

Company Applicable to:

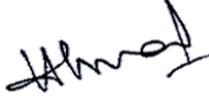
Klüber Lubrication India Pvt Ltd

Reviewed by:

- HR Team

Approved by:

- Vishal Almal



- Kanakaraju T



- Hitendra Bhargava



CORPORATE SOCIAL RESPONSIBILITY POLICY AND PROCEDURES

Version	2
Valid from	01 DEC 2022
Area	Human Resources
Process	CSR
Nullify and replace	1

BACKGROUND:

The Companies Act, 2013 (The Act) has made it legally binding on all Indian companies that satisfy certain financial criteria, to spend 2% of their average net profits on approved Corporate Social Responsibility (CSR) programs or Projects. This policy is meant to provide an overall framework and vision for the Freudenberg Companies in India to build their CSR Policies and Procedures.

VISION:

Klüber Lubrication India Pvt Ltd (KLIND) is committed to build a sustainable business with strong social relevance and commitment to inclusive growth and contribute to the society by supporting causes on various concerns. In line with the Freudenberg Group's global policy and Guiding Principles, CSR spending should be broadly in the areas of Education and improving the Environment including areas mentioned in schedule VII of Indian Companies Act 2013.

We would like to convert the legal obligation into an opportunity; an opportunity to positively impact society around us and build significant goodwill and brand awareness for the organization and its employees. We are convinced that a coordinated and transparent approach ensures the best use of available resources.

PURPOSE:

The Act has brought greater emphasis on CSR with rules that provide guidance on minimum CSR spend, focus areas, implementation mechanism and reporting to the shareholders of the Company.

KLIND CSR Policy has been designed in view with the Company's business vision, its CSR vision and long-term social objectives that the Company wants to achieve. The Policy has been created with the purpose to outline its CSR focus areas, review mechanism, execution and reporting mechanism.

CONSTITUTION OF CSR COMMITTEE:

CSR committee has been constituted by the Board of Directors to oversee the CSR agenda of the Company. The committee has been formed as per the requirements of Section 135 of the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014.

Board of Directors shall be empowered to take decision for making or effecting changes in the constitution of the CSR committee.

The composition of CSR committee shall be disclosed in the Board of Director's report.

RESPONSIBILITY OF THE CSR COMMITTEE:

- a) To formulate and recommend to the Board of Directors, a CSR Policy indicating the activities to be undertaken as specified in Schedule VII of the Companies Act, 2013 and modify / amend the same as required.
- b) To review and approve annual budgets with respect to CSR programs.
- c) To develop and institutionalize a CSR reporting mechanism in light with Section 135, Rule 8 of the Companies Act 2013.
- d) To monitor the CSR policy, projects and programs from time to time

MEETINGS OF CSR COMMITTEE:

The CSR Committee shall meet at least once in six months. The meetings shall be held either at the registered office of the Company or any other place, as may be decided by the members.

Physical presence of minimum of two members of the committee shall constitute the quorum.

NOTICE OF MEETING

At least seven days advance notice of every meeting, specifying the day, place and time of the Meeting and the agenda shall be given to the members. In urgency, a meeting may be convened by shorter notice.

AREAS OF CSR ACTIVITIES:

The Company is hereby devoted to direct its CSR resources, to a reasonable extent, for improving the quality of life of the people by focusing on the social causes, including but not limited to the following areas;

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the 'Swacch 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 vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
3. Promoting gender equality, and measures for reducing inequalities faced by socially and economically backward groups.
4. Ensuring environmental sustainability through various initiatives to conserve natural resources.
5. Protection of national heritage, art and culture.
6. Measures for the benefit of armed forces veterans, war widow/er and their dependents.
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
8. Contribution to the Prime Minister's National Relief 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, and other backward classes, minorities and women.
9. Contributions to funds provided to technology incubators located within academic institutions which are approved by the Central Government.
10. Rural Development Projects.
11. Slum area development Projects
12. Activities related to promotion of road safety as suggested vide General Circular No.21/2014 dated 18.06.2014 issues by Ministry of Corporate Affairs.

EXCLUSIONS:

- a) Activities which are exclusively for the benefit of employees of the company or their family members.
- b) Activities undertaken in pursuance of normal course of business of the Company.
- c) Direct or indirect contribution to political parties.
- 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 purpose only.

GEOGRAPHIES AND BENEFICIARIES:

GEOGRAPHIES

KLIND will give preference to the local areas around its operations for spending the amount earmarked for CSR activities; mainly concentrated in the following locations:

- Mysore
- Pune
- Bangalore
- Nagapattinam
- Any other areas in India as may be decided, from time to time.

CORPORATE SOCIAL RESPONSIBILITY POLICY AND PROCEDURES

BENEFICIARIES

The beneficiaries of KLIND CSR programs may be the following categories of people:

- Children / students
- Women
- Underprivileged sections of the society
- Others – society at large

IMPLEMENTATION MECHANISM:

The Company may conduct / implement CSR programs by itself and / or through registered trusts, societies and /or Section 8 companies with an established track record of at least three years in carrying on activities in the related area/s or as suggested by Ministry of Corporate Affairs vide circulars / notifications.

The company may collaborate or pool resource with other companies to undertake CSR activities and any expenditure incurred on such collaborative efforts would qualify for computing the CSR spending.

The progress will be reported to the CSR committee during the committee meetings. The progress on CSR programs undertaken by the company will be reported in the Annual Report.

MONITORING OF CSR PROGRAMS:

The KLIND CSR team shall be responsible for day to day management of CSR related activities of the Company. The team shall periodically report to the CSR committee regarding the financial and programmatic progress of CSR projects.

All projects undertaken by the company shall be monitored on a regular basis. On-site monitoring would also be undertaken at atleast once a year to ensure on-track implementation.

The CSR team shall be empowered to appoint an external third party to monitor / review / audit the progress (financial and programmatic) of the CSR projects.

AMENDMENTS TO THE CSR POLICY:

The Policy may be updated to align it with the changing requirement or changes in the legal and regulatory framework. Any changes in the policy shall be approved by the Board of Directors.

Valid from: Dec 01, 2022

Change control:

Reviewed:	Date:
First	01.12.2019
Second	
Third	
Fourth	

ANNEXURE- A

GUIDELINES:

1. CSR Project needs to fall in any of the categories 1 to 12 mentioned under Areas of CSR activities.
2. Personal Commitment to monitor the progress till completion of the project needs to be well established at the time of recommendation.
3. Priority to be provided to the projects where our employees are strongly engaged and participating.
4. Clarity of the Geography and Beneficiary to be provided for the CSR program.
5. All the exclusion clauses to be reviewed and ruled out before putting across the recommendation.
6. Any repeated engagement in a particular CSR program for more than three years will need proper validation from the Auditor.

CRITERIA FOR SELECTING FCS CSR PROJECTS:

CSR team to ensure that:

1. The Benefiting Organization has a permanent office / address in India.
2. It is a Registered Society under Societies' Registration Act
3. The Organization has an established track record of at least three years in carrying out activities in our related areas.
4. The Organization possesses a valid Income-tax Exemption Certificate.
5. The antecedents / background of the Organization are verifiable / subject to confirmation.
6. Formal MOU / Agreement / Letter of Fund Request, is in place

ANNEXURE- B

CSR TEAM:

Ms. Claret Lobo
Mr. Ganesh Raj
Ms. Swarnashree Purushotham
Mr. Jithin Saldhana
Mr. Romin Bose

FINANCE MANAGEMENT TEAM:

Mr. Niraj Kumar
Ms. Namana H

CSR PROJECTS APPROVING COMMITTEE / BOD

Mr. Vishal Almal
Mr. Kanakaraju T
Mr. Hitendra Bhargava
Ms. Geetha Suresh