



CORPORATE SOCIAL RESPONSIBILITY POLICY

1. SRF – A Brief Profile

SRF is a multi-business entity engaged in the manufacture of chemical based industrial intermediates. Its business portfolio covers Technical Textiles, Coated and Laminated Fabrics, Flurochemicals, Speciality Chemicals and Packaging Films. As a manufacturer of wide range of products that make people's daily lives safer and more comfortable, SRF claims to touch everyone's life every day in more ways than one.

2. CSR Background

At SRF, we are committed to upholding highest level of commitment towards inclusive growth. Corporate Social Responsibility is an integral part of our rich heritage and management. All our plants have been certified with ISO 14001 for Environment Management. Our Bhiwadi plant has obtained SA 8000 for Social Accountability. We, at SRF believe that long term sustainability can be achieved by meeting legitimate concerns of all stakeholders. As a responsible citizen of earth and society, the company is constantly engaged through its 'Businesses' and social arm 'SRF Foundation' in delivering value to stakeholders with utmost sincerity and dedication.

The Policy shall be referred as "SRF Corporate Social Responsibility Policy" or "SRF CSR Policy" which is framed in accordance with the provisions of Section 135 of Companies Act, 2013 ("The Act") read with Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules") by the Board of Directors of SRF on the recommendations of Corporate Social Responsibility Committee constituted by the Board in accordance with the provisions of the aforesaid provisions of Companies Act, 2013. The terms not referred to herein and not defined anywhere in this Policy shall have the meaning ascribed thereto in the Companies Act, 2013 read with CSR Rules, as amended from time to time. In the event of any inconsistency between the definition in this Policy and Act and the CSR Rules, the definitions as given in the Act and the CSR Rules shall prevail.

The Policy outlined the Company's philosophy and responsibility and lays down the Activities, Guidelines and Mechanism for undertaking socially useful programmes towards Welfare & Sustainable Development of the community around the area of operations of the Company and other parts of the country.

3. Approach

The Company would follow "Collaborative Model" for empowering communities and believes that for sustainable social intervention, participation of communities Government must be ensured in the Company's CSR projects/programmes. SRF –

Limited's role is to function as a catalyst and facilitate the process.

The Company would work through its CSR arm SRF Foundation or any other entity set up in accordance with requirement of the Companies Act 2013 in close collaboration with communities, like minded agencies and govt. for its promotion of quality education and vocational skills, promotion of health care, environmental sustainability, promotion of sports, promotion of art & culture and disaster management or may other programs that may come up in future upon suggestion from the CSR committee.

4. Schedule VII – Suggestive Areas of CSR Intervention

The company shall follow the intervention areas prescribed in the Schedule VII of The Act, namely,

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach 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, 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, agroforestry, 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 art 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 windows;
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports
- (viii) contribution to the prime minister's national relief fund or any other 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 govt. for socio economic development and relief and welfare of the schedule caste,

tribes, other backward classes, minorities and women;

- (ix) (a) 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
 - (b) 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.
- (xii) disaster management, including relief, rehabilitation and reconstruction activities

5. CSR Activities Planned for Implementation

From the intervention areas prescribed in the Schedule VII of “The Act”, SRF Limited has chosen or could choose to focus its energy by initiating its CSR Projects and Programmes in the following areas:

The company shall undertake and execute the following CSR Activities (“CSR Projects/Programmes”) across India, with a preference given to areas in and around the plant locations.

- Promoting Healthcare;

(As Per Item (i) of Schedule VII of the Act)

- Promoting and enhancing education process and facilities;

(As Per Item (ii) of Schedule VII of the Act)

- Imparting employment enhancing vocational skills;

(As Per Item (ii) of Schedule VII of the Act)

- Promoting Gender Equality and Empowering Women;
(As Per Item (iii) of Schedule VII of the Act)
- Ensuring Environment Sustainability;
(As Per Item (iv) of Schedule VII of the Act)
- Promoting Sports;
(As Per Item (vii) of Schedule VII of the Act)
- Promoting art, culture and protection of natural heritage;
(As Per Item (v) of Schedule VII of the Act)
- contribution to the prime minister's national relief fund or any other fund set up by the central govt.;
(As Per Item (viii) of Schedule VII of the Act)
- Contributions to Incubators, universities, any other body for the purpose of research, set up by the GOI or state govt.;
(As Per Item (ix) of Schedule VII of the Act)
- Promoting Rural development;
(As Per Item (x) of Schedule VII of the Act)
- Promoting Slum area development;
(As Per Item (xi) of Schedule VII of the Act)
- Towards relief or disaster management;
(As Per Item (xi) of Schedule VII of the Act)

Note: any other activities undertaken engaging in research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23; given-

- (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
- (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;

6. Budget

In the beginning of every financial year, annual action plan for expenditure to be incurred on the CSR Activities for the Financial Year will be recommended by Corporate Social Responsibility Committee (“CSR Committee”) for approval by the Board of Directors of SRF.

However, subject to the provisions of the Companies Act,2013 and Companies (Corporate Social Responsibility) Rules, 2014, the amount to be spent on CSR Activities during a year shall be at least 2% of the average net profits of the Company for immediately preceding three financial years (“CSR Expenditure”)

In the event the CSR Expenditure could not be achieved, the reasons for the same would be specified in the Board's Report for that year. Moreover, in that case SRF

Limited and its Directors/KMPs would also be liable to penalties as envisaged in the said Act and Rules.

