CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Adopted by Board of directors on 6th July 2026.

Version No. 1

1. PREAMBLE

Concord Enviro Systems Limited ("the Company") believes that responsible business conduct must contribute to sustainable social and environmental development. The Company, whose business is centered on water and wastewater treatment, reuse, and zero liquid discharge solutions, is well positioned to support initiatives that improve water security, sanitation, environmental quality, education, and community well-being.

This Corporate Social Responsibility Policy ("Policy") is formulated in accordance with Section 135 of the Companies Act, 2013 ("Act"), the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, and Schedule VII of the Act.

2. OBJECTIVE

The objective of this Policy is to define the Company's philosophy and framework for undertaking Corporate Social Responsibility ("CSR") initiatives in a structured, ethical, transparent, and impact-driven manner, in line with applicable laws and the Company's sustainability priorities. This policy sets out the Company's commitment and approach towards Corporate Social Responsibility based on the fundaments of 'Giving Back to Society'.

3. DEFINITIONS

a. **"Act"** means the Companies Act, 2013, as amended from time to time.
b. **"Board"** means the Board of Directors of the Company.
c. **"CSR Committee"** means the Corporate Social Responsibility Committee of the Board.
d. "**Company**" means Concord Enviro Systems Limited.
e. **"CSR"** shall mean and include applicable provisions relating to Corporate Social Responsibility as prescribed under the Companies Act, 2013, and Rules made thereunder as amended from time to time.
f. **"Net Profits"** shall mean the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:
(a) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
(b) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:
Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;

g. **“Ongoing Projects”** shall mean a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;

h. **“Rules”** means the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Except as above, definitions and abbreviations as provided in the Act and the Rules shall apply to this Policy.

4. APPLICABILITY

This Policy shall be applicable to all CSR projects and activities undertaken by the Company in India in accordance with Section 135 of the Companies Act, 2013, Schedule VII thereto and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

This Policy shall be applicable for any financial year, only if the Company meets threshold as prescribed under Section 135 of the Act.

5. SCOPE OF CSR ACTIVITIES

The Company shall undertake CSR activities as specified under Schedule VII of the Act, with a focus on areas aligned with environmental sustainability, water conservation, sanitation, education, health, and community development.

6. CSR COMMITTEE

The Board of Directors may constitute a Corporate Social Responsibility Committee ("CSR Committee") in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. The composition of the CSR Committee shall be in accordance with the requirements prescribed under the Act and applicable rules.

The CSR Committee shall, inter alia:

a. formulate and recommend the CSR Policy to the Board;
b. recommend the annual CSR Action Plan and the amount of expenditure to be incurred on CSR activities;
c. identify and evaluate CSR projects and programmes to be undertaken by the Company;
d. monitor the implementation and progress of CSR projects and programmes;

e. review the CSR Policy and recommend modifications, if any, to the Board from time to time; and
f. perform such other functions as may be prescribed under the Act, CSR Rules or assigned by the Board.

The CSR Committee shall periodically report to the Board on the status of implementation of CSR activities and utilization of CSR funds.

Where the constitution of a CSR Committee is not mandatory under applicable law, the functions of the CSR Committee shall be discharged by the Board of Directors.

7. ANNUAL ACTION PLAN

The CSR Committee, shall formulate and recommend to the Board, an Annual Action Plan in pursuance of the CSR Policy, which shall include following, namely:

a. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

b. the manner of execution of such projects or programmes as prescribed under the Rules;

c. the modalities of utilization of funds and implementation schedules for the projects or programmes;

d. monitoring and reporting mechanism for the projects or programmes; and

e. details of need and impact assessment, if any, for the projects undertaken by the Company.

The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee / external consultant or such other person(s) and for such purpose as may be deemed expedient for the purpose of accomplishments of overall CSR objectives laid down under the Regulations.

The CSR Committee may also recommend any alteration in the Annual Action Plan at any time during the year along with reasonable justification.

