

CORPORATE SOCIAL RESPONSIBILITY POLICY FOR

Oriental Rubber Industries Private Limited

1. Company Philosophy:

Oriental Rubber Industries Ltd. (“ORIL” or “the Company”) is committed to its vision of “giving back to the society”. This vision has made brand in social, philanthropic, economic activities for the society as a whole. The Company believes in maintaining consistency in the business development and inclusive growth while emphasizing on integration of CSR values with business objectives.

2. Objective:

The objective of the Corporate Social Responsibility Policy (“CSR Policy”) is to actively contribute to the social, environmental and economic development of the society in which we operate. This Policy aims to contribute towards sustainable development of the society and environment to make planet a better place for future generations. The philosophy of CSR is imbibed in our business activities and social initiatives taken in various areas like education, health, sanitation, drinking water, infrastructure, rural development etc.

The activities enlisted in this CSR Policy are aligned with the CSR Policy of the Company and are carried out by the company either individually or in association with eligible Implementing Agencies registered with the Ministry of Corporate Affairs.

- 3.** The CSR Policy has been framed in accordance with the provisions of Section 135 of the Companies Act, 2013 (“Act”) and the Rules prescribed thereunder and as defined hereinafter (collectively referred as “Applicable Laws”). The CSR Policy of the Company has been formulated by the CSR Committee and approved by the Board of Directors at its meeting held on 3rd September, 2021

4. Effective Date:

This policy shall be effective from 3rd September, 2021.

5. Definitions

“**CSR Activities**” shall mean the projects and / or programmes undertaken by the Company either directly or indirectly pursuant to Applicable Laws in accordance with this CSR Policy.

“Implementation Agencies” any other trust, society or company or any entity established under an Act of parliament or a state legislature or any other agency which is eligible to undertake CSR Activities, on behalf of the Company in compliance with the Applicable Laws and includes the Principal Implementation Agency.

“Rules” means Companies (Corporate Social Responsibility Policy) Rules, 2014, or any other rules prescribed under section 135 of the Act and pertaining to corporate social responsibility, as may be amended and prescribed, from time to time.

6. Interpretation

Words and expressions used in this Policy and not defined herein but defined in Applicable Laws, or the Articles of Association of the Company shall have the meaning as assigned to them thereunder.

In this Policy, unless the contrary intention appears:

- i) the clause headings are for ease of reference only and shall not be relevant for construction or interpretation of the Policy;
- ii) words in singular include the plural and vice-versa.

7. Guiding Principle

In order to fulfil the broader objectives of CSR initiatives enshrined by the Government in its guidelines, the Company desires to follow the following guiding principles for selection, implementation and monitoring of CSR Activities as well as formulation of the Annual Action Plan.

- i) The Company to consider giving preference to the local areas wherein the Company operates or has its offices i.e. areas in the vicinity of its factories, depots, warehouses and field offices.
- ii) The Company to undertake such CSR Activities as are only permitted under the Applicable Laws.
- iii) The Company not to discriminate against the beneficiaries of the CSR Activities, on any grounds whatsoever, including race, gender, age, ethnicity, caste, religion, domicile, but may focus its CSR Activities to benefit the economically or socially weaker, or marginalised sections, of the society.
- iv) The Company to endeavour utmost transparency in selection, implementation, monitoring and reporting of CSR Activities.

v) The Company to ensure that all CSR Activities undertaken directly or indirectly, meet applicable standards of quality followed by Company and/or are the market standard for such activities.

vi) The Company to either undertake the project directly or through Implementation Agency and to its best of its ability also to ensure that the partners or vendors selected by the Company or the Implementation Agency, satisfy the criterion specified by the Rules (if any) and have relevant experience, good credentials, no criminal track record, and follow the ethical standards which are at par with the Companies Code of Conduct.

vii) The Company to ensure that all the CSR Activities are implemented as per the approved Annual Action Plan.

8. Corporate Social Responsibility Committee

The Company has constituted a Corporate Social Responsibility Committee (“the Committee”) comprising of Directors of the Company.

The Board of Directors of the Company may re-constitute the Committee, as and when required to do so, by following the sections, sub-sections, rules, regulations and notifications issued or to be issued from time to time, by the Ministry of Corporate Affairs or the Central Government of India. The Committee shall exercise powers and perform the functions assigned to it by the Board of Directors of the Company pursuant to the Applicable Laws. The Committee may further constitute a Sub-Committee for implementation of the CSR projects identified and approved by the Committee and Board of Directors respectively. The scope and mechanism of the said Sub-Committee may be recommended by the Committee and approved by the Board of Directors.

Following are the functions of the CSR Committee:

- a) To formulate and recommend a CSR Policy indicating the activities to be undertaken by the company in areas or subject specified in Schedule VII to the Act
- b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- c) To formulate and recommend an annual action plan in pursuance of CSR Policy.
- d) Recommend changes to the Board, if any, needed in the annual action plan with reasonable justification to that effect.
- e) To monitor the CSR Policy as approved by the Board from time to time.

The CSR Committee should recommend the approach and direction of CSR activities to be undertaken by the company and also provide Guiding principles for

- (i) Selection of CSR projects / programmes / activities
- (ii) Implementation of CSR projects / programmes / activities

- (iii) Monitoring of CSR projects / programmes / activities
- (iv) Formulation of the annual action plan

9. CSR Activities

The company shall undertake such activities which are broadly related to any of the following:

- (i) eradicating hunger, poverty, malnutrition, promoting health care including preventive health care and 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;
- (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 arts and handicrafts;
- (vi) measure for the benefit of armed force 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 recognized sports, Paralympic sports and Olympics sports;
- (viii) contribution to the Prime Minister's National Relief Fund or Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Schedule 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 Defence 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.

xii) disaster management, including relief, rehabilitation and reconstruction activities.

xiii) any activities or subjects specified in Schedule VII of the Act.

The above areas considered by Schedule VII to the Act and included in this policy aim to provide macro areas in which CSR projects should be undertaken by the Company. The CSR Committee should consider details of CSR projects as elaborated in the annual action plan for each financial year.

Any CSR activity proposed to be undertaken as a CSR initiative, but not specifically covered in the aforesaid, may be undertaken only with the prior approval of the Board and CSR Committee.

CSR activities include activities undertaken by the Company itself or through joint implementation with one or more companies or through implementing agencies as prescribed by the Companies (CSR Policy) Rules, 2014, as amended from time to time.

10. CSR Expenditure

Every year the Company shall spend at least 2% of its average Net profit as defined under the Rules ("CSR obligation") during the three immediately preceding financial years, on the CSR Activities as per approved Annual Action Plan.

The administrative overheads shall not exceed 5% of total CSR expenditure of the company for the financial year. If the Company has to undertake Impact Assessment, it may book the expenditure towards CSR for that financial year, which shall not exceed the cap for such impact assessments, prescribed under Applicable Laws.

Any amount remaining unspent at the end of the financial year, if any, except in case of an ongoing project, shall be transferred to a Fund to be specified in Schedule VII for this purpose, within a period of six months of the expiry of the relevant financial year.

In case the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened for that financial year in any scheduled bank to be called the 'Unspent Corporate Social Responsibility Account', and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund to specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year.

Any surplus arising out of CSR projects, programmes or activities shall not form part of the business profits of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

If a company spends an amount in excess of requirement as provided by the Applicable Laws, such excess amount may be set off against the requirement to spend up to immediate succeeding three financial years as per the conditions provided in the Applicable Laws.

11. Approval of CSR Activities

The CSR Activities to be undertaken by the Company under the Policy shall be approved by way of Annual Action Plan by the Board on the recommendation of the CSR Committee.

The Annual Action Plan shall, inter alia, contain the following information with respect to the CSR Activity proposed to be undertaken by the Company:

- i list of CSR Activities to be undertaken in the relevant financial year;
- ii local area where the CSR Activities are to be undertaken;
- iii manner of execution;
- iv modalities of utilisation of funds;
- v implementation schedule;
- vi monitoring and reporting mechanism; and
- vii details of need and impact assessment, if any.

The Board on the recommendation of the CSR Committee shall be the absolute authority to update, alter, modify, amend, withdraw and replace the Annual Action Plan for justified reasons.

12. Mode of Implementation

All CSR Activities of the Company shall be undertaken by the Company either directly or through any other Implementation Agency. The company can also partner with local governance bodies, such as Gram Panchayats, Civic Bodies, Municipality to directly undertake approved CSR projects with the help and support of these bodies.

