

Corporate Social Responsibility Policy ABB India Limited

1. Objective:

The objective of this Policy is to promote an integrated approach to Corporate Social Responsibility (CSR) across the Company by identifying the right, needed and impactful programs and contribute towards programs under the Company's CSR budget and to be in compliance with the Companies Act, 2013 ("Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules") as amended from time to time.

This Policy sets out the Company's commitment for ensuring that its activities / initiatives undertaken are for the benefit and development of the community as a whole. The Company aims to contribute within the scope of its capabilities to improve the economic, environmental and social conditions through its business activities, open dialogue with stakeholders and active participation in common efforts to support social progress through CSR in realization of the Country's sustainable development goals.

2. Scope and Applicability:

This Policy is applicable to ABB India Limited (the Company) and is titled as the "**CSR Policy**" and shall include any modifications, or amendments hereto as may be required from time to time.

3. Definitions:

"**Board**" means the Board of the Directors of the Board of Directors of the Company.

"**Company**" means ABB India Limited.

"**CSR Activities**" means such programmes / projects/ initiatives as may be approved by the Board and/or CSR Committee in terms of the Company's CSR Policy.

"**CSR Committee**" means a Corporate Social Responsibility Committee constituted by the Board in terms of Section 135 of the Act and the CSR Rules as amended from time to time.

"**CSR Expenditure**" means the amount recommended by the CSR Committee to be incurred on the CSR Activities in India by the Company in terms of the Act and the CSR Rules, as approved by the Board and/or CSR Committee, from time to time.

Any term used in this Policy but not defined herein shall have the same meaning assigned to them under the Act and the CSR Rules as applicable to the Company.

4. CSR Approach & Guiding Principles:

This CSR Policy has been framed in accordance with the applicable provisions of the "Companies Act" and the Rules prescribed thereunder and as defined hereinafter. The CSR Policy lays down the guidelines for undertaking projects/ programs / initiatives aimed towards social development activities of communities.

5. CSR Organization

The Company shall set up a dedicated team comprising a leader at Country level and nominated members from various locations who will be primarily responsible for identifying, executing,

monitoring the CSR activities as recommended by the CSR Committee and approved by the Board from time to time. The CSR Committee of the Company shall be responsible for formulating the CSR Policy and CSR Annual Action plan. The CSR Committee shall recommend all the proposals to the Board.

The CSR Committee shall also provide necessary guidance, directions to the team which will be implementing all the decisions of the CSR Committee/Board. The CSR Committee of the Company shall carry out all such functions as specified under the Act and CSR Rules from time to time.

6. Vision and Focus Areas:

The Company views CSR Activities as a channel to further its cause for a better world by writing the future together with its multiple stakeholders. The Company is committed to sustainable and inclusive development of the community's social capital through active engagement. The Company's CSR Activities are aimed to contribute, catalyze, and augment Governmental efforts in the social development agenda/ sustainable development goals of the Country; predominantly in areas where it operates.

The Company's CSR Activities shall only be in the areas as enshrined in Schedule VII to the Act and among others, it shall focus on the following thematic areas:

i) Education (ABB Value 'Curiosity').

- To kindle lifelong learning in children & youth; and
- To impart education & vocation skilling for children and youth to empower them to create generational impact for themselves, their families & communities.

ii) Diversity and Inclusion in fabric of Society (ABB Value 'Courage').

- To promote gender diversity, and inclusion in terms of equal opportunity with empowerment through education, skill training for women, differently abled and disadvantaged backgrounds
- To focus on overall skill development, education program for women empowerment, entrepreneurship and increasing employability;
- To impart education and skill training to the differently abled; and
- To enable and provide opportunities to talent in disadvantaged groups of the society

iii) Communities and environment (ABB Value 'Care').

- To focus on environment and social issues of the communities; and
- To undertake environmental and social local safeguard projects focused on, natural resource conservation, cleanliness, hygiene, health care, safety and access to basic resources like water; community development and also on disaster relief activities.

In line with ABB Value "Collaboration" the Company shall aim to have collaborative approaches wherever possible with varied relevant stakeholders and contribute via its CSR Activities and augment national efforts towards achieving the country's sustainable development goals.

The above areas as enshrined in Schedule VII to the Act and included in this Policy aims to provide macro areas in which CSR projects shall be undertaken by the Company. The CSR

Committee shall consider details of CSR Activities as elaborated in the Annual Action Plan for each financial year.

