



Idemitsu Lube India Private Limited

REGISTERED OFFICE:

**N-31, Additional Patalganga, MIDC Industrial Area,
Taluka Panvel, Khalapur,
Raigarh-410 220 Maharashtra, INDIA**

Corporate Social Responsibility Policy

TABLE OF CONTENT

Particulars	Page Nos.
Introduction	3
Title & Applicability	3
Pillars of Corporate Social Responsibility/ approach and Direction	3
Focus Area of the Company	4-5
CSR Project of the Company	5-6
Responsibility of the Board of Directors	6-7
CSR Committee and its Role	7-8
CSR Budget & Expenditure of the Company	8-9
Reporting & Monitoring	9
Treatment of Surplus	10
Effective Date	10
Contact Detail	10

INTRODUCTION

Idemitsu Lube India Private Limited was set up on 20th September, 2006, as a subsidiary of Idemitsu Kosan Co. Ltd, Japan. It is engaged in the business of Manufacturing, Sale & Purchase of Lubricants and Specialized Oils including Greases etc. and providing market support & technical assistance in the related area.

Idemitsu has worked hard under the fundamental principle of social contribution through business, always maintaining respect for human beings in carrying out business operations. The Company has utilized its expertise globally in a wide range of strategic businesses, such as petroleum products, petrochemical products, oil exploration and production, coal and other businesses.

The Corporate Philosophy of the Company is to win the trust of society by placing people at the Centre of Idemitsu's Business. The Company values the idea of working not from self-interest alone, but on behalf of society at large.

TITLE AND APPLICABILITY

The Company's Corporate Social Responsibility ('CSR') Policy has been developed in accordance with Section 135 of the Companies Act, 2013 ('the Act') and in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ('the Rules') notified by the Ministry of Corporate Affairs (MCA), Government of India (GOI) on 27th February 2014 (including any statutory modifications, amendments or re-enactments thereof) effective from 1st day of April, 2014.

The CSR Policy shall apply to all CSR project(s)/ program(s)/ activity(ies) undertaken by the Company in India in pursuance of its statutory obligation laid down in Section 135 of the Act, in accordance with the Rules and as per Schedule VII of the Act.

PILLAR OF CSR/ APPROACH AND DIRECTION

1. To nurture the nature and adopt processes to enhance its sustainability.
2. To comply with applicable laws and regulations and respecting human rights and other international norms of behavior.
3. To directly or indirectly take up project(s)/ programme(s)/ activity(ies) that benefit the communities in & around its work center and results, over a period of time, in enhancing the quality of life & economic well- being of the local populace.
4. Provide support for health care maintenance and disease prevention especially among rural India.

FOCUS AREA OF THE COMPANY

Activities that the Company may undertake under the ambit of CSR as listed under Schedule VII of the Act are listed below:

1. 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;
2. Promoting education including special education and employment enhancing vocation skills specially among children, women, elderly and differently abled and livelihood enhancement projects;
3. Promoting general equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare and 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;
5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public library; promotion and development of traditional art and handicrafts;
6. 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;
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. Contribution to the prime Ministers 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, Tribes, other backward classes, minorities and women;
9. (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);
10. Rural Development Projects;
11. Slum area Development;
***Explanation.**- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.*
12. Disaster management, including relief, rehabilitation and reconstruction activities.

The Company may also contribute to other areas of interest as permitted under Schedule VII of the Act. The Company may update the above list as per Section 135 and Schedule VII of the Act as amended from time to time.

CSR PROJECT OF THE COMPANY

Idemitsu Lube India Private Limited may undertake the CSR Project(s)/ Program(s)/ activity(ies) as specified under Schedule VII of the Act including the following CSR Projects/ program(s)/ activity(ies) on their own or through the following:

- 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.

Under its CSR Policy as and when the Company is eligible to incur CSR expenses in terms of Section 135 of the Act read with the Rules (including any statutory modifications, amendments or re-enactments thereof) and the Company shall seek a regular periodic report from these third party trusts and societies on the appropriate utilization of funds on such projects and programs:

1. Environment

- Promote practices that would help conserve natural resources, energy and reduce wastage.
- The Company may continuously pay close attention to the conservation of ecosystems, develops environmentally friendly products and promotes its renewable energy business.

2. Promoting Health Care & Safety

- Medical Aid to financially weak people-The Company may contribute and support efforts for providing Emergency Medical Aid to financially weak people on case to case basis.
- Safety Projects undertaken by the Company.

Every entity covered above have unique CSR Registration Number with MCA.

A Company may engage international organizations for designing, monitoring and evaluation of the CSR Project(s) or Program(s) or Activity(ies) as per this Policy as well as for capacity building of their own personnel for CSR.

The Company may also collaborate with other companies for undertaking Project(s) or Program(s) or Activity(ies) in such manner that the CSR Committees of respective companies are in a position to report separately on such Project(s) or Program(s) or Activity(ies) in accordance with Rules.

