

JX Nippon TWO Lubricants India Pvt. Ltd. Corporate Social Responsibility (CSR) Policy

(As amended on 31st March 2021)

1. Concept

JX Nippon TWO Lubricants India Pvt. Ltd. ("the Company") is a private limited Company in India.

Corporate Social Responsibility is strongly connected with the principles of Sustainability; an organisation should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of JX NIPPON TWO LUBRICANTS INDIA PVT. LTD ("the Company"). The Company to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

This document articulates the Company's Corporate Social Responsibility (CSR) Policy (the "Policy"). This Policy applies to all CSR activities of the Company in India and conforms to the requirements of Section 135 of the Companies Act 2013 (as amended from time to time), rules notified there under and any other applicable statutory provision(s) (collectively referred hereafter as "CSR Provisions"). The Policy is guided at all times by the Company's Corporate Business Principles and the Code of Conduct.

2. Governance

i. The Company's CSR Governance structure is headed by the CSR Committee of the Board of Directors of the Company. This Committee reports to the Board of Directors of the Company. The CSR Committee consists of 3 (three) directors.

ii. The CSR Committee provides oversight and guidance on CSR performance and monitor compliance with the CSR Policy, commitments and the applicable CSR Provisions. The CSR Committee formulates and recommends to the Board an annual action plan which includes the modalities of utilization of the CSR funds and implantation schedules for the projects or programs, monitoring and reporting mechanism for the projects or programs and details of need and impact assessment for the projects undertaken by the Company. The CSR Committee also recommends any alteration in the annual action plan at any time during the year and update, if any, required to the CSR Policy.

The CSR Committee determines the overall scope of, provide input on, and recommend adoption of the CSR report to the Board of Directors of the Company and reviews the effectiveness of the CSR Policy and activities included in the Policy.

The Board monitors and reviews the performance and impact of the CSR programs, provides input and course corrections if required and satisfies itself that the CSR funds so disbursed have been utilized for the purposes and in the

manner as approved by it. The DGM – Finance & Accounts shall certify to the fact that CSR funds so disbursed have been utilized for the purposes and in the manner approved by the Board.

iii. The CSR Committee shall meet as and when deemed necessary.

iv. Quorum of meeting of CSR Committee shall be one third of the total strength or two directors, whichever is higher.

v. The CSR Committee may invite Executives, Advisors, representatives of Social Organisations, Auditors of the Company and such other person (s) as it may consider necessary to attend the meeting.

3. Selection, Implementation and Monitoring of CSR Activities

i. The Company is a leading Automotive Lubricant Company. As a responsible Company, it has since its inception, participated in business activities which help in improving the quality of life for the communities where it operates. This also includes creating better livelihood opportunities. The scope of this policy will extend to activities as stated under schedule VII of the Companies Act, 2013, as presently in force. The scope of the policy to also include all additional and allied matters, as will be notified by Ministry of Corporate Affairs or such other body, as appointed/notified by the Central or State Government, from time to time for this purpose.

ii. The Board of Directors of the Company may on recommendation of the CSR Committee, determine/approve the projects or programmes or activities (*identified project or programme or activity*) to be undertaken by the Company under CSR initiatives, from time to time. However, the Board shall ensure that the projects or programmes or activities undertaken are related and within the broad purview or the activities as state under schedule VII or any other relevant provision of the Companies Act, 2013.

iii. The minimum eligibility criteria for any project or programme or activity and /or other incidental or ancillary matters, including but not limited to quantum of proposed expenditure, shall be finalized by the Board of Directors or any delegatee thereof, on recommendation of the CSR Committee.

iv. The modalities of execution of CSR projects or programmes or activities and implementation thereof shall be determined by the Board of Directors or its Committee (excluding any Board Committee formed for some other specific purpose, however including but not limited to Committee of Directors) from time to time, upon recommendation of the CSR Committee.

v. The CSR Committee shall frame rules or issue directives with regard to monitoring of the CSR projects or programmes or activities.

vi. In consultation with stakeholders, the Company has decided to focus its activities on the following areas, where it is in a position to create maximum value. These focus areas are:

- Health Safety education and training to auto mechanics
- Road Safety education among School children's
- Measures to tackle the COVID-19 outbreak
- Eradicating hunger, poverty and malnutrition
- Promoting education, including special education and employment enhancing vocation skills
- Environment Sustainability-Project Clean and Green

The Company will continue to engage with stakeholders including students, teachers, auto mechanics, environmentalists, experts, NGOs and the Government and would take up such other CSR activities in line with Government's intent and which are important for society.

