

# CORPORATE SOCIAL RESPONSIBILITY POLICY

## OF

### JUSHI INDIA FIBERGLASS PRIVATE LIMITED

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#### I. PREAMBLE:

This policy in relation to the Corporate Social Responsibility ("CSR") of **JUSHI INDIA FIBERGLASS PRIVATE LIMITED** is titled as the "**CSR Policy**" and shall include any alterations, amendments, or modifications hereto from time to time. CSR at "Jushi India Fiberglass Private Limited" portrays the deep symbiotic relationship that the Company enjoys with the communities it is engaged with. As a responsible corporate citizen, we try to contribute to social and economic development on a regular basis. We believe that to succeed, an organization must maintain the highest standards of corporate behavior towards its employees, consumers and societies in which it operates.

#### II. VISION STATEMENT, OBJECTIVE AND APPLICABILITY

1. The CSR Policy sets out our commitment to ensuring that our activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The CSR Policy lays down the guidelines for undertaking programmes geared towards social welfare activities or initiatives.
2. This CSR Policy has been framed in accordance with the applicable provisions of the Companies Act, 2013 ("**Act**") and the rules issued thereunder.

#### III. DEFINITION AND INTERPRETATION

1. "**Board**" means the Board of Directors of the Company.
2. "**Company**" means Jushi India Fiberglass Private Limited.
3. "**CSR Activities**" means such programs and projects as may be approved by the Board in terms of this CSR Policy.
4. "**CSR Committee**" means a committee constituted by the Board of Directors in terms of Section 135 of the Act and the CSR Rules.
5. "**CSR Rules**" means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

6. **"CSR Expenditure"** means the amount recommended by the CSR Committee to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time.
7. **"Director"** means a member of the Board of the Company.
8. **"Implementing Agency"** means an implementing agency as defined under paragraph IV(3).
9. **"Implementation Group"** means an implementation group as defined under paragraph IV(2).
10. **"Net Profits"** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include (i) any profit arising from any overseas branch or branches of the Company (whether operated as a separate company or otherwise); and (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.
11. **"Society"** means a society registered under the Societies Registration Act, 1860 or any other applicable law in India.
12. **"Trust"** means a public charitable trust registered under the Indian Trusts Act, 1882 or any other applicable law in India.

Any term not defined above, shall have the meaning assigned to it under the Act or the CSR Rules.

#### **IV. GUIDING PRINCIPLES:**

The guiding principles for selection, implementation and monitoring as well as for Annual Action Plan are as follows:

##### **1. FOR SELECTION OF ACTIVITIES:**

- a. Eligibility - Statutory eligibility of implementing agency through which the CSR activities are selected along with activities selected shall be as per Schedule VII of the companies Act and CSR policy thereon.
- b. Sustainability - Implementing agency has a track record of 3 years in undertaking similar programs or projects or has been established by the company, either singly or along with any other company.
- c. Goodwill – Implementing agency shall have goodwill in performing its activities diligently.

d. Law of land – Implementing agency shall have a good stand in terms of Law of Land

**2. FOR IMPLEMENTATION & MONITORING:**

a. Accountability and Transparency – Implementing agency shall be accountable for all expenses along with the acknowledgements. Further, there should be transparency in the actions to protect the interests of all the stakeholders.

b. Ethical Behaviour –Management and implementing agency shall maintain ethical behaviour while implementing and monitoring CSR programs without any corruption.

c. Non conflict of interest - There shall not be any conflict of interest in the objectives of employees involved in CSR activities and the implementing agencies. Both should work for benefits of the needy

d. Respect for stakeholder's interest - While identifying CSR programs, the interest of all the stakeholders shall be taken into consideration.

**3. FOR ANNUAL ACTION PLAN:**

The Company shall prepare an Annual Action plan of the Company to identify the activities and the CSR expenditure to be spent during the year which shall include the details as mentioned in the rules.

