

INDIA GLYCOLS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR Policy)

(Pursuant to Section 135 of the Companies Act, 2013 and rules made thereunder)

“Corporate Social Responsibility” (CSR) is a way of conducting business, by which corporate entities visibly contribute to the social good and the welfare of society at large with an aim to improve quality of life of people. India Glycols Limited (“the Company”) feels that the essence of CSR is to integrate economic, environmental and social objectives with the Company’s operations and growth. CSR is the process by which an organization thinks about and evolves its relationships with society for the common good and demonstrate its commitment by giving back to the society for the resources it used to flourish by adoption of appropriate business processes and strategies. To give further impetus to this cause, the Company endeavours to manage its operations with an emphasis on Sustainable development to minimize impact on environment and promotes inclusive growth.

In its endeavors to mutually achieve the said objective, the Companies Act, 2013 (“the Act”) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“the Rules”) stipulates the provisions regarding mandatory adherence to the Corporate Social Responsibility practices by the prescribed companies.

Even before the issue of CSR became obligatory, the Company was fulfilling the aspiration of the society through voluntary CSR activities within the periphery of its plant and office sites.

OBJECTIVES OF THE POLICY

- To lay down the guidelines for the Company to evolve its relationship with society by way of social and economic contribution and by giving back to the society for the resources it used to flourish by adoption of appropriate business processes and strategies.
- To fulfill the directive of the Act and the Rules enjoining prescribed companies to develop and implement a CSR policy specifying the activities to be undertaken by the Company.
- To prepare list of activities, programmes and projects to be undertaken during the implementation year, specifying modalities of execution and implementation schedules for the same.
- To lay down approach and direction given by the Board of the Company, taking into account the recommendation of CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

DEFINITIONS

(a) **“Act”** means the Companies Act, 2013 (18 of 2013);

(b) **“Board of Directors” or “the Board”** means the Board of Directors of India Glycols Limited.

- (c) **“Corporate Social Responsibility (CSR)”** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-
- (i) activities undertaken in pursuance of normal course of business of the company: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-
 - (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
 - (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board’s Report;
 - (ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
 - (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;
- (d) **“CSR Policy”** means a statement containing the approach and direction given by the Board of a Company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

Words and expressions used in this CSR policy shall have the meaning assigned to them in the Act and the Rules, as amended.

GEOGRAPHICAL AREA FOR CSR ACTIVITIES

The plant/units/offices of the Company and its subsidiaries are located in the States of Uttarakhand, Uttar Pradesh, National Capital Region of Delhi (NCR of Delhi), Mumbai, Rajasthan and Gujarat. Being committed to sustainable development, the CSR activities of the Company shall be carried out majorly in and around these areas with an objective to benefit the people in

these areas. However, the poor and needy sections of the society living in different parts of India would be considered as per the recommendations of the CSR Committee. The Company shall undertake the CSR activities in the areas or subject as specified in Schedule VII of the Act, rules, circulars, notifications and clarifications under the Act, as amended, including the followings:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care" and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts.
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
- (vii) Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.
- (viii) Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
- (ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and

Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

(x) Rural development projects.

(xi) Slum area development.

Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

(xii) Disaster management, including relief, rehabilitation and reconstruction activities.

The list is an illustrative list and not exhaustive. The Board of Directors of the Company may on the recommendation of the CSR Committee undertake any CSR activity apart from the list but within the scope of the activities mentioned in Schedule VII of the Act, as amended and relevant rules, circulars, notifications, clarifications and guidelines issued by the Ministry of Corporate Affairs in this regard from time to time.

COMPLIANCE, IMPLEMENTATION, MONITORING AND REPORTING

Compliance with this policy will be continuously monitored by the CSR Committee.

Implementation

The CSR activities shall be implemented by the Company itself and/or through other entities in accordance with the Rules. The recommendations of CSR activities in any locations and budget allocations thereof shall be sent to the Secretary of the CSR Committee, who shall place the same before the Committee in its meeting. The CSR committee shall, if consider fit, recommend such activity and amount spent/to be spent on such activity to the Board for its approval/ratification.

