



CSR Guidelines

for

Aramco Asia India Pvt. Ltd.

Contents

Section	Page
A. Preamble	3
B. Introduction	3
C. Objective of the CSR Guidelines/Policy	3
D. Compliance with applicable provisions of the Act	3-4
1. Applicability Criteria	
2. Constitution and functions of CSR Committee	
3. Responsibilities of the Board	
E. CSR Activities	5
F. AAI's CSR Focus Areas	5-7
1. Objective and Goals	
2. Alignment with the business	
3. Criteria	
4. Metrics and measurement	
5. Eligibility	

A. Preamble

For Aramco Asia India Private Limited ('AAI'/'the Company'), 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 through effective, impactful, and sustainable development programs.

B. Introduction

Many corporate bodies and industrial majors have been engaging in social development activities for a while now. The Companies Act, 2013 ('the Act') of India has now brought it under legal purview. The Companies (Corporate Social Responsibility Policy) Rules, 2014 ('CSR Rules') lay down the framework and modalities for carrying out CSR activities which are specified in Schedule VII of the Act.

C. Objective of the CSR Guidelines/Policy

The main objective of the AAI's Corporate Social Responsibility ('CSR') Guidelines/Policy is to outline AAI's approach for making CSR one of its key focus areas and to align with Aramco's global interest in environment and society, that aims to make a positive contribution to society through effective and impact-oriented sustainable development programs

D. Compliance with applicable provisions of the Act

1. Applicability Criteria

As per Section 135 of the Act, read with CSR Rules and Schedule VII of the Act (hereinafter collectively referred to as "Corporate Social Responsibility/CSR Provisions") are applicable to the companies having:

- a. Turnover of Rs 1,000 Crores (USD 147 Million approx.) or more, or
- b. Net Worth of Rs 500 Crores (USD 74 Million approx.) or more, or
- c. Net Profit of Rs 5 Crores (USD 0.74 Million approx.) or more

during the immediately preceding financial year.

2. Constitution and functions of CSR Committee

As per Section 135 of the Act, companies which fulfil the criteria prescribed under point no. 1 above, are required to constitute a CSR Committee of the Board of Directors ('Board'), consisting of three or more directors, out of which at least one director shall be an independent director.

However, where a company is not required to appoint an independent director under sub-section Section 149(4) of the Act, it shall have in its CSR Committee two or more directors.

In view of the above stated provisions of the Act and in view of any alterations/modifications that may be made to the CSR provisions, the Board of Directors of the Company shall constitute/ re-constitute the CSR Committee of the Company and ensure that CSR Committee of the Company shall at all times, have such number of Directors and/or members as may be required under the CSR Provisions, including any modification or alteration thereof for the time being in force.

The CSR Committee of AAI shall have the following officials:

- a. Chairman of the Board of AAI
- b. President AAI
- c. Any other Director of AAI, as approved by the Board of Directors of the Company

Core functions of CSR Committee shall be as follows:

- a. Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII including any modification or amendment thereof;
- b. Recommend the amount of expenditure to be incurred on the activities referred to in clause a above;
- c. Monitor the CSR Policy of the Company from time to time;
- d. To do all such acts and deeds as may be decided by the Board in relation to CSR of the Company;
- e. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company; and
- f. To do all such acts and deeds as may be prescribed under the CSR provisions from time to time.

3. Responsibilities of the Board

The Board of the Company shall:

- a. Consider, review and approve the CSR Policy recommended by the CSR Committee and disclose the contents in its Report and also place it on the Company's website, if any
- b. Ensure that the activities included in CSR Policy of the Company are undertaken by the Company; and
- c. Ensure that 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, in pursuance of its CSR Policy
- d. Give preference to local areas and areas around it where the Company operates for spending the amount earmarked for CSR activities
- e. Specify the reason for not spending the amount in its report, if the company fails to spend the CSR amount
- f. Unless the unspent amount relates to any ongoing project referred to in Section 135(6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year
- g. Include an annual report on CSR containing the prescribed particulars in the Board Report
- h. Ensure compliance with CSR Provisions, as may be applicable from time to time

