

**BLUE STAR LIMITED**  
**CORPORATE SOCIAL RESPONSIBILITY POLICY**

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| <b>Company</b>        | Blue Star Limited ('Blue Star/Company')                                                               |
| <b>Recommended By</b> | Corporate Social Responsibility and Environmental, Social, and Governance Committee ('CSR Committee') |
| <b>Approved by</b>    | Board of Directors                                                                                    |
| <b>Effective Date</b> | August 6, 2025                                                                                        |

**Objective:**

Blue Star is committed to empowering communities through holistic vocational training, education, and health initiatives, significantly impacting society and elevating lives. Our aim is to contribute to the development of a sustainable and equitable society by aligning our CSR efforts with the Blue Star's core values. Blue Star is dedicated to creating long-term value for society, leveraging our resources, and engaging in responsible business practices. At Blue Star, employee participation in CSR initiatives is actively promoted to provide a sense of fulfilment beyond business objectives.

**1. Scope and Focus Areas**

The CSR Projects/Programs of Blue Star will be in line with the below mentioned focus areas and/or areas mentioned under Schedule VII of the Companies Act, 2013 ('Act') and the Rules made thereunder, as amended from time to time.

**1.1 Education:**

- Promoting education, including special education especially for underprivileged children and youth;
- Making education inclusive by providing scholarships to academically deserving, less privileged engineering/architecture students;
- Improving quality of education through need based basic infra support to Government Schools and Anganwadis. Teachers training on relevant experiential teaching and learning methodology, etc.

**1.2 Skill Development and Women Empowerment:**

- Sponsoring candidates for skill development and vocational training programmes offered at identified institutions;
- Creating, training and supporting entrepreneurs
- Supporting Persons with Disabilities to lead a life of self-dependence and dignity;
- Building capacities of farmers on improved methods of agriculture and other allied sectors;
- Supporting farmers with quality inputs, technical know-how and timely information;
- Creating markets and marketing linkages for farm and forest based produce;

- Contributing to various Government schemes/programs on skill development by undertaking vocational education programmes in the air conditioning, plumbing and electrical installation and maintenance trades etc. and apprentice programmes.

### 1.3 **Environment & Sustainability:**

- Ensuring environmental sustainability and ecological balance through the conservation of natural resources, including the rejuvenation and maintenance of water bodies such as lakes, ponds, percolation tanks, and farm ponds and increasing green cover (Afforestation and Tree Plantation), providing a conducive biodiversity for the flora and fauna and maintaining quality of soil, air and water to ensure the well-being of communities and ecosystems.
- Contributions to public funded Universities and institutions engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- Support initiatives dedicated towards developing circular economy and achieving Net Zero emissions by promoting sustainable practices that minimize waste, optimize resource use, and reduce carbon footprints.

1.4 Other deserving causes in the areas of health, hygiene, wellness, poverty alleviation and allied areas.

1.5 Undertaking specific projects, in case of natural calamities, based on available budgets.

1.6 Actively participate in the Affirmative Action Agenda of Confederation of Indian Industry.

Apart from above-mentioned focus areas, need based projects/programs mentioned under Schedule VII of the Companies Act, 2013 and the Rules made thereunder (including any amendments made) will also be considered. These will be recommended by the CSR Committee for approval of the Board of Directors.

## 2. **Governance Structure, Implementation and Monitoring**

2.1 The CSR Committee is constituted by the Board of Directors pursuant to the provisions of the Act read with the applicable Rules comprising of three (3) or more Directors, out of which at least one director shall be an Independent Director.