Further, the guiding principles required to formulate the Annual Action Plan are as follows:

a. The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

b. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;

c. the modalities of utilization of funds and implementation schedules for the projects or programmes;

d. monitoring and reporting mechanism for the projects or programmes; and

e. details of need and impact assessment, if any, for the projects undertaken by the company;

Action plan shall be Simple, Action oriented, Measurable, Relevant and Time Bound.

During any financial year, the Annual Action Plan of the Company may be modified to include any unbudgeted expenditure, either on account of new project(s) or due to an increase in the outlay for approved project(s).

## V. IMPLEMENTATION OF THE CSR POLICY

1. The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules and the annual action plan formulated and recommended by the CSR Committee.
2. The CSR Committee shall approve reconstitution of an implementation group for the purposes of implementation of the CSR Activities approved by the Board from time to time (the "**Implementation Group**") and submitting report of the progress on the CSR Activities to the CSR Committee, which shall be further laid before the Board.
3. Mode of Implementation: The CSR Activities may be undertaken by the Company directly through its Implementation Group or with the prior approval of the Board, through any of the following entities as "**Implementation Agency**" being duly registered with the Central Government and having a unique CSR Registration Number :
  - (i) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company;
  - (ii) 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
  - (iii) any entity established under an Act of Parliament or a State legislature; or
  - (iv) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
4. The Company shall conduct due diligence prior to selection of an entity as its implementation agency, to *inter alia* verify the credentials and ensure that the proposed implementation agency is eligible and capable of being appointed as such.
5. The 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.

The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.
6. The Board shall empower the Implementation Group to finalize, approve and execute

various agreements, deeds, writings, confirmations, undertakings or other documents, as may be necessary, under the Common Seal of the Company or otherwise, with any party including Implementing Agencies and/or others for the purposes of the CSR Policy and accept modifications, changes and amendments to any such documents/agreements as it may deem fit.

7. In case of failure to ensure the minimum CSR Expenditure i.e. 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years, detailed reasons for the same should be submitted by the Implementation Group to the CSR Committee and the Board. Further the Board shall duly include such an explanation in their annual board of directors' report. Further, the unspent amount shall be transferred to a Fund specified in Schedule VII, unless it deals with any unspent amount with respect to an ongoing project, within six months of the end of the financial year. Any unspent amount relating to any ongoing projects shall be transferred to a separate bank account maintained with any scheduled bank and shall be called the Unspent Corporate Social Responsibility Account.

## **VI. CSR COMMITTEE**

1. Pursuant to Section 135(9) of the Companies Act, 2013, a Company is not required to constitute a CSR Committee, where the amount to be spent by a Company under subsection (5) does not exceed Rs.50 Lacs and do not have any unspent Corporate Social Responsibility obligation.
2. The Board may constitute or dissolve the CSR committee as and when there is legal requirement of constituting such committee.
3. The Functions of the CSR Committee shall be discharged by the Board of Directors of the Company.

## **VII. CSR EXPENDITURE**

1. The Company shall spend at least 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years in accordance with the Act and the Rules and the CSR Policy.
2. The CSR Committee shall recommend the manner in which the CSR Expenditure shall be incurred in a year, in accordance with the Act and the Rules and the CSR Policy.
3. The Board shall be responsible for sanctioning the CSR Expenditure and along with the CSR Committee responsible for taking steps to ensure that the amount for the CSR Expenditure is available to the Implementation Group for application towards the CSR Activities.
4. Any surplus arising out of the CSR Activities shall not form part of the business profit of the Company and may only be re-allocated to the CSR Activities being undertaken in terms of this CSR Policy and the annual action plan for the financial year in which such surplus has arisen.
5. In order to count towards CSR Expenditure, CSR Activities must be undertaken in

compliance with the applicable laws and shall not include the following:

- (i) activities undertaken in pursuance of normal course of business of the company 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;
  - (ii) contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
  - (iii) activities benefitting employees of the company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019);
  - (iv) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
  - (v) activities carried out for fulfilment of any other statutory obligations under any law in force in India.
6. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
7. Where company spends an amount in excess of the requirement provided under sub-section (5) of section 135 for any financial year, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediately succeeding three financial years subject to passing of a Board resolution to that effect.

