

	<b>POLICY (POL)</b>	
	Title <b>Corporate Social Responsibility</b>	Policy N° <b>POL013</b>
	Version <b>1.0</b>	Page <b>1 of 9</b>

Title <b>Corporate Social Responsibility</b>	Process <b>CSR Management</b>
Policy N° <b>POL013</b>	Version <b>1.0</b>
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	<b>POLICY (POL)</b>	
	<b>Title</b> <b>Corporate Social Responsibility</b>	<b>Policy N°</b> <b>POL013</b>
	<b>Version</b> <b>1.0</b>	<b>Page</b> <b>2 of 9</b>

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	<b>POLICY (POL)</b>	
	Title <b>Corporate Social Responsibility</b>	Policy N° <b>POL013</b>
	Version <b>1.0</b>	Page <b>3 of 9</b>

**Table of Contents**

<b>1</b>	<b>BACKGROUND AND PURPOSE.....</b>	<b>4</b>
1.1	Scope.....	4
1.2	Definitions and acronyms .....	4
<b>2</b>	<b>CSR ACTIVITIES.....</b>	<b>6</b>
2.1	Activities not to be considered as CSR.....	6
<b>3</b>	<b>GOVERNANCE .....</b>	<b>7</b>
3.1	CSR Board.....	7
3.1.1	Board's rights and responsibilities .....	7
3.2	CSR Committee.....	8
3.2.1	Functions of CSR Committee .....	8
<b>4</b>	<b>REPORTING AND PUBLICATION OF CSR POLICY .....</b>	<b>8</b>
<b>5</b>	<b>ANNUAL ACTION PLAN ON CSR ACTIVITIES .....</b>	<b>8</b>
<b>6</b>	<b>PARTNERING NGOS.....</b>	<b>9</b>

	<b>POLICY (POL)</b>	
	Title <b>Corporate Social Responsibility</b>	Policy N° <b>POL013</b>
	Version <b>1.0</b>	Page <b>4 of 9</b>

## 1 BACKGROUND AND PURPOSE

This policy, which encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for carrying out socially useful activities / projects and programs for welfare & sustainability and development of community at large, preferably at local area and in its areas of operation, it is titled as "Corporate Social Responsibility Policy".

This policy shall apply to all CSR projects, activities and initiatives taken-up at all PQE's offices as may be decided by the management of PQE for the benefit of different segments of the society.

### 1.1 Scope

To commit for enhanced value-creation for the Society, our shareholders, other stakeholders and the communities by taking-up activities and initiatives for sustainable growth for the Society, with environmental concern.

To ensure an increased commitment at all levels in the organization, operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.

To directly or indirectly take up programs that benefit the communities in & around its units/offices/Regional/Work Centers and locations, over a period of time in enhancing the quality of life & economic well-being of the local population.


To generate through its CSR initiatives, a community goodwill for PQE Group and help reinforce a positive & socially responsible image of PQE Group as a corporate entity.

### 1.2 Definitions and acronyms

Board	Board of the CSR
PQE	PQE Group
Company	PQE Group
CSR	Corporate social responsibility
CSR Committee	Corporate Social Responsibility Committee constituted by the Board and by an operative team
CSR Policy	CSR Policy of the Company
Employees	Employees of the Company
Funding	The disbursements that are to be made to an organization pursuant to this CSR Policy, with the prior approval of the CSR committee and the Board
Administrative overheads	The expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the

	<b>POLICY (POL)</b>	
	Title <b>Corporate Social Responsibility</b>	Policy N° <b>POL013</b>
	Version <b>1.0</b>	Page <b>5 of 9</b>

	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
Ongoing Project	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

	<b>POLICY (POL)</b>	
	Title <b>Corporate Social Responsibility</b>	Policy N° <b>POL013</b>
	Version <b>1.0</b>	Page <b>6 of 9</b>


## 2 CSR ACTIVITIES

**In accordance with the primary CSR philosophy thereto or modification thereof, the activities to be undertaken by PQE may include the following areas but not be limited to:**

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation.
- Promoting education, including special education and employment enhancing vocational skills especially among children, youth, women, the elderly and 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 centres 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 maintaining quality of soil, air and water.
- Measures for the benefit of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts.
- Contribution to universities, incubators or research and development projects in the field of science, technology, engineering and medicine.
- Rural development projects.
- Slum area development.
- Disaster management, including relief, rehabilitation and reconstruction activities.
- Subject to the legal provisions, the Board shall have the discretion to take a call on whether any activity falls within the entries above and its decision shall be final. The company shall give preference to the local areas and areas around it where it operates, for spending the amount earmarked for CSR activities for year.