Monitoring

The CSR activities undertaken by the Company shall be monitored by the CSR Committee as per the provisions of the Act and the Rules. The Secretary to the CSR Committee shall place the periodical update/report on the CSR activities before the CSR Committee/Board.

The CSR funds so disbursed shall be utilised for the purposes and in the manner as approved by the CSR Committee/Board and the Chief Financial Officer or the person responsible for financial management shall certify the same.

The CSR funds may be spent by the Company for creation or acquisition of a capital asset in accordance with the Rules.

The implementation of ongoing projects shall be monitored with reference to the approved timelines and year-wise allocation.

The Company shall take Impact Assessment of its CSR projects, if required, in terms of the applicable provisions of the Act and the Rules, as amended. The Company may book the expenditure incurred for Impact Assessment which shall not exceed 5% of the total CSR expenditure for the financial year or Rs. 50 lakhs, whichever is less.

The Company may set off any amount spent on CSR activities in excess of the required amount against the requirement to spend in immediate succeeding three financial year subject to the approval of the Board of Directors of the Company and other guidelines as may be prescribed.

Any amount which remain unspent on CSR obligation shall be transferred to the specified fund and/or in the manner as specified in the Act and the Rules.

Reporting

The Contents of this policy shall be disclosed in the Board report and placed on the Company's website. Also, the composition of the CSR Committee and Projects approved by the Board shall be placed on the Company's website for public access. Compliance will be reported to stakeholders through the Company's Annual Report in the format prescribed under the Rules.

The Impact Assessment report, if any, shall be placed before the Board and shall be annexed to the annual report on CSR.

The Board shall ensure spending of allocated amount on CSR activities and report the status in its annual report, also specify the reasons of non-spending of the allocated amount, if any.

CSR COMMITTEE

The members of the CSR committee shall be appointed or removed by the Board of Directors by way of Resolution. The Chairman and Managing Director of the Company shall be the Chairman of the Committee and in his absence any other member of the CSR Committee shall preside over the meeting(s) of the CSR Committee. Company Secretary shall be the Secretary of the CSR Committee. The minutes of CSR committee meetings shall be placed before the Board meeting.

Functions of the CSR Committee: The CSR committee shall function within following areas:

- a) To formulate and recommend to the Board, the Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in the policy;
- b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- c) To monitor the Corporate Social Responsibility Policy from time to time;

- d) To formulate and recommend to the Board, an annual action plan and any alteration therein in pursuance to the CSR Policy of the Company, which shall include the list of CSR projects or programmes, the manner of execution of such projects or programmes, the modalities of utilisation of funds and implementation schedules, monitoring and reporting mechanism and details of need and impact assessment, if any, for the project undertaken by the Company;
- e) To perform and discharge such other functions as may be prescribed under the Act or relevant regulations and/or as may be prescribed by the Board from time to time.

BUDGET

Mandatory annual spending on CSR activities in any particular financial year shall be “2% of the average of the annual net profit of the preceding three financial years or such other amount as may be prescribed in the Act and the Rules, as amended.”

The corpus of the CSR activity would include the following amounts:

- a) 2% or such amount of the average net profits as may be prescribed;
- b) Any income arising therefrom; and
- c) Surplus arising out of CSR activities.

The administrative overheads shall not exceed 5% of total CSR expenditure of the Company for the financial year. Further, any surplus from CSR activities shall be spent in pursuance of CSR policy of the Company and will not be part of business profits of the Company.

AMENDMENTS TO THE POLICY

The Board may on the recommendation of CSR Committee modify this Policy in accordance with the guidelines on the subject as may be issued by the Central Government or Ministry of Corporate Affairs or any other statutory authorities from time to time.

In any circumstance where the provisions of this Policy differ from any existing or newly enacted law governing the Company, the relevant law will take precedence over this Policy. In case of any ambiguity, the Chairman of the CSR Committee shall provide the appropriate clarification.

This Policy was last modified on 12th February, 2021 with immediate effect.