

**ArcelorMittal Nippon Steel India Limited**  
**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

**DOCUMENT CONTROL**

<b>Document Title</b>	CSR Policy
<b>Version No.</b>	1.00
<b>Date of reconstitution of CSR Committee</b>	16.12.2019
<b>CSR Policy Approval by the Board of Directors</b>	Board Resolution dated 10/12/2020
<b>Effective Date</b>	10.12. 2020
<b>Number of Revision</b>	N.A
<b>Last Date of Revision</b>	N.A
<b>Document Applicability</b>	This policy is applicable to ArcelorMittal Nippon Steel India Limited.
<b>Document Dissemination</b>	Disclose/ display the extract in annual report and shall be made available on the Company's website.

<b>CONTENTS</b>	<b>Page No.</b>
1. Preamble	4
2. CSR Vision	4
3. CSR Mission	4
4. Objective	4
5. Geographical Coverage	5
6. Approach and Strategy	5
7. Thematic Area of work	5
8. Mode of Implementation	6
9. CSR Budget	6
10. CSR expenditure	6
11. CSR reporting	7
12. Monitoring Mechanism	7
13. Governance Mechanism	7
14. Review of Policy	7
<b><u>Annexure 1:</u></b> CSR activities as per Schedule VII of the Companies Act, 2013	8
<b><u>Annexure 2:</u></b> Composition of CSR Committee	9
<b><u>Annexure 3:</u></b> CSR Policy – Statement of Intent	10

**1. Preamble:**

ArcelorMittal Nippon Steel India Limited (“**Company**” or “**AM/NS India**”) is an integrated flat carbon steel manufacturer from iron ore to ready to market products with an achievable crude steel capacity of 9 million tonnes per annum (MTPA). Our manufacturing facilities comprise iron making, steelmaking and downstream facilities spread across India. Our goal is to help create smarter, more sustainable steels for India, and the world. AM/NS India is a joint venture between ArcelorMittal and Nippon Steel, two of the world’s leading steel companies.

AM/NS India is committed to conduct its business in a socially responsible, ethical and environment friendly manner and continuously work towards improving quality of life of the communities in its operational areas and that is why our Corporate Social Responsibility (“**CSR**”) is as strategic as our steel. This CSR Policy (“**Policy**”) provides guidance in achieving its commitment and ensures that the Company operates on a consistent and compliant to applicable law.

**2. CSR Vision:**

To empower the communities around our areas of operation and society at large towards development that is collaborative, progressive, inclusive and sustainable through optimal realisation of human potential and responsible utilisation of resources.

**3. CSR Mission:**

- To undertake strategically sustainable development initiatives that contribute towards progress in human and social development indicators.
- To complement and supplement the ongoing community development efforts of the Government while introducing innovations in the areas where there is a scope and need for the same.
- To encourage partnerships, support and build the capacities of community-based institutions, civil society organizations.

**4. Objective:**

- To ensure care and support especially to the marginalised and vulnerable sections of the communities towards leading a life of dignity and self-dependence.
- To undertake initiatives under agreed thematic areas and flagship/hi impact projects that lead to measurable progress and demonstrate replicable and sustainable development models.
- To initiate and fuel the innovation, digitalisation, entrepreneurial aptitude among the people and institutions we associate with towards substantial development of communities
- To undertake responsible business practices and ensure safety of communities around our operational areas following standard safety practices.
- To generate community goodwill to help reinforce in creating and nurturing social license to operate.

**5. Geographical Coverage:**

- a. Local – The Company will identify and plan CSR projects in the surrounding villages/localities which are directly or indirectly impacted by the business operations.
- b. Regional –The Company will identify macro projects which would benefit the society at large including the State, District or region wherever, the Company has its business operations.
- c. National- The Company will undertake initiatives in other geographies beyond business operational area, as approved by the CSR Committee of the Company as per the provisions of the Companies Act, 2013 or under any specific Memorandum of Understanding or agreement with the Government.

