



Corporate Social Responsibility (CSR) Policy

PURPOSE

HOEC is committed to operate and grow its business in a socially and environmentally responsible manner & contribute to transform the quality of life in all its Areas of Business Operations. We believe that only through our actions as Responsible Corporate that we become worthy of respect of all the stakeholders and earn our true License to Operate from our host communities.

Objective of this CSR Policy is to lay down guidelines for HOEC ('Company') and to make CSR integral part of its business operations and resource development endeavours.

This Policy will cover current as well as proposed CSR programmes to be undertaken by the Company and will be aligned with Schedule VII of the Companies Act, 2013 ('the Act').

POLICY

HOEC's Corporate Social Responsibility Policy is to:

1. Proactively develop trusting and productive relationships with host communities through effective consultations

- Positively engage with relevant stakeholders, understand their concerns and be responsive to their needs.
- Use & encourage systematic processes to engage with the local stakeholders.
- Actively involve stakeholders and programme participants in designing and implementing CSR programmes.

2. Respect local customs and traditions and leverage technology in all CSR programmes

- Valuing cultural customs and respecting pride of individuals to nurture positive relationship
- Aligning CSR programmes to build on existing capacities to create greatest possible impact.
- Giving skill and vendor development opportunities to local communities in consultation with local government authorities and other stakeholders, as may be appropriate.

3. Treat host communities as valued partners in our resource development endeavours

- Valuing local entrepreneurship and encouraging use of local goods, services and manpower to contribute local economic development
- Establishing essential and strengthening existing rural infrastructure
- Enabling CSR programs to complement and support the developmental priorities at Sub - Division & District Level

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FOCUS AREAS OF ENGAGEMENT

HOEC's CSR programmes will focus on the following 7 (seven) broad themes with the objective to improve overall socio-economic indicators in Company's Area of Business Operations:

- Promote local content by developing local vendors
- Rural development including improved access to roads & solar power ;
- Affordable & mobile solutions for healthcare;
- Access to quality education, skill enhancement & essential infrastructure
- Promote personal safety and environmental protection awareness;
- Support promotion of local culture, art and sports;
- Provide relief to local community during natural calamities and contribute to appropriate State Relief & Disaster Management Funds

The Company may also undertake other need-based initiatives in compliance with Schedule VII of the Companies Act, 2013.

IMPLEMENTATION STRATEGY

- Company will undertake the CSR activities by itself and when appropriate, through an eligible implementing entity as prescribed in the Act and the Rules made thereunder.
- Company may also collaborate with other companies, especially with its JV Partners and or with Government Bodies to implement CSR programs. It will do so in such a manner that the CSR committees of respective companies are in a position to report separately on such programmes.

GOVERNANCE

CSR Committee

CSR implementation shall be periodically reviewed and monitored by the duly constituted CSR Committee of the Board as per the requirements of Section 135 of the Companies Act, 2013.

The CSR Committee will be responsible for:

- a. Recommending to the Board a CSR policy, indicating the activities to be undertaken by the Company;
- b. Formulation and recommendation to the Board, an annual action plan in pursuance of its CSR policy;
- c. Monitoring the implementation of the activities included in the CSR policy; and
- d. Monitoring the spends on CSR activities by the Company in each financial year.

In discharge of CSR functions of the Company, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations, or as required by the Board.

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Annual Action Plan

The annual action plan formulated by the CSR Committee in pursuance of its CSR policy shall, inter alia, 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 utilisation 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.

The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect and may also extend duration of a project to make it a multi-year project and or an ongoing project.

REPORTING & PUBLICATION

- 1. An annual report on CSR shall be included in the Directors Report and placed before the Board by the CSR Committee for approval as per the specified requirements of section 135 of the Act and the Rules made thereunder.
- 2. The contents of the CSR Policy, composition of the CSR Committee and Projects approved by the Board shall be disclosed on the Company's website for public access.

POLICY REVIEW & FUTURE AMENDMENT

CSR Plan may be revised/modified/amended by the CSR Committee at such intervals as it may deem fit and also to meet the statutory requirements from time to time.

EFFECTIVE DATE

This is a revision 1 to Board approved CSR policy dated 24th September 2015 and is effective from 08th February 2021.

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