7. CSR Expenditure

CSR Expenditure shall include all expenditure incurred in accordance with the Annual Action Plan as approved by the CSR Committee/Board but does not include any expenditure on an item not in conformity or not in line with activities which fall within purview of Schedule VII of the Act.

The Company may incur expense towards ‘general management’ for ‘administrative overheads’, any amount not exceeding five percent of total CSR Expenditure of the Company for that Financial Year. These shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

Any Surplus arising out of CSR Activities will not form part of business profit of the Company, but the same. (i) need to be either ploughed back into the same project or, (ii) transferred to the Unspent CSR Account or, (iii) transferred to a Fund specified in Schedule VII within a period of six months from the expiry of the financial year

If in any financial year, the Company fails to spend at least two percent of average net profit of three immediately preceding years The unspent amount shall be deposited in the separate bank account for the ‘Unspent CSR’ amount as per the Rules. If unable to utilize the said amount in the consecutive three years the amount shall be transferred to any fund mentioned under Section VII as per the CSR amendment rules 2021.

If in any financial year the company spends more than the two percent of average net profit of three immediately preceding years as mandated by the Act, the additional amount can be carried forward to the next 3 years and set off against the future CSR Obligations.

For any amount spent under the CSR of the company the CFO of the company has to provide a certificate as mandated under the CSR amendment Rules 2021.

8. Mode of Implementation

The CSR projects/programmes will be executed through its CSR arm SRF Foundation, a society registered under the Society Registration Act, 1860 (hereafter considering as the CSR implementing agency) or any other entity set up in accordance with requirement of the Companies Act 2013 and registered with Central Government as a CSR implementation agency.

Alternatively, CSR Committee may decide to set up a new entity as envisaged in the CSR Rules to undertake CSR activities on behalf of the Company and/or its holding or subsidiary company or any other company in accordance with the Act and CSR Rules.

The company will identify location wise projects and provide funds to implementing agency on requirement basis and those funds will be utilized by the implementing agency for such projects. They will maintain a separate cost-centres for each project

at each location and ensure to provide the details of expenditure/reports for each project, in a manner as maybe desired by the Board of Directors/CSR Committee, from time to time.

The allocated CSR Budget/corpus will be utilized for CSR Activities to be undertaken within India. This excludes activities in the normal course of business of the company, those benefitting only our employees, political contributions, sponsorship activities, fulfilment of statutory obligations and activities undertaken outside India (except for training of sports personnel representing a State/country at the national/international level).

The Board of Directors (“The Board”) or the CSR Committee may delegate necessary powers for the execution and implementation of CSR Policy. The delegation shall also include powers for meeting the requirements arising out of immediate and urgent situations. The CSR amount may be spent by the company for creation or acquisition of a capital asset, which shall be held by

1. company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
2. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
3. a public authority.

9. Project Locations

The CSR Activities will be carried out around the areas of the Company’s manufacturing locations, offices and other locations viz. Bhiwadi (Rajasthan), Dahej, Bharuch, Netrang (Gujarat), Kashipur (Uttarakhand), Gwalior, Bhind, Dhar, Bhopal and Indore (Madhya Pradesh), Gummidi poondi, Manali and Viralimalai (Tamil Nadu), Kamrup (M) (Assam) and Mewat (Haryana).

However, the CSR Committee may identify other areas for CSR Activities, from time to time.

10. Monitoring

The CSR Committee will monitor all CSR Projects/programmes. Broadly, the following procedure will be adopted by the CSR Committee:

- Specific projects with locations, budgets and time schedules shall be recommended by the CSR Committee in the beginning of every financial year to the Board for its approval.
- Funds towards particular projects/programmes will be released on requirement basis.
- The CSR committee would meet on annual or such other frequency as may be found suitable to take stock of project wise status of project completion and fund utilization and to compare with budgeted funds and timelines. The minutes of the meeting of the CSR Committee will be placed before the Board.
- Based on the new Company (Corporate Social Responsibility) Amendment

Rules, 2022, whenever an average CSR obligation of Rs. 10 Crores or more is allocated in pursuance of sub-rule 8(3) of section 135 of the Act, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of the CSR projects having outlays of one crore rupees or more. Such impact assessment study shall be undertaken the project which have been completed not less than 1 year. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR. The total spend on such study being 2% of total CSR expenditure for that financial year or fifty lakh rupees whichever is higher.

11. Board's Responsibility

- CSR Activities as per clause 5 of this Policy are required to be undertaken by the Company;
- The Company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, pursuance to this policy.

The unspent amount as per the CSR amendment rules, is deposited in the 'Unspent CSR' account and utilized as per the requirements of the Act or the Rules.

12. Review/Amendment

The Board may amend, abrogate, modify or revise any or all clauses of this Policy, on recommendation of the CSR Committee and in accordance with the Act.

13. Disclosure/Reporting

The CSR Policy will be displayed on the Company's website www.srf.com

Board Report of the Company shall disclose the contents of CSR Policy.

As annual report on CSR containing the particulars as prescribed under the CSR Rules shall form part of the Board's report of the Company.

The CSR Policy was :-

- Approved by the Board on August 4, 2014;
- Noted by CSR Committee on October 28, 2014;
- Amended and recommended by CSR Committee on February 10, 2015;
- Approved by the Board on May 11, 2015 (amendments recommended by CSR Committee);
- Amended and recommended by CSR Committee on March 25, 2021 and approved by the Board through Resolution passed by Circulation on April 1, 2021