The above areas are mapped with the activities as prescribed in Schedule VII to the Companies Act, 2013. While the focus of CSR efforts will be in the local areas and areas around it where the Company operates, the Company may also undertake projects where societal needs are high or in special situations (such as in the case of natural disasters etc.).

vii. The CSR Committee may, if required, recommend to the Board of Directors as part of the CSR Policy, activities outside of the above-mentioned focus areas. All activities will be undertaken in project mode with defined objectives and deliverables, clarity on target beneficiaries, implementation plans with schedule of timeline agreed prior to commencement of activities.

viii. The Company's CSR programs are guided by this Policy. The Company will undertake CSR activities as stated in the Annexure (Annual Action Plan) with their execution modalities and implementation schedules.

ix. The CSR Committee may under the above areas identify and recommend to the Board "Ongoing Project/s" that requires multi-year implementation but not having timelines exceeding three years excluding the financial year in which it commences, and also may designate some of the existing CSR projects as an Ongoing Project and such Ongoing Projects shall be selected, implemented, monitored and reported in accordance with the applicable CSR Provisions.

x. The Company would implement the CSR programs through Company personnel and partnerships with expert agencies, NGOs and Government. In cases where the implementation is through external implementing agencies, the Company would monitor the implementation.

xi. The Board of Directors shall constantly monitor the implementation of the CSR Activities. The CSR Committee shall place a progress report, including details of expenses, before the Board on quarterly basis. The Board shall review the same and suggest recommendation, if any, to the committee with regard to implementation process.

xii. The CSR Committee is responsible to undertake CSR activities as per approved CSR Policy and CSR Annual Action Plan. Apart from quarterly reporting

to the Board about the implementation of CSR Activity, a detail report containing the implementation schedule, total budget allocated, actual expenses incur, surplus arising, if any, result achieved, further work to do in the concern CSR activity, Recommendation of CSR Activity and CSR Annual Action Plan for next year etc. should be placed before the Board for its consideration.

4. CSR Expenditure

i. The company shall spend, in every Financial year, at least 2% of the average net profit of the company made during the immediately 3 preceding Financial years. Net Profit in such case will have the meaning as stated under rule 2(h) of the companies (Corporate social Responsibility) Rules 2014, as amended from time.

ii CSR Expenditure shall include all expenditure including corpus for projects or programmes relating to CSR Activities approved by the board on recommendation of CSR Committee. However, the same will not include expenditure on any item not in conformity or in line with the activities stated under schedule VII of the companies Act ,2013.

iii. CSR activities undertaken in pursuance of normal course of business of the Company shall not be considered as CSR Expenditure.

iv. CSR Projects or programmes or activities undertaken in India only shall be considered as CSR Expenditure.

v. Projects or programmes or activities that benefiting the employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 Of 2019) shall not be considered as CSR activities.

vi. Contribution of any amount directly or indirectly to any political party under section 182 of the Act shall not be regarded as a CSR activity.

vii. Projects or programmes or activities supported by the company on sponsorship basis for deriving marketing benefits for its products or services shall not be considered as CSR Activities.

viii. Activities carried out for fulfilment of any other statutory obligations under any law in force in India shall not be regarded as CSR Activity.

ix. The administrative overheads, shall not exceed five percent of total CSR expenditure of the Company, in one particular financial year.

viii. CSR expenditure will include all expenditure incurred by the Company on CSR Programmes undertaken in accordance with the approved Annual Action Plan. The CSR activities undertaken by the Company are not expected to lead to any additional surplus beyond what would accrue to the Company in the course of normal operations. However, surplus if any arising out of the CSR Projects or Programs shall not form part of the business profit of the Company and shall be dealt with in accordance with

the applicable CSR Provisions. Likewise, any excess amount spent on CSR activities may be set off against the requirement to spend in the succeeding financial years in accordance with the applicable CSR Provisions. In the event the Company creates or acquires capital asset out of the CSR spend, such capital asset will be dealt with in terms of the applicable CSR Provisions.

5. Treatment of Unspent Money

If the Company fails to spend 2% of the Average net profit, then the following shall be the treatment of unspent amount.

If unspent amount not related to an ongoing project.	The Board shall, in its report, shall specify the reasons for not spending the amount; and unless the unspent amount relates to any ongoing project referred to in 135 (6), transfer such unspent amount to a Fund specified in Schedule VII, with in a period of six months of the expiry of the financial year.
If unspent amount not relating to an ongoing project.	The amount be transferred within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account (UCSRA) . The amount transferred to the UCSRA shall be spent by the Company in pursuance of its obligation towards the CSR Policy with in a period of three financial years from the date of such transfer.
If fails to spend on the ongoing Project	In case, the company fails to spend the amount within a period of three financial years, it shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year

6. CSR Reporting

With regard to CSR Activities, board report shall include an annual report on CSR containing particulars specified in Annexure-I or Annexure-II, as applicable, as stated under companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time.

7. Display of CSR Activities on the website

The CSR Policy issued pursuant to the Act has been recommended by the CSR Committee of the Board of Directors and approved by the Board of Directors and shall be placed on the Company's website www.eneos.co.in.

8. Amendments

Amendments from time to time to the CSR Policy, if any, shall be considered by the Board of Directors based on the recommendations of the CSR Committee.