

## 1) OVERVIEW:

In accordance with the provisions of Section 135 of Companies Act, 2013, the Corporate Social Responsibility (CSR), Board of Directors of **Wacker Chemie India Private Limited** ("the Company") have approved CSR policy.

## 2) CSR FOCUS AREAS

2.1) The CSR programs/activities to be undertaken by the Company under this Policy, amongst others shall focus on the following key areas:

(a) **Environmental Sustainability:** To undertake various projects / programs in relation to Renewable energy, environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, maintaining quality of soil, air, and water (including contribution to Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga).

(ii) **Health and Wellness:** To promote healthcare including preventive health care and sanitation (including contribution to Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation), making available safe drinking water, eradicate hunger and poverty and to undertake other activities in relation to health, safety, including road safety and wellness.

(iii) **Education:** Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, youth from under privileged communities, people with disabilities and livelihood enhancement projects

(iv) **Technology:** To contribute to the technology incubators located within academic institutions which are approved by the Central Government.

(v) **Disaster Relief:** To contribute to disaster relief efforts in compliance with Schedule VII of the Companies Act 2013.

(vi) **Donating the funds to the NGOs** associated in the above-mentioned area; and contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments.

2.2) Activity to be undertaken by the Company as above shall be approved by the Board of Directors. For carrying out the CSR activities, preference shall be given to the local area and the areas around which the Company operates.



### 3) IMPLEMENTATION OF CSR ACTIVITIES

3.1) Company may carry out the CSR activities in accordance with the terms of this Policy, either on its own, or through a registered trust or registered society or through a company registered under Section 8 of the Act, established by the Company or its holding company or subsidiary or by an Associate Company. Associate Company in relation to the Company means a company in which the Company has significant influence. However, such other company is not a subsidiary company of the Company and includes a joint venture company. Significant influence means control of at least 20% of the total share capital or of business decisions under an agreement of the Company.

3.2) the Company chooses to carry out the CSR activities through a registered trust or registered society or a Section 8 Company incorporated under the Act, which is established by a third party (“CSR Partner”) [other than those specified in clause 3.1., guidelines mentioned hereunder are required to be followed in choosing such CSR Partner.

3.3) case of any amendments, notifications, circulars, or guidelines issued by the authorities in connection with the modes of implementation of the CSR activities, the said amendments, notifications, circulars, or guidelines shall apply without any further modification or amendment in this policy.

### 4) GUIDELINES FOR CHOOSING A CSR PARTNER

4.1) Partner shall be either a registered trust or a registered society under the applicable laws or a company incorporated under Section 8 of the Act with an established track record of 3 years in undertaking activities in the focus areas in which the Company intends to carry out CSR activities.

4.2) Partner should have complied with the applicable laws and no notice for non-compliance under any applicable laws should have been received from any authorities.

4.3) Board of Directors shall discuss the CSR Policy and the objectives of the Company in this regard with the proposed CSR Partners.

4.4) Company shall procure a detailed project report from the shortlisted CSR Partners regarding the course of action that they intend to undertake, if chosen to implement a particular CSR activity on behalf of the Company.



## 5) CSR EXPENDITURE

5.1) The Company shall utilize in every financial year, an amount not less than 2% of the average net profits. Average net profits shall be calculated in accordance with Section 198 of the Act of the company made during the three immediately preceding financial years, for CSR activities under this policy.

5.2) finance department of the Company shall be responsible for alerting the members of the Board of Directors each year as to the applicability of CSR for that particular year, the prescribed CSR expenditure based on the average net profits of the Company (if CSR expenditure is required to be made) and unutilized CSR amount, if any.

5.3) Profit for this purpose means, the net profit of a Company as per its financial statements prepared in accordance with the applicable provisions of the Companies Act, 2013, but does not include, profits arising from branches outside India (if any) or dividends received from other Companies in India (if any), which comply with the CSR provisions.

