

Corporate Social Responsibility Policy

1. Preamble –

The Corporate Social Responsibility (CSR) is an initiative with the basic aim to include responsibility for the Company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders, and society at large. This Corporate Social Responsibility Policy has been framed by the Corporate Social Responsibility Committee and has been approved by the Board of Directors in its meeting duly held on 19th of April 2022.

SAH POLYMERS LIMITED seeks to be a good corporate citizen in all aspects of its organization's and activities. It is the Company's intent to make a positive difference to society. It recognizes that it cannot do it all; so that if there are choices to be made, prioritization will be towards doing fewer projects with greater impact and focusing initiatives on communities in which the Company lives and operates.

2. Governing Provisions –

The Corporate Social Responsibility Policy (“CSR Policy”) of Sah Polymers Limited (“the Company”) has been prepared in accordance with the provisions of Section 135 of the Companies Act, 2013, (“Act”) read along with the Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) thereunder or any other Act/ Regulations/ Rules/ Notification/Circular, as may be applicable, from time to time.

The CSR Policy assists the Company in its vision to contribute to the social and economic development of the communities at large. This Policy shall serve as the basic guiding document on directing our effort towards building a better, sustainable way of life for the betterment of the society.

3. Vision and commitment –

Our vision is to drive ‘holistic empowerment’ of the community through implementation of sustainable initiative which will have maximum societal impact by identifying the critical needs and gaps.

We shall remain committed to the following operating principles –

- Conducting business in a socially responsible and ethical manner.
- Protecting the environment and the safety of people.
- Supporting human rights; and
- Engaging, learning from, respecting, and supporting the local communities and cultures with which we work.

4. Definition –

“Act” means Companies Act, 2013 and rules framed thereunder, as amended from time to time.

“Board of Directors” or **Board**, in relation to the company, means the collective body of the Directors of the Company.

“CSR” means Corporate Social Responsibility activities carried out as specified under the Act;

“CSR Policy” or “this Policy” means the Corporate Social Responsibility Policy which has been framed by the Committee and approved by the Board in their meeting.

“CSR activities” includes such activities as defined under this Policy.



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“**Committee**” means Corporate Social Responsibility Committee of the Company as constituted or reconstituted by the Board;

“**Company**” means “ Sah polymers Limited”.

“**NGO**” means Non-Governmental Organisation or Non-Profit Organisation, is a group, organisation, non-profit establishment or non-profit entrepreneurship of individuals, activists, voluntary and social persons, community, persons, volunteers, civilians, etc. which are doing activities of philanthropic, benevolent, charitable and for well-being of society at large and needy class of peoples; without motive of profits.

5. CSR Objectives –

The Company may carry out any one or more of the CSR activities as entailed in Schedule VII, notified under Section 135 of the Companies Act, 2013 and the rules made thereunder and as amended from time to time, *inter-alia* the following:

- 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 and differently-abled and livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old aged 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;
- 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 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 Page | 7 Naturopathy, Unani, Siddha and



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Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (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 – 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.

However, the CSR Committee shall have authority to decide to carry out any other CSR activities within the purview of permissible activities under the Act from time to time.

Further, in accordance with the law, below mentioned activities if undertaken by a Company shall not constitute CSR activities of the Company:

- (i) activities undertaken in pursuance of normal course of business of the company;
- (ii) (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) (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (iv) (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) (v) activities supported by the Company 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.

6. Philosophy and approach –

The Company proposes to create a social impact through ‘hands on’ execution of the social initiatives, directly and/ or through partnerships with individuals, institutions, NGOs and the local Government bodies, etc. for the purpose of accessing expertise/ enhancing resources.

7. CSR Committee -

The Company’s CSR governance structure will be headed at the Board level CSR Committee that will be responsible for CSR activities/ project undertaken. The Committee will report to the Board of Directors of the Company.

The CSR Committee shall comprises of at least 3 (three) directors, one of whom shall be independent director pursuant to the provisions of Section 135 of the Companies Act, 2013. The Board shall be empowered to modify the composition of CSR Committee, provided that there shall



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always be at least one Independent Director as part of CSR Committee or such other composition as may be prescribed from time to time.

The Chairperson of the CSR Committee shall be either designated by the Board or the members may elect a Chairperson from amongst themselves. The CSR Committee shall meet at least two (2) times in a financial year.

8. Responsibilities of CSR Committee –

The CSR Committee shall be mainly responsible to –

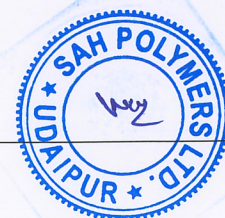
- a) Formulate CSR Policy, *inter alia* in compliance with the Section 135 of the Companies Act, 2013 and Schedule VII thereof and the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- b) Identify and recommend to the Board, from time to time, the activities/ projects in line with such CSR Policy and seek its approval for expenditure thereon, from the Board of Directors of the Company.
- c) recommend the amount of CSR expenditure to be incurred on the CSR activities referred to in above clause 5.
- d) Recommend to the Board, modification to the CSR Policy as and when required.
- e) formulate and recommend to the Board, an annual action plan for a financial year, disclosing:-
 - (i) The list of CSR projects or programmes that are approved to be undertaken;
 - (ii) The manner of execution of CSR projects or programmes;
 - (iii) The modalities of utilization of funds and implementation schedules for the projects or programmes;
 - (iv) Monitoring and reviewing the transparent mechanism for the implementation status of each activities/ projects and programmes; and
 - (v) Details of need and impact assessment, if applicable, for the projects undertaken by the company. The Committee members shall conduct its meeting, as and when it may feel necessary, to discuss on overall CSR activities.
- f) The Committee may take the necessary assistance from its Senior Management, as may be necessary to implement and review the CSR activities. The Committee shall obtain requisite data from departmental head or senior management as it may think necessary.

