



CHANDIGARH INTERNATIONAL AIRPORT LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) & SUSTAINABILITY POLICY

(Revised on 26TH MARCH, 2021)

1. INTRODUCTION

This CSR & Sustainability Policy is in consonance with, the Guidelines on CSR & Sustainability for Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India (DPE Guidelines, 2014), the provisions of the Section 135 of Companies Act, 2013 (the Act) and the Companies (CSR Policy) Rules, 2014 & 2021 notified by Ministry of Corporate Affairs, Government of India.

OBJECTIVES

The objectives of this policy are:

- To identify the CSR thrust areas and projects or programs which CHIAL plans to undertake;
- Modalities of execution of such CSR projects or programs;
- Monitoring process of such CSR projects or programs;
- To make the stakeholders aware about CSR practices in CHIAL; and
- To work keeping in mind the larger objective of sustainable development in conduct of business and in pursuit of CSR agenda.

CSR & SUSTAINABILITY VISION

“Help Improve Lives by Partnering with Communities to deliver lasting Solutions.”

The Vision statement is built on the four value pillars:

- ❖ Improving Lives
- ❖ Sustainable Development
- ❖ Partnerships
- ❖ Care and Concern

CSR & SUSTAINABILITY MISSION

Our mission is to be a committed Corporate Citizen alive towards Social Responsibility with a view to make a positive difference to society.

2. CSR THRUST AREAS

Chandigarh International Airport Limited (CHIAL) is continuously working on providing a better tomorrow and is committed towards holistic welfare of the society by undertaking CSR activities within the ambit of Schedule-VII of the Act, as amended from time to time. However, thrust areas for CSR activities will be:-

- ❖ **Skill India:** Imparting vocational skills w.r.t. construction, operation, maintenance and development of Airports;
- ❖ **Healthy and Clean India:** Sanitation, Clean surroundings, Proper Drainage in the Local Areas of CHIAL's Airports;
- ❖ **Green India:** Renewable Energy and Energy Efficiency;
- ❖ **Responsible India:** Rural Development Projects and Slum Development Projects;
- ❖ **Heritage India:** Preservation of Tangible and Intangible Cultural Heritage;

In the above thrust areas priority will be given to the under privileged, neglected and weaker sections of the society. CHIAL shall give preference to the local areas. It is desirable that CSR initiatives should be taken up in project mode, to the extent possible. Periodic review of this policy shall be done to ensure its continued suitability, adequacy and efficacy.

The word "Local Areas" in this Policy would mean the Districts in which the Airport operates and the districts contiguous thereto.

3. CSR STRUCTURE

CSR Committee will be comprising of three Board members, one member of each shareholder i.e. CHIAL, GMADA, HSVP (earlier HUDA) who shall be overseeing all activities related to CSR & Sustainability projects / programs undertaken by CHIAL and shall be responsible for planning, implementation, monitoring and reporting of these projects / programs. Following would be the CSR committee members:

S. No.	Particulars	Status in the Committee
1.	Chairman of the Company	Chairman
2.	Nominee Director holding the charge of CA, GMADA or the Nominee Director appointed in his/her place	Member
3.	Nominee Director holding the charge of CA, HSVP or the Nominee Director appointed in his/her place	Member

Mrs. Avneet Kaur, Company Secretary of the Company shall act as Secretary to the CSR Committee.

- ❖ The Quorum for Meeting of CSR Committee shall be two members.
- ❖ The Board of Directors shall include an Annual Report on CSR activities in their report.

4. FUNDING & ALLOCATION

FUNDING

As per the provisions of Section 135 of the Act, the Companies (CSR Policy) Rules, 2014 & 2021 and the DPE Guidelines, 2014, two percent of the average net profits (to be calculated in accordance with the provisions of the Act) during the three immediately preceding financial years will be allocated for CSR activities every year.

In case, the allocated amount could not be spent, the reasons for not spending the CSR amount shall be disclosed in the Annual Report.

Further, the unspent CSR amount would not lapse and would instead be carried forward to the next year for utilization for the purpose for which it was allocated, as far as possible.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of CHIAL.

ALLOCATION

CSR Budget will be utilized for implementing CSR projects as per Schedule VII of the Companies Act approved by the CSR Committee on an annual basis. The budget allocation to the CSR Schemes shall be made in the beginning of every financial year after considering the CSR budget for that year.

Capacity Building including Administrative Overhead

In line with the Companies (CSR Policy) Rules, 2021, and the DPE Guidelines, 2014 up to 5% of the CSR Budget of the year shall be kept as a reserve for capacity building including administrative overheads. This fund shall be utilized for capacity building of CHIAL's CSR personnel as well as those of its implementing agencies (through Institutions with established track record of at least three financial years), baseline survey & Impact assessment and CSR staffs' salary

Baseline Survey/ Need Assessment

Baseline/ need assessment survey is desirable prior to the selection of any CSR project or program or activity. The expenditure on baseline/ need assessment survey shall be met from the administrative expenditure limit of 5% of overall annual CSR budget.

Impact Assessment

It is mandatory to get Impact Assessment study conducted by an external agency/third party identified by CHIAL for the CSR mega projects undertaken within a reasonable time frame after completion. The time frame is to be decided depending on the nature of work involved. The third party will also evaluate overall performance of the implementing agency and suggest improvements required, if any, for future reference.

The expenditure on impact assessment study shall be met from the administrative expenditure limit of 5% of overall annual CSR budget.

"Mega Project" in this Policy would refer to be a project where the total cumulative value of the project (whether or not extending over one or more FYs) is more than Rs. 2 Cr. However, contribution to the Prime Minister's National Relief fund or any other fund set up by the Central Government will be excluded from the definition of the mega project even if value exceeds Rs. 2 Cr.

Reserve for Emergency Needs

5% of annual CSR Budget will be kept as reserve for emergency needs like disaster, calamity, etc. If the same remains unutilized, it may be used in the next financial year for other activities as per the CSR Policy.

Renewal/ Extension of ongoing CSR Projects

Request for renewal of completed or extension of ongoing CSR projects, submitted by specialized agencies having recommendation of aligned Airport/Region/Division, will be taken for review & approval. CSR Budget will be utilized for such projects. Before a request of renewal of project is raised to Corporate office, its impact assessment should be conducted and report to be submitted along with the proposal.

Proposal through Registered Trusts/ Societies/ Govt. Agencies etc.

Proposals received from registered Trusts/ Societies (having established track record of minimum three years in undertaking similar programs or projects)/ Govt. Agencies/ CPSEs etc. will be considered for review depending upon availability of budget during the year and on the merit of the proposal. Proposals received from Govt. Agencies/ CPSEs will generally be given preference over that of Trusts/ Societies.

5. IMPLEMENTATION, MONITORING & REPORTING

IMPLEMENTATION

CSR & Sustainability activities may be implemented by CHIAL itself or through specialized and experienced agencies such as Government/Semi-Govt. Organizations, Educational/Academic/Autonomous Institutions, Non-Government Organizations (NGO), Employee Volunteering Organizations, Trusts, Self Help Groups, Professional Consultancy Organizations, Contracting Agencies etc.

MONITORING

Monitoring will be done to ensure timely completion of activities and to achieve deliverables. Regular reviews would be done at all levels, wherein bottlenecks would be identified and remedial measures would be taken.

For all CSR & Sustainability projects/ activities, close supervision and monitoring will be done by CSR committee members.

REPORTING

CSR & Sustainability activities undertaken by CHIAL would be disseminated to the stakeholders through CHIAL's Annual Report.

6. SUSTAINABILITY INITIATIVES

CHIAL believe in 3 Rs viz. Reduce, Recycle & Reuse and taking common measures like greening operations and supply chains, energy audits aimed at rationalizing energy through high-efficiency lighting, installation of energy saving devices, Water management through low-flow showerheads, water-efficient bathroom / toilet fixtures, use of environmentally friendly cleaning agents etc.

CHIAL aims in taking many more initiatives including the following:-

- ❖ **Waste Water management** - Wastewater may be treated in Sewage Treatment Plant (STP) at site and reused for flushing and plantation.
- ❖ **Waste reduction and management** - Food waste generated from the airport may be converted as compost on the site. Compost and STP sludge may be used as manure in place of chemical fertilizers. Paper and plastic waste may be handed over to recyclers. Used Oil, E-waste & Bio-medical waste may be disposed off to State Pollution Control Board authorized agency.
- ❖ **Air & Noise Pollution Control** - Battery operated vehicles, FEGP units (Fixed electrical ground power) for aircraft in place of Auxiliary Power Unit, Pollution Control Measures for DG sets, Single engine taxiing procedure / Restriction in the use of reverse thrust
- ❖ **Public Awareness** - Promotion of Public Transport, All Environmental related days such as World Environment Day, Earth Day, Ozone Day, etc., may be observed with total support of the stakeholders.
- ❖ **Continuous Environmental Quality Monitoring** - Integrated online continuous environmental monitoring station may be commissioned, third party environmental quality monitoring may be done in and around the airports at regular intervals.
- ❖ **Rain water harvesting; Clean energy use; GHG emissions management; Green Buildings etc.**

CHIAL look forward to invest in technology and innovation that will drastically change the future of energy consumption.

The above initiatives will enable CHIAL to conduct its expecting businesses to engage in responsible activities that will limit, as well as reduce their social, ethical, and environmental adverse impacts on society and the community.

7. MISCELLANEOUS PROVISIONS

As clarified by the Ministry of Corporate Affairs vide Companies (CSR Policy) Rules, 2014 & 2021 notified by Ministry of Corporate Affairs, Government of India, CSR activities mentioned in Schedule-VII are to be interpreted liberally. Further, one-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc. would not qualify as CSR activities.

The CSR projects or programs or activities that benefit only the employees of CHIAL and their families shall not be considered as CSR activities.

As per the DPE Guidelines, 2014 Sustainability initiatives will not be considered as CSR activities as specified in the Companies (CSR Policy) Rules, 2014 and the expenditure incurred thereon would also not constitute a part of the CSR spend. Nevertheless, CPSEs are encouraged to take up such sustainability initiatives from their normal budgetary expenditure as it would demonstrate their commitment to sustainable development.

CHIAL may also collaborate with other CPSEs for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of the respective concerns are in a position to report separately on such projects or programs in accordance with the Companies (CSR Policy) Rules, 2014.

No amount out of CSR funds / budget shall be contributed to any political party, directly or indirectly.

8. REVIEW OF THE POLICY

The policy may be reviewed from time to time and any changes, if necessary, be recommended by the CSR committee members and approved by the Board.