

**CORPORATE SOCIAL RESPONSIBILITY POLICY**  
**SUPPLE RUBBER CHEMICALS PRIVATE LIMITED**

## **1. POLICY STATEMENT**

This policy provides guidance on the protocols to be followed for all expenditures to be incurred (including expenditure by way of contribution) in India towards the social, economic and environmental development of the communities where Supple Rubber Chemicals Private Limited operates its business, as a responsible corporate citizen.

## **2. PURPOSE AND APPLICABILITY**

### **2.1 Purpose**

This policy describes the standards for granting, managing and tracking expenditures towards Corporate Social Responsibility (“**CSR**”) Program of Supple Rubber Chemicals Private Limited. It has been established to decide upon CSR projects or programs within the purview of the (*Indian*) Companies Act 2013 (“**Act**”) read with the Companies (Corporate Social Responsibility) Rules, 2014 (“**CSR Rules**”), specify the modalities of execution of CSR Programs and to ensure a systematic review and implementation of all contributions funded within the CSR Programs.

### **2.2 Applicability**

This policy applies to Supple Rubber Chemicals Private Limited.

### **NOTE:**

Before seeking approval for incurring any expenditure towards CSR activities as outlined in the following pages, Supple Rubber employees are advised to ensure that the expenditure does not in any way conflict with the terms of Policies of Supple Rubber Chemicals Private Limited.

### **2.3 Implementation date**

This policy applies to all expenditures incurred in relation to CSR activities on or after 08.05.2021

## **3. DEFINITIONS**

“**Act**” means the Companies Act, 2013.

“**CSR Activity**” means Corporate Social Responsibility which includes all activities notified/to be notified under the Act and Rules from time to time.

“**CSR Committee**” means and comprises such number of Directors as stipulated under the Act and Rules thereon and appointed by the Board of Directors of the Company.

“**CSR Policy**” means Supple Rubber Corporate Social Responsibility Policy.

“**CSR Rules**” means Companies (Corporate Social Responsibility Policy) Rules, 2014, and any subsequent amendment or modification thereof.

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#### **4. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

##### **4.1 Constitution**

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR Committee shall be appointed by the Board of Directors of the Company which must consist of two or more Directors.

##### **4.2 Roles and responsibilities of the Committee**

- i. Formulate CSR Policy and recommend it to the Board of Directors of the Company for their approval;
- ii. Recommend CSR activities in areas as stated under Schedule VII of the Act;
- iii. Approve to undertake CSR activities in collaboration with other Companies/firms/NGOs etc. and to separately report the same in accordance with the CSR Rules;
- iv. Recommend the CSR Budget;
- v. Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules;
- vi. Create transparent monitoring mechanism for implementation of CSR Initiatives in India;
- vii. Submit the Reports to the Board in respect of the CSR activities undertaken by the Company;
- viii. Monitor CSR Policy from time to time;

#### **5. COMMITTEE MEETINGS**

The CSR Committee may meet as often as they deem fit to carry the duties and responsibilities. Members of the CSR Committee can mutually agree regarding time and place for the said meetings. The Quorum for the meeting shall be minimum 2 Directors personally present or through by video conferencing or by other audio visual means in accordance with the provisions of the Companies Act, 2013 and rules made thereunder from time to time. Other Members of the Senior Management may attend the CSR Committee Meetings as may be appropriate, subject to the approval of the CSR Committee. Minutes of the CSR Committee shall be placed before the Board for noting.

The Committee may approve any resolution by circulation in which a Resolution proposed to be passed by circulation shall be sent in draft, together with the necessary papers, to all the Members of CSR Committee and the Resolution shall be deemed to have been passed when it is approved by a majority of the Members entitled to vote on the Resolution.

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**6. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

**6.1 Statutory Requirements for CSR Activities:**

CSR Policy recognizes that the following activities are stipulated under Schedule VII to the Act and CSR Rules, in which, the Company may incur CSR expenditures:

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- I. eradicating hunger, poverty and malnutrition, promoting preventive 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, agro forestry, 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 arts and handicrafts;
- VI. measures for the benefit of armed forces veterans, war widows and their dependents;
- VII. training to promote rural sports, nationally recognized 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 Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- IX. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics

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and Information Technology) 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 - 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.

**6.2 Priorities for Identification of Projects for CSR Activities:**

The CSR Committee shall identify the projects for CSR Activities out of the statutorily prescribed CSR Activities as stated in Para 6.1 of this Policy for any specified period and recommend the same to the Board of Directors for its necessary approval and implementation.