**6. Approach and Strategy:**

A stringent process of needs assessment and stakeholder consultation will be integral to our CSR approach. Our goal is to deliver transformative change focusing on six thematic area aligned with the UN's Sustainable Development Goals and prescribed CSR activity provisions read with section 135 of Companies Act 2013. Our strategy as follows:

1. Community profiling and stakeholder segmentation will be carried out to understand the social and economic background of the villages and build sustained relationships with all stakeholders by developing mutual understanding and respect.
2. Needs assessment through baseline study for identification of gaps and its prioritization.
3. Ensuring community participation for identification of interest areas, strength, future aspirations in life.
4. Developing short, medium and long-term action plans based on need and interest of the community, criticality, priority and resource optimisation.
5. Implement planned initiatives in a phased manner under agreed larger thematic areas through professional teams, delegated resources and relevant partnerships.
6. Developing linkages and collaboration with government, community based organization and likeminded bodies.
7. Periodic monitoring and evaluation on set indicators for outputs and success of initiatives for lasting impact.
8. To set and execute initiatives with clearly drawn exit strategies that ensures sustainability of the initiatives outcome.
9. Document the outcome of initiatives, draw learnings from the experience and set progressive benchmarks for subsequent action plans.

**7. Thematic Area of Work**

1. Health and Sanitation
2. Education
3. Livelihood (farm & non-farm based)

4. Sports and Culture
5. Community Infrastructure Development
6. Environment Conservation

Beside above thematic area, the Company will undertake relief measures during natural disaster and flagship/high impact projects to accomplish its social endeavor.

Any CSR activity undertaken by the Company will require a prior check to assess whether the same falls within the purview of activities authorised under the Companies Act, 2013 (refer Annexure 1).

#### **8. Mode of Implementation:**

The CSR activities will be implemented by an in-house CSR department directly or through credible Non-government organizations (“**NGOs**”) or agencies. Suitable documents / agreements shall be entered into with NGOs and the other agencies for the purposes of implementation of the CSR activity, in case the CSR activity is proposed to be implemented through the third-party agencies. The conditions of grant of amounts for all CSR Activities and the break-up of the allocations shall be set out and evaluated from time to time. Partner agencies will be selected based on well- defined selection criteria.

#### **9. CSR Budget:**

Before the commencement of each financial year, an Annual Business Plan (“**CSR ABP**”) for the CSR projects, programmes and activities, both new and ongoing, (excluding activities undertaken in pursuance of the Company's normal course of business) along with the expenditure for the same shall be recommended by the CSR Committee to the Board of directors of the Company (the "**Board**") for approval. Each year, post adoption of CSR ABP by the Board, the same will be deemed to form integral part of this Policy. The surplus arising out of the CSR activities will not be considered as a part of business profits of the Company. The Company shall spend in every financial year at least 2% of the average net profits of the Company made during the three immediately preceding financial years in accordance with the provisions of sub section (5) of section 135 of the Companies Act, 2013.

#### **10. CSR Expenditure:**

1. The amount allocated for the purpose of CSR projects/programs, shall be spent only for the purposes/activities mentioned and in conformity with the CSR Policy and Schedule VII to the Companies Act, 2013.
2. The CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with section 135 of the Companies Act, 2013.
3. Expenses incurred by companies for the fulfilment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act, etc.) would not count as CSR expenditure under the Companies Act, 2013.
4. Contribution of any amount directly or indirectly to any political party shall not be considered as a CSR activity.

5. Activities undertaken by the Company in pursuance of its normal course of business defines as 'the normal routine in managing a trade or business' and with the profit motive shall not be considered as CSR activity.
6. Any material donation in excess of one hundred thousand dollars (\$100,000) INR amount calculation as per the exchange value assumption taken in annual business budget on in a single transaction or a series of related transactions requires approval from the Board of the Company.

#### **11. CSR Reporting**

1. The Company will publish an "Annual CSR Report" as per the Companies Act, 2013 and will be shared with external stakeholders.
2. The Board of Directors must in its Report to the Shareholders disclose by way of a detailed report the composition of the CSR Committee, a description of the programs/projects initiated and implemented, ongoing status and impact of the CSR activities proposed and undertaken by the Company along with the accounts and accounting treatment thereof.