Subject to Applicable Laws, the Company may collaborate with other companies for undertaking projects or programmes or CSR activities, provided that the CSR Committee of the Company, shall separately report to the Board, such projects or programmes that have been undertaken as Company's CSR Activities.

All contribution to the funds referred in Para 9 point (iv) and (v) shall be made directly by the Company and shall be utilized, accounted and monitored, strictly in accordance with Applicable Laws.

In case the Company undertakes any CSR Activity through any Implementation Agency other than the Principal Implementation Agency, such Implementation Agency shall satisfy the requirements prescribed under the Applicable Laws and shall be approved by the Board.

13. Responsibilities of the Implementing Agency

The Implementation Agency, shall ensure the following:

- i) All CSR Activities of the Company comply with this CSR Policy and the Applicable Laws.
- ii) The Implementation Agency works only with credible institutions, non-governmental organisations (NGOs), government agencies, domain experts and visionaries and other philanthropic foundations to enhance the outreach of the Company's CSR Activities in line with the CSR Policy.
- iii) Undertake the CSR Activities as per the approved Annual Action Plan.
- iv) Update the CSR Committee and the Board on the progress of CSR Activities and status of implementation of the Annual Action Plan.
- v) Maintain records of all CSR Activities undertaken on behalf of the Company.
- vi) Do all such acts, deeds and things as may be directed by the CSR Committee in pursuance of the CSR Policy and for the effective implementation of the Annual Action Plan.

14. Need of Impact Assessment

CSR activities undertaken should be in the interest of the society and the local population where the company operates. Before undertaking any project or activities the company shall conduct need assessment for the project and its utility in the demography where project is proposed, if the Board thinks it necessary.

Whenever the Company has an average CSR obligation of Rs. 10 Crores or more in pursuance of sub-section (5) of Section 35 of the Act, in the three immediately preceding financial years, the Company shall undertake impact assessment through an independent agency, of their CSR projects having outlays of Rs. One Crore or more, and which have been completed not less than one year before undertaking the impact study and place a report for consideration of the Board. A summary of impact assessment outcome shall be disclosed in the Board's Report.

15. Monitoring of CSR Activities

Under the overall supervision of the Board and the CSR Committee and the Sub-Committee (if constituted), the Implementation Agency (in case, the CSR Activities are undertaken by any Implementation Agency), shall be responsible to monitor the CSR Activities. The Implementation Agency shall devise a robust monitoring mechanism to ensure that the CSR Activities are undertaken effectively in accordance with approved Annual Action Plans in compliance with the Applicable Laws and the provisions of this Policy.

The CSR Activities will be effectively and objectively monitored using appropriate monitoring tools that may include one or more of the third-party audit(s) or certification(s), impact assessment(s), self-assessment report(s), field visit(s), periodical review(s) or any other appropriate mechanism.

The CSR Committee shall review the progress on Annual Action Plan preferably on quarterly basis but not less than twice in a year.

The Board shall review the status of implementation and fund utilization of the various projects and programmes as per approved Annual Action Plan at least once in a year.

For the Board to satisfy itself that disbursed CSR funds have been utilized for its intended use, it can rely on the utilisation certificate issued by the Beneficiary or the Implementing Agency, which needs to be counter signed by the auditor of the Beneficiary or the Implementing Agency.

In case of unsatisfactory finding on any of the CSR Activity, the Implementation Agency, shall immediately inform the CSR Committee and shall also take appropriate action against the errant party in accordance with law.

16. Disclosure

Annual report on CSR Activities shall be included in the Board's Report forming part of Company's Annual Report.

Details of composition of the CSR Committee, the CSR policy and details of CSR Activities approved by the Board shall be available on the Company website at www.orientalrubber.com

17. Miscellaneous

The Managing Directors are jointly authorized to amend this Policy to appropriately incorporate statutory amendments relating to Corporate Social Responsibility from time to time. Such amended policy shall be placed before the CSR Committee and the Board for information and noting.

This Policy shall remain in force unless amended or withdrawn.

The Board may, in accordance with Applicable Laws, alter, amend, review, substitute this Policy as and when required without any prior intimation to any stakeholder for justified reasons.