

RHI MAGNESITA INDIA LIMITED
POLICY ON
CORPORATE SOCIAL RESPONSIBILITY





RHI MAGNESITA

RHI MAGNESITA INDIA LTD.
 (Formerly Orient Refractories Ltd.)
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 www.rhimagnesitaindia.com

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

PURPOSE

The purpose of this Policy is to establish guidelines regarding Charitable Contributions and the Sponsorship with regards to Corporate Social Responsibility. RHI Magnesita India Limited (RHIM) prohibits any direct or indirect contributions that are made to influence a decision impacting RHIM India's business activity.

RHI Magnesita India Ltd. is committed towards sustainable development; actively contribute to the Social, Economic and Environmental Development of the Community and inclusive growth. The Company's success depends on the communities in which we live and work; our business can only be sustainable if they are supporting thriving communities is therefore one of the four pillars of our sustainability strategy. We work with local community leaders, government and NGOs on environmental and social issues of concern to them and our business.

We do this through a mixture of charity, time volunteered and in-kind contributions. This policy reflects our commitment to ethical business through the appropriate and transparent use of this budget.

CSR COMMITTEE

The CSR Executive committee will be responsible for delivery of RHIM India's CSR policy in India - laying down the guidelines to make a positive contribution to the society through sustainable programs, whilst complying with the legal changes.

The committee shall cater to:

- Formulating CSR Policy and recommend the same to the Board of Directors of the company for approval.
- Identifying broad areas in which the company will undertake projects as stated under schedule VII of the Act.
- Approve to undertake CSR activities aligned to the RHIM Group strategy and to report the same in accordance with the Rules.
- Recommend CSR Budget and ensure that this is appropriately budgeted for in the operational budgets of the impacted RHIM entities in India on an annual basis.
- Provide guidance to help execute in accordance with the Act and the Rules.
- At the end of every financial year, the CSR Committee will submit its report to the Board.
- Preparation of an annual CSR Plan for onward submission to the RHIM India Board
- The CSR Executive Committee will take appropriate measures to do adequate branding of CSR projects of the Company and internally and externally publicize the same.

CSR COMMITTEE MEMBERSHIP

RHIM India has established, Board-Level, Corporate-Level and Plant-Level CSR committee that is ultimately responsible for the CSR projects undertaken in India and cover all the RHIM India entities which are required to comply with the new provisions. The committee will report to the Board of Directors in India to which CSR applies.

CSR ACTIVITIES

1. We will ensure focus and maximum benefit by concentrating our Corporate Social Responsibility contributions focused into three areas:
 - **Education** : especially science, technology and engineering (STEM) education, as well as girl child education
 - **Youth development** : especially enterprise or vocational education and skill development training



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- **Environment protection:** especially activities that protect the climate, biodiversity, forests, bodies of water and provide clean water, health & sanitation to communities
2. These areas are derived from the UN Sustainable Development Goals, or SDGs –
 - Climate Action (SDG 13)
 - Quality Education (SDG 4)
 - Gender Equality (SDG 5)
 - Clean Water and Sanitation (SDG 6)
 - Decent Work and Economic Growth (SDG 8)
 - Industry, Innovation and Infrastructure (SDG 9)
 3. In addition, a portion of funds will be available for projects that do not fit the criteria above but are still deemed important to community well-being by our local operations. Also, we will provide emergency relief if a host community is hit by disaster, natural or manmade, directly or working with relevant relief organizations.
 4. We pursue CSR projects primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact,
 5. We, additionally, will carry out CSR projects in relevant local areas to fulfil commitments arising from requests by the Government/Regulatory authorities and allocate CSR funds to defined CSR Cells of such administrative bodies and/or directly by way of developmental works in the local areas around which the Company operates.

OUR APPROACH TO IMPLEMENTATION

To maximize potential benefit, we channel support to projects that are:

- **Focused** : Projects meet an identified need in the local community or environment; align with our focus areas; and support the Sustainable Development Goals.
- **Outcome-focused** : Objectives and goals are clearly defined; results are measured, yielding maximum impact for local communities.
- **Sustainable** : Projects are scalable; provide skills development and capacity building; they are also longer term and sustainable beyond our support.
- **Facilitate engagement:** Projects actively engage local communities/appropriate partners/ stakeholders; and provide opportunities, where possible, for our employees to volunteer.
- **Build awareness** : Projects that allow us to build awareness of the issue, the program and our support

CSR PROJECT SELECTION AND ASSESMENT

1. Partner with credible organisations like trusts, foundations etc. including non-government organisations.
2. The project should offer opportunities for leveraging benefit e.g. communications, brand strengthening, government relations, technology integration, employee engagement
3. The detailed project proposal should:
 - Provide relevant background information on the project
 - State the key goals and objectives of the project
 - Identify the project's beneficiaries and key audiences
 - Describe the programmatic activities i.e. Include a clear work plan and timelines of the project
 - Define the "Measures" with outputs, outcomes or results of the project which will be measured.
 - Outline how and when project monitoring, evaluation and reporting will be done



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- Include a project budget, covering cost structures for all programmatic administrative, personnel and overhead-related expenses etc.
 - Elaborate ideas for engaging RHIM India employees in the project
4. Exclude projects that present a risk in terms of conflict of interest for personal or business reasons.
- Personal involvement of an employee, supplier or customer
 - Religious associations
 - Political undercurrents/links
 - Sponsorship of activism of an individual
 - A strong association with a competitor
 - Controversial in the media or in public

CSR PROJECT EXECUTION

A contract or MOU duly signed off by authorized signatories including, but not limited to, the terms in regard to scope, deliverables, criteria, timelines, measurement plan, Governance, etc. shall be executed between the company and the respective selected organisation.

CSR PROJECT GOVERNANCE

1. The CSR Executive Committee would report back on the implementation of CSR projects to the CSR Committee on the progress thereon at such frequency as the Committee may direct.
2. The CSR Committee shall review the implementation of the CSR Programmes and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Projects in accordance with this Policy.
3. Once every three months the CSR Committee will provide a status update to the Board on the progress of implementation of the approved CSR Projects carried out during the six month period.

CSR EXPENDITURE

The corpus for the purpose of carrying on the aforesaid activities would include the followings:

- 2% of the average Net Profit made by the Company during immediately preceding three Financial Years.
- At least two thirds of our CSR budget shall be used for longer-term community investment programs and projects, while rest shall be used for charitable contributions to a wide range of good causes in response to the needs and appeals of charitable and community organizations

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