#### **12. Monitoring Mechanism:**

The "CSR Committee" constituted by the Board of Directors shall be responsible for monitoring the CSR Policy from time to time. The CSR Committee shall approve and recommend to the Board, the projects or programmes or activities to be undertaken, the expenditure to be incurred on the projects / programmes, the modalities for execution and implementation schedule.

The CSR Committee shall periodically monitor implementation of the CSR Policy and the projects, programmes and activities being undertaken as per CSR ABP. CSR progress report should be submitted in such manner and periodicity as may be required by the CSR Committee.

Evaluation will include baseline and impact assessment with key indicators in agreed thematic area by third party and concurrent internal audits for CSR programs.

#### **13. Governance Mechanism:**

The CSR Committee of the Board will govern and review the CSR of the Company from time to time. The CSR Committee will recommend Annual CSR Budget along with a detailed break-up of activities to the Board for its approval. The budget will also include resource requirement, budget allocation across intervention and locations. The CSR Committee is responsible for recommending CSR Policy to the Board for approval. The Board is responsible for approving the policy and its implementation, supported by CSR Committee.

#### **14. Review of Policy:**

The CSR Committee is empowered to review and amend or modify the CSR Policy and such changes shall be placed before the Board for its approval. The Board may subject to compliance with applicable law, at any time approve or alter, amend or modify the CSR Policy, as it deems fit to comply with the statutory obligation to undertake the CSR Activities.

**Annexure -1****Schedule VII, Section 135 of the Companies Act, 2013**

Activities which may be included by companies in their Corporate Social Responsibility Policies Activities relating to: —

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- iii. 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.
- iv. 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- v. 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;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- vii. Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- viii. Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and  
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in



science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]

- x. Rural development projects
- xi. Slum area development.

Explanation. - For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

- xii. Disaster management, including relief, rehabilitation and reconstruction activities.

## **Annexure 2**

### **AM/NS India CSR Committee Composition:**

The Board in their meeting held on December 16, 2019 has passed the resolution regarding reconstitution of a committee to be known as the "CSR Committee" pursuant to Section 135 of the Companies Act 2013. AM/NS India CSR Committee comprises of 4 Directors, as under:

- 1. Mr. Brian Edward Aranha**
- 2. Mr. Prabh Das**
- 3. Mr. Ichiro Sato**
- 4. Mr. Hideki Ogawa**

**Annexure 3****CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY****(Statement of Intent)**

At ArcelorMittal Nippon Steel India Limited, we believe in sustainable development and conduct ourselves in a socially responsible, ethical and environment friendly manner and committed to continuously work towards improving quality of life of the communities in its operational areas.

We will design and deliver CSR projects that make positive and sustained impact on the communities and society at large. We will be guided by the CSR Policy of the Company and adopt following to meet the commitment: –

- Our community development initiatives will be prioritized based on needs, aimed at socio-economic upliftment of the communities with special focus on vulnerable and marginalised section of the society.
- The activities will be aligned with Sustainable Development Goals and Schedule VII of Companies Act, 2013.
- All operating locations will incorporate CSR activities as an integral part of their business plan and have a professional team, delegated resources to implement.
- Demonstrate mutually and respect of diversity of cultures and rights of individuals and groups in areas where we operate.
- We will be open to working with Civil Society, Industry associations, Government bodies, Knowledge institutions and other volunteer organizations.
- We will facilitate assistance during natural disasters and pandemics as appropriate.
- We will build and strengthen community institutions and proactively engage with the stakeholders, set progressive benchmarks and establish practices that meets international standards.
- We will encourage and facilitate employee volunteering across locations.
- We will measure and report against established global standards and best practices and communicate with all our stakeholders on the progress and performance.
- We will undertake CSR initiatives in compliance with law of the land, section 135 of Companies Act 2013 and Company CSR Rule 2014.

We commit that our CSR objectives and commitments shall be aligned with the business processes to enhance stakeholder and shareholder values.

**Dilip Oommen****Chief Executive Officer****10.12.2020**