5.4) Salaries paid by the Company to regular CSR staff as well as to volunteers of the Company (in proportion to company's time/hours spent specifically on CSR) from the Bank account can be factored into CSR project cost as part of the CSR expenditure, subject to the cap of 5% of the total CSR expenditure of the Company in a financial year as prescribed under the provisions (as may be amended from time to time by the authorities).

5.5) expenditure towards the programs to be diligently documented and the Board is empowered to ratify the expenditures made by the Company, only, if made towards CSR.

5.6. Profit/ revenue/ surplus arising out of CSR activities/ projects/ programs shall not be a part of business profits of the Company.

## 6) ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The roles and responsibilities of the Board of Directors shall be to:

- a) Formulate and recommend the CSR Policy to the Board. Any amendments to be carried out to the CSR Policy shall be taken up by the Board only with the recommendation of the Board of Directors.
- b) Recommend the amount of expenditure to be incurred by the Company in each financial year in relation to the CSR activities to the Board. Such expenditure shall be calculated in accordance with the provisions of the Act after consultation with the finance department of the Company.



- c) Identify and recommend CSR activities to the Board which are covered under this Policy.
- d) Allocate budget to each of the CSR activities and the CSR Partners.
- e) Undertake all necessary steps to implement the CSR activities in accordance with the implementation schedule.
- f) Monitor the CSR activities in such manner as prescribed in this Policy.
- g) Update the Board from time to time on the progress of the CSR activities along with a report on the amount allocated for such activity, amount utilized, amount unspent, if any, additional funds required, if any and expenditure incurred.
- h) Ensure that the CSR activities do not benefit the Company or its employees and their families.

## 7) REPORTING

In the event Company fails to spend the amount earmarked for the CSR activities in a financial year, the Board of Directors shall submit a report in writing to the Board specifying the reasons for not spending the amount which in turn shall be reported by the Board in their report to the shareholders of the Company for that particular financial year.

## 8) POLICY ON NON-DISCRIMINATION AND CONTROVERSIAL ORGANIZATIONS

The Company seeks to support organizations that are in alignment with the core values of the Company. The Company is committed to equal opportunity and fair treatment and will not support charitable organizations that discriminate based on race, color, religion, sex, age, national origin, citizenship status, disability, veteran status, or any other protected status. The Company defines discrimination in connection with its charitable giving program to include (but not necessarily be limited to) denial of services, employment, or volunteer opportunities to any class of individuals in a manner that negatively restricts opportunities available to that class of individuals.

In addition, to ensure that all recipient organizations are aligned with the Company's values, the Company shall not make charitable grants to any organization or program that in any way is controversial or, implicitly or explicitly, promotes, advocates, or instigates an ideology or environment that is divisive or not otherwise aligned with the Company's values.

As part of an ongoing effort to support only those organizations that fully align with the Company's values and policies, the Company reserves the right to evaluate the eligibility of a recipient organization at any time regardless of whether prior grants have been made. The



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Company, in its sole discretion, may suspend or terminate current or future grants to any organization that is not aligned with the Company's values and policies.

9) **SELF GOVERNANCE**

The Company, its Board, employees, officers, Board of Directors members, its invitees, shall not:

- a) Directly or indirectly engage in lobbying of CSR activities.
- b) Accept any kind of favors and gifts, in any form, from any prospective or potential CSR Partners or beneficiaries because of consideration of the proposal to grant funds to such CSR Partners or beneficiaries under this Policy.

10) **POLICY REVIEW AND FUTURE AMENDMENT**

The Board of Directors may, as and when required, suggest changes to the CSR Policy and submit the same for the approval of the Board.

Any subsequent notification, circular, guidelines or amendments under Companies Act, 2013 and any other applicable laws, as may be issued from time to time shall be mutatis mutandis applicable without any further modification or amendment in this policy.

For Wacker Chemie India Private Limited

Anand Gopaladesikan

Managing Director

Date: 7<sup>th</sup> September 2021

Place: Mumbai

