



Aramco Asia India Pvt. Ltd.

Corporate Social
Responsibility Policy (CSR
Policy)

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A. Executive Summary

Aramco Asia India Private Limited ("**AAI**" or "**the Company**"), has prepared this Corporate Social Responsibility Policy ("**Policy**") in alignment with its objective, principles and values, defining its responsibility as a socially and environmentally responsible corporate citizen.

As a responsible corporate citizen, the Company is committed to sustainable development and inclusive growth and is primarily focusing on areas prescribed under Schedule VII of the Companies Act, 2013 ('**the Act**'), which are also aligned with Aramco's global interest in environment and society and focuses on making a positive contribution to society through effective, impactful and sustainable development programs.

For AAI, being a good citizen means more than doing good. It means acting with purpose to make a positive impact on people and their communities. Our endeavor is to mobilize resources to make a helpful contribution to society. Whilst the Company will continue to support activities as per Schedule VII of the Act, the specific projects and activities under these areas are being worked on and more specifics will be finalized in due course and covered in the Annual Action Plan for the relevant year.

In terms of the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("**CSR Rules**", as amended from time to time) issued by the Ministry of Corporate Affairs ("**MCA**"), the Company will be focusing on undertaking the project /programs /activities as specified in Schedule VII of the Act excluding activities undertaken in pursuance of normal course of business of the Company.

The key objectives of this CSR Policy of the Company are as under:

- To align with Aramco's global interest in environment and society that focuses on making a positive contribution to society through effective and impactful and sustainable development programs;
- To outline AAI's approach for making CSR one of its key focus areas;
- To operate as the Corporate Social Responsibility Policy of the Company for the purposes of Section 135 and Schedule VII of the Act and the rules made thereunder including the CSR Rules, as amended from time to time;
- Establish uniform country-wide standards and procedures for the planning and implementation of CSR activities in India, in line with AAI's requirements to protect the Aramco Group's reputation and ensure compliance with the legal and/or regulatory requirements;
- Ensure that all CSR activities are conducted in a transparent and efficient manner in compliance with prevailing regulations and Aramco's internal and global policies and directions pertaining to CSR.

Further, this Policy shall apply to all CSR projects / programs, activities and contributions undertaken by the Company in India. Any employee who has knowledge of a potential or actual violation of this CSR Policy must promptly report this to the CSR Committee or the Board of Directors.

B. Introduction

The Board of Directors of the Company ("**Board**") has approved this Policy, formulated by the CSR Committee, after taking into account the recommendations by the CSR Committee. The Board may amend the Policy as may be required from time to time, based on the recommendations of the CSR Committee, if any, or on its own. Any or all provisions of this Policy are subject to the applicable provisions of the Companies Act, 2013 and any subsequent amendments thereof, as may be applicable on AAI from time to time.

C. Definitions

Words and expressions used but not defined in this Policy shall have the same meaning as assigned to them in the Act or the CSR Rules made thereunder or in any amendment thereto. This Policy shall also be subject

to such clarifications and FAQs as may be issued by the MCA from time to time.

D. CSR Committee

CSR Committee means a committee constituted/reconstituted by the Board of Directors of the Company as per the provisions of the Act and CSR Rules, by passing a resolution in this regard. Other aspects pertaining to CSR Committee are as under:

- The composition of CSR Committee, whenever re-constituted, shall be such as may be prescribed under the applicable provisions of the Act, for the time being in force. The Members of the CSR Committee, as present in the meeting may elect any one of themselves as Chairman of the Meeting.
- Subject to applicable provisions of the Act, the Board may induct such additional members to the CSR Committee, as they may deem fit, by passing a resolution in this regard.
- Any change in composition of the CSR Committee shall be undertaken by way of passing a Board Resolution.
- The CSR Committee shall be responsible for undertaking all such acts, deeds and things and perform all such functions, duties and responsibilities as may be prescribed under the applicable provisions of the Act and the CSR Rules, for the time being in force.
- The CSR Committee shall undertake all such duties and responsibilities and shall be entrusted with such powers as are assigned to it by the Board from time to time.

E. CSR Team

The Board may set up a CSR Team, consisting of such members including Directors, officers, employees or external consultants of the Company, as it may deem fit and necessary for effective execution, implementation and monitoring of CSR projects, programs and activities of the Company.