8. CSR EXPENDITURE

8.1. As per the Act, the Company will set aside, for annual CSR activities, an amount equal to 2% of the average Net Profits of the Company made during the three immediately preceding financial years.

8.2 The Company may also affiliate or collaborate with other corporates including its subsidiaries, government, registered societies or NGOs to implement the CSR projects of the Company to achieve maximum benefits.

8.3. Any amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to any fund specified in schedule VII of the Act, within a period of thirty days from the date of completion of the third financial year.

8.4. In case of other than ongoing projects, until a fund is specified in Schedule VII of the Act for the purposes of unspent amount as per sub-sections (5) and (6) of section 135 of the Act, such unspent CSR amount, if any, shall be transferred by the Company to any fund specified in schedule VII of the Act within six months of the end of the financial year.

8.5. In case of excess amount spent by the Company, such excess amount may be set off against the requirement to spend the amount in pursuance of CSR policy up to immediate three financial years subject to the conditions that the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.

Provided that all reasonable efforts will be made to ensure that the annual CSR allocation is fully utilized in the respective year. However, if the Company fails to spend such amount, the Board of Directors shall additionally, in its report under clause (o) of sub-section (3) of section 134 of the Act, shall specify the reasons for not spending the amount.

8.6. The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by:

a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or

b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

c) a public authority.

8.7. The approved projects shall contain the details of the proposed expenditure for respective Financial Year, towards CSR activities. The same shall be amended annually according to the Financial Year after the review by the Committee or at such time, as the Committee may deem fit.

8.8. Tax treatment of CSR spend will be in accordance with the Income Tax Act, 1961 as may be notified by Central Board of Direct Taxes (CBDT).

9. IMPLEMENTATION OF CSR ACTIVITIES

9.1. The Company's CSR projects/ programmes will be implemented through:
(i) Company personnel, or
(ii) Implementing Agency(s), or
(iii) Trusts viz., or
(iv) Societies, Foundations and Section 8 companies that may be established by the Company, from time to time.

9.2. The planning and implementation of the CSR projects/programmes shall be in accordance with the annual action plan as specified in this CSR Policy.

10. REVIEW AND REPORTING

The CSR Committee will review the philanthropic activities of the Company and will provide progress update to the Board of Directors at such other intervals as deemed fit.

The Company will report, in the prescribed format as set out in the Rules, the details of CSR initiatives and activities of the Company in the Board’s Report and on the website of the Company, as required under the Act read with Rules.

An impact assessment shall be undertaken by the Company, in case its average CSR obligation is Rs. 10 Crore or more in the three immediately preceding financial years, through an independent agency, of its CSR projects having outlays of Rs. 1 Crore or more, and which have been completed not less than one year before undertaking the impact study. The impact assessment report shall be placed before the Board and shall be annexed to the annual report on CSR.

Further, the amount to be spent on the aforesaid assessment shall not exceed five percent (5%) of the total CSR expenditure for that financial year or Rs. 50 Lakhs, whichever is higher.

11. MONOITORING

The Board of Directors shall monitor the implementation of the CSR activities. The Board of Directors shall:

a. After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company and disclose the contents of the CSR Policy in its report and also display it on the Company's website.

b. Ensure that the activities as are included in the CSR Policy of the Company are undertaken by the Company.

c. Satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it, and the Chief Financial Officer or the person responsible for financial management shall certify to that effect.

CSR activities, where carried out through other bodies/institutions, the Company shall pursue reports of progress of such activities/projects. The Board / CSR Committee shall place a progress report, including details of expenses, before the Board on a quarterly basis. The Board shall review the same and suggest recommendations, if any, to the Committee with regard to the implementation process.

12. WEBSITE DISCLOSURE

The Composition of the CSR Committee, and CSR Policy and Projects approved by the Board shall be disclosed on the website of the Company for public access.

13. AMENDMENT

The Board of Directors on its own and/or as per the recommendations of CSR Committee may amend this Policy, as per the requirements as deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date of such amendment(s), clarification, circular(s) etc.