



## CSR Policy

### Preface

This Corporate Social Responsibility (hereinafter referred to as 'CSR') Policy is framed in terms of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as 'the CSR Rules'), as amended from time to time.

### Alignment with Synthite Values

We believe to drive our CSR policy with the same values which directs Synthite. Hence, this CSR Policy absorbs Synthite's core values and is aligned in the following manner to its CSR strategy:

- ✓ Being Accountable for what we do: Synthite considers itself accountable for contributing back in a meaningful way to the Society / Nation.
- ✓ Embrace Diversity: Synthite believes in embracing diverse views and opinions which lead to a better solution. Accordingly, for execution of its CSR objectives, Synthite plans to partner, where necessary, with NGOs / other organizations to meet its CSR objectives.
- ✓ Collaborate to Win: Collaborating with other NGOs / other organizations, with footprint / expertise in areas selected, is a key aspect of Synthite's strategy to make a positive impact in its CSR activities. Synthite will strive to enter into public-private-people partnerships to multiply the impact of its CSR Programs, Projects and Activities.
- ✓ Participatory: Synthite will strive for executing various CSR projects with the participation of its employees and other stake holders.
- ✓ Governance: Synthite believes transparency is the key to build trust and credibility and will ensure it at all levels of its CSR operations.

### Objective and Purpose

The key purpose of this Policy is to:

- Outline the areas in which Synthite shall get involved in as part of its CSR initiatives
- Serve as a guiding document aiding in identification, execution and monitoring the CSR projects
- Define governance structure for CSR management
- Describe the treatment of surpluses from CSR activities

## **Scope of CSR Policy**

The scope of this Policy is to strategically draw the guiding principles for selection, implementation and monitoring of CSR activities as well as formulation of the Annual Action Plan by the Board of Directors, after taking into account the recommendations of the CSR Committee. This Policy will be periodically reviewed and updated in line with the relevant codes of legislation and best practices that can be adopted by Synthite.

## **Applicability**

This CSR Policy is applicable to Synthite and its Indian subsidiaries (collectively referred to as “Synthite”) which are mandated with the CSR obligations as per Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

This Policy applies to all CSR projects that will be undertaken by Synthite. Synthite shall ensure all these activities are over and above the normal course of its business and are in line with Schedule VII of the Companies Act, 2013.

## **Areas to Emphasize**

Synthite has broadly selected four areas of focus under its CSR activities, as under:

### **1. Education**

- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- Facilitate vocational training, skilling and re-skilling initiatives for sustainable growth of individuals and the society.
- Build capabilities for tomorrow through interventions in education – both offline and online - and vocational training.

### **2. Environment Sustainability**

- Ensuring environmental sustainability and ecological balance
- Protecting flora and fauna, promoting animal welfare and agroforestry
- Promoting climate actions and conservation of natural resources
- Maintaining quality of soil, air and water

### **3. Medical Relief, Health and other Welfare**

- Providing medical relief and rehabilitation to communities who either do not have access to quality health care or cannot afford it;
- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

- Contribution to the Prime Minister's National Relief Fund and any other fund set up by the Central / State Government for socio-economic development and relief and welfare communitiques;
- Contributions or funds provided to technology incubators located within academic;
- Undertake projects of rural development.

#### **4. Emergencies and Natural Calamities**

- Provide relief, support, rehabilitation etc. to the affected and deserved, in case of emergencies and natural calamities.

While the abovementioned areas shall be the focus of Synthite, activities allied to any of the thematic areas outlined under Schedule VII of the Companies Act, 2013 may be carried out in discharge of its CSR obligation, subject to the approval of the CSR Committee and Board.

#### **CSR Annual Action Plan**

Synthite shall undertake and implement its CSR projects and activities in varied communities and across boundaries to create more impact in the society. The CSR Committee shall decide on the locations for CSR activities and formulate and recommend to the Board for approval a CSR Annual Action Plan, which shall contain all matters required under the applicable law and any other matters as the CSR Committee may deem fit from time to time. The Board may modify the Annual Action Plan as per the recommendations of the CSR Committee at any time during the financial year, based on reasonable justification.

#### **Governance Structure**

The Board of Directors and the CSR Committee shall formulate a prudent and effective governance structure for implementing and administering CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013.

#### **Board of Directors**

CSR is a Board-driven process and a compliance mandate. In this aspect, the responsibilities of the Board shall include, but not be limited to the following:

1. Approve the CSR Policy of the company after considering the recommendations given by the CSR committee.
2. Ensure that the company spends, in every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years.
3. After taking into account the recommendations made by the CSR Committee, approve the approach and directions for CSR and the CSR Policy for the company and disclose contents of such policy in its report.
4. Ensure that the CSR activities undertaken by the company are aligned to the prevailing CSR Policy of the company and in compliance with Schedule VII to the Companies Act.
5. Satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and to seek certification to this effect from the Chief Financial Officer or such other person responsible for financial management of the company.

6. Ensure that the administrative overheads do not exceed 5% of total CSR expenditure of the company for the financial year.
7. In case the company is unable to spend the earmarked amount for CSR activities during a particular financial year, specify reasons for non-spending in its report under section 134 of the Act and transfer the unspent amount to any Scheduled Bank.
8. If any capital asset is created or acquired as a part of CSR, to ensure that it is held by a company established under section 8 of the Act, or a registered public trust or registered society, having charitable objects and CSR registration number provided by the Ministry of Corporate Affairs (MCA); or beneficiaries of the said CSR project, in the form of self- help groups, collectives, entities; or a public authority.