The Board shall have powers to remove any member of the CSR Team, not being a Director of the Company, at its discretion, by way of passing a resolution in this regard.

Further, any member of the CSR Team including a Director, officer or employee of the Company or an external consultant, shall cease to be a member of the CSR Team from the effective date of his resignation or termination/ expiry of his/their service agreement with the Company, as the case may be, unless decided otherwise by the Board by passing a resolution in this regard.

The CSR Team shall:

- Engage in day to day CSR activities of the Company;
- Closely monitor the implementation of CSR projects, programs and activities of the Company;
- Ensure compliance with all disclosure requirements pertaining to CSR under the Act;
- Provide periodic status reports on CSR projects, programs and activities of the Company;
- Analyze and evaluate CSR project proposals and profiles of the CSR implementing agencies and partners, and recommend the same to the CSR Committee, if any, or the Board;
- Identify, evaluate and recommend CSR projects, which are in line with the activities specified in Schedule VII of the Act, to the CSR Committee, if any, or the Board;
- Coordinating with external agencies for effective implementation and monitoring of CSR activities, projects and programs;
- Conducting periodic meetings with the CSR implementing agencies;
- Prepare and recommend the methodology for measuring the outcomes and impact of the CSR initiatives, if required, from time to time, to the CSR Committee, if any, or the Board;

- Prepare and recommend to the Board, the budgetary allocation of CSR funds on CSR activities;
- Maintain all records related to CSR.

F. Frequency of the Meetings of the CSR Committee

The CSR Committee, if any, shall meet at least once in a financial year. Members of the CSR Committee can agree upon mutually regarding time, place and mode for conducting the said meetings. Quorum for the meeting would be two members. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audiovisual means in accordance with the provisions of the Act and rules made thereunder from time to time.

Key Members of the CSR Team of AAI shall be the Permanent Invitees to the said Meeting. Other Members of the Senior Management may attend the CSR Committee Meetings as may be appropriate and required by CSR Committee. Minutes of the CSR Committee shall be placed before the Board at their next Board Meeting for noting.

In the absence of the CSR Committee, all key decisions pertaining to CSR should be discussed and approved by the Board.

G. Role and Responsibilities of the Board of Directors

The role and responsibilities of the Board of Directors of the Company shall be such as may be prescribed under the applicable provisions of the Act and CSR Rules, including any statutory modification thereof, for the time being in force.

Additionally, the Board shall be responsible for the following:

- Ensuring compliance with applicable provisions of the Act and CSR Rules.
- Evaluating the need of re-constitution or dissolution of the CSR Committee from time to time and taking necessary steps to ensure compliance with the applicable provisions of the Act and CSR Rules in true spirit and in best interest of the Company.
- Prepare, approve, adopt, review and make suitable amendments to the Annual Action Plan of the Company, on the recommendation of CSR Committee (if any), as per the applicable provisions of the Act and CSR Rules.
- Ensuring that the projects included in the CSR Policy or Annual Action Plan are undertaken by the Company.
- To do all such acts, deeds and things as may be required, incidental or ancillary to undertake the CSR activities/programs or compliances applicable on the Company or are in best interest of the Company.
- To do all such acts, deeds and things as may be prescribed under the Act or CSR Rules or any other order, direction, circular or communication issued by the Ministry of Corporate Affairs in this regard, as applicable from time to time.

H. Areas for CSR

The Company notes the important developments in the field of CSR policy making in India and recognizes the initiative taken by the MCA in identifying a list of activities eligible for being considered as CSR activities. Given the thorough listing of the activities, AAI hereby adopts the same list as its broad charter of CSR activities in India as listed in the Schedule VII under Section 135 of the Act (attached as Annexure I to this Policy), as may be amended and applicable from time to time including any other initiative(s) as announced by the India Government to be eligible for CSR compliance.

I. CSR Budget

The Board shall ensure that the Company spends such amount on CSR activities and in such manner, as may

be prescribed under the applicable provisions of the Act and CSR Rules. Further, the Board may also decide to spend additional amount on CSR activities in any financial year, as it may deem fit.

