

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

PREAMBLE:

This ‘Corporate Social Responsibility Policy’ (CSR Policy) of Sajjan India Limited (SIL) has been adopted by the Board of Directors of the Company vide its resolution dated March 09, 2023, pursuant to the provisions of Section 135 of the Companies Act, 2013, (the Act), read with the Companies (Corporate Social Responsibility) Rules, 2014 (the Rules), as amended from time to time.

OVERVIEW:

As an integral part of our commitment to Good Corporate Citizenship, we at Sajjan India Limited (SIL), believe actively contributing to improving the quality of life of people in the communities, especially in the local areas around our business operations. We remain focussed in our endeavour of sustainable development, accelerated inclusive growth and social equity.

SIL continues to support several community welfare, health, and educational activities, primarily in communities surrounding our establishments, both directly and through our trusts. Our efforts are focussed in the areas of providing healthcare, education and skilling, improvement of community infrastructure and sustainability interventions.

We will nurture a vibrant culture of volunteering in our aspiration to leverage our core competencies and managerial, technological capabilities for CSR. We strive to bring innovation to our initiatives and optimize their effectiveness while seeking to create a measurable impact of our activities.

OUR VALUES:

We, at SIL, are committed to our belief system of TRUST. TRUST stands for **T**hinking better, simpler, bolder, **R**esponding with agility, **U+US**= One Team and **T**aking Ownership.

We place Care as our Core and are obsessed about delivering on our commitment to our Partners, People and Planet.

OBJECTIVES:

The focus of CSR activities at SIL includes *interalia* Education and Skilling, Environment and Sustainability, Health, and Sanitation.

The Objectives of this CSR Policy are:

- a) To establish guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.
- b) To ensure the CSR activities are undertaken in compliances with the provisions of Section 135 of the Act, read with the Rules thereunder, as may be amended from time to time.

- c) The Policy shall apply to the CSR Committee and all CSR projects/programmes undertaken by SIL in accordance with Schedule VII of the Act

CONSTITUTION, COMPOSITION, AND SCOPE OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE):

a. Constitution and composition of the CSR Committee

The CSR initiatives/activities of the Company will be identified and initiated by the CSR Committee comprising of 3(three) or more Directors out of which at least one Director shall be an Independent Director.

The members of the CSR Committee shall elect one of them as the Chairman of the Committee. The CSR Committee shall recommend to the Board the amount of expenditure to be incurred by the Company on CSR activities and the Board will ensure that the activities as are included in the CSR Policy are undertaken by the Company subject to and in accordance with the provisions of Section 135 of the Act.

Though the overall supervision, monitoring, guidance will be provided by the CSR Committee, the actual implementation of various initiatives will be broad-based with the involvement of various employees/units of the Company or through implementing agencies like NGOs, Trusts, Section 8 companies or through collaborative projects with other corporates.

The composition of the CSR Committee shall be disclosed in the Board's report.

b. Scope of the CSR Committee

- i. formulation and recommendation to the Board, the CSR Policy shall indicate the activities to be undertaken by the Company as specified in Schedule VII
- ii. recommendation of the amount of expenditure to be incurred on the activities referred to in the CSR Policy
- iii. monitoring the CSR Policy from time to time.

GUIDELINES FOR SELECTION, IMPLEMENTATION, MONITORING AND FORMULATION OF ANNUAL ACTION PLAN OF CSR ACTIVITIES AT SIL:

Focus areas –

The provisions of Schedule VII of the Companies Act, 2013, including amendments thereunder, require companies to direct their CSR initiatives towards the areas stated therein.

The Company may undertake CSR activities through a registered trust or a registered society or a company established by the Company or subsidiary or associate company under section 8 of the Act or through such other trusts, NGOs, registered societies etc which have an established track record of three years of undertaking such projects/programmes.

The Company may collaborate with other companies for undertaking the CSR projects/programmes subject to fulfilment of separate reporting requirements as prescribed in the Rules.

The scope of CSR activities of the Company will inter-alia cover the below mentioned key thrust areas. The CSR activities shall not include any activity undertaken by the Company in pursuance of the normal course of business of a Company.

In line with these requirements, SIL's CSR interventions will focus on:

i) Education and Skilling:

People are the at core of every intervention we undertake at SIL, we believe that education and skilling are the premise for progress of individuals, families, and communities. Promoting primary, secondary, and higher education including setting up infrastructure and supporting activities, providing financial assistance to deserving students, distribution of educational supplies, grant of scholarships and contributions to funds set by the Central Government / State Governments / local authorities for promoting education and employment. Enhancing vocational skills, vocational training, skill enhancement, livelihood enhancement projects in communities around our establishments.

ii) Environment and Sustainability:

Considering we are from the Chemicals sector, and an organization with 'TRUST' at the heart of our philosophy, we adhere to the SDGs (Sustainable Development Goals) through defined processes and CSR activities. 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, tree plantation, developing gardens, promoting biodiversity, promoting renewal energy and conducting programmes for environment awareness and contributions to Funds set by the Central Government / State Governments / local authorities for promoting cleanliness of environment etc.

