Nexion
ITALIAN STYLE THAT INSPIRES

NEXION SURFACES PRIVATE LIMITED

CSR POLICY

1. PREAMBLE

1.1. Corporate Social Responsibility ("**CSR**") is the continuing commitment of the Company to contribute towards sustainable economic development while improving the quality of life of local communities and society at large.

1.2. The Company recognizes that business enterprises are integral parts of society and have an important role in supporting social, environmental and economic development. The concept of CSR extends beyond philanthropy and charity and includes initiatives undertaken by the Company in compliance with applicable laws and in alignment with ethical business practices, environmental sustainability, social welfare and stakeholder engagement.

1.3. Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time ("**CSR Rules**"), the Company is committed to undertaking CSR activities in areas or subjects specified under Schedule VII of the Companies Act, 2013.

1.4. This Policy sets out the guiding principles and framework for undertaking, implementing, monitoring and reporting CSR activities of Nexion Surfaces Private Limited.

2. APPLICABILITY

2.1. This Corporate Social Responsibility Policy ("Policy") of Nexion Surfaces Private Limited ("Company") has been formulated in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

2.2. This Policy shall apply to all CSR projects, programmes and activities undertaken by the Company in India either directly or through eligible implementing agencies.

2.3. This Policy shall become effective from the date of approval by the Board of Directors of the Company and shall remain in force until modified, amended or rescinded by the Board.

3. DEFINITIONS

3.1. "**Act**" means the Companies Act, 2013 and the rules framed thereunder, including any statutory modification(s), amendment(s), clarification(s), circular(s), notification(s) or re-enactment thereof for the time being in force.

3.2. "**Board**" means the Board of Directors of the Company.

3.3. "**Company**" means Nexion Vitrified Private Limited.

3.4. "**Corporate Social Responsibility**" or "**CSR**" means the activities undertaken by the Company in pursuance of its statutory obligation laid down under Section 135 of the Companies Act, 2013 in accordance with Schedule VII of the Act and CSR Rules.

3.5. "**CSR Activities**" means projects, programmes and activities undertaken by the Company in accordance with this Policy and Schedule VII of the Companies Act, 2013, excluding activities undertaken in pursuance of the normal course of business of the Company.

3.6. "**CSR Committee**" means the Corporate Social Responsibility Committee constituted by the Board in accordance with Section 135 of the Companies Act, 2013.

3.7. "**CSR Rules**" means the Companies (Corporate Social Responsibility Policy) Rules, 2014 including any amendments, modifications or re-enactments thereof.

3.8. "**Net Profit**" shall have the meaning assigned to it under Section 135 of the Companies Act, 2013 read with the applicable CSR Rules.

Words and expressions used but not defined in this Policy shall have the meanings respectively assigned to them under the Companies Act, 2013 and CSR Rules.

4. CSR VISION AND OBJECTIVES

4.1. The Company believes in conducting its business in a socially responsible, ethical and environmentally sustainable manner and strives to create long-term value for all stakeholders.

4.2. The Company's CSR initiatives shall focus on improving the quality of life of communities and contributing towards inclusive growth and sustainable development.

4.3. The key objectives of the Company's CSR initiatives shall include:

(a) Promoting education, healthcare and sanitation;
(b) Supporting environmental sustainability and ecological balance;
(c) Encouraging skill development and livelihood enhancement;
(d) Supporting rural development and community welfare initiatives;
(e) Promoting gender equality and women empowerment;
(f) Supporting national, social and humanitarian causes; and
(g) Creating sustainable impact through strategic CSR interventions.

4.4. The Company shall endeavor to undertake CSR activities in alignment with Schedule VII of the Companies Act, 2013 and Sustainable Development Goals (SDGs), wherever feasible.

5. CSR RESOURCES, FUNDING, ALLOCATION & MODE OF IMPLEMENTATION

5.1. CSR Expenditure

(a) The Company shall spend, in every financial year, at least two percent (2%) of the average net profits made during the three immediately preceding financial years or such amount as may be prescribed under the Companies Act, 2013 and CSR Rules.

