CHEMCO

CORPORATE SOCIAL RESPONSIBILITY ("CSR") POLICY

CHEMCO PLASTIC INDUSTRIES LIMITED (CHEMCO)

Contents

About Us 2

Our Philosophy 2

About Policy 2

Scope 2

Objective and Applicability of this Policy 2

Definitions 3

Constitution, Composition and Responsibility of Corporate Social Responsibility Committee (CSR Committee) and Responsibilities of Board 4

Guiding Principles for Selection, Implementation and Monitoring of CSR Activities and formulation of the Annual Action Plan 7

CSR Expenditure and Budget 8

Project Selection Process 9

Project Implementation [Agency / Partners] 9

Monitoring of the CSR Activities 10

Disclosure of CSR Policy and CSR Activities in Board Report 11

Employee Volunteerism 11

Conflict in the Policy 11

Review and amendment 11

Effective Date 11

About Us

Company incorporate in 1996 and started as a PET jar manufacturer and has since grown into a global leader in the industry. With over 150 advanced machines, the Company delivers superior quality products that meet the highest standards.

Known for our innovation and cost-efficiency, Company helps customers stay ahead of the competition, offering cutting-edge solutions and expanding the product range in India. Since its inception in 1996, the Company has prioritized the highest standards in every product it manufactures. Company's adherence to rigorous quality control processes ensures that each product not only meets but exceeds industry expectations.

Our Philosophy

The group's philosophy is based on the following 5 pillars-

- Customer Centricity
- Quality
- Trust
- Transparency
- Innovation

About Policy

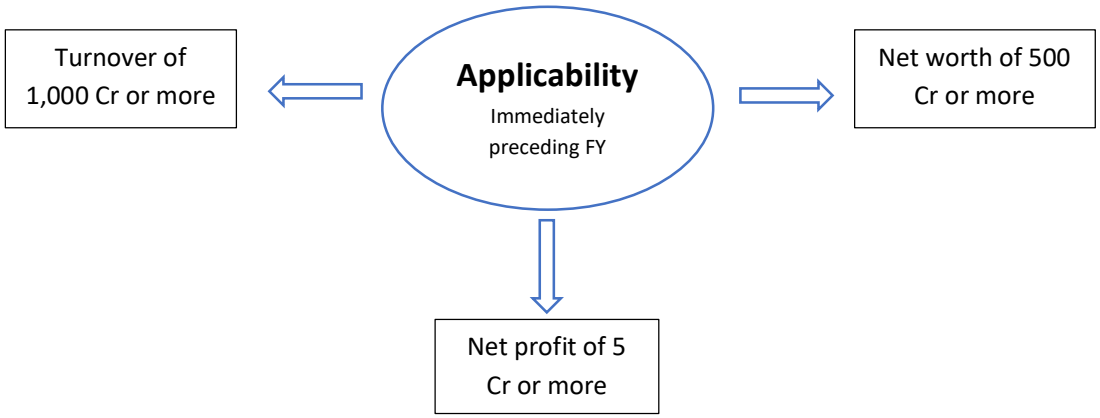
The intent of this policy is to outline the Company's approach towards Corporate Social Responsibility (CSR) and to highlight the company's commitments in specific areas. The policy also provides the framework for governance of the Company's CSR plans and fulfilment of its CSR commitment in accordance with the requirements of Section 135 of the Companies Act, 2013.

Scope

This CSR Policy applies to CSR initiatives and activities undertaken by the Company in India in compliance with the Companies Act, 2013 (Act).

Objective and Applicability of this Policy

To set guiding principles for carrying out CSR activities by selection, implementation and monitoring of such activities as well as formulation of the annual action plan, mode of implementation of CSR projects, monitoring mechanisms to monitor implementation of CSR projects of the Company and assess the impact of CSR projects on Sustainable Development Goals.



Definitions

In this Policy, the following terms shall have the following meanings:

i. "**Act**" means the Companies Act, 2013 read with rules made thereunder.

ii. **"Administrative Overheads"** means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

iii. **"Board"** means the Board of Directors of the Company, as constituted from time to time.

iv. **"Company"** means CHEMCO PLASTIC INDUSTRIES PRIVATE LIMITED.

v. **"Corporate Social Responsibility (CSR)"** means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the rules, but shall not include the following, namely:-

   a. activities undertaken in pursuance of normal course of business of the Company.

   b. 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.

   c. contribution of any amount directly or indirectly to any political party undersection 182 of the Act.

   d. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019).

   e. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.

   f. activities carried out for fulfilment of any other statutory obligations under any law in force in India;

vi. **"Director"** means a director appointed on the Board of a Company.

vii. **"Corporate Social Responsibility Committee"** or "**Committee**" or "**CSR Committee**" means the committee constituted by Board of Directors of the Company in accordance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder.

viii. **"CSR Rules"** means Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments thereon.

ix. "**CSR Policy**" means a statement containing the approach and direction given by the Board of a Company, taking into account the recommendations of its CSR Committee if any, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

x. **"International Organization"** means an organization notified by the Central Government as an international organization under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply.

xi. **"Independent Director"** means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations or any modifications thereof.

xii. **"Net profit"** means the net profit of a Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:-

a. any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
b. any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.

xiii. **"Ongoing Project"** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

xiv. "**Public Authority**" means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005); This clause should be read in the context of Clause no. 7.4(c) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 is with reference to the Transfer of assets.

Any term not defined in the Policy shall have the same meaning assigned to it under the Companies Act, 2013 or the rules made thereunder. Preference should be given to the meaning assigned to such term under the Companies Act, 2013 as compared to other source of interpretation.

The Policy has been framed to maintain the highest standard of corporate governance and therefore interpretation of any matter in this Policy should be consistent with the objectives for introducing such requirements in the Companies Act, 2013.

Constitution, Composition and Responsibility of Corporate Social Responsibility Committee (CSR Committee) and Responsibilities of Board

A. Constitution and composition of the CSR Committee

The CSR committee shall comprise 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.

Company covered under sub-section (1) of section 135 which is not required to appoint an independent director pursuant to sub-section (4) of section 149 of the Act, shall have its CSR Committee without such director.

B. Responsibility of CSR Committee

a) Formulate and approve revisions to this Corporate Social Responsibility Policy and recommend the same to the Board for its approval;

b) Formulate and recommend to the Board, an annual action plan in pursuance to CSR policy, which shall include the following, namely:

   (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

   (ii) the manner of execution of such projects or programmes;

   (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;

   (iv) monitoring and reporting mechanism for the projects or programmes; and

   (v) details of need and impact assessment, if any, for the projects undertaken by the company.

   Provided that 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.

c) Recommend the annual CSR expenditure budget to the Board for its approval;

d) Approve unbudgeted CSR Expenditure / Program involving an annual outlay of more than Rs. 1 Crore and get it ratified by the Board of Directors;

e) Establish monitoring mechanisms to track each CSR Program and review the same at such intervals as the CSR Committee may deem fit;

f) Undertaking wherever appropriate benchmarking exercises with other corporates to reassure itself of the efficacy and effectiveness of Company's CSR spends.

g) such other functions and responsibilities, as may be assigned from time to time.

C. Responsibilities of Board

a) approving the CSR policy as formulated by the CSR Committee;

b) ensuring that in each financial year the Company spends at least 2% of the average net profit before taxation made during the three immediate preceding financial years;

c) ensure that the activities included in the CSR Policy are undertaken by the Company;

d) Give preference to the local areas or the areas where it operates;

e) Displaying the composition of the CSR Committee, CSR Policy and CSR Projects approved by it on the Company's website;

f) Approving, by means of a resolution, the carry forward of excess amounts spent towards CSR during a particular financial year against the CSR obligations of the Company for upto three immediately succeeding financial years;

g) Reviewing the Impact Assessment Reports to be annexed to the Company's annual report on CSR activities;

h) Ensuring CSR activities are undertaken by the Company itself or through implementing agencies:

i) Ensure that the funds so disbursed have been utilised for the purpose and in the manner approved by it and the Chief Financial Officer or the person responsible for Financial Management shall certify to that effect.

j) For the ongoing project, it shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

k) Ensuring administrative overheads shall not exceed 5% of total CSR expenditure of the Company for the Financial Year.

l) disclose in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company website. As per Section 135 the reasons for underspending of the allocated CSR budget shall be specified in the Board's Report.

Corporate Social Responsibility Programs and Projects

a) The Company will carry on its CSR activities in areas or subjects as prescribed under Schedule VII of the Act, as amended from time to time. An illustrative list of such areas or subjects is outlined below:

(i) eradicating hunger, poverty, and malnutrition, promoting health care (including preventive health care) and sanitation including contribution to the Swachh 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, daycare centers, and 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 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; Central Armed Police Forces (CAPF) and Central Paramilitary Forces (CPMF) veterans, and their dependents including widows.

(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 including Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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 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.

(x) 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 Naturopathy, Unani, Siddha and 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).

(xi) rural development projects.
(xii) slum area development.
(xiii) disaster management, including relief, rehabilitation, and reconstruction activities.
(xiv) Any other activity may be specified under the Act or the CSR Rules from time to time.

b) The Company's CSR projects and programs will be undertaken by the Company either by itself or jointly with other organizations.
c) The Company encourages its employees, their family and friends, civic organizations, and volunteers to participate in its CSR Project activities.
d) The CSR projects and programs may also be implemented through registered public charitable trusts or a registered society, registered under Sections 12A and 80G of the Income Tax Act, 1961, companies established under Section 8 of the Act (corresponding to Section 25 of the Companies Act, 1956) and/or through any implementing entity as permitted under the Act and CSR Rules.

Guiding Principles for Selection, Implementation and Monitoring of CSR Activities and formulation of the Annual Action Plan

A. Selection of Activities

The CSR activities can be undertaken either directly or through an implementing agency. The Implementing Agency should meet the statutory eligibility criteria laid down under the Companies Act, 2013. Additionally, the Company shall overview goodwill and financial sustainability of the Implementing Agency by undertaking a basic check of such agency/ due diligence which shall cover aspects like reviewing financial statement, conflict of interest and existing and past litigations.

CSR Activities to be undertaken to make a difference to the local communities. To the extent possible CSR approved budgets to have major outflow across the following areas -

- Cluster and rural development
- Education and skill development
- Childcare and healthcare facilities
- Women empowerment and livelihood opportunities
- Disaster Relief and Rehabilitation
- Water Conservation and Environment
- R&D for the upliftment of society

Aforementioned projects to be undertaken to be viable, creating a sustainable impact measurable in terms of outputs and outcomes.

B. Implementation & Monitoring of Activities

The CSR activities undertaken by the Company either directly or through an implementing agency shall be monitored every quarter. While monitoring, the Company shall ensure the Implementing Agency or the vendor, follow ethical practices and endeavor should be ensure all payments made to the Implementing Agency or the vendor to be milestone based. In keeping with the Company's Code of Conduct, the Company will be ethical and transparent in its orientation, while approaching and

engaging with Implementing Agency or Vendors. The Monitoring process adopted by the Company may include obtaining of reports of different kind, self-declaration, On-site visit, etc.

C. Formulation of Annual Action Plan

CSR programs/ projects shall not include activities as restricted under the amended CSR Rules. All the guiding principles as required to be followed for implementing and monitoring the CSR Activities shall also be followed while formulating the Annual Action Plan. The Annual Action plan shall be Simple, Action oriented, Measurable, Relevant and Time Bound.

CSR Expenditure and Budget

a) Every year the Company shall spend at least 2% of its average Net profit as defined under the Rules ("CSR obligation") during the three immediately preceding financial years, on the CSR Activities as per approved Annual Action Plan.

b) The expenditure incurred towards Administrative overheads and carrying out the Impact Assessment will be considered as part of CSR Expenses up to the limits prescribed under the applicable laws.

c) The overall amount to be committed towards CSR will be approved by the Board of Directors as a part of its annual Budget / Plans based on the recommendation of the CSR Committee.

d) Any amount remaining unspent at the end of the financial year, if any, except in case of an ongoing project, shall be transferred to a Fund to be specified in Schedule VII for this purpose, within a period of six months of the expiry of the relevant financial year.

e) In case the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened for that financial year in any scheduled bank to be called the 'Unspent Corporate Social Responsibility Account', and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund to specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year.

f) Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

g) An amount spent in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –
   - the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
   - the Board of the company shall pass a resolution to that effect.

h) The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be 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 under sub-rule (2) of rule 4; or beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or a public authority.

Provided that any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

Project Selection Process

a) Company to receive requests for funding of CSR projects throughout the Financial year. Requests to be made to members of the Finance and Investment Committee who shall entrust the Managing Director/Company Secretary to place it before Finance and Investment Committee meetings. The Finance and Investment Committee of the Company will evaluate proposals received under the Corporate Social Responsibility focus areas and projects will be prioritized by assessing their impact. The Finance and Investment Committee will then forward its recommendations to the CSR Committee. The CSR Committee will deliberate on the CSR proposals, amend the same if required and approve the proposals for implementation at its discretion.

b) For projects identified at plant location, project selection will be based on a comprehensive need assessment study. Altogether portfolio of CSR projects at plant locations will be submitted by the members of the Finance and Investment Committee to the Managing Director/ Company Secretary of the Company who shall place the same before Finance and Investment Committee meetings. The Finance and Investment Committee will deliberate the same and then forward its recommendations to the CSR Committee. The CSR Committee will deliberate on the CSR proposals, amend the same if required and approve the proposals for implementation at its discretion.

c) Project Selection shall also be done by such other means / sources may be deemed fit by the CSR Committee.

d) The Company shall carry out its CSR activities in accordance with the Schedule VII of the Act.

e) Activities not qualifying as CSR Activities -

- Projects or activities not falling within Schedule VII of the Act;
- 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;
- contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- activities benefiting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- activities undertaken in pursuance of normal course of business;
- activities carried out for fulfilment of any other statutory obligations under any law in force in India.

Project Implementation [Agency / Partners]

a) The Board shall ensure that the CSR activities are undertaken by the company itself or through

- a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 established by the company, either singly or along with any other company, or

- a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or

- any entity established under an Act of Parliament or a State legislature; or

- a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

b) A company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

c) CSR programs will be undertaken to the best possible extent within the ambit of the identified thrust areas approved by the CSR Committee.

d) If CSR spending during the year is planned to be incurred in collaboration with other companies or institutions, the company may report separately on such projects or programs. A company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the Borad or CSR committees of respective companies as the case may be are in a position to report separately on such projects or programmes in accordance with CSR rules.

e) There shall be no CSR projects or programs planned which would directly or indirectly benefit only the employees of the company and their families and also there no direct or indirect contribution to any political party which would be termed as CSR activity.

Monitoring of the CSR Activities

a) Under the overall supervision of the Board and the CSR Committee, i) the Principal Implementation Agency or ii) the Implementation Agency (in case, the CSR Activities are undertaken by any other Implementation Agency), shall be responsible to monitor the CSR Activities. The Implementation Agency shall devise a robust monitoring mechanism to ensure that the CSR Activities are undertaken effectively in accordance with approved Annual Action Plans in compliance with the Applicable Laws and the provisions of this Policy.

b) The CSR Activities will be effectively and objectively monitored using appropriate monitoring tools that may include one or more of the third-party audit(s) or certification(s), impact assessment(s), self-assessment report(s), field visit(s), periodical review(s) or any other appropriate mechanism.

c) The CSR Committee shall review the progress on Annual Action Plan preferably on quarterly basis but not less than twice in a year.

d) The Board shall review the status of implementation and fund utilization of the various projects and programmes as per approved Annual Action Plan at least once in a year.

e) The Company though its officials will conduct site-visits and periodical reviews of projects to verify goal accomplishment. Monitoring and review process to be done by getting first-hand information.

f) Monitoring to be done by following the SMART indicator i.e. (Specific, Measurable, Accurate, Realistic & Time Bound).

g) If average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, Company 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.

h) For the Board to satisfy itself that disbursed CSR funds have been utilized for its intended use, it can rely on the certificate issued by the CFO. The certificate shall be additionally signed by the head / authorized representative of the Implementation Agency.

Disclosure of CSR Policy and CSR Activities in Board Report

As per section 135 of the Act read with rules made there under, the Board's Report of the company shall disclose an annual report on CSR containing particulars specified in the Act, in Board's Report of the company, as prescribed in the Companies (Corporate Social Responsibility) Rules as amended from time to time.

As per section 135(4), the Board shall disclose the contents of CSR policy in Board's Report and the same shall be displayed on the company's website, if any.

Employee Volunteerism

Company provides opportunities to its employees to participate in projects and programs undertaken in the social development sector. Participation in CSR initiatives by employees is voluntary and employees may choose activities they wish to participate in. Company also encourages family and friends of the employees to participate in CSR activities. Apart from this, employees are encouraged to identify the social development area, and the Company's team can take the recommendations ahead as per the process and in consonance with statutory norms.

Conflict in the Policy

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down or mentioned under this Policy, 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.

Review and amendment

The Board of Directors on its own and / or as per the recommendations of Corporate Social Responsibility Committee can amend this Policy, as and when deemed fit.

If any of the provisions of this Policy, are inconsistent with the applicable laws, then the provisions of applicable laws shall prevail over the Policy to that extent and the Policy shall be deemed to have been amended so as to be read in consonance with applicable laws.

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