### Roles and Responsibilities of CSR Committee:

- To formulate and recommend to the Board, a CSR Policy, which shall indicate the activities to be undertaken by the Company as specified in this Policy and Schedule VII of the Act;
- To evaluate and set the direction for allocation of CSR Funds for various focus areas every three years;
- To recommend the CSR expenses for various activities every year; and

- To monitor the CSR Policy of the Company from time to time.
- 2.2 The CSR Committee shall formulate and recommend to the Board an annual action plan which shall *inter alia* include the following:
- the list of CSR projects (*ongoing\* and other than ongoing projects*) that are approved to be undertaken;
  - the mode of implementation including execution and financial plan of such projects;
  - the reporting mechanism for the projects; and
  - the need and impact assessment, if any applicable, for the projects undertaken by the Company

Additionally, the Company shall undertake periodic impact assessment of other projects as may be determined by the CSR Committee.

The Board may alter the plan, at any time during the financial year, as per the recommendation of CSR Committee, based on reasonable justification.

*\*(Ongoing Project means a multi-year project undertaken by a company in fulfilment of its CSR obligation having timelines not exceeding 3 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 1 year by the Board based on reasonable justification)*

- 2.3 CSR activities/initiatives shall be undertaken directly by Blue Star or through its charitable foundation i.e. Blue Star Foundation or through eligible implementing agencies, who have the CSR Registration number as prescribed by MCA, including a Section 8 Company, Trust or Society, registered under Section 12A and/or 80G of the Income Tax Act 1961, as may be applicable, having an established track record of at least three years in undertaking similar activities or any entity established under an Act of Parliament or a State Legislature.
- 2.4 The Company should also undertake certain activities directly which will serve society in meaningful ways, and such activities ideally should leverage the Company's expertise in some manner, while complying with the provisions of the Act. The Company's CSR activities that are undertaken by Blue Star Foundation or other Implementing Agencies shall take into consideration the capabilities, reach, cost and tax concessions. These entities shall keep the CSR Committee periodically updated.
- 2.5 The Board shall monitor the implementation of the Ongoing Projects with reference to the approved timelines and year-wise allocation for smooth implementation of projects within the overall permissible time period.
- 2.6 A certificate from Chief Financial Officer of the Company to be placed before the Board, certifying that the funds disbursed have been utilised for the

purposes and in the manner as approved by the Board.

- 2.7 In case, Company spends CSR obligation in excess of the requirement, such excess CSR spent, if any, may be set-off in the immediately succeeding 3 financial years subject to the conditions that:
- Excess amount available for set off shall not include the surplus arising out of CSR activities;
  - Board shall pass necessary resolution to give effect.
- 2.8 The Board shall ensure that administrative overheads shall not exceed 5% of total CSR expenditure for the financial year.

### **3. Transfer of Unspent CSR Amount and Capital Asset**

- 3.1 In case of Ongoing Project, Unspent amount, if any, shall be transferred to a special account opened by the Company within 30 days from end of financial year and such amount shall be spent by the Company within 3 financial years from date of transfer, failing which, the Company shall transfer the same to a fund specified in Schedule VII, within a period of 30 days from the date of completion of the 3<sup>rd</sup> financial year.
- 3.2 In case of Unspent amount other than ongoing projects shall be transferred to a fund specified in Schedule VII within 6 months from end of financial year.
- 3.3 Any surplus arising from CSR project shall be ploughed back to the same project or transfer to Unspent CSR account and spend in pursuance of CSR policy and annual action plan or transfer such surplus amount to a fund specified in Schedule VII, within 6 months from end of financial year.
- 3.4 CSR funds spent by Blue Star for creation or acquisition of a capital asset, shall be held by:
- a company established under Section 8 of the Act, or a Registered Public Trust or Society, having charitable objectives and CSR Registration Number assigned by the MCA; or
  - beneficiaries of the said CSR project, in the form of self-help group, collective, entities; or
  - an eligible public authority.

### **4. Website disclosure**

The Board shall disclose the composition of CSR Committee, CSR Policy and Projects approved by it on its website.

### **5. Amendment**

The CSR Committee shall review and recommend to the Board any amendment to this Policy, from time to time, as and when necessary.

Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Act. 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 over the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

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