(b) The CSR expenditure shall include all expenditure including contribution to corpus for projects or programmes relating to CSR activities approved by the Board on the recommendation of the CSR Committee.

(c) Any surplus arising out of CSR activities shall not form part of the business profits of the Company and shall be utilized only for CSR purposes in accordance with applicable law.

5.2. Annual CSR Budget

The CSR Committee shall recommend to the Board the annual CSR budget for each financial year specifying:

(a) List of approved CSR projects/programmes;
(b) Manner of execution;
(c) Modalities of utilization of funds;
(d) Implementation schedules;
(e) Monitoring and reporting mechanism; and
(f) Details of need and impact assessment, if applicable.

5.3. Mode of Implementation

The Company may undertake CSR activities through any of the following modes:

(a) Directly by the Company;
(b) Through Simpolo Foundation;
(c) Through a company established under Section 8 of the Companies Act, 2013;
(d) Through a registered public trust or registered society established by the Company either singly or along with another company;
(e) Through any eligible implementing agency registered under applicable law and having a valid CSR Registration Number obtained by filing Form CSR-1 with the Ministry of Corporate Affairs; or
(f) In collaboration with other companies or organizations for undertaking CSR projects.

5.4. Conditions for CSR Activities

CSR activities undertaken by the Company shall:

(a) Be undertaken within India, except such activities outside India as may be permitted under the Companies Act, 2013 and applicable CSR Rules;
(b) Be in accordance with Schedule VII of the Companies Act, 2013;
(c) Not include activities undertaken in pursuance of the normal course of business of the Company;
(d) Not include activities benefiting exclusively the employees of the Company and their family members;
(e) Not include contribution to political parties; and
(f) Not include activities supported on sponsorship basis for deriving marketing benefits.

5.5. **Administrative Overheads**

Administrative overheads incurred by the Company for CSR functions shall not exceed the limits prescribed under the applicable CSR Rules.

5.6. **Unspent CSR Amount**

Any unspent CSR amount shall be transferred and dealt with in accordance with the provisions of Sections 135(5) and 135(6) of the Companies Act, 2013 and applicable CSR Rules.

Any amount remaining unspent pursuant to an ongoing project shall be transferred by the Company within the prescribed time to a separate bank account to be called the "Unspent CSR Account" and such amount shall be spent by the Company in pursuance of its obligation towards the CSR Policy within the period prescribed under applicable law.

If the Company fails to spend such amount within the prescribed period, the Company shall transfer the same to a fund specified in Schedule VII of the Companies Act, 2013 within the timelines prescribed under applicable law.

5.7. **Set-off / Carry Forward of Excess CSR Expenditure**

Where the Company spends an amount in excess of the requirement provided under Section 135(5) of the Companies Act, 2013, such excess amount may be set off against the CSR obligation of the immediately succeeding financial years in accordance with applicable provisions of the Companies Act, 2013 and CSR Rules, subject to approval of the Board and fulfillment of conditions prescribed under applicable law.

The excess amount available for set-off shall not include surplus arising out of CSR activities, if any.

6. ANNUAL ACTION PLAN

6.1. The CSR Committee shall formulate and recommend to the Board an Annual Action Plan in pursuance of this CSR Policy in accordance with Rule 5(2) of the CSR Rules.

6.2. The Annual Action Plan shall include:

(a) The list of CSR projects or programmes approved to be undertaken;
(b) Manner of execution of such projects or programmes;
(c) Modalities of utilization of funds and implementation schedules;
(d) Monitoring and reporting mechanism; and
(e) Details of need and impact assessment, if any.

6.3. The Board may alter the Annual Action Plan during the financial year based on reasonable justification and recommendation of the CSR Committee.

6.4. The CSR projects and programmes undertaken by the Company shall fall within the purview of Schedule VII of the Companies Act, 2013 as amended from time to time.

