

NATIONAL INVESTMENT AND INFRASTRUCTURE FUND LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

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I. Preamble

Corporate Social Responsibility (CSR) represents an approach that encourages companies to integrate social and environmental impact in their business operations and strategies. It is a holistic approach that guides companies on their role in the society and focuses on addressing the needs of all stakeholders, especially underprivileged communities, by creating positive shared value for all. It encompasses concepts such as corporate citizenship, strategic philanthropy, shared value and sustainability.

For National Investment Infrastructure Fund (NIIF), CSR is an extension of its overall ethos of responsible investment and business.

NIIF's Corporate Social Responsibility Policy (hereby referred to as 'The CSR Policy') is developed in accordance with Section 135 of the Companies Act, 2013 and The Companies (Amendment) Act, 2017 (together referred to as 'the Act' hence forward), as notified by the Ministry of Corporate Affairs, Government of India. The Act mandates every company having net worth of INR 500 crore or more, or turnover of INR 1000 crore or more or a net profit of INR 5 crore or more during the immediately preceding financial year shall spend, in every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

II. Vision

To build a better and sustainable future for India by leveraging our competencies and engaging our stakeholders and partners.

NIIF will achieve this vision by supporting social development and environmental programs that are strategically linked to its business and create long-term and sustainable impact within the causes enlisted in Schedule VII of the Act, with a special focus on livelihood generation, community development in catchment areas and environmental protection.

III. Policy objectives

The CSR policy is prepared in alignment with the CSR vision of the company and the objective of the policy is to lay guidelines and mechanisms to assist NIIF in implementing its CSR vision.

IV. Scope

This policy will be applicable to all projects/programs that come under the purview of NIIF's CSR policy and is applicable to all employees of the company across all operations. The geographical scope of the policy extends to CSR programs and activities that are conducted only in India.

V. Governance Structure

The CSR Governance structure comprises of the Board and the CSR Committee.

The Board of Directors will:

- Approve the CSR Policy of the Company
- Ensure spend of 2% of profits
- Disclose the content of the CSR Policy in its report and place the Policy on the Company's website
- Ensure that the programs undertaken are aligned to the CSR Policy of the Company
- Specify reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount

The CSR Committee will:

- Formulate and recommend the CSR Policy to the Board for approval
- Monitor and revise the Policy from time to time
- Recommend the amount of expenditure to be incurred on CSR program
- Identify programs that are to be implemented
- Identify suitable partners for implementation
- Constitute transparent monitoring and evaluation mechanism for ensuring implementation of CSR programs
- Avail the services of sector and domain experts to ensure the smooth implementation of CSR programs as and when required
- Provide periodic update and report of its activities to the Board of Directors, preferably every quarter

In the dispensation of its duties, the CSR committee will make sure that it is in line with the company's policies of conduct and service and adhere to established corporate governance principles.

VI. CSR Budget

- For the implementation of NIIF's CSR agenda and to achieve the stated aims and objectives, NIIF will set aside 2% of its average net profits made during the 3 immediately preceding financial years as its annual CSR budget. Only activities as outlined in the company's CSR policy will be applicable for CSR expenditure.
- Any surplus that arises out of the implementation of the CSR projects will not be considered as profits of the Company.
- If the company is unable to spend its CSR budget in a financial year, then it will disclose the reason in the annual/CSR report.

VII. Implementation

- The mode of implementation of CSR programmes may include a combination of direct implementation and / or through a trust, society or company that is compliant with Section 8 of the Companies Act, 2013. NIIF will select its partners after appropriate due diligence.
- NIIF may also collaborate with other companies or institutions for the implementation of its programs.
- The time period/duration of a particular program will depend on its nature, scale and desired impact.
- CSR support can be extended to different types of programs, ranging from infrastructure development, direct service delivery to underprivileged sections, raising awareness and influencing behaviors, building capacities of stakeholders, supporting relevant social and environmental research for public good etc.
- Programs and/or partner organizations with political affiliations and communal bias will not be considered.
- NIIF may use the services of expert agencies, consultants etc. wherever required for specialized services such as impact assessment, program design and implementation, employee engagement etc.
- All details, including the manner of implementation, around the company's CSR programs will be published in the annual report and made available to all stakeholders.

VIII. Monitoring and Evaluation (M&E) framework

- Each program will have clearly identifiable inputs, activities and outcomes to be achieved in a stipulated time period and fund disbursement will be linked to these milestones.
- NIIF will institute a system to monitor and evaluate CSR activities to ensure that they are being implemented as per stated objectives and Policy.
- The monitoring and evaluation framework can include a combination of internal and external validation through field visits, relevant documentation, baseline and end line studies etc.

IX. Review of Policy

The CSR Policy shall be subject to periodic review and reassessment by the CSR Committee. Based on requirements, the Committee can make recommendations for changes in the CSR policy that are subject to the Board's approval. Any subsequent amendment to the Companies Act with respect to section 135 will apply to NIIF's CSR policy.

X. Publication

The CSR Policy framework will be displayed on the website of the Company. The Board will include in its Board report, a report on the CSR activities in the format specified under the Companies (Corporate Social Responsibility Policy) Rules, 2014.