



RHI MAGNESITA

Corporate Social Responsibility Policy

Corporate Social Responsibility (CSR) Policy

Creation : 12 December 2014

Revision : 29 May 2024

Scope : India

Aim: The policy provides a framework and process for Corporate Social Responsibility at RHI Magnesita India Limited and its subsidiary Companies.



1) PURPOSE & SCOPE

RHI Magnesita India Limited including the subsidiaries (“**RHI Magnesita**”/“**the Company**”) success depends on the communities in which we live and work and our business can only be sustainable if they are. Supporting thriving communities is therefore one of the important pillars of our Sustainability strategy. Wherever RHI Magnesita has operations, we aim to work with local community leaders, government, and NGOs on environmental and social issues of concern to them and our business.

This Policy applies to RHI Magnesita, the Policy will be operative within the overall ambit of the CSR provisions contained in the Companies Act 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with Schedule VII and amendments thereof, applicable from time to time (*hereinafter collectively referred to as “**CSR Provisions**”*).

2) FOCUS AREA

To yield maximum benefit – both for the communities and the Group, the focus of contributions shall be given to four key areas:

- **Education and Youth development**

Especially Science, Technology, Engineering, and Math (**STEM**) education, as well as enterprise education and skills training. Incentivizing female’s upskilling is also part of this pillar.

- **Health and Medical care**

Especially initiatives that address healthcare accessibility, disease prevention, mental health support, and healthy lifestyles.

- **Environment protection**

Especially activities that protect the environment, biodiversity, forests, and natural resources.

- **Rural Transformation**

Creating sustainable livelihood solutions, addressing poverty, hunger and malnutrition.

To maximize potential benefits, 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, and provide skills development and capacity building; they are also longer-term and sustainable beyond our support.



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- **Facilitate engagement**

Projects actively engage local communities; seek support from other appropriate partners; and provide opportunities, where possible, for our employees to volunteer.

- **Build awareness:** Projects allow us to build awareness of the issue, the program, and our support.

In addition, a portion of funds is available to projects that do not fit the criteria above but are still deemed important to community well-being by our local operations. In addition, we should also provide emergency relief when a host community is hit by disaster. To do so, we should work with relevant relief organizations to provide support.

The UN Sustainable Development Goals (SDGs)

Below are the 17 Sustainable Development Goals, the blueprint for development by the year 2030 adopted by all UN member states. As members of the UN Global Compact, the world's biggest corporate sustainability initiative, RHI Magnesita has committed to supporting and promoting these goals: our business strategy, operations, and community investment projects. The SDGs highlighted below are the goals to which our business can contribute the most; they form the basis for our strategic community themes above.

- Good Health and Well-being (**SDG 3**)
- 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**)
- Sustainable Cities and Communities (**SDG 11**)
- Climate Action (**SDG 13**)
- Life on Land (**SDG 15**)

Contribution to SDGs

We support the UN Sustainable Development Goals ("SDGs") and have identified these as the goals our business is best placed to actively support.

1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS	SUSTAINABLE DEVELOPMENT GOALS



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We aim to develop long-term partnerships. Our preference is to handle projects using our in-house resources. However, if there are projects where the Company collaborates with implementation agencies, we prefer those agencies to be non-profit organizations that demonstrate:

- **Vision**

Long-term goals and objectives that support the Global Goals and are publicly communicated.

- **Reputation**

A strong reputation for integrity, project management, and partnership.

- **Track record**

Scalable, sustainable, and, where appropriate, innovative projects.

- **Engagement**

Active dialogue with local communities, engagement of other potential partners, and, where possible, volunteerism by our employees.

- **Transparency**

Reporting in a transparent fashion.

All potential partners must act in accordance with the RHI Magnesita Code of Conduct.

3) RESTRICTIONS

RHI Magnesita does NOT support:

- Contributions to influence a business or governmental decision (e.g. awarding a contract, etc.); or give the appearance of undue influence.
- Business partners or any person or organization closely related.
- Donations or other contributions that violate Indian, Austrian, Dutch, or EU law, the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, or any other applicable law (in case of doubt, please consult Internal Audit, Risk & Compliance).
- Organizations that are non-compliant with the values of RHI Magnesita and the Code of Conduct.
- Entities without good standing and a clean record with authorities.
- Activities that may have a detrimental effect on the natural environment.
- Organizations directly involved in gambling, recreational or illegal drugs, tobacco, and armaments.
- Organizations, individuals, authorities, and civil servants linked to political, partisan, or sectarian associations.
- Public authorities, agencies, administrative bodies, their officials and officers (e.g. municipality, police, embassy), persons or organizations closely related to them (e.g. police sports clubs, International Police Association).



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- Marketing, advertising, or commercial activities.
- Professional sports or athletic teams; unless the engagement takes place within a clearly defined framework supporting our focus areas.
- Appeals by or on behalf of individuals (e.g. athletes, artists, academics), including travel, field trips, research projects, private pursuits, or family reunions; unless engagement is within a clearly defined framework supporting our focus areas.
- One-off events such as conferences, seminars, expositions, tours, camps, and travel.

4) SUPPORT

The contributions we make may take different forms:

- Monetary contributions
- In-kind, such as computers, furniture, equipment, rooms, and transport etc.
- Support provided on a pro bono basis, including managerial expertise and time employees dedicate to volunteering during work hours, given that these voluntary hours contributed by the employees will not be considered billable hours under Corporate Social Responsibility.