7. CSR COMMITTEE

7.1. The CSR Committee shall be constituted by the Board in accordance with the provisions of Section 135 of the Companies Act, 2013.

7.2. The composition of the CSR Committee shall be determined and modified by the Board from time to time.

7.3. Roles and Responsibilities of CSR Committee:

The CSR Committee shall, inter alia:

(a) Formulate and recommend the CSR Policy to the Board;
(b) Recommend amendments or modifications to the CSR Policy whenever required;
(c) Recommend the amount of expenditure to be incurred on CSR activities;
(d) Formulate and recommend the Annual Action Plan;
(e) Identify and recommend CSR projects/programmes;
(f) Review and monitor implementation of CSR activities;
(g) Establish monitoring mechanisms for implementation of CSR projects;
(h) Review utilization of funds and implementation schedules; and
(i) Ensure compliance with applicable CSR provisions under the Companies Act, 2013.

7.4. The CSR Committee may invite such executives, advisors or representatives of implementing agencies to its meetings as it may deem necessary.

8. IMPLEMENTATION OF CSR ACTIVITIES:

8.1. CSR programmes and projects shall be implemented in a structured manner with defined objectives, timelines and measurable outcomes.

8.2. The Company shall endeavor to undertake CSR activities in areas surrounding its operations and shall give preference to local areas and areas around which it operates, as envisaged under the Companies Act, 2013.

8.3. The implementation process shall, wherever feasible, include:

(a) Identification of community needs;
(b) Baseline assessment;
(c) Project design and implementation schedule;
(d) Clearly defined responsibilities;
(e) Periodic monitoring and evaluation; and
(f) Documentation and reporting of outcomes.

8.4. CSR projects may be implemented either directly by the Company or through eligible implementing agencies in accordance with applicable law and this policy.

8.5. The Board or CSR Committee may delegate necessary powers and authority for effective implementation and monitoring of CSR activities.

9. MONITORING, REPORTING AND IMPACT ASSESSMENT

9.1. The Company shall establish an appropriate monitoring mechanism to ensure effective implementation of CSR projects and proper utilization of CSR funds.

9.2. The CSR Committee shall periodically review the status of CSR projects and compliance under applicable law.

9.3. The implementing agencies shall submit periodic progress reports, utilization certificates and supporting documents as may be required by the Company.

9.4. The progress of CSR activities shall be placed before the CSR Committee and the Board at periodic intervals.

9.5. The Company may undertake impact assessment of CSR projects through independent agencies in accordance with the thresholds and requirements prescribed under the CSR Rules.

9.6. The Board's Report of the Company shall include an annual report on CSR containing particulars prescribed under the Companies Act, 2013 and applicable CSR Rules.

9.7. The CSR Policy shall be displayed on the website of the Company, if any, in accordance with applicable law.

10. GENERAL

10.1. Any or all provisions of this CSR Policy shall be subject to revision, amendment or modification by the Board based on the recommendations of the CSR Committee or in accordance with applicable provisions of the Companies Act, 2013, CSR Rules and notifications issued by the Ministry of Corporate Affairs from time to time.

10.2. In case of any inconsistency between this Policy and applicable laws, the provisions of applicable laws shall prevail.

10.3. Any question regarding interpretation of this Policy or any matter not covered herein shall be referred to the CSR Committee and the decision of the Board shall be final.

Annexure-I:
CSR Projects and Programs

(a) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.

(b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

(c) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

(d) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water 4[including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].

(e) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;

(f) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(g) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports

(h) Contribution to the prime minister's national relief fund 8[or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(i) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]

(j) Rural development projects

(k) Slum area development.

Explanation- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

(l) Disaster management, including relief, rehabilitation and reconstruction activities.

(m) Any other activities may be identified by the Company.

(n) Any other activities as may be included in Schedule VII of the Companies Act, 2013 from time to time.