

ELANTAS Beck India Limited (EBIL)

Corporate Social Responsibility Policy (CSR Policy)

(Adopted by the Board of Directors on 29 July 2014 and revised on 23 February 2021)

Background :

EBIL is a leading private sector enterprise, engaged in the development and manufacturing of specialty chemicals enabling secure and high-performing electrical insulation systems, functional electrical and electronic compounds and construction chemicals.

EBIL understands that its activities have wider ramifications on the society as a whole and as such gives due consideration to all its stakeholders like shareholders, government, suppliers, employees, business patrons and its local communities.

EBIL is committed to create shared and sustainable value for all the stakeholders. In this context, the Company is committed to act as a responsible partner with all its stakeholders, to contribute effectively to improve the quality of life of the employees, their families and the communities around its operations as well as in conducting business consistent with Sustainability Development Goals in its own operations and in its relations with suppliers and customers.

These beliefs form the core of the CSR policy of EBIL that drives it to focus on holistic development of its host community and communities at large, for development on socio-economic and environmental surroundings qualitatively.

EBIL has been doing its bit in terms of giving back to the society by contributing to certain social causes, for the past many years, even when the CSR spends were not mandated by the Companies Act .

Purpose :

With the introduction of Section 135 of the Companies Act, 2013, the scope of social responsibility for corporates has broadened considerably. The provisions of the Section require that the Company fulfilling any of the criteria mentioned therein, would be required to constitute a CSR Committee of the Board and ensure that the Company spends, in every financial year, at least two per cent of its average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

EBIL has developed this Policy comprising the Company's philosophy for being a responsible corporate citizen and lays down the principles and mechanisms for undertaking various programs in accordance with Section 135 of the Companies Act 2013 read with Schedule VII and Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time and is titled as "the Policy".

This Policy shall guide the CSR program and activities undertaken by the Company in the communities in which it operates except those activities as prescribed under Rule 2(d) of the Companies (Corporate Social Responsibility) Rules, 2014 and as amended from time to time.

Scope:

Schedule VII to The Companies Act 2013 (as amended from time to time) provides for the areas and activities which a Company may undertake for its CSR purposes .

The Board recommends that the Company's CSR activities be focused on a few specific areas to create maximum impact and greater visibility. The Board recommends that the Company may consider initiatives in the following areas:

1. Health
2. Education
3. Community Development
4. Natural Calamities

The following parameters should be observed while considering CSR activities of the Company:

1. Social impact
2. Visibility to the Company
3. Employee Engagement
4. Duration of the project / activity

Looking at the available infrastructure / manpower, the Company may take help of NGOs, social workers to pursue the objectives. However, it will also strive to carry out some of the social activities itself with the help of its employees, which will encourage/ motivate its employees to voluntarily participate in CSR project with a clear objective to improve the sensitivity of individuals towards social and environmental issues.

As an important component of its CSR program, the Company would place particular emphasis on efficient use of material since resources are becoming ever scarcer.

In the event of the Company not succeeding in identifying and carrying our CSR projects based on activities enumerated above, it will be open for the Company to spend the amount on any of the projects/programs specified under the Companies Act, 2013 to ensure compliance.

Sustainability:

Short-term projects financed by one-time monetary support do not create permanent change. Sustaining projects is a challenge. Therefore each project will be evaluated for long-term sustainability before committing resources for it.

Criteria for determining CSR Activities :

- a. The CSR activities shall be undertaken by the Company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing).

- b. The Board of a Company may decide to undertake its CSR activities approved by the CSR Committee, through a Registered Trust or a Registered Society or a Company established by the Company or its Holding or Subsidiary or Associate Company.

Provided that:

- If such Trust, Society or Company is not established by the Company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects and shall have CSR Registration Number given by Ministry of Corporate Affairs ;
- The modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism;
- EBIL may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective Companies are in a position to report separately on such projects or programs in accordance with the rules framed under the Companies Act, 2013.
- The CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.
- The CSR projects or programs or activities that benefit only the employees of the EBIL and their families shall not be considered as CSR activities.
- EBIL may build CSR capacities of their own personnel to undertake CSR activities
- Contribution of any amount directly or indirectly to any political party shall not be considered as CSR activity.
- Surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company and would be spent on the CSR projects.

Display of CSR activities on EBIL's website

The Board of Directors of the Company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the Company and disclose contents of such policy in its report and the same shall be displayed on the Company's website. Also, the composition of the CSR Committee and Projects approved by the Board will be displayed on the Company's website for public access.

Formulation of Annual Action Plan:

CSR Committee shall prepare and recommend Annual Action Plan every year to the Board of Directors for its approval containing the following information;

- i. List of CSR projects approved to be undertaken in areas or subject specified in Schedule VII of the Companies Act, 2013.
- ii. The manner of execution of such CSR project
- iii. Utilization of CSR funds and implementation schedule of the CSR projects
- iv. Monitoring and reporting mechanism for the project or programme
- v. Details of need and impact assessment, if any for the projects undertaken by EBIL

Provided that EBIL Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

The EBIL Board shall 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 the effect. A separate account will be kept for expenses incurred on CSR activities.

Dealing with the unspent amount as below:

If the unspent amount relates to any ongoing project, the said unspent amount shall be transferred by the EBIL 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

If the unspent amount does not relate to an ongoing project, transfer such unspent amount to a Fund specified in Schedule VII of the Companies Act, 2013, within a period of six months of the expiry of the financial year.

EBIL will ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year;

Monitoring the implementation of the ongoing project with reference to the approved timelines and year-wise allocation and make suitable modifications as may be required for the smooth implementation of the project within the overall permissible time period.

Impact Assessment:

In the event the average CSR obligation of the EBIL triggers ten crore rupees or more in the three immediately preceding financial years, EBIL shall undertake impact assessment through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

CSR Reporting:

The Board's Report of a Company shall include a report on CSR activities in the format specified under the Companies Act, 2013 read with rules framed thereunder and as amended from time to time.

(This document was approved by the Board of Directors at its Meeting held on 23 February 2021)