

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

PHILOSOPHY ON CSR:

Ador Welding Limited (AWL) believes that a Company's performance must be quantified in a balanced economic, environmental and social imperative. As a pioneer in the welding industry, AWL has played a significant part in the country's industrialization and infrastructure development and its welders have played a huge role in this development. The Company's CSR vision is "Welding is an essential part of everyday life as right from manufacturing cars to high rise buildings, airplanes to rockets, pipelines to highways, all of it requires welding." As a responsible corporate citizen, the Company strives for community empowerment through socio-economic development of underprivileged and marginalized sections of society, thereby raising the Country's human development index.

In pursuit of our commitment towards a comprehensive growth, we venture to have in place a framework to integrate social, environmental, humanitarian concerns into our core business strategy, in the best interest of all our stakeholders. At AWL, CSR is a cornerstone of its corporate culture and the Company's endeavor ardently adds more value on the societal front and makes a significant impact on livelihood. This entails transcending business interests and grappling with the "quality of life" challenges that underserved communities face, and working towards creating a meaningful difference to them.

FOCUS AREAS OF CSR:

Arising from this, the key focus areas that echo AWL's CSR policy, are the following and AWL's CSR programs will generally cover all or any of these focus areas:

- Eradicating hunger, poverty and malnutrition, promoting preventive healthcare & sanitation, making available safe drinking water;
- Promoting education; including special education and employment enhancing vocational 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 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, agro forestry, conservation of natural resources and maintaining quality of soil, air & water;
- Taking up Rural development projects / Conducting various social awareness programs;
- Contributing to development & improvement in quality of life of the workforce and their families as well as of the society at large.
- Conservation of energy, including projects related to renewable sources of energy.

ORGANIZATIONAL MECHANISM FOR CSR:

The Board of Directors shall form a CSR Committee pursuant to the provisions of Section 135 of the Companies Act 2013, and will lay down the guidelines / key focus areas for the CSR activities every year.

COMPOSITION OF THE CSR COMMITTEE:

Three or more directors, of which at least one director shall be an Independent Director. No sitting fees will be paid to the members of CSR Committee.

FUNCTIONS OF THE CSR COMMITTEE:

- a) To formulate and recommend to the Board, a CSR POLICY indicating the activities to be undertaken by the Company;
- b) Recommend the amount to be spent on these activities; and
- c) Monitor the Company's CSR activities under the policy periodically.
- d) Developing the CSR annual strategy, based on the guidelines set by the Companies Act, 2013 & Rules framed there under.
- e) Preparing annual plan for CSR activities, CSR project development, CSR project approval, etc. deciding on the modalities of execution of programs contracting, budgeting & payments, etc.
- f) Monitoring the execution mechanism for CSR projects; Periodic reporting and communication to the Board.

THE CSR COMMITTEE WILL ENSURE THE FOLLOWING:

- Appropriate organizational structure to effectively identify, monitor & manage CSR activities.
- All kinds of income accrued to AWL by way of CSR activities, if any, to be credited back to CSR corpus.

IMPLEMENTATION MECHANISM OF CSR:

CSR activities will be implemented either directly on its own by the Company or through any other organisation, which is into CSR activities.

AWL can also enter into Collaborative partnerships with the Government, NGOs, independently registered non-profit organisations, or with other like-minded organisations / stakeholders, so as to widen the Company's reach and leverage upon the collective expertise & experience, these partnerships will bring on pooling their resources for CSR activities.

CSR ACTIVITIES TO BE TAKEN UP BY ADOR WELDING LIMITED IN FY 2019-20

- Promoting education among children, women, elderly and differently abled, including special education & employment enhancing vocation skills, especially skill development and encouraging safety practices in welding & allied fields for economically challenged / financially weaker section of the Society.
- Empowering women towards individual and professional development opportunities.
- Promoting healthcare, sanitation, hygiene & making available safe drinking water to the non-privileged / underprivileged.
- Any other activities covered under Schedule VII to the Companies Act, 2013, as may be identified by CSR Committee from time to time.

MODALITIES FOR UTILIZATION OF FUNDS:

Our CSR underpins the significance of the people behind this development and identifies areas where we can help nurture their current and future potential while supporting their families and communities through the following ways:

1. Up skilling India to make more Indians have meaningful jobs through Education, Training (basic education, up-skill India with welding skills):

- Providing sponsorship training to underprivileged youth to take up courses on welding skills
- Provide welding training support in future based on various opportunities and needs

2. Skilled women in manufacturing:

Providing a safe working environment for women

3. We want to ensure that the families of skilled workers are looked after:

Medical welfare for families

4. Areas around our factories and Head Office by providing basic sanitation, drinking water, education for welder's children and community services:

- Environmental Compliances at all plants
- CE Safety Standards
- Tree plantations at all plants
- Provide medical help as may be fit to various strata's of society

MONITORING MECHANISM:

The CSR activities will be carried out, to the extent possible, around the factory areas of the Company and the respective Plant In-charge(s) can be authorized to monitor the implementation of the said CSR activities in the vicinity of the Plants.

Mr. Vinayak M. Bhide will be responsible to oversee the overall functioning of the CSR activities / projects of the Company.

The CSR expenditure can be incurred directly or through one or more recognized NGOs / organization / Charitable Trusts.