RESPONSIBILITY OF BOARD OF DIRECTORS

The Board of Directors ('the Board') of the Company will be responsible:

1. To constitute the CSR committee through a Board resolution with the defined composition and tenure;
2. To take into account the recommendation of CSR Committee;
3. To approve the CSR Policy as recommended by the CSR Committee;

4. To formulate the guiding principles for selection, implementation and monitoring of CSR Project(s)/ Program(s)/ activity(ies) as well as formulation of the annual action plan;
5. To ensure that the Project(s)/ Program(s)/ activity(ies) mentioned in CSR Policy are related to the activities included in Schedule VII of the Act;
6. To ensure as well as satisfy itself in every financial year that the funds so disbursed have been disbursed by the Company for CSR Project(s)/ Program(s)/ activity(ies) have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to that effect;
7. In case of ongoing projects, it shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modification(s), if any, for smooth implementation of the project within the overall permissible time period.
8. To include in its Board's Report, an Annual Report on CSR including the contents of CSR Policy and display the same on the Company's website, if available, as per the particulars specified in the Annexure(s) to the Rules or as may be prescribed from time to time;

CSR COMMITTEE AND ITS ROLE

The CSR committee presently constitutes of the following Directors and further in the event of any change in the constitution of the CSR Committee, the same shall be recorded:

1. Mr. Hiroshi Kono, Chairman
2. Mr. Hiroyuki Kitano
3. Mr. Akira Kitagawa

Mr. Asish Rohatgi Head & Company Secretary of the Company shall act as the Secretary for CSR Committee.

A CSR committee formed shall work in co-ordination and in accordance with directions given by the Board.

Role of CSR Committee shall include inter-alia the following:

The CSR Committee shall formulate and recommend to the Board the following in pursuance of CSR Policy:

- a Corporate Social Responsibility Policy which shall indicate the list of CSR Project(s) or Program(s) or Activity(ies) to be undertaken as specified in Schedule VII of the Act;

- an annual action plan;
- the amount of expenditure to be incurred on the CSR Project(s) or Program(s) or Activity(ies);
- the manner of execution, utilization of funds and implementation of such CSR Project(s) or Program(s) or Activity(ies);
- Implement the CSR Project(s) or Program(s) or Activity(ies) approved by the Board and in compliance with Schedule VII of the Act;
- the modalities of utilization of funds and implementation schedule for CSR Project(s) or Program(s) or Activity(ies);
- monitoring and reporting mechanism for the CSR Project(s) or Programme(s) or Activity(ies);
- details of need and impact assessment, if any, for the projects undertaken by the Company;
- To regularly monitor CSR Policy of Company from time to time;
- Any other activity as may be decided by the Board.

The Constitution and the role of the CSR Committee of the Board of the Company shall be in accordance with Section 135 and other applicable provisions of the Act Rules (including any statutory modifications or amendments or re-enactments thereof).

CSR BUDGET & EXPENDITURE OF THE COMPANY

The Board of Director shall ensure that the Company spends, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years.

Net Profit: means net profit as per its financial statements prepared in accordance with the provisions of Section 198 of the Companies Act, 2013 but shall not include such sums as may be prescribed

- (i) Any profit arising from any overseas branch(es) 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.*

Provided that in case of a foreign Company covered under Rules, net profit means the net profit of such Company as per Profit and Loss Account prepared in terms of clause (a) of sub(1) of Section 381, read with Section 198 of the Act.

The Company will report reasons for under or not spending, if any, of the allocated CSR budget of the current financial year in the template prescribed by the Ministry of Corporate Affairs. This reporting will be done in Board Report under the signatures of the Board of Directors of the Company.

Where a Company spends an amount in excess of requirement provided under Section 135 of the Act, such excess amount may be set off against the requirement to be spend under Section 135 of the Act up to immediate succeeding three financial years in a manner specified in Rules.

The CSR amount may be spent by a Company for creation or acquisition of a capital asset, which shall be held by

- a) A Company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
- b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- c) A public authority

The Company may also collaborate with other Companies for undertaking projects or programs or CSR activities, if so required, in the future at any point of time in such manner that the CSR Committee of respective Companies are in position to report separately on such project(s) or programme(s) or activity (ies) in accordance with Rules.

REPORTING AND MONITORING

Every year, the CSR Committee will place for the Board's approval, a CSR Plan delineating the CSR Project(s) or Programme(s) or Activity(ies) to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.

The CSR Committee will assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or bodies as it may deem fit. The persons/ bodies to which the implementation is assigned will carry out such CSR Project(s) or Programme(s) or activity(ies) as determined by the CSR Committee within the specified budgets and timeframes and report back to the CSR Committee on the progress thereon at such frequency as the CSR Committee may direct

The CSR Committee shall review the implementation of the CSR Project(s) or Programme(s) or activity (ies) periodically and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Project(s) or Programme(s) or activity(ies) in accordance with this Policy.

The CSR Committee will review periodically and keep the Board apprised of the status of the progress of implementation of the approved CSR Project(s) or Programme(s) or activities.

Finally at the end of every financial year, the CSR Committee will submit its annual report to the Board and annual report of the CSR shall form part of the Boards Report of the Company.

TREATMENT OF SURPLUS

Any surplus generated from CSR projects or activity(ies) undertaken by us will be tracked and shall not form part of the business profit of a Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

EFFECTIVE DATE

This policy is effective from 1st April, 2014 and onwards.

CONTACT DETAIL

For queries relating to CSR Policy contact:

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