

PEARL POLYMERS LIMITED

Corporate Social Responsibility Policy

1. Approach & Driving Principles:

To contribute in welfare of all its stakeholders including the community and society at large.

To carry on Corporate Social Responsibility as part of its business with commitment for a green environment, safety at workplace and good health in alignment with its Core Purpose, Vision & Core Values.

The Company will inculcate a culture of Social Responsibility amongst its employees and encourage them to volunteer in community development.

The Company will work towards enhancement of employability of women and underprivileged section of the society by improving their skills through training.

2. Vision and Objective

2.1 Our vision is to create a Company that India is proud of. As a step to achieve the said Vision, the Company endeavors to integrate social and environmental concerns in its business operations and interactions with all stakeholders in order to achieve a balance of economic, environmental and social imperatives. CSR will remain a fundamental part of the Company's practices, broad objectives and overall culture.

2.2 The objective of this policy is to:

2.2.1 demonstrate an increased commitment at all levels in the organization to operate business in an economically, socially and environmentally sustainable manner, while recognizing the interest of all stakeholders;

2.2.2 strive to develop and achieve appropriate business processes and strategies to discharge Corporate Social Responsibilities;

2.2.3 inculcate social responsibility in the Company's organizational culture.

2.2.4 to give boost to the economic growth of the country.

3. Strategy

In order to achieve CSR objectives, strategies adopted by the Company are outlined below:-

3.1 CSR Activities

3.1.1 The Company may allocate its resources earmarked for CSR activities in any of the

following manner:

- a) undertake various CSR activities on its own within the overall framework of this Policy ;
- b) undertake ongoing project in fulfillment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced;
- c) undertake various CSR activities through a registered trust, a registered society or a company established under section 8 of the Companies Act, 2013;
- d) collaborate resources with other companies to undertake CSR activities.

3.1.2 The Company may undertake CSR activity(ies) in any of the following areas:

- 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, day care centre 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 arts; 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 socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled 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.
- xii. Other areas as may be prescribed from time to time.
- xii. Other areas as may be prescribed under Companies Act, 2013 or rule's made there under from time to time

Preference shall be given to CSR activities in local area where the operations of the Company are carried out.

The surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company, and shall be used only for CSR activities.

3.2 CSR Budget/Corpus

CSR Corpus of the Company shall include the following:

- (a) 2% of average net profits (calculated in terms of Section 198 of the Companies Act, 2013) made during the 3 immediately preceding financial years.
- (b) Surplus arising out CSR activities, if any.

- (c) The Company may spend up to 5% of total CSR expenditure in one financial year on Administrative Overheads*.
- (d) Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company, and shall be used only for CSR activities.

**Note: "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 program.*

3.3 Implementation and Monitoring

- ❖ The Board has vested all the powers of CSR Committee with the Managing Director of the as per requirements of the Companies Act, 2013 and prescribed Rules.
- ❖ The Managing Director may nominate a CSR Team comprising senior officials to assist him in discharging it functions.
- ❖ CSR Team, if nominated, shall subject to supervision and direction of Managing Director be responsible for the implementation of CSR activities.
- ❖ CSR Team or employees of the Company may identify and propose CSR Projects to the Managing Director.
- ❖ Any proposal for CSR activity/project shall be first vetted by the CSR Team, to confirm whether it meets the criteria of this Policy, any guidelines prescribed and all the conditions prescribed under the Companies Act, 2013 (including all rules, circulars, notifications issued there under).
- ❖ CSR Team, from time to time, will review the progress of each CSR project in terms of outcome assessment and financial monitoring, and report the same to Managing Director.
- ❖ The Managing Director shall formulate and recommend the CSR Policy to the Board for approval.
- ❖ The Managing Director shall monitor and review the Policy from time to time and recommend changes to the Board.
- ❖ the Managing Director shall formulate and recommend to the Board an annual action plan along with Annual CSR Budget comprising of list of CSR Projects/ activities and amount to be spent thereon.
- ❖ Board of Directors shall approve CSR policy and bring amendments in the policy as & when required.
- ❖ Board of Directors shall approve Annual Action Plan and Annual CSR Budget comprising of list of CSR Projects/ activities and amount to be spent thereon.
- ❖ Board of Directors shall ensure that the activities under this policy are undertaken under the overall supervision of the Managing Director.
- ❖ Any unspent CSR amount shall be transferred to any fund as per Schedule VII of the Companies Act, 2013 or to the unspent CSR Account (as the case may be), as amended from time to time.

- ❖ In order to ensure transparency and communication with all stakeholders, the content of CSR policy in the prescribed format shall be available in the Director's Report in the Company's Annual Report and on the Company's website. CSR Team shall provide information and support to Managing Director for this purpose.
- ❖ Further, employee participation in CSR projects shall be encouraged and supported through various initiatives from time to time.

3.4 Guiding Principles for Formulation of Annual Action Plan and Selection of Projects

The Company is taking lead in contributing to the sustainable development of society. The Company seeks to optimistically integrate the concerns related to society and environment in its business operations and interactions with all stakeholders in order to achieve a balance of economic, environmental and social imperatives.

The company will focus its CSR initiative in following areas:

- a) Community Development;
- b) Skilling up of Human Resources; and
- c) Environment Environment Friendly Initiatives and Sustenance

The Annual Action Plan will comprise off details as required under Sec 135 of the the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 as amended from time to time and such other details as may be required to ensure proper implementation & monitoring of the project/s.

To contribute to a better world, the Company will provide solutions to social issues through its CSR activities, thus delivering value to society. Hence following areas will be focused while selecting the project/s:

- i. Promoting education - Education for under privileged children
- ii. Poverty and Malnutrition - Promoting health
- iii. Promote Paralympics Sports - Promoting Sports
- iv. Enhancing Vocational Skills - Skill Developments
- v. Environment Sustainability - Cooling the planet by Green Plantation
- vi. Any other activity in conformance to clause 3 of the policy

4. Partners

As mentioned in clause 3.1.1(c) of this Policy, Company may also conduct its CSR programs/ activities through the following entities:

- a) 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 (43 of 1961), established by the company, either singly or along with any other company, or

- b) 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
- c) any entity established under an Act of Parliament or a State legislature; or
- d) 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

However, while selecting such entity / voluntary organization for programme execution it shall be ensured that the entity / voluntary organization:

- i. is a registered Society / Public Charitable Trust
- ii. has a permanent office / address in India
- iii. has a valid Income Tax Exemption Certificate
- iv. have an established track record of at least three years in carrying on activities in related areas.
- v. has registered itself with the Central Government by filing form CSR-1 with the Registrar.

When CSR activities are conducted through partners, CSR Team shall obtain details such as Sector in which the program is conducted, local area or regions where the program is conducted, specific nature of expenditure incurred etc. to ensure compliance with this Policy.

5. GENERAL

- i. In case of any ambiguity with regard to any provision of the policy, a reference to be made to the Board of Directors. In all such matters, the interpretation & decision of the Board shall be final.
- ii. Any or all the provisions of CSR Policy would be subject to revision/ amendment in consultation with Board of Directors and in accordance with the guidelines on the subject as may be issued by the Government from time to time.
