

**POLICY ON CORPORATE SOCIAL RESPONSIBILITY**  
**(CSR)**

**OF**

**"MITSUI CHEMICALS INDIA PRIVATE LIMITED"**  
**("MCIND")**

## **TABLE OF CONTENTS**

- I. PROLOGUE
- II. PURPOSE
- III. OBJECTIVES
- IV. SELECTION OF CSR ACTIVITIES
- V. SCOPE
- VI. IMPLEMENTATION OF CSR ACTIVITIES
- VII. ANNUAL ACTION PLAN
- VIII. MONITORING OF CSR ACTIVITIES
- IX. FUNCTIONS OF CSR TEAM/INSTITUTIONAL ARRANGEMENT
- X. SOURCE OF FUNDS & BUDGET FOR THE YEAR
- XI. REFLECTION OF CSR ACTIVITIES
- XII. CONCLUSION

## **I. PROLOGUE:**

Corporate Social Responsibility (CSR) is a mechanism of making society a better place to live, by giving back from what a business intake. It distinguishes itself from philanthropy by implementing it as a business strategy.

Mitsui Chemicals India Private Limited recognizes that an effective practice of CSR is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, local communities and other organizations. Company has adopted CSR as a strategic tool for sustainable growth.

### **DEFINITION:**

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

- (a) "Corporate Citizen" means a Company's role and responsibilities towards society as a Citizen of the particular country.
- (b) "Global Compact Society" provides a forum for Indian companies and organizations to exchange experiences, network and work together on activities related to Corporate Social Responsibility (CSR)

## **II. PURPOSE:**

To actively contribute to the social and economic development of the communities in which we operate. In doing so, build a better, sustainable way of life for the weaker sections of society and raise the country's human development index. The CSR Policy of MITSUI not only aims at investment and channelization of funds for Social activity but will also aim at integration of Business Processes with social activities.

## **III. OBJECTIVES:**

The main objective of MCIND CSR policy is to lay down guidelines for the Company to make CSR a key business process for sustainable development of the Society. MCIND will act as a good Corporate Citizen, subscribing to the principles of Global Compact Society for implementation by adhering these:

- To promote Education and Healthcare amongst the poor and needy.
- To promote gender equality.
- Ensure environmental sustainability by adopting best ecological practices and encouraging conservation/ judicious use of natural resources.
- Undertake proactive engagement with stakeholders to actively contribute to socio-economic development of community in which it operates.
- Create business value chain which is sustainable:
  - Environmentally;
  - Socially; and
  - Economically

## **IV. SELECTION OF CSR ACTIVITIES :**

The CSR projects will be undertaken by various work centers of MCIND to the best possible extent within the purview of Schedule VII and Section 135 of the Companies Act, 2013. Further, programs and/or activities can be identified through review, evaluation and assessment by the CSR team from

time to time.

The following are the Guiding Principles for Selection of CSR Activities:

- a) Projects should be designed according to intended impact on the society along with clear objectives and planned outcomes
- b) Projects should be need-based, keeping local issues into consideration
- c) There should be due consideration of any material risk factors before selecting of projects. These risks should be duly mitigated and managed on a regular basis.
- d) The activities should preferably be focused in geographical areas near work centers.
- e) The poor & needy section of the Society living in different parts of India would normally be covered. The CSR programme will also cover the components for development of the Scheduled Castes (SC) & Scheduled Tribes (ST) population besides development components for the entire population.

#### **V. SCOPE:**

All projects shall be identified in a participatory manner, in consultation with the target community and gauging their basic needs. As specified under Schedule VII of Companies Act, 2013, the CSR focus area of MITSUI includes:

##### **• Education**

- Formal and non-formal education for adult, underprivileged and differently abled.
- Adult Literacy especially amongst belonging to Below Poverty Line (BPL).
- Merit scholarships and technical education for deserving students.
- Awareness programme on Girl education.
- Academic education by way of financial assistance to Primary, Middle and Higher Secondary Schools.
- Any other activity for promoting education.

##### **• Water Supply including Drinking water**

- Installation/ Repair of Hand pumps/ Tube wells
- Renovation of wells
- Rain water harvesting scheme
- Construction of water Tank/ Ponds
- Empowerment to the villagers for maintenance of the above facilities for availability of water
- Installation of water coolers/aqua guard/RO etc. or other activities for making available safe drinking water.

##### **• Health care and family welfare**

- Mobile clinics, doctors' visits
- General medical health check-up camps
- Blood donation camp
- Family welfare
- Senior citizen health care wellness clinics
- Child & Mother care
- Safe drinking water, sanitation

- **Environmental safety**

- Organizing programmes on Environment Management & Pollution Control
- Afforestation, Dams, park
- Maintaining quality of air and water
- Water harvesting promotion.
- Animal care

- **Sports & Culture**

- Training for sports
- Providing sports materials for football, volleyball, hockey sticks etc by conducting to the needy and talented persons.
- Possibility of providing facilities for physically handicapped persons may be explored.
- Sponsorship of Cultural event to restore Indian Cultural Traditions & values.

- **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 welfare of Scheduled Castes (SC)/ Scheduled Tribes (ST)/ Other Backward Classes (OBC), minorities and women.

## **EXCLUSIONS**

Following activities shall be excluded from the CSR expenditure of MCIND:

- a) Activities which are exclusively for the benefit of employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019;
- b) Activities undertaken in pursuance of normal course of business of the Company;
- c) Direct or indirect contribution to Political Parties under Section 182 of the Companies Act, 2013;
- d) Expenditure on item/s not in conformity with Schedule VII of the Companies Act 2013;
- e) Surplus arising out of CSR projects shall not form part of the business profits of Company instead the same will be further used for CSR purposes only.
- f) 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;
- g) activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services;
- h) activities carried out for fulfillment of any other statutory obligations under any law in force in India;

## **VI. IMPLEMENTATION OF CSR ACTIVITIES**

- The investment in CSR should be project based and for every project time framed periodic milestones should be finalized at the outset.
- Project activities identified under CSR are to be implemented by specialized agencies and generally not by staff of the organization. Specialized agencies could be made to work singly or in tandem with other agencies.
- Support a precautionary approach to environmental challenges.

- Undertake initiatives to promote greater environmental responsibility.
- Encourage the development & diffusion of environmentally friendly technologies.
- Company should have specific activities to adopt mostly in their close vicinity of the projects extendable up to the affairs of the State to which it is belonging.

## **VII. ANNUAL ACTION PLAN**

MCIND shall prepare an Annual Action Plan to identify the activities and the CSR expenditure to be spent during the year which shall include the details as mentioned below:

- a) List of CSR projects or programme that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- b) Manner of execution of such projects or programme;
- c) Modalities of utilisation of funds and implementation schedules for the projects or programme;
- d) Monitoring and reporting mechanism for the projects or; and
- e) Details of need and impact assessment, if any, for the projects undertaken by the Company

The Board shall formulate and recommend an Annual Action Plan (beginning with the Financial Year 2021-22) for each financial year in pursuance of its CSR Policy of the Company. Provided that the Board may alter such plan at any time during the financial year on the basis of reasonable justification to that effect.

Further, the Guiding Principles required to formulate the Annual Action Plan are as follows:

- a) CSR programs shall not include activities as restricted under the amended Companies (CSR Policy) Rules
- b) The preference for CSR programs is to be given by the Company to local areas and areas around its operations.
- c) Annual Action Plan shall be simple, action oriented, measurable, relevant and time bound.
- d) The CSR activities will be carried out directly or through an implementing agency

## **VIII. MONITORING OF CSR ACTIVITIES**

- At company level full time CSR team should be constituted, who will prepare and submit the Annual reports on CSR Activities of the Company according to the Annual Action Plan.
- In every six months, the CSR team of the Company should review the implementation and progress of CSR Activities.
- Company shall include a separate annexure in the Annual report/ Board report on the implementation of CSR activities including the facts relating to physical and financial progress.
- Cost benefit & justification includes the amount of financial involvement, detailed project report for which project appraisal have to be carried out by External Agencies/ Third party Agency/ Implementing Agency.
- Utilization certificate with statement of expenditure duly certified by an Chief Financial Officer (CFO)/ Person responsible for Financial Management will be submitted by the Organization/ Institution to whom CSR fund is allocated.

## **IX. FUNCTIONS OF CSR TEAM/INSTITUTIONAL ARRANGEMENT**

- All proposals under CSR activity would be referred to the team, who will evaluate the Project report and submit its report to the Board for their examinations/ submission of report with necessary recommendation and based on the recommendation of the Board, In charge of CSR Team shall accord its approval.
- CSR Team of Company would act as "NODAL" under the guidance of the Division Head/ General Manager would put up all cases to the Board for consideration and recommendation of the Board.
- The activities of the CSR team will involve the following:
  - Interact with the concerned departments to confirm the areas for undertaking activities under CSR and ensure to avoid duplicity of the job;
  - To decide the priority of the activities to be taken under CSR;
  - To interact with the CSR Implementing agencies for determining the activities to be undertaken;
  - The Board will monitor and review the progress of activities undertaken/ completed.
  - Constitution of Core CSR team including the Division Head/ General Manager, Head-F&A, Manager (Business Operations Division) and Secretary of the Company.

The amount to be used as CSR expenditure shall be calculated as per the provision section 135 read with 198 of Companies Act, 2013 and website compliance shall be also taken care by the CSR Team.

## **X. SOURCE OF FUNDS & BUDGET FOR THE YEAR:**

The fund for the CSR should be allocated based on the net profits of the Company for the last three years. The CSR project should be fixed for each financial year.

## **XI. REFLECTION OF CSR ACTIVITIES:**

Annual audit of all activities undertaken by the company would be done by the Auditor. The CSR activities will be reflected in the Annual report and accounts of the Company under the head "CSR". The CSR team will inspect all sites for their information, record and further actions.

The Board to ensure that it specifies the reasons in its report for not spending the earmarked amount in case the company fails to spend such amount.

Company will review the Policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications as may be necessary to align it with the changing requirement or changes in the legal and regulatory framework. Any revision in the Policy shall be approved by the Board of Directors.

In the event of any conflict between the provisions of this Policy and of the Companies Act, 2013 (Act) and rules made thereunder or any other statutory enactments, rules, the provisions of such Act and rules or statutory enactments shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.

## **XII. CONCLUSION**

In conclusion, the company will make its every best effort to comply with the CSR policy and contribute for the betterment & development of the society.

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