating social, ethical and environmental responsibilities into the governance of businesses would ensure their long term competitiveness, sustainability and success. DPSI in accordance with the requirements under the Companies Act, 2013 and the CSR Rules therein, has constituted a CSR Committee, which formulates the CSR Policy and recommend the same to the Board of Directors of the Company for its approval.

This policy encompasses the Group's philosophy of giving back to society as a responsible corporate citizen and lays down the guidelines and mechanism for carrying out socially impactful programmes for the welfare and sustainable development of the community at large through its employees and development partners. This policy shall apply to all CSR activities taken up at the various locations of the Company for benefit of the society and environment.

This Policy is in compliance with Section 135 of the Company Act, 2013 and the rules notified thereunder. Due considerations has been given to Schedule VII of the Company Act, 2013 while identifying the intervention areas of our CSR.

II. About the Company

DPSI provides end-to-end solutions from engineering to installation and commissioning of power plants with the proprietary state-of-the-art technologies owned by DHIC. This unhindered technology access, along with Doosan Power business group's synergies, fully complements DPSI's indigenous expertise across the power generation value chain. Our robust value chain includes:

- **EPC:** DPSI provides Turnkey service from end-to-end engineering, procurement, manufacturing, and installation to commissioning for Thermal power plants.
- **Boiler Manufacturing:** DPSI offers full line-up of small to large Boilers for thermal power plants. Our Chennai factory manufactures super-critical and ultra super-critical boiler pressure parts.

III. Vision

3.1. Company's Vision

To become the leading company in India's power plant business by providing the best value to our customers

3.2. CSR Vision

As a socially responsible Global Corporate Citizen, DPSI is committed to building a sustainable business. DPSI strives to create long term value for its stakeholders, working in partnership with its clients and having a positive socio-economic impact on the communities where it operates while establishing Doosan's social contribution identity that instils pride in Doosan people.

Our CSR aims to promote self-reliance and self-respect amongst the most vulnerable sections in our peripheral communities through our organized initiatives. Through these



initiatives, we focus on real involvement of our employees so that they can experience a sense of joy and pride in helping others, rather than contributing only through donations.

IV. Purpose of the CSR Policy

CSR is the integration of business operations and values, by which the interests of all stakeholders including investors, customers, employees, the community and the environment are reflected in the company's strategies and actions

The purpose of our CSR Policy is to laydown guidelines for undertaking CSR activities in alignment with the Companies Act, 2013 and to disseminate to all stakeholders our approach to CSR. The Policy outlines our intentions to contribute to social development of local areas and national priorities. This Policy shall function as 'CSR Policy of the Company' for the purpose of Section 135 of the Act and CSR Rules.

V. Guiding Principles towards Our Stakeholders

5.1. Customers

- 5.1.1. We shall strive to develop and offer innovative, safe and outstanding high quality products & services that meet a wide variety of customers' demands
- 5.1.2. We shall strive to protect the personal information of customers and everyone else we are engaged in business with, in accordance with the law

5.2. Employees

- 5.2.1. We support equal employment opportunities and diversity of our employees and do not discriminate on any basis
- 5.2.2. We strive to provide fair work conditions and maintain a safe and healthy working atmosphere for all our employees
- 5.2.3. We respect and honour the human rights of people involved in our business
- 5.2.4. We do not use or tolerate any form of forced or child labor

5.3. Business Partners

- 5.3.1. We respect our business partners such as sub-contractors, suppliers and dealers and work with them to realize mutual growth based on trust
- 5.3.2. We uphold fair and free competition in the letter and spirit as per law

5.4. Local Community

- 5.4.1. We honour the culture, customs, history and laws of India
- 5.4.2. We actively promote and engage in social and environmental contribution activities around all our work locations that help reinforce local communities and contribute to the development of society
- 5.4.3. We constantly pursue for cleaner, safer and superior technologies that satisfy the evolving needs of society for sustainability

5.5. Environment

- 5.5.1. We aim for harmonized growth with our environment
- 5.5.2. We strive to develop, establish and promote facilities and technologies that enable the environment and economy to coexist harmoniously



VI. Governance & Administration

6.1. CSR Committee

DPSI has constituted a CSR Committee at Board Level as per the provisions of Companies Act, 2013 having following three members -

- Managing Director & Chief Executive Officer
- Chief Financial Officer
- Director of Strategy & Planning

6.1.1. Roles & Responsibilities

- i. Formulate and recommend CSR policy to the Board of Directors
- ii. Recommend activities and amount of CSR spend to the Board of Directors
- iii. Monitor and amend the CSR policy when deemed necessary
- iv. Govern the implementation of CSR activities through the CSR Operational Committee

6.2. CSR Operational Committees

CSR Operational Committees are constituted at Gurgaon and Chennai offices of DPSI. It comprises of employee volunteers from various departments of DPSI as its members who take part in planning and execution of CSR initiatives. At each of DPSI's project sites, there is a person-in-charge of CSR for local coordination and execution of CSR activities.