The company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities

Further any expenditure shall be characterized as a CSR Expenditure only if all of the following criteria are fulfilled:

- a. The objective of the CSR Expenditure is to support general, community aid purposes in line with the activities stated in CSR policy.
- b. The consideration received in return is negligible in value.
- c. It is in compliance with the Provisions of the Act and CSR Rules

**Exclusions:**

Following kind of expenditures or contributions to other parties shall not be construed as expenditure on CSR Activity under this Policy:

- (i) All Projects, programs or Activities that benefit only the employees of Supple Rubber and their families.
- (ii) All Projects, programs or Activities those are undertaken outside India.
- (iii) All kind of Political Contributions whether directly or indirectly;
- (iv) All projects, programs and activities, which are undertaken in pursuance of its normal course of business.

**7. MANNER TO CARRY OUT CSR ACTIVITIES**

**7.1 Modalities for Carrying out the CSR Activities**

The CSR Committee shall, from time to time, review and recommend the modalities for carrying out the identified CSR projects, which may be done:

- (a) by the Company itself;
- (b) through (i) a registered trust or registered society; or (ii) another company established by the Company either singly or along with any other company, incorporated under Section 8 of the Act.;

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or (iii) another company established by the Central Government or State Government or any entity established under an Act of Parliament or a State legislature, incorporated under Section 8 of the Act

Provided that - if, the Board of a company decides to undertake its CSR activities through a company established under section 8 of the Act or a registered trust or a registered society, other than those specified in this clause, such company or trust or society shall have an established track record of three years in undertaking similar programs or projects; and the company has specified the projects or programs to be undertaken, the modalities of utilisation of funds of such projects and programs and the monitoring and reporting mechanism”.

- (c) in collaboration with other companies undertaking projects, programs or CSR activities, but in such a manner that CSR Committees of respective companies involved are in a position to report separately on such projects or programs in accordance with the CSR Rules;

## **7.2 Funding of the CSR Activities:**

The Identified CSR Projects under this policy shall be funded by the Company out of the net profits of the Company in any financial year. Notwithstanding anything contained in this CSR Policy, the total amount spent on the CSR activities during any financial year shall not be less than 2% of the average net profits of the respective Company made during the three immediately preceding financial years.

However, in the event of losses, as per the computation aforesaid, the Company shall use its discretion for spending on the CSR activities, but shall not be under any statutory obligation to spend money towards CSR activities or programs.

CSR Committee will oversee the budget management of the CSR Activities to be undertaken by the Company and ensure that the payments are being made towards the identified CSR Activities in timely and efficient manner.

Surplus arising out of the CSR initiatives shall not form part of the business profits of the Company.

## **7.3 Implementation and Monitoring Process**

CSR Committee shall decide the implementation schedule for the CSR projects undertaken by the Company during any financial year and keep the Board of Directors apprised about the progress of the projects.

CSR Committee shall also decide the protocol and process for implementation of CSR projects/programs to be executed by the Company by way of building the Company's own CSR capacities. Supple Rubber personnel, as well as other implementing agencies or institutions, which have track record of at least three financial years may also be resourced to build the Company's CSR capacities. However, this is subject to the limitation that such expenditure including expenditure on administrative overheads, shall not exceed 5% of the total CSR expenditure of the Company in any one financial year.

The CSR Committee shall periodically review the progress of the CSR projects being implemented by the Company either directly or through other entities or in collaboration with the other Companies in India.

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**8. STANDARDS AND REQUIREMENTS FOR THE EXECUTION OF CSR ACTIVITIES**

**8.1 Requirements covering all expenditures:** All expenditures towards CSR Activities shall only be allowed after recommendation of CSR Committee and approval from the Board of Directors of the Company.

All expenditures must be transparent, and their function must be clear, plausible and documented. No contributions may be made to individuals or private accounts.

No contributions may be made to organizations whose missions or objectives are incompatible with the Supple Rubber Code of Conduct, the Supple Rubber Way, or whose association with Supple Rubber could damage the company's reputation.

**8.2 Process for initiating request:** All proposal for CSR Activities must be submitted to the CSR Committee with complete details of the CSR projects or programs. Each such proposal shall be reviewed by the CSR Committee and if suitable, shall be recommended to the Board of Directors of the Company for its approval.

**For Supple Rubber Chemicals Private Limited**

**Harshit Arora**  
**(Director)**

**DIN:** 02947728

**Address:** H. N. 66, Ring Road, Lajpat Nagar-3  
Lajpat Nagar, New Delhi, Delhi – 110024, India