9. CSR Budget –

The total budget for the CSR activities/ projects will be recommended by the CSR Committee and shall be approved by the Board of Directors of the Company.

The expenditure to be incurred on CSR activities/ projects during a financial year will not be less than 2% of the average net profit (calculated in accordance with provision of Section 198 of the Companies Act, 2013) during three immediate preceding financial years.

The Company may allocate the funds towards the building adequate resources and mechanism within the Company as well as of the agencies to carry out CSR activities more effectively and efficiently, provided that such spending shall not exceed approved budget by the Committee towards CSR spending in any financial year.



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10. Identification of CSR activities and carry out CSR Programmes –

CSR Committee shall identify the CSR activities to be carried out as per this Policy. The Committee shall undertake the CSR activities out of the total CSR activities specified in clause 5 above. Identification of the CSR activities shall be the first step towards implementing of CSR Programmes. CSR Committee shall function in the systematic manner as laid down below:

- (a) Suggestion from Committee members, Directors, KMPs and Senior management;
- (b) Open discussion and seeking suggestion from employees;
- (c) Assessment of the possible activities, discussion with the Head of department(s), NGO, any local authorities and other related person;
- (d) Interaction with NGOs, Trusts, agencies, etc.;
- (e) Proposal from NGOs & Trusts for conducting CSR activities, approval from CSR committee members, receipt from NGOs or Trusts for each of the expenditure w.r.t. CSR programmes, supervising of such activities by internal team, reporting to management about actual expenses against budgeted CSR provision;
- (f) The Company may join hands with companies including holding company, subsidiary companies and associate companies for carry out of CSR programmes jointly.

11. Determining & Disbursing CSR Expenditure-

11.1 Determination of CSR Expenditure for the Financial Year:

In every financial year, the CSR Committee and the Board shall ensure that the Company spends such minimum amount as 'CSR Expenditure' as required and as stipulated under the Section 135 of the Companies Act, 2013 and Rules thereunder.

11.2 Set-off of Excess amount of CSR Expenditure:

If in any financial year, the Company spends an amount in excess of the above determined CSR Expenditure, such excess amount may be set off against the requirement to spend such amount of CSR Expenditure in the immediately succeeding three financial years subject to the conditions that

- a) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in accordance with the provisions of the Companies Act, 2013 and
- b) the Board shall pass a resolution to that effect.

11.3 Administrative Overheads:

The Company shall ensure that the expenses incurred for general management and administration ("administrative overheads") towards the Corporate Social Responsibility functions in the Company do not exceed five percent of total CSR Expenditure for that financial year.

11.4 Disbursement of CSR Expenditure:

The amount to be allocated and utilized towards the CSR activities would be in line with the statutory requirements. The amount proposed to be disbursed shall be first decided by the Internal Committee (CSR) and placed to the CSR Committee for its review, approval and subsequent approval of the Board. The maximum allocation to each eligible entity/beneficiary bearing CSR Registration Number shall be approved by the CSR Committee and Board of the Company. The actual amount disbursed shall be within the maximum outlay as approved by the



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CSR Committee and the Board. The details of final disbursement of the CSR Expenditure to various entities/beneficiaries shall be reported to the CSR Committee and Board.

11.5 Transfer of unspent CSR Expenditure

If the Company fails to spend the determined CSR Expenditure (other than any ongoing project), the Board shall pass a resolution to transfer such unspent amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year. Further, in case an amount remains unspent on any ongoing project undertaken by the Company, the same shall be transferred to a special account named 'Unspent Corporate Social Responsibility Account' opened within a period of thirty days from the end of the financial year, and such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility Initiative's within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

12. Monitoring, Reporting and Disclosure –

The Committee shall periodically review and monitor the progress and amount spends towards the CSR Programmes and brief to the CSR Committee. All the CSR Programmes, activities and other aspects to this Policy shall be reviewed and monitored by the CSR Committee periodically as the Committee thinks fit. The CSR Committee shall act in close coordination with the Internal team of the Company. CSR Committee may discuss and review about the CSR activities with management and may obtain suggestions for effective and smooth implementation.

Monitoring also includes field visits, comprehensive documentation, and interaction with beneficiaries' community. CSR Committee members may assign accountabilities of implementation/ monitoring of CSR Programme to the Head of Department.

An annual report of the activities undertaken under the CSR initiatives shall be prepared as per the statutory requirement and may be requested by the Board from time to time. Necessary details about the CSR Activities of the Company shall be disclosed in the annual report of the Company.

13. Amendment to the Policy –

The Board of Directors on its own and/ or as per the recommendation of CSR Committee can amend this Policy, as and when required. In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities, not being consistent with the provisions of this Policy, which are extracted from applicable provisions of Companies Act, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon 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. However, to bring the effects of such amendment(s), clarification(s), circular(s), etc. Committee may recommend such changes in this Policy to the Board for the approval in the meeting of the Board of Directors.