Further, any surplus arising out of the CSR activities will not be a part of the business profits of the company and shall be ploughed back into CSR activities/projects or shall be transferred to a separate account named as "Unspent CSR Account" which can be spent in pursuance of this CSR Policy and the annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII of the Act within a period of six months of the expiry of the financial year.

Excess spending:

Where the Company spends an amount in excess of CSR obligation required under the Act, subject to passing of board resolution, such excess amount, excluding surplus arising, can be set-off against the CSR spends up to immediate succeeding three financial years.

Under spending:

The unspent CSR amount pertaining to any CSR project/activity shall be transferred to any fund included in Schedule VII of the Act such as Prime Minister's National Relief Fund, Swachh Bharat Kosh or any other fund specified by Central Government in this regard under the Act, within 6 (six) months from the end of concerned financial year.

If the unspent CSR amount pertains to an Ongoing CSR Project, the amount has to be transferred to a separate bank account to be called as "Unspent CSR Account" within 30 (thirty) days of the end of the concerned financial year and is to be spent on CSR obligations as per its CSR policy within a period of 3 (three) financial years.

In case the Company is unable to spend the CSR obligation on the Ongoing CSR project within the prescribed period of 3 (three) financial years, it would be required to transfer the amount so unspent to any fund included in Schedule VII of the Act within 30 (thirty) days of the end of the concerned financial year.

J. Annual Action Plan

The Annual Action Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company based on recommendation of its CSR Committee, if any, or the CSR Team, which broadly outlines the following suggestive aspects of CSR initiatives of the Company, to the extent feasible:

- Tailor-made CSR projects depending upon allocated spend and geographical presence;
- Partnering agencies/companies/firms;
- Project Proposals;
- Targeted Beneficiaries & their key needs;
- Alignment with Schedule VII;
- Project Goals and milestones;
- Project execution and funds utilization modalities;
- Activities and Timelines including expected closure dates;
- CSR Budget with projections, if any;
- Monitoring mechanism;
- Progress reporting and frequency of reports;
- Need and impact assessment, if any;
- Any other information as may be required by the CSR Committee/CSR Team.

The CSR Committee, if any, or the CSR team shall formulate and recommend to the Board of Directors, the

Annual Action Plan of the Company in pursuance of this Policy, which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilization, monitoring mechanism, etc. as mentioned in this policy.

The Board of Directors may approve the Annual Action Plan with such further conditions and modifications as it deems fit and further alter the annual action plan at any time during the financial year, as per the recommendation of the CSR Committee or the CSR Team, based on the reasonable justification to that effect.

K. Identification and selection of CSR initiatives and implementing agencies

The programs would be identified as per the requirement in the community. Professional agencies may be engaged for conducting need-based assessment in some programs, wherever required.

Collaborative Partnerships may be formed with Government Agencies, village Panchayats, Implementing agencies, NGOs and other likeminded stakeholders. This would help widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.

In case of program execution by implementing agency, the following criteria may be included:

- The Implementing Agency should fulfill the requirements prescribed in the Act and CSR Rules.
- It should have registration Certificates, as applicable, under Section 12A, Section 80G, etc. of the Income Tax Act, 1961.
- It should have a Permanent Account Number (PAN).
- Last 3 years audited statement of accounts, if required by the CSR Committee/ CSR Team.
- Last 3 years income tax return, if required by the CSR Committee/ CSR Team.

Provided that in case of any amendment in the Act / the Rules specifying any criteria for implementing agencies, the same shall be applicable in addition to the above criteria (to the extent applicable);

Provided also that the Board of Directors may waive one or more of the above criteria on case to case basis.

Once the programs and the implementing agency have been finalised, it would be required to enter into an agreement with each of the implementing agency.

Each proposal should ideally include:

- a. **Input:** What financial support is being provided?
- b. **Activity Levels:** What activities are supported?
- c. **Program Impact:** What was produced?
- d. **KPI (Benefit/Yield):** What difference was made in relation to AAI CSR goals and objectives?

For effective selection of CSR initiatives and implementing agencies or partners, following additional activities may also be performed by the CSR Team:

- Discussions and interactions with various private/ Government bodies/ Government officials may be held to identify the areas for undertaking CSR activities;
- A survey may be carried out, if required, to find out the needs and requirements of community before planning a project;
- The target beneficiaries, the local authorities, institutions etc. involved in similar activities if need be, may be consulted in the process of planning and implementation of CSR programs;
- Based on the need analysis survey, prepare a detailed program report reflecting, objectives, major milestones, time frame for implementation, budget thereof and implementing agency.