6.2.1. Membership

- i. Interested employees to self-nominate along-with HOD's confirmation at any time of the year
- ii. In case of multiple nominations, the HOD shall select and recommend one team-member for the committee
- iii. In case a member resign from the company or excuses himself/herself from the committee, the HOD shall nominate a new member for the committee

6.2.2. Roles & Responsibilities of the CSR Operational Committee

- i. Promotion of employee participation in CSR and Volunteering activities
- ii. Stakeholder engagement i.e. local communities, Schools, Hospitals, Business Partners etc.
- iii. Implementation of CSR and volunteering activities
- iv. Suggesting new initiatives to the CSR Committee
- v. Monitoring of CSR activities
- vi. Reporting & documentation of CSR activities

6.3. Decision Making Authority

6.3.1. The CSR Operational Committee shall be the first to recommend all CSR related matters to the CSR Committee who shall then recommend such matters to the Board of Directors

6.3.2. The Final authority shall be the Board of Directors constituted as per the provisions of Companies Act, 2013. The Board of Directors' decision shall be final and binding on all CSR related matters.

6.3.3. The CSR Operational Committee shall be responsible for overall planning, management, execution and documentation of CSR activities at DPSI.

6.4. Annual CSR plan

DPSI in accordance with section 135 of the Companies Act, shall develop a list of CSR projects/activities to be undertaken during the financial year. The CSR Operational Committee shall develop the first draft and recommend the draft to CSR Committee. After



review, CSR Committee shall send the list of proposed CSR projects/ activities with its recommendations to the Board of Directors of the Company for approval.

6.5. CSR Budget

- 6.5.1. The CSR Budget for a specific financial year shall be calculated as per the provisions of Section 135 of India's Companies Act, 2013 and related rules and notifications on year to year basis.
- 6.5.2. DPSI shall annually match the Payroll Giving Fund generated out of DPSI employee's monthly contribution for social good. This matching fund by DPSI shall also be treated as CSR Fund under the provisions of Companies Act, 2013 and shall be utilized as per provisions mentioned in this policy. Whereas, expenditures made from the Payroll Giving Fund generated out of DPSI employee's monthly contribution shall not be counted as CSR expenditure.
- 6.5.3. Up to 5% of the CSR commitment shall be spent towards capacity building, administrative costs, personnel costs and other such CSR costs.
- 6.5.4. CSR Fund shall be managed, allocated and accounted for as per the DOA and Accounting Policy of DPSI.

VII. CSR at DPSI

7.1. CSR Principles

- 7.1.1. We at DPSI are committed to create long-term Socio-Economic Shared Values for Communities in the locations where we operate
- 7.1.2. DPSI's CSR activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company
- 7.1.3. The CSR activities that benefit only the employees of the Company and their families shall not be considered as CSR activities
- 7.1.4. Contribution to any political party under section 182 of the Companies Act, 2013 shall not be considered as CSR activity
- 7.1.5. We shall organize our approach in a way which shall make CSR deliverables sustainable, measurable, replicable and scalable.
- 7.1.6. We at DPSI shall not include or form part of the business profit of the company, any surplus arising out of the CSR projects /activities.

7.2. Sphere of Interest

Under our CSR commitments, we shall address those social issues and causes which are of local relevance and of national importance by establishing its relationship with Schedule VII of the Companies Act 2013. Therefore DPSI shall identify and carry out effective Community Development & Involvement (CDI) initiatives for socio-economic and environmental development within the spheres of-

- i. Education for underprivileged children
- ii. Skill Development for youth
- iii. Healthcare and Sanitation for communities (Swatch Bharat Mission)
- iv. Water availability and access for communities and farmers
- v. Environmental Sustainability
- vi. Rural Development Projects and
- vii. Disaster Relief and Rehabilitation

VIII. Implementation

8.1. Implementation Area

The CSR activities shall be implemented around DPSI site/office locations or anywhere within India



8.2. Selection of Initiatives

Social and environmental initiatives are to be framed as per needs identified based on inputs from various stakeholders like community, public representatives, participatory forums etc. or on the basis of inclination of Central or State Government

8.3. Approach

DPSI shall strive to keep a project based approach for implementing CSR activities for which participatory planning and execution of need based initiatives shall be done involving the beneficiary in a systematic manner

8.4. Mode

DPSI shall execute CSR activities directly through employee volunteering, jointly with business partners or in partnership with NGOs, local governance institutions like Panchayat, Municipality or any other Govt. body, or any private company

8.5. Commitment

8.5.1. Due diligence of implementation partner(s) / personnel may be done as and if necessitated by the CSR Committee

8.5.2. An execution MOU with the beneficiary may be formed especially for major activities as and if necessitated by the CSR Committee in consideration of the circumstances. Such MoU shall address the terms of the funding and disbursement

IX. Monitoring, Documentation, Review, Reporting

9.1. Monitoring: The CSR Operational Committee shall monitor the CSR activities/projects and their impact every year. Regular reviews are done at location level, wherein bottlenecks are rectified.

9.2. Documentation: All activities shall be documented qualitatively and quantitatively by CSR Operational Committee along with photo support

9.3. Review: The CSR Operational Committee shall from time to time present report of CSR activities to the CSR Committee for review. The CSR Committee can revise/modify/amend the CSR plan at such intervals as it deems fit. The Board of Directors shall periodically review the CSR status of the company and provide further guidance

9.4. Reporting: The CSR Committee shall report all CSR activities/projects to the Board of Directors around end of each financial year. The Board of Directors shall incorporate the reported points in its Annual Report as per provisions of the Companies Act 2013

X. General

10.1. Amendment to the Policy

The CSR Committee shall review the CSR Policy whenever it is necessitated and shall amend any part or whole of this policy accordingly

10.2. Date of Commencement

This policy shall be effective from April 1st, 2015

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