E. CSR Activities

The Company shall undertake all and/or any of the activities mentioned below as its CSR Activity(ies):

Activities relating to:

- a. 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;
- b. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c. promoting gender equality, empowering women, setting up homes, hostels, day care centers and similar facilities for underprivileged senior citizens, women and orphans; aiming to reduce inequalities caused by social and economic hardships.
- d. 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 48[including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;
- e. 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;
- f. measure for the benefit of armed force veterans, war widows and their dependents;
- g. training to promote rural sports, nationally recognized sports, Paralympic sports and Olympics sports;
- h. contribution to the Prime Minister's National Relief 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;
- i. promotion of education;
- j. reducing child mortality and improving maternal health;
- k. combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- l. enhance employment prospects and vocational skills.
- m. contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO),

Department of Biotechnology (DBT) , Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);

- n. rural development projects;
- o. slum area development;
- p. disaster management, including relief, rehabilitation and reconstruction activities;
- q. such other matters/activities as may be prescribed under the CSR Provisions

The Company is presently not undertaking its CSR activities in Project/Program mode, hence, it is not feasible for the Company to provide list of CSR projects or programs which it plans to undertake in areas or subjects specified in the Schedule VII of the Act, specify modalities of execution of such project or programs and implementation schedules for the same. However, if the Company decides to undertake its CSR activities in program or project mode, it will revise the CSR policy to incorporate the prescribed project or program details, before undertaking any CSR activity under the relevant project or program”.

F. AAI’s CSR Focus Areas

The AAI’s CSR focus should ideally include the following elements:

1. Proper measurement – fitting the nature of the program – to be planned and reported.
2. 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?

Metrics & Measurements to be built in the design of the proposal to enable reporting on them.

The more objectives met by the proposal, the stronger its potential is for approval.

Step 1: Objective and goals

The objective of the AAI’s CSR program(s) is to exhibit corporate citizenship by providing support (financial / material / volunteering time etc.) for the benefit of people preferably in locations where it operates. This can be achieved via meeting any of the following goals:

- Meet basic expectations of key stakeholders
- Build social credibility

- Build cross-cultural bridges
- Position and promote corporate brand
- Proactively manage reputational risks
- Strengthen relationships with key institutions and influencers
- Facilitate new business opportunities
- Preserve and create positive environment for AAI to operate in India

Step 2: Alignment with the business

AAI's CSR policy is designed to support proposals that are aligned with the Company's business in the areas of:

- Environment (Environment Pillar)
- Research and Technology (Knowledge Society Pillar)
- Training (Knowledge Society Pillar)
- New Business Development (Economy Pillar)
- Procurement and Supply (Economy Pillar)
- Brand Positioning and Reputation (Enabler)

The more goals met by the proposal, the stronger its potential is for approval.

Step 3: Criteria

Level 1:

- Conformity with relevant laws and regulations of the Government of India
- Eligibility of organization
- Organization / program alignment with AAI's values and positions
- Organization's reputation & background

Level 2:

- Program's relevance and level of Impact
- Appropriate Visibility
- Organization's performance; capacity to perform the program
- Risk / reward balance
- Program's Sustainability

Step 4: Metrics and measurements

Proper measurement – should be designed fitting the nature of the program. Each proposal should ideally include reportable metrics and measurements:

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

Step 5: Eligibility

- AAI's CSR activities shall support and work with 'not-for-profit' organizations and philanthropic organizations engaged in human development by promoting public welfare through educational, environmental, social, cultural, and scientific undertakings.
- AAI shall not donate to political parties and political actions groups.
- The surplus arising out of the CSR projects or programs or activities, if any, shall not form part of the business profit of the Company.
- All CSR proposals/projects for AAI shall comply with the CSR Provisions, as amended from time to time.
- All CSR proposals for AAI shall be approved by the CSR Committee of AAI.

Note: These CSR Guidelines may be amended by the Board of Directors of AAI.