L. Implementation

The CSR activities will be driven by the CSR Team under the guidance and support of the CSR Committee and/or the Board. The CSR Team will play a significant role in ensuring that the CSR policy is embedded across AAI's operations and the CSR initiatives are in line with this policy.

AAI may use the services of expert agencies or consultants, wherever required for implementing the CSR policy.

The time period/duration over which a particular program will be spread, will depend upon its nature, extent of coverage and intended impact of the program. The Company may, depending on the programs, activities and needs, decide and undertake long-term, medium-term and short-term CSR activities and accordingly plan the implementation.

M. Monitoring of CSR activities

The administration of the CSR policy and the execution of identified CSR projects, programs and activities under it, shall be carried out under the overall superintendence and guidance of all the CSR Committee members, if any or in the absence of CSR committee, the Board of Directors of the Company.

The first-level monitoring shall be driven by the CSR team. The team will function in close co-ordination with the implementing partner. The CSR team shall conduct an internal quarterly review meeting with implementation agency.

Further, the following activities will also be undertaken by the Company for effective monitoring:

- The CSR committee, if any, will review the progress with regard to implementation and results of CSR initiatives. The Board of Directors will take a final review and accordingly pass advisory at the final level.
- Field visits would be conducted by the CSR teams to ensure the progress of the programs.
- Partners would be required to report narrative as well as financial updates on a quarterly/annual basis in the format mutually decided.
- The Finance and Accounts Team may from time to time advise the respective implementation partners and CSR team of AAI on necessary compliances.
- Impact Assessment may be conducted on a periodic basis, through CSR and independent professional third parties, if needed, especially on the strategic and high value programs.
- The Chief Financial Officer, if any, or in his absence, the person responsible for financial management of AAI shall review the CSR activities and funds disbursement in view of this Policy and approvals of the Board of Directors of the Company and certify that the funds so disbursed have been utilized for the purposes and in the manner as approved by the Board.

N. Record Maintenance

All documents and records pertaining to or governed by this policy must be maintained in accordance with applicable laws including the Act and rules framed thereunder and local and/or global policies or procedures of AAI.

O. Restrictions and Prohibitions

The following activities are prone to have a negative effect on AAI's image and as a result should be avoided. The Company will not, in its CSR activities:

- Support organizations that discriminate on the basis of age, sex, race, religion, national origin, sexual orientation, or disability with respect to employment, volunteer participation, or the provision of services;
- Solicit financial support for politicians, candidates for political office or political parties. Political donations made by individual employees must not jeopardize the Company's reputation;
- Engage with organizations and programs that are adverse to the Company, or that may involve a potential conflict of interest for the Company or any of its Directors or Key Managerial Personnel's;
- Reward, attempt to reward or to influence persons or entities that do business with, or are in a position to generate business for, the Company;
- Use any type of CSR activity in violation of local and international bribery and corruption and other financial crime laws, rules, regulations or Aramco's internal policies and control;
- Other activity as may be specifically prohibited or restricted under the provisions of the Act or rules framed thereunder.

P. General

All compliances prescribed under the Act or CSR Rules, as amended from time to time, and are not specifically mentioned in this policy or Annual Action Plan or any other document pertaining to CSR, shall apply as it is on the Company.

Any or all provisions of this CSR policy may be amended by the Board based on the recommendations of the CSR Committee/CSR Team or in accordance with any statutory guidelines that may be issued from time to time.

The Company shall be authorized all such relaxations and exemptions, as notified by the MCA from time to time, even if something contrary to the same is mentioned in this policy, annual action plan or any other document pertaining to CSR of the Company, at the sole discretion of the Board.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

Annexure I

Activities specified under Schedule VII of the Act on the date of approval of this Policy

(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 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 setup 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) measure for the benefit of armed force 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 Olympics sports;

(viii) contribution to the Prime Minister's National Relief Fund or Prime Minister's Central 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 Castes, the Schedule 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 ('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).

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

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