### 2.1 Activities not to be considered as CSR

**The following shall “not be” considered as CSR activities:**

	<b>POLICY (POL)</b>	
	Title <b>Corporate Social Responsibility</b>	Policy N° <b>POL013</b>
	Version <b>1.0</b>	Page <b>7 of 9</b>

- Activities undertaken in pursuance of normal course of business.
- Contributions made, if any, to any political parties.
- Monies, if any, spent exclusively for the benefit of employees and their families.
- Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.

### 3 GOVERNANCE

We spread the culture of social responsibility all over the world. We do this through the CSR Committee: the PQE Group international department executing social responsibility projects.

Because words are not enough to realize our vision: we need action. That's why we founded the CSR Committee.


#### 3.1 CSR Board

The Board shall review the impact of CSR activities, provide inputs and satisfy itself that the CSR spends are aligned to the CSR Policy and have been utilized for the purposes and in the manner as approved by it. In addition, at the end of financial year, person responsible for financial management shall certify to the Board that CSR spends have been utilized for the purposes and in the manner approved by the Board composed by two members of the Board of Directors.

##### 3.1.1 Board's rights and responsibilities

**Following rights and responsibilities vests with the Board of the Company in connection with the CSR Policy and framework:**

- To approve the CSR Policy after taking into account the recommendations made by the CSR Committee.
- To ensure that Company makes mandatory disclosures in the Company's Annual Reports and website, relating to CSR Committee members, Policy and the activities undertaken.
- To ensure annual reporting of CSR Policy and activities to the appropriate governmental authority as mandated by applicable law.
- To ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board / CSR Committee.
- In case of an ongoing project, the board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modification, if any required.

	<b>POLICY (POL)</b>	
	Title <b>Corporate Social Responsibility</b>	Policy N° <b>POL013</b>
	Version <b>1.0</b>	Page <b>8 of 9</b>

### 3.2 CSR Committee

CSR Committee shall provide guidance on CSR activities and monitor compliance with CSR Policy, commitments, and applicable CSR provisions. It will be composed by several employees of the various PQE Group companies.

#### 3.2.1 Functions of CSR Committee

**The CSR Committee of the Board shall be responsible for:**

- Formulating and recommending CSR Policy of the Company to the Board.
- Recommending the amount of expenditure to be incurred on the CSR activities.
- Monitoring the CSR Policy of the Company from time to time.
- Institute a transparent monitoring mechanism for implementation of the CSR projects/programs/activities.

Monitor implementation of CSR activities on quarterly basis.

## 4 REPORTING AND PUBLICATION OF CSR POLICY


The contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website, if any.

## 5 ANNUAL ACTION PLAN ON CSR ACTIVITIES

At the end of every financial year, CSR Committee shall prepare a detailed Annual Action Plan on CSR activities, for the following financial year, and its economics will be included in the Budget process. The CSR Board will approve the Annual Action Plan together with Budget approval. On approval of the Board of Directors, any deviation from the plan will only be made with the prior approval of CSR Board, on recommendation of CSR Committee. It shall contain detailed information on the following:

- List of CSR projects that are to be undertaken for the financial year;
- Manner of execution of these CSR projects;
- Modalities of utilisation of funds, year-wise (in case of multi-year projects);
- Implementation Schedules for all CSR projects;
- Monitoring and reporting mechanism for all CSR projects;
- Details of need and impact assessment studies, if any, for CSR Projects undertaken earlier.



	<b>POLICY (POL)</b>	
	Title <b>Corporate Social Responsibility</b>	Policy N° <b>POL013</b>
	Version <b>1.0</b>	Page <b>9 of 9</b>

## 6 PARTNERING NGOS

The following procedure will be adhered to while undertaking/funding CSR activities/projects through NGOs:

1. PQE conducts due diligence before partnering with any NGO for CSR activities.
2. Presentation of Project/program details.
3. Execution of CSR Agreement with the Partnering NGOs, which will detail the key roles and responsibilities of each of the parties for a specified project or projects identified by the Company.
4. Scheduling of disbursements of funds relating to the program and monitoring system in accordance with pre-agreed milestones with partners.
5. The Committee whilst making any contribution will specify the activities for which it is made and the amount for the same.