7. Location of CSR Projects / Activities:

The Company's CSR Activities shall be carried out predominantly in the vicinity of the areas where it operates and also the geographical areas as may be determined by the Committee/Board, from time to time.

8. Selection of Projects and Annual Action Plan:

CSR activities of the Company shall be in the areas as enshrined in Schedule VII of the Act and be chosen in line with the Company's CSR vision, focal areas and in line with any projects that the Board decides to undertake as approved by the CSR Committee of the Company; for ensuring efficient use of the Company's CSR funds.

The CSR Committee shall be responsible for formulating and recommending to the Board the CSR Policy and an Annual Action Plan, which shall include the following:

- list of CSR projects or programs that are approved to be undertaken in areas or subjects as specified in Schedule VII of the Act;
- the manner of execution of such projects or programs.
- the modalities of utilization of funds and implementation schedules for the projects or programs.
- monitoring and reporting mechanism for the projects or programs; and,
- details of need and impact assessment, if any, for the projects undertaken by the Company.

The Board of Directors of the Company are empowered to alter the Annual Action Plan at any time during the financial year, as per the recommendation of the CSR Committee, based on reasonable justification for such change.

9. CSR spending:

In line with the Act, the Company shall contribute at least two percent (2%) of the average "Net Profits" made during the three (3) immediately preceding financial years specifically towards CSR Activities or any such amount (or) percentage as may be required under laws.

Any surplus arising out of the CSR Activities shall not be considered as a part of the business profits of the Company and shall be ploughed back for use in CSR Activities.

Unspent CSR amount, if any, shall be transferred to separate account or treated in such manner provided under CSR Rules from time to time.

The Company may spend up to five percent (5%) of the total CSR expenditure in one financial year on administrative expenses relating to the general management and administration of CSR functions in the Company.

Capital asset acquired or created by the Company through CSR Activities should be held by the beneficiaries of the said CSR project or a trust or a public authority for the benefits of all.

All the expenditure relating to CSR shall be approved by the CSR Committee. The Chief Financial Officer or the person responsible for financial management of CSR Funds, shall monitor the utilization of funds for the purposes set forth and certify to this effect.

10. Implementation:

On approval of the proposed CSR Activities by the CSR Committee/Board, the Company shall carry out due diligence on the implementing/partnering agency, post which the Company/ Trust established by the Company, as the case may be, shall enter into an Memorandum of Understanding (MoU)/appropriate Agreement, for implementation of such CSR Activities.

CSR Activities shall be implemented either directly by the Company and/or through the Trust established by the Company and/or through other implementing Agency, as specified under CSR Rules from time to time.

The Company can also partner with local governance bodies, such as Gram Panchayats, Civic Bodies, Municipality to directly undertake approved CSR Activities with the help and support of these bodies.

The Company may engage International Organizations as defined in the CSR Rules for designing, monitoring, and evaluation of CSR Projects as well as capacity building of its personnel.

The Company may also collaborate with other companies to undertake CSR projects, provided the CSR Committees of the respective companies are able to report separately on such projects.

11. Monitoring:

The Company and Trust established by the Company shall assist the CSR Committee in identifying the areas of CSR activities, programs and execution of initiatives as per defined guidelines, in implementing CSR activities directly or through identified eligible beneficiaries /partners, shall collaborate with stakeholders to monitor the status of each project and shall also assist the Board and the CSR Committee in reporting the progress of deployed initiatives and in making appropriate disclosures on a periodic basis.

12. Impact Assessment:

For large value project/s of the Company, that has an outlay of such amount, as may specified under the CSR Rules from time to time, the Company shall conduct an impact assessment of the project/s through an independent agency and place a report for consideration of the Board. A summary of impact assessment outcome shall be disclosed in the Board's Report.

13. Information Dissemination:

The composition of the CSR Committee, CSR Policy and CSR Activities undertaken by the Company shall be disseminated on website for public access and shall be published in the Annual Report of the company in the format prescribed under the Act and CSR Rules.

14. Amendment:

The CSR Committee shall be responsible for the monitoring and review of the implementation of this Policy in accordance with applicable laws from time to time. The CSR Committee shall provide recommendations as and when it deems necessary to the Board so as to amend/ modify/ revise the CSR Policy.

This CSR Policy has been formulated by the CSR Committee and approved by the Board of Directors at its meeting held on July 28, 2021.