### **CSR Committee**

Synthite has constituted a CSR Committee comprising of 3 Members – 1 representative of the Board, along with a senior member of the Finance and Human Resources function. The composition of the CSR Committee may be changed by the Board as and when required and the board shall rotate the director nomination at their discretion. Any such nomination or change should be resolved at a Board meeting.

The CSR Committee shall undertake the following functions:

1. Formulate and recommend to the Board, a CSR Policy on the basis of the approach and direction given by the Board, which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII to the Act and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan of the Company.
2. Review and approve CSR proposals received from various sources – internal and external to Synthite for consideration subject to other aspects of this CSR policy.
3. Monitor and ensure compliance to all aspects of the CSR Policy of the company from time to time including allocation of funds for CSR activities.
4. Introduce adequate review mechanism for implementing CSR projects approved for implementation by the company.
5. Provide periodical reporting to the Board of Directors concerning the CSR activities, including status of CSR projects, amount of expenditure incurred, commitments and track against planned CSR spend for the financial year.
6. To appraise the Board on all matters concerning CSR projects.
7. The CSR Committee may, at its discretion and based on the need to execute certain CSR initiatives form a CSR Team, comprised of representatives from different departments. The CSR Committee and the Board of Directors is ultimately accountable for the CSR projects undertaken by Synthite.

### **CSR Team**

Dedicated CSR Team shall be responsible for implementing the CSR Policy and shall work under the guidance of CSR Committee and will be mainly responsible for:

- Identifying the projects and key initiatives pursuant to CSR Policy.
- Execution of CSR projects and activities.
- Monitoring CSR Projects to establish effectiveness of CSR efforts and appraise the same to CSR Committee.
- Compilation of information & preparation of Annual Reports on CSR activities and presenting the same to CSR Committee.
- Any other activity necessary to ensure achievement of CSR objectives.

### **CSR Budget**

The total budget for the CSR projects in each financial year will be decided by the CSR Committee in accordance with applicable provisions of the Act and the CSR Rules. The CSR Committee shall propose to distribute the budget among the areas to emphasize or such of them as the CSR Committee may deem fit in each financial year, in such proportion and in a manner that meets the objectives of the CSR Policy.

For any reason if the CSR Team is not able to follow the allocation agreed on in any of the areas to emphasize described above, the same shall be utilized in such other areas to emphasize as the CSR Team may recommend with the reasons thereof, and the CSR Committee may approve.

### **CSR expenditure, Ongoing Projects, treatment of surplus and setting off the excess spent:**

Synthite shall spend at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the CSR Policy. For this purpose, the net profit and average net profit shall be calculated in accordance with the provisions of Section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The administrative overheads shall not exceed 5% of total CSR expenditure for the financial year relating to the general management and administration of CSR functions. Where Synthite spends an amount in excess of requirement provided under Section 135(5) of the Act, such excess amount may be set off against the requirement to spend under Section 135(5) up to immediate succeeding three financial years subject to the certain conditions.

The surplus arising out of the CSR activities shall not form part of the business profit of the Company. Such surplus shall be spent towards the CSR activities in accordance with this policy. Identification and implementation of multi-year CSR projects / programs ("**Ongoing Projects**") will be monitored by the CSR Committee and the Board of Directors of the Company, as per the applicable law.

The CSR committee shall ensure that unspent / unutilized funds, if any, are treated in accordance with section 135(5) and 135(6) of the Companies Act, 2013. Unspent amounts pertaining to ongoing projects shall be transferred to a separate bank account opened with a scheduled bank which shall be known as the "Unspent CSR Account". Such an account shall be maintained for each financial year, as needed. Such transfer shall be completed within 30 days from the end of the financial year. Unspent funds pertaining to other than ongoing projects shall be transferred to any fund included in Schedule VII of the Companies Act, 2013 within 6 months from the end of the financial year.

### **Allocation of funds for CSR Projects:**

Synthite's CSR Programs will be implemented through CVJ Foundation or other external implementing agencies and directly through its personnel. The Board will determine the strategic allocation of funds for implementing CSR projects.

## **Monitoring**

The CSR Team will monitor the implementation and progress of the approved projects through appropriate mechanisms such as site visits, review meetings and progress reports etc. Mechanisms to track data and monitor projects will be established to ensure the transparency and efficiency of the implementation process. The projects will be evaluated against the milestones defined in the implementation plan of the project.

## **Reporting & Disclosures**

The CSR Committee of the Board, based on reports presented by the CSR Team, will annually prepare the report on the CSR projects in the prescribed format and submit the same to the Board. Further, the Board shall ensure that reporting to the Ministry of Corporate Affairs (MCA) is done within time limit set in the prescribed format. All web based disclosures required as per Rule 9 of the Companies (CSR Policy) Rules, 2014 shall be made.

## **Impact Assessment**

Impact assessment shall be undertaken by the Company or by recipient or by implementing agency as required by and in the manner set out under the applicable law, and the impact assessment report(s) shall be placed before the CSR Committee and the Board, and shall be disclosed as legally required.

## **Policy Review**

The CSR Committee shall review and recommend changes to the Policy at such frequency as it deems necessary based on experience, statutory requirements as well as changes in company's strategic priorities and also if warranted by changes in Government guidelines issued from time to time.

Any amendment to the applicable statutes / regulations shall apply mutatis mutandis to this Policy and shall be deemed to be incorporated in this Policy with effect from the effective date of the said amendment.

*This CSR policy was adopted on the Board held on 14<sup>th</sup> May 2024*