Corporate Social Responsibility (CSR) Policy

1. **Preamble.** Corporate Social Responsibility is a company's commitment to operate in an economically, socially and environmentally sustainable manner while recognizing the interests of its stakeholders. This commitment is beyond statutory requirements. Corporate Social Responsibility is, therefore, closely linked with the practice of Sustainable Development. Corporate Social Responsibility extends beyond philanthropic activities and reaches out to the integration of social and business goals. These activities need to be seen as those which would, in the long term, help secure a sustainable competitive advantage.

2. **Background.** Frontier Oil Company-II (Private) Ltd, (hereinafter described as FOC-II or The Company) has since its inception, seen itself as a responsible corporate entity ready to give back to society and has been contributing to activities, which promote various social and charitable objectives. Over the years, the Company has been contributing/donating towards various charitable activities such as sponsoring a number of medical camps, blood donation camps, sporting activities, and community health initiatives in the region.

3. **Corporate Social Responsibility ("CSR") Committee.** The CSR Committee of the Company is authorized to do any of the following acts without limitation:

   a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy ("The Policy") which shall indicate the activities/projects to be undertaken by the Company ("The Projects") inter alia including the activities specified in Rule 5 of Public Sector Company (CCG) Rules, 2013 ("The Rule") as amended upto April 21, 2017.

   b. Recommend the amount of expenditure as per the Rule to be incurred on the activities referred to in the above-referred clause (a).

   c. Institute and implement a transparent monitoring mechanism towards monitoring the Projects and other programs/activities undertaken by the Company.

   d. Monitor the Policy from time to time.

4. The Corporate Social Responsibility (CSR) Policy has been formulated and recommended by the CSR Committee of the Company pursuant to the provisions of Section 227 read with Schedule VII of the Companies Act, 2013.

5. **Scope and Objectives.** In order to carry out the Projects of the Oil Sector, to streamline, and to provide more focus and direction to the activities undertaken by the Company in its sphere, it is decided to formulate the Policy.

6. Further, Section 227 of the Companies Act and Public Sector Company (CCG) Rules, 2013 have also laid down guidelines for CSR Programs for the Companies falling into the criteria of mandatory provision for

CSR. This Policy is formulated in line with the requirements of the Act and shall be applicable on a uniform basis.

7. **Areas of activities to be undertaken.** The Company shall be undertaking one or more of the following activities as prescribed in Rule 5 of Public Sector Company (CCG) Rules, 2013 as amended upto April 21, 2017: These policies encompass various initiatives and actions aimed at addressing social, environmental, and ethical issues beyond the company's core business activities. One aspect of CSR is the allocation of resources to support charitable causes and social initiatives:

   a. **Donations to Charities.** This involves providing financial or in-kind contributions to non-profit organizations that work towards various social causes, such as education, healthcare, poverty alleviation, environmental conservation, etc.

   b. **Corporate Philanthropy.** In addition to donations to charities, the company may engage in corporate philanthropy by establishing its own charitable foundations or programs to support specific social causes or communities subject to the approval of the Board of Directors or Sponsor (FWO).

   c. **Employee Giving Programs.** The Company may encourage and support its employees in contributing to charitable organizations through initiatives like matching gift programs, where the company matches the donations made by its employees to eligible charities.

   d. **Community Investments.** The Company may invest in local communities where they operate to support economic development, education, infrastructure, or other community needs.

   e. **Sponsorships and Partnerships.** Supporting events, programs, or projects that align with the company's values and objectives can be part of a CSR policy. This includes sponsoring community events, educational programs, or initiatives aimed at addressing social and environmental issues.

   f. **Environmental Initiatives.** CSR policy may include environmental causes, supporting efforts to reduce carbon emissions, promoting sustainable practices, and protecting natural resources.

   g. **Ethical Supply Chain Practices.** Ensuring suppliers and business partners adhere to ethical and sustainable practices can also be part of a comprehensive CSR policy.

   h. **Transparency and Reporting.** A strong CSR policy often includes a commitment to transparently communicate the company's CSR efforts, progress, and impacts to stakeholders.

i. **<u>Employee Volunteer Programs.</u>** Encouraging employees to actively participate in volunteer activities can be part of CSR efforts, allowing them to contribute their time and skills to various social causes.

8. <u>Activities not to be taken up under the CSR Program.</u> The CSR projects/programs or activities that benefit only the employees of the company and/or their respective families. In addition to that, contribution of any amount directly or indirectly to any political party etc.

9. <u>Mode of Execution.</u> The activities will be executed directly or through registered and accredited trusts, a company incorporated under the Companies Act 2013, a Society or NGO or in collaboration with other companies and such other organizations as may be prescribed under the Act from time to time.

10. <u>Methodology.</u> The planning for CSR shall start with the identification of the activities/projects to be undertaken. CSR projects/activities shall be undertaken in the periphery where the Company carries out its activities as far as possible. Where this is not possible, the Company may choose to locate CSR projects anywhere in the country. The plan under CSR shall be integrated with the social and environmental concerns related to the business of the Company. The CSR Plan shall match with the long-term Business Plan. CSR plans will be in line with the <u>Scope and Objectives</u> of the policy as mentioned in clause 5 above and broadly shall specify: -

- **a.** Activities to be undertaken
- **b.** Budgets allocated
- **c.** Time-lines prescribed
- **d.** Responsibilities and authorities defined
- **e.** Monitoring mechanism
- **f.** Major results expected

11. <u>Types of Expenditure For CSR activities.</u> Salaries paid to regular CSR staff and volunteers (in proportion to time spent on CSR activities) can be factored into CSR project cost as part of CSR expenditure.

12. <u>Monitoring and Reporting Mechanism.</u> The CSR Committee shall monitor the amount of expenditure as approved by the Board of the Company on a quarterly basis and make a report to the Board of Directors on a yearly basis. Apart from the above, "The Directors" report of the Company shall include an annual report on CSR activities.

13. <u>Display of the Policy.</u> The policy shall be placed on the website of the Company.

14. **Validity and authority for Modification/Amendments.** The policy shall be effective with the commencement of the Financial Year from July 1, 2023 and will be in force till such time it is modified or amended by the Board of Directors on the recommendation of the CSR Committee.