RHI Magnesita strongly encourages local operations to encourage and enable employees to give their time and expertise to support local community and community partner organizations. Employee volunteering is proven to improve employee engagement and pride, while allowing them to learn new skills and develop new relationships, within the Company and the community.

5) CHECKLIST

a. Identify community needs

- Read, meet, and discuss as widely as possible.
- Where possible, link to RHI Magnesita's key focus areas; if not possible, then at least to the UN Sustainable Development Goals.

b. Identify potential partners

- Research respected experts in the field

c. Develop a program proposal

- Ensure a clear definition of roles and responsibilities.
- Focus on outputs and desired impacts and stakeholders.

d. Assess risks

- Conduct a due diligence review of all new partners or recipients.
- Be aware of potential conflicts of interest.



- Ensure that support is not used as a disguise for bribery.
- Avoid donations that may be perceived as political contributions.
- Contributions to government agencies may be permissible, provided that:
 - i. Internal Audit, Risk & Compliance is consulted regarding acceptability under local law;
 - ii. There is no expectation that the contribution is given in exchange for any return favor or business advantage from the government (*quid pro quo*)
- Obtain the approval of Internal Audit, Risk & Compliance in the event that any government official, customer, or supplier is on the Board, employed, or otherwise closely associated with the non-profit organization, or requests that the Company donate to the non-profit organization.

e. Sign and implement the agreement

- All partnerships must be supported by a written agreement or contract, as well as declarations of compliance with ethics codes, etc.
- Ensure deliverables are clearly outlined, as well as the roles and responsibilities of parties.
- The contract should state in detail the amounts payable, payment periods, objectives, and purposes of the contribution, as well as details of collaboration and evaluation. For audit purposes, Corporate Sustainability may request copies of such contracts.
- RHI Magnesita has standard terms for payments, including those made to charities and non-profit organizations. Ensure all payments are properly recorded in the accounts.
- Avoid any confidentiality clauses in charity agreements so that we can freely publicly disclose such contributions.
- All community spending proposals – regardless of value and cost centre – need to be submitted and assessed in the Compliance Portal via the Community investment process (<https://rhim.gan-compliance.com>).

f. Enable and encourage employee volunteerism

- Where possible, develop opportunities for employees to get involved, whether as a one-off (e.g. tree planting or litter clean-up) or on a regular basis (e.g. mentoring young people).
- Consider joining forces with others (customers, business groups, students, etc.).

6) EVALUATE AND REPORT RESULTS

- Evaluate effectiveness and impact after a set period, especially before further collaboration. Consider:
 - **Effectiveness:** What the impact of the project has been? How much progress has been made against the stated goals?
 - **Engagement:** Have we enhanced relationships with the local community? With partners and other stakeholders?
 - **Awareness:** Have we used communications to raise awareness of the issue, the project, and our involvement?



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- **Compliance:** Do recipients continue to comply with the terms of the agreement, our due diligence requirements, and our Code of Conduct?
- Report results to RHI Magnesita N.V., an ultimate holding company, for inclusion in global data and reports.
- All community investment cases shall be in line with this guideline and therefore registered and approved on the Community Investment Process.
- Community investment cases are reported in the Annual Report as well as Sustainability Report. Information including community spend, focus area, location, beneficiaries, and impact must be recorded.

7) CSR COMMITTEE

The Board of Directors of RHI Magnesita India Limited has formed a Corporate Social Responsibility Committee ("**CSR Committee**"). The CSR Committee is responsible for the delivery of this policy in India - laying down the guidelines to make a positive contribution to society through sustainable programs, whilst complying with the legal changes.

To ensure effective CSR planning, execution, and monitoring within a Company, Board of Directors and the CSR Committee formed the CSR Internal Committee. The CSR Internal Committee shall cater to:

- Formulating CSR Policy and recommending 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 Companies Act 2013.
- Preparation of an annual CSR Plan for onward submission to the Board of Directors of the Company.
- Recommend CSR Budget and ensure that this is appropriately budgeted for in the operational budgets of the impacted RHI Magnesita entities in India on an annual basis.
- Approve undertaking CSR activities aligned with the RHI Magnesita Group strategy and report the same in accordance with the Rules.
- At the end of every financial year, the CSR Committee will submit its report to the Board.
- The CSR Committee will take appropriate measures to do adequate branding of CSR projects of the Company and internally and externally publicize the same.

8) MONITORING PROCESS OF CSR ACTIVITIES

- To ensure the effective implementation of the CSR activity at each location, a monitoring mechanism will be put in place by the CSR Committee.
- The CSR Committee will formulate an annual action plan with respect to the CSR projects undertaken by the Company.
- The CSR Committee will monitor and review on a periodical basis the progress of CSR activities undertaken/completed.
- In order to ensure transparency and communication with all stakeholders, the CSR Management Committee will document the details of the Company's CSR initiatives, CSR expenditure, and CSR unspent amount and



ensure that the same are reported in the Annual Report on CSR Activities forming part of Board's Report of the Company.

9) GUIDING PRINCIPLES FOR THE FORMULATION OF THE ANNUAL ACTION PLAN

An annual action plan will be designed by the Company for structuring the CSR activities and implementation.

The annual action plan should include both ongoing projects from previous years and new projects to be taken up in the current year.

The annual action plan should include expected administrative and other expenditures beyond direct project expenditure.

10) CSR REPORTING AND DISCLOSURE

Periodic reports of CSR initiatives are to be presented before the Corporate Social Responsibility Committee and Board of Directors of the Company.

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