

NAYARA ENERGY LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

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Section 1: Background

Nayara Energy Limited (Nayara Energy) is an independent oil company with strong presence across the hydrocarbon value chain from refining to retail. The Company has a 20 MMTPA oil refinery situated at Vadinar, District Devbhumi Dwarka in Gujarat, India. The refinery is supported by a captive port, storage facilities and a captive power plant. The petroleum products retail infrastructure includes a network of pan-India network of retail outlets which are owned and operated by dealers. This network is supported by an infrastructure of petroleum product depots.

At Nayara Energy, Corporate Social Responsibility (CSR) has been an integral part of its business strategy. Nayara Energy appreciates the social and economic diversity in the Country and has consciously embedded the community engagement dimension in its business planning, risk and reputation management processes. The CSR initiatives of Nayara Energy have played a pivotal role in improving the quality of life of the communities living in the vicinity of operations of the Company.

Section 2: Vision, Mission and Objectives

Nayara Energy's vision is to be among the most respected organizations in India by doing what is right and rightful for the communities and nation at large.

Nayara Energy aspires to build a symbiotic relationship with its stakeholders and intends to make them equal partners in the process of nation building. We firmly believe that our role is to lay the path that is collaborative, progressive, inclusive and sustainable through our CSR programs. We also believe that technology and innovations can hasten the process of change and endeavor to support new and innovative models of development.

Section 3: CSR Strategy

The CSR strategy of Nayara Energy shall be to

- Focus on immediate community and stakeholders around the refinery, terminals, depots and retail outlets and areas of strategic importance
- Develop thought leadership in social development and promote forums that widen the sphere of impact and knowledge.
- Promote use of technology, innovative ideas and new tools that support community development and nation building.
- Foster partnerships with national/ international institutions, NGOs, companies, civil society organizations and government organizations to further the cause of communities
- Support national agenda on development

Section 4: CSR Committee

CSR, Safety and Sustainability Committee (hereinafter referred to as "CSR Committee") formed in accordance with the Companies Act, 2013 shall be responsible for guiding the planning process, oversee implementation and review programs undertaken under the policy. The CSR Committee shall formulate and recommend the annual action plan and budget to the Board and shall submit periodic progress report to the Board of Directors. The Committee may also propose and recommend new programs beyond the approved annual CSR plan.

Section 5: CSR Planned expenditure

Pursuant to the provisions of Companies Act, 2013 and Rules made thereunder, Nayara Energy shall spend up to 2% of its average net profits computed in a manner laid down under the provisions of the Companies Act, 2013 and made during three immediately preceding financial years. Nayara Energy shall endeavor to spend the entire CSR budget within the applicable year.

Annual Action Plan and Expenditure

Before the commencement of each financial year, an Annual Action Plan (AAP) for the CSR programs, both new and ongoing, along with the budget for the same shall be recommended by the CSR Committee to the Board for approval.

Surplus if any arising out of CSR projects or programs or activities shall not form part of business profits of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of

the financial year..

Any unspent amount shall be reported by the Board in its report specifying the reasons for not spending the amount and shall be dealt with in accordance with Section 135 of the Act and Rules made thereunder. The unspent CSR amount, based on its nature i.e. towards ongoing or non-ongoing projects shall be transferred to 'Unspent CSR Account' or any fund mentioned in Schedule VII of the Act, as applicable.

In case, the Nayara Energy spends an amount in excess of requirement of its CSR obligations in a financial year, such excess amount may be set off against the requirement of CSR spending up to immediate succeeding three financial years subject to fulfilment of conditions specified under the Companies (Corporate Social Responsibility Policy) Rules 2014 ("CSR Rules") as amended from time to time by Ministry of Corporate Affairs (Govt. of India).

The CSR Annual Action Plan shall typically includes:

- A list of CSR projects or programs approved for implementation.
- The manner of execution of these projects or programs.
- Modalities for fund utilization and implementation schedules.
- Monitoring and reporting mechanisms for the projects.
- Need and impact assessment, if applicable.

Section 6: Guiding Principles for CSR Programs and Their Mode of Implementation

The CSR initiatives will be implemented either directly by the Company or through:

- a. a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under section 80G of the Income Tax Act, 1961 established by the Company either singly or along with any other company or,
- b. Entity established by the Central Government or State Government – a company established under section 8 of the Act, or a registered trust or a registered society.
- c. any entity established under an Act of Parliament or a State legislature.
- d. a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under section 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Every entity covered under point (a) (b) (c) and (d) above, and intends to undertake any CSR activity, shall be registered with the Central Government by filing form CSR-1 with the Registrar. The Company shall seek such registration certificates from such entities before onboarding such entities for undertaking CSR activities.

The company may engage reputable and credible organizations for designing, monitoring and evaluation of the CSR projects or programs for capacity building of their own personnel for CSR.

The company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committee of Nayara Energy is in a position to report separately on such projects or programs in accordance with the CSR Rules.

In case the Board of Directors decides to implement the CSR activities through Section 8 company or a registered trust or a registered society, such company, trust, society shall have an established track record of three years in undertaking similar programs or projects and the company has specified the projects or programs, the modalities of utilization of funds of such projects and programs and monitoring and reporting mechanism. Nayara Energy shall build an internal team of program managers and specialists, to monitor the implementation effectively.

Gender equality shall be an over-arching theme in each of the CSR programs. Illustrative list of programs that the Company proposes to take up is given below

6.1 Sustainable Rural Development- *Developing sustainable habitats*

Programs may include common infrastructure development including roads, gaushalas, sanitation units, community halls, anganwadis, health centers and any other program, as may be required by the community. Nayara's long-term / ongoing projects like Gram Samruddhi, Swachh Halar and Tushti include aspects of this theme.

6.2 Education: *Developing intelligent and conscientious communities*

Programs may include developing school infrastructure, teacher training, computer aided learning, complimenting mid-day meal program, remedial classes, life skill education, program for children with different abilities, higher education programs, spoken English, promoting sports and supporting sports facilities, providing / supporting vocational training programs and any other program, as may be required by the community.

6.3 Healthcare and Wellbeing: *Developing healthy individuals and families*

Programs may include establishing and managing community/ primary health centers, health extension centers, hospital, preventive healthcare programs, outreach/ awareness programs, building cadre of healthcare professionals, road safety programs and any other program, as may be required by the community. Community Health / Comprehensive Healthcare initiatives are ongoing in areas of Nayara's presence.

6.4 Environmental Sustainability: *Sustaining biodiversity through responsible communities*

Programs may include solid waste management, water conservation through rain water harvesting, surface water conservation, promoting judicious water usage, promoting technology to conserve water, water bodies conservation, promoting renewable energy and energy efficiency practices, protection of flora and fauna, agroforestry, conservation of natural resources and maintaining of quