

DCM Shriram Limited

Corporate Social Responsibility (CSR) Policy

1. Purpose and Philosophy

DCM Shriram Ltd. continues the legacy of its founder Sir Shri Ram — who believed business growth must create social good. We under CSR aim to “*to enable resilient, self-reliant and thriving communities through integrated and sustainable development.*”

This Policy is framed under Section 135 of the Companies Act, 2013, and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ('CSR Rules), as amended. It embodies our commitment to:

- Contribute to the Sustainable Development Goals (SDGs).
- Integrate Environment, Social, and Governance (ESG) principles in CSR actions.
- Create measurable and enduring impact beyond statutory compliance.

2. Guiding Principles and Strategic Approach

CSR at DCM Shriram Ltd. is guided by five core principles:

Principle	Our Approach
Purpose-driven	Align CSR with the Company's purpose of <i>Growing with Trust</i> , ensuring business growth benefits communities.
Impact-oriented	Design CSR programs with clear results framework (logical framework), baseline data, and measurable outcome indicators.
Partnership-led	Foster Public–Private–Community Partnerships with government agencies, civil society, academia, and other corporates.
Sustainability by Design	Ensure environmental, financial, and institutional sustainability in all CSR initiatives.
Transparency & Accountability	Maintain robust disclosure and independent third-party evaluations.

Strategic Pillars:

1. **Holistic Community Development** – Health, Education, Water & Sanitation, Livelihoods, Environment, and Social Infrastructure.
2. **Climate Sustainable Agriculture** – Sustainable farming, soil & water conservation, and natural-resource restoration.

3. Thematic Focus Areas (Aligned to Schedule VII)

Schedule VII Clause	DCM Shriram Focus Area / Flagship Program
(i) Health & Nutrition	Khushali Sehat –Preventive Healthcare
(ii) Education & Skills	Khushali Shiksha – Education

- (iii) Women Empowerment **Khushali Rozgaar** – Skilling and Livelihood & Livelihoods
- (iv) Environment & Climate **Khushali Paryavaran** – Water Conservation and Green Cover Initiatives
- (v) Sports **Sports for Development** – Grassroots and Sports Promotion
- (vi) Statutory / Emergency Relief Contribution to PM CARES, PM National Relief Funds or other notified disaster funds
- (vii) Rural Development **Integrated Village Development Projects** near operational areas
- (viii) Disaster Management **Humanitarian Aid & Resilience Building**

While the Company's primary CSR focus areas are mentioned above, DCM Shriram Ltd. may undertake CSR projects under any or all activities listed in Schedule VII of the Companies Act, 2013, as amended from time to time, in alignment with national priorities and community needs.

4. Governance and Oversight Framework

Board of Directors

- Approves the CSR Policy and Annual Action Plan.
- Ensures CSR expenditure of at least 2% of average net profits last 3 (Three) years.
- Oversees disclosures in the Board Report and website.
- Reviews impact assessment findings and approves corrective actions.

CSR Committee of the Board

- Minimum of three Directors, including one Independent Director.
- Recommends CSR Policy and Annual Action Plan to the Board.
- Reviews program outcomes, financial utilization, and alignment with Schedule VII.
- Meets at least twice annually; quorum of two members or one-third of total number of members, whichever is higher.

DCM Shriram CSR Team

- Implements CSR activities directly and/or through DCM Shriram Foundation, the philanthropic arm of the company and registered partners.
- Undertakes baseline assessments, stakeholder consultations, and data-driven evaluations.
- Submits progress and impact reports to the CSR Committee.

Implementation Partners

- Selected based on due diligence (governance & sectoral expertise), subject to meeting eligibility requirements prescribed under CSR Rules, as amended from time to time.
- MOUs to be entered into with Implementation Partners with deliverables.

5. CSR Expenditure and Financial Management

- Minimum spend: 2% of average net profits of preceding 3 (Three) financial years.
- Unspent funds (ongoing projects) to be transferred to Unspent CSR Account within 30 days and spent within 3 (Three) years.
- Surplus from CSR activities to be reinvested into CSR, not added to business profits.
- Administrative overheads capped at 5% of total CSR expenditure.
- Excess spending may be set off against future obligations for up to 3 (Three) subsequent financial years.

6. Monitoring, Evaluation, and Impact Assessment

- Continuous Monitoring: Internal review by CSR team and Senior Management team and twice a year review by CSR Committee.
- Impact Assessment: Mandatory for projects having outlay of ₹1 crore or more and which have completed at least 1 year to be conducted by independent agencies and disclosed in the Annual Report.
- Digital Dashboard: CSR MIS system for real-time data collection and progress tracking.
- Learning & Adaptation: Mid-course corrections based on beneficiary feedback and evidence-based learnings.

7. Transparency, Disclosure, and Communication

- CSR Policy, Annual Report on CSR activities and Impact Assessment Reports shall be publicly available on the Company's website.

8. Review and Amendment

All terms referred to in this Policy shall have the same meaning as defined under the Companies Act, 2013 and CSR Rules, as amended from time to time.

This Policy shall be reviewed once in three years or as required by changes in law, regulations, or strategic priorities.

Amendments will be recommended by the CSR Committee and approved by the Board of Directors.