## VIII. CSR ACTIVITIES

1. The Board shall ensure that the CSR Activities that are undertaken by the Company should be within the scope of the following activities:
  - (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, woman, 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, Central Armed Police Forces (CAPF) and Central Para Military 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 Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for social-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, and 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 Organisation (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).
  - (x) Rural development projects;
  - (xi) Slum area development  
Explanation - For the purpose of this item, the item 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under law for the time being in force;
  - (xii) Disaster management including relief, rehabilitation and reconstruction activities; and
  - (xiii) Any other project as may be specified under Schedule VII of the Companies Act, 2013, from time to time.
2. The CSR Activities will be carried out in a manner that the preference is to undertake the CSR Activities in and around the local areas where the Company operates.
  3. Based on the scope of activities set out in paragraph VII (1) above, the CSR Committee shall provide recommendations to the Board with respect to specific CSR Activities that may be undertaken by the Company.
  4. The Board shall ensure that appropriate designated staff or personnel provide adequate assistance (viz. data collection, survey, quotations and costs involved etc.) to the CSR Committee to enable it to make necessary recommendations to the Board. For this purpose, the CSR Committee may also approach external consultants for necessary assistance as it may deem fit at such costs as may be approved by the Board.
  5. Any CSR Activities to be undertaken by the Company shall be presented to the Board by the CSR Committee along with its recommendations:

6. In case any of the CSR Activities to be undertaken are anticipated to be long term i.e. an ongoing project being of a term of 3 (three) years excluding the financial year in which it was commenced, then a detailed estimate on implementation schedule or milestones should be submitted by the CSR Committee to the Board.
7. Based on the recommendations of the CSR Committee, the Board shall approve the CSR activities of the Company for a given financial year.

## **IX. MONITORING PROCESS**

1. To ensure that the objectives of CSR Policy are being met in an efficient and effective manner, the utilisation of the amount sanctioned towards CSR Activities should be reported in such manner as the CSR Committee may direct.
2. In the event any of the CSR Activities are undertaken through an Implementing Agency, the Implementation Group should obtain relevant information from the Implementing Agency and ensure that the progress on such CSR Activity is submitted on a timely basis in such manner as the CSR Committee may direct.
3. For the purposes of monitoring, the Implementation Group may visit the Implementation Agency site to review CSR project and carry out inspections as recommended by the CSR Committee from time to time.
4. Upon receipt of such progress report by the Implementation Group, the CSR Committee may review and deliberate upon such reports and provide such inputs or recommendations, as it may deem necessary, to the Board.
5. Notwithstanding anything to the contrary, the Board shall not be obliged to comply with the recommendations of the CSR Committee.

## **X. REPORTING AND RECORD KEEPING**

1. The CSR Committee shall maintain proper minutes of all its meetings.
2. The Board's report of the Company shall include an annual report on CSR containing the particulars set out in Annexure-II of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other details as may be prescribed from time to time under the Act and the CSR Rules pursuant to any amendments or circulars thereof.
3. In respect of the reporting, the Board will be responsible to ensure that:
  - (i) The report of the Board includes the annual report on CSR Activities of the Company and sets out the requisite information in terms of the Act and the Rules;
  - (ii) The contents of the latest and updated version of the CSR Policy is included in the report of the Board;
  - (iii) The contents of the CSR Policy along with composition of the CSR committee, and projects approved by the Board are also made available on the website (if any) of the Company.



- (iv) In case of failure to ensure the minimum CSR Expenditure, detailed reasons for the same are adequately disclosed in the Board Report.

## **XI. AMENDMENT**

The Board of the Company may, subject to compliance with applicable law, at any time alter, amend or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities.