

Policy on Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is the way to conduct business at MSPL Limited that achieves a balance or integration of economic, environmental and social imperatives while, at the same time addressing the shareholders and stakeholders expectations. The Company's corporate policy comprises its business concept, its shared values, CSR, business ethics and its other fundamental aspects.

MSPL's CSR policy is based on five cardinals' creativity, commitment, concern, care and core values in each of the CSR activities.

MSPL's sustainability framework is built on the principles of inclusive growth and responsible business conduct. We have drawn inputs for the framework from a materiality assessment, which delineates material issues for MSPL. The sustainability agenda at MSPL is driven by the Chairman and Managing Director, ably supported by a cross functional team.

MSPL strives to improve people's living conditions, strengthen relationships with local communities, foster social wellbeing, respect local cultures and minimise the impact of its actions.

MSPL believes in being good neighbours to the communities where it operates. Through our community engagement, we aim to provide avenues that improve the lives of our communities. The ongoing company's efforts in providing effective social development projects will continue to be sensitive to the needs of our communities.

Policy Objectives:

The policy objective is to provide a reference point to guide the employees and stakeholders on the values, which drive the conduct of Company's business and relationship with the world in which we operate.

Purpose of the policy:

The purpose of CSR policy is to; (a) inform all stake holders as to what corporate social responsibility mean to us in the company (b) remain consistent with our commitment and approaches towards CSR (c) provide general guidelines to all implementing stakeholders / agencies who are dealing with CSR within the company towards achieving overall CSR goals (d) articulate CSR Commitment on the part of conducting business

Scope:

For MSPL, the scope of CSR is wide as there are already many good CSR initiatives / projects that exist with the Company, but are to be now aligned with new CSR programs prescribed under the Companies Act 2013.

The philosophy:

The Company is guided by its values which drive it to conduct its business in a responsible manner. It firmly believes that Company's growth goes along with the growth of society.

It, therefore, becomes, evident that for a business must, with its knowledge, technical and managerial competences and wealth, contribute to the growth of society and the environment.

Principles and practices:

The Company is committed to demonstrate its responsibilities vis-à-vis its relationship with the world. All its business units will allocate responsibility for dissemination, discussion and embedding of the principles described in the policy in to corporate culture and provides regular and timely feedback on progress.

What CSR implies to us:

The Company commits to engage itself with stakeholders and in pursuance thereof, integrate those practices which continue to identify and address the concerns and expectations of all its stakeholders. In this context, the approach would be mainstreaming CSR within the company through translating Company's commitment in to policies which will not only drive all its employees, but also motivate its stakeholders to perform well through conducting ethical and transparent business, legal compliance, human rights, environment, health and safety and supply chain of the business, processes throughout the value chain. Further, the Company's approach would be as to how it shares its wealth for the improvement of the quality of life of marginalized and vulnerable communities not only where it operates but also anywhere in India.

Stakeholders' engagement policy:

The Company is committed to institutionalize a stakeholder's model of CSR and thereby uphold its commitment towards mitigating the concerns and aspirations of all its stakeholders. It will, from this purpose, institutionalize a strategy to engage with the stakeholders to have two way communications through various modes of engagement.

Policy on measuring CSR:

In order to meet our CSR policy objective, we will strategize the measurement process of our CSR initiatives which will help us to make implementation strategies more effective. The measurement process will also help to set out future action plans. We shall adopt the following four tools for measuring CSR.

- 1) Benchmarking – our CSR projects are always unique and shall have special impact on the society.
- 2) Social audit – we will engage an external agency to conduct a social audit on a periodical basis, say 5 years
- 3) Assessment – An annual assessment will be undertaken every by an external agency to determine the progress.
- 4) Internal assessment – it will be an on-going and regular process. We shall be conducting this through a self assessment tool of CSR
- 5) Feedback – we undertake continuous feedback from the beneficiaries of our CSR projects

The CSR projects / activities of the company shall include one or more of the following;

- 1) Eradicating hunger, poverty and malnutrition, promoting health care, preventive healthcare and sanitation and making available safe drinking water
- 2) Promoting education, including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently abled and livelihood enhancement projects
- 3) Promoting gender equality, empowering women; setting up homes and hostels for women and orphans, setting up old age homes, day care centers, and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups
- 4) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining of quality of soil, air and water.
- 5) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of public libraries; promotion and development of traditional arts and handicrafts;
- 6) Measures for the benefit of armed forces veterans, war widows and their dependents
- 7) Training to promote rural sports, nationally recognized sports, and para-olympic sports and Olympic sports
- 8) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- 9) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- 10) Rural development projects

Policy on compliance, monitoring and reporting of CSR:

Compliance with this policy will be continuously monitored and subject to review by the CSR Committee of the Company. Reporting will constitute an integral part of CSR initiatives as we remain firmly committed to report on CSR. The objective of reporting is not only to update the stakeholders but also to receive their feedback and accordingly capture their suggestions / inputs in to our future strategies.

The reporting commitment will help us to achieve and enhance the business reputation and trust of all our stakeholders. We, therefore, continue to report about our CSR projects under global reporting initiatives (GRI) guidelines apart from reporting in the Annual Report of the Company.

Disclosure policy:

We believe in transparency and are therefore committed to disclose all relevant information about our CSR initiatives / projects to our stakeholders.

We will develop accordingly a disclosure strategy which will provide information to all our stakeholders, as also to others to benefitting them with knowledge so that they can learn from our experiences and adopt all or some of the responsible business practices. Disclosure policy

provides an opportunity to the stakeholders to give their critical view which will help us in improving our practices further.

Responsibilities:

The Chief executive / Chairman and Managing Director (CMD) would lead the CSR initiative of the company through an apex level CSR Committee which will be accountable to the Board. A senior employee will be responsible for coordinating overall CSR operations of the company towards achieving the corporate goal of CSR and accountable to the Chief Executive and the CSR Committee through CMD of the Company.

The CMD and CSR Committee shall be the process owners in respect of the ten CSR projects / activities listed above and will monitor the performance.

Other guiding principles of our CSR policy

Impact on Society:

- a) We will take steps to understand how we can most effectively support the needs of the local community and implement initiatives accordingly;
- b) Our impact on the local and wider community will be understood and nurtured;
- c) Dialogue with local communities shall be encouraged for mutual benefit.

Ethics and Ethical Trading:

- a) We ensure highest standards of ethics in all our business operations;
- b) We encourage our vendors to uphold the workplace standards and behavior consistent with the Company's requirements;
- c) We will ensure clear visibility through our supply chains so we know where all our products are made.

Biodiversity:

- a) We actively encourage the use of sustainable practices in the maintenance of the Company's premises, plants and other work places;
- b) We actively undertake every year plantation of a minimum 20,000 saplings;
- c) We support the activities of Society for Wildlife and Nature (SWaN) for creating awareness among the students and documentation of birds of Bellary and North Karnataka.

Environment:

- a) Our objective is to endeavour to reduce our impact on the environment through a commitment to continual improvement;
- b) We encourage our vendors to reduce their impact on the environment;
- c) We shall assess the production, use and disposal of water, energy and other materials we use;
- d) Our customers will be informed of the key issues involved in procurement so as to reduce their impact on the environment;

Human Rights:

- a) We aim to support and respect the protection of human rights;
- b) We encourage our vendors to observe human rights norms;

- c) We respect the rights and dignity of every community and treat them fairly and without discrimination;
- d) We affirm our respect to the different cultures and rights of individuals and indigenous people wherever we operate;
- e) We continuously support NGOs for eradication of human trafficking etc.

Equality and Diversity:

- a) We aim to eliminate discrimination on any grounds and promote equality of opportunity in all our activities chain;
- b) We will ensure that our customers and vendors are able to work together in confidence and be treated with respect by each party;
- c) Our range of contracts will take account of the needs of a diverse customer base;
- d) We actively undertake public infrastructure development projects for the benefit of community.

Sustainability:

- a) A Sustainable Procurement Policy will be maintained that will set out the principles, policies and procedures on which sustainable business activity within Company will be based.
- b) The policy will act as a prompt to staff to consider sustainability as a factor in all purchasing decisions;
- c) We seek to minimise the adverse environmental effects of people travelling to and from our offices.

(NARENDRAKUMAR A. BALDOTA)
CHAIRMAN & MANAGING DIRECTOR
DIN: 00130619

Place: Hospet
Date : June 14, 2014