CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. PREAMBLE

The Board of Directors (the "Board") of Kyowa Castec India Private Limited (the "Company") has adopted this Corporate Social Responsibility (CSR) Policy in accordance with Section 135 of the Companies Act, 2013 (the "Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"). The Board may review and amend this Policy from time to time. This Policy reflects the Company's commitment to socially beneficial initiatives and sustainable development.

2. DEFINITIONS

- Act means the Companies Act, 2013 (18 of 2013).
- Rules means Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.
- Net profit means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include:
  - i) any profit arising from any overseas branch of the Company; and
  - ii) any dividend received from other companies in India that comply with Section 135 of the Act.
- Corporate Social Responsibility or CSR means the activities undertaken by the Company pursuant to its statutory obligation under Section 135 of the Act in accordance with the Rules, but does not include:
  - i) activities undertaken in the normal course of business;
  - ii) any activity outside India except for the training of Indian sports personnel;
  - iii) contribution to any political party under Section 182 of the Act;
  - iv) activities benefitting employees as defined in Section 2 of the Code on Wages, 2019;
  - v) activities supported for marketing benefits;
  - vi) activities undertaken to fulfill other statutory obligations under any law in India.
- CSR expenditure means the amount spent by the Company on CSR activities as defined above.

- Ongoing Project means a multi-year project undertaken to fulfill CSR obligations with timelines not exceeding three years, excluding the financial year of commencement, including projects whose duration is extended beyond one year by the Board based on reasonable justification.

3. PHILOSOPHY

Kyowa Castec India Private Limited is committed to conducting its business responsibly while contributing to the social, economic, and environmental development of communities. CSR initiatives are independent of normal business operations and aim to enhance human excellence and improve the quality of life.

4. CSR FOCUS AREAS

As approved by the Board, the initial CSR focus areas are:

- Promoting education, including special education and employment-enhancing vocational skills, especially among children, women, the elderly, and differently-abled persons.
- Livelihood enhancement projects aimed at supporting self-reliance and improving quality of life.

These initiatives are undertaken in accordance with the provisions of the Act.

5. SCOPE

The CSR Policy lays down guiding principles for determining:

- The amount of money earmarked for CSR expenditure in any financial year.
- The projects/programmes/activities for which the amount is to be spent.
- Allocation of funds among various heads of CSR expenditure.
- Geographical areas where CSR activities are to be undertaken.
- Priority of certain CSR activities over others, timing of expenditure, and periodicity of reporting.

6. GEOGRAPHICAL AREA

The Company may undertake CSR activities anywhere in India and abroad as allowed under the Act. Preference may be given to locations (district, city, town, or village) where the Company's operations are being carried out.

7. IMPLEMENTATION

- CSR initiatives may be undertaken directly by the Company or through implementing agencies such as trusts, registered societies, Section 8 companies, or other entities.
- In the absence of a CSR Committee, the Board of Directors oversees CSR implementation.
- The Board has authorized any Director or the Company Secretary to take necessary steps for implementation, including:
    - i) Making disclosures on the Company website and in the Board's Report.
    - ii) Certifying that CSR funds have been utilized for the intended purposes.
    - iii) Ensuring compliance with applicable provisions of the Act and Rules.

8. CSR EXPENDITURE & BUDGET

- The Company shall spend at least 2% of the average net profits of the preceding three financial years on CSR activities.
- A CSR expenditure budget for every financial year shall be prepared and submitted to the Board for approval. Funds shall be allocated as per Board approval.
- If, for any reason, the Company is unable to spend the required amount in a financial year, it shall provide a suitable explanation to the Board, which will be disclosed in the Board's Report.
- Any unspent amount (unless related to an ongoing project) shall be transferred to a fund specified in Schedule VII of the Act within six months of the end of the financial year.
- Unspent amounts pertaining to ongoing projects shall be transferred to a special account called the Unspent CSR Account within thirty days from the end of the financial year and spent within three financial years, failing which the amount shall be transferred to a Fund specified in Schedule VII of the Act.
- Any surplus arising from CSR activities shall not form part of business profits and shall be reinvested in the same project, transferred to the unspent CSR account, or used as per statutory requirements within six months of the year-end.
- CSR spend in excess of the statutory requirement may be set off against future CSR obligations for up to the immediate succeeding three financial years, subject to:
    - i) The excess amount does not include any surplus from CSR activities.
    - ii) The Board passes a resolution to that effect.

- CSR amounts may also be spent for the creation or acquisition of a capital asset, which shall be held by:
    - i) A Section 8 company, registered public trust, or registered public society with a CSR Registration Number;
    - ii) Beneficiaries of the CSR project in the form of self-help groups, collectives, or entities; or
    - iii) A public authority as defined under Rule 2(j) of CSR Rules, 2014.

9. MONITORING & REPORTING

- The Board shall periodically review CSR activities and ensure compliance with this Policy.
- CSR activities and approved projects shall be published on the Company's website.

10. POLICY REVIEW

- Any Director or the Company Secretary is authorized to make minor modifications for clarity or removal of ambiguities.
- Major amendments require Board approval and will be made in line with statutory changes.

(This policy has been approved by the Board of Directors at their meeting held on 20.09.2024, and the said policy shall come into force with effect from 20.09.2024.)