iii) Health and Sanitation:

We at SIL, strive to partner with communities where our factories and offices are based, to provide water, sanitation and hygiene for all. Promoting healthcare including preventive health care and sanitation, making available safe drinking water, promoting health care facilities, Health checks, camps and / or supports / activities for adopted schools, students, teachers and community, Hygiene & Health Awareness Programmes / events, construction of health care centres, distribution of medical kits, sanitization equipment and related materials, contributions to Funds set by the Central Government / State Governments / local authorities for promoting health care/sanitation etc. Rural development projects including developing community infrastructure, water conservation projects, ensuring sustainability projects, construction / renovation / development of public utility areas like gardens, parks, jogging tracks, play grounds, worship places, etc.

iv) Disaster Management:

Relief, rehabilitation and reconstruction activities in areas affected due to floods, tsunami, earthquakes, natural disasters, pandemic, etc.

v) Such other activities in compliance with Schedule VII of the Companies Act, 2013 including Rules made thereunder, as amended from time to time.

PROJECT LOCATIONS:

The CSR Activities will be carried out around the areas of the Company's manufacturing locations, offices and other locations viz. Mumbai, Navi Mumbai, Dahej (Gujrat), Bharuch (Gujrat), Ankaleshwar (Gujarat), Panoli (Gujrat), Vadodara (Gujrat). However, the CSR Committee may identify other areas for CSR Activities, from time to time.

CSR EXPENDITURE:

CSR expenditure shall include all expenditure including contribution to corpus, for projects or programmes relating to CSR activities approved by the Board on the recommendation of the CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of the Schedule VII of the Act.

The amount to be spent on CSR activities shall be calculated in accordance with the provisions of the Act and Rules made thereunder. Any surplus arising out of CSR projects, programmes or activities shall not form part of the business profit of the Company.

IMPLEMENTATION, MONITORING AND FORMULATION OF ACTION PLAN:

a) Outlay towards CSR Activities:

- i. The Company in every financial year, shall spend at least 2 % (two percent) of the average net profits of the Company made during the 3 immediately preceding financial years, or such other percentage or amount as may be prescribed by law from time to time, specifically towards CSR activities For this purpose, the net profit shall be calculated in accordance with the provisions of the Companies Act, 2013, including rules made thereunder and amendments thereof.
- ii. If SIL, in any financial year spends an amount in excess of the requirement of aforesaid 2%, such excess amount can be set off as per the provision of the Companies Act, 2013 and Rules issued thereunder, as may be amended from time to time.

b) Implementation of CSR Activities:

- i. CSR activities shall be carried out directly by the Company and/or through implementing agencies having unique CSR registration number.
- ii. Out of the total eligible funds for CSR activities in each financial year, all or majority of the funds may be expended through company or agencies, provided these entities obtain the unique CSR registration number.
- iii. The balance funds, if any, may be used to undertake one or more of the CSR activities permitted under Schedule VII of the Act, as may be amended from time to time.
- iv. The Company may undertake projects under this Policy for implementation, which may require a period longer than a financial year in which they were approved. Such projects may be completed within 3 years after the financial year in which they were commenced and shall include such projects those were initially not approved as multi-year projects, but whose duration extended beyond one year by the Board of Directors of the Company, based on reasonable justification.

- v. The Company may expend funds under the limits of CSR expenditure on administrative overheads. However, such expenditure on administrative overheads shall not exceed 5% or such other limit as may be prescribed under the Companies Act, including rules thereof as amended from time to time, of the total expenditure of the Company on CSR, for a financial year.
- vi. The Company may spend limits available for expending on CSR, for creation or acquisition of capital assets which shall be held by an entity having a unique CSR registration number.
- vii. The Board shall approve the Annual Action Plan having the list of CSR activities, eligible expenditure to be incurred on CSR activities, modalities of utilization of funds, implementation schedule, etc. on the recommendation of CSR Committee in the beginning of every financial year. The Board may, at any time, alter the Annual Action Plan during the financial year, on the recommendation of the Committee, based on the reasonable justification to that effect.
- viii. The Committee may engage any organization/s including international organization/s for designing, monitoring and evaluation of the CSR projects or programmes as per the Policy as well as for capacity building of their own personnel for CSR.
- ix. The Whole Time Director and CEO is authorised to perform following functions:
 - a. Appoint one or more employees / persons for implementing & monitoring the CSR Activities
 - b. Encourage employees in the process of implementing the CSR activities being carried out by the Company.
 - c. Where required, create a working group to develop the CSR Commitments of the Company

DISPLAY OF CSR ACTIVITIES ON THE WEBSITE:

The composition of the CSR Committee, the CSR Policy, and the Projects approved by the Board shall be displayed on the Company's official website.

This CSR Policy is subject to such changes and amendments as may be notified by the Ministry of Corporate Affairs under Section 135 of the Companies Act, 2013 and rules made thereunder and the same shall be read in line with the provisions of the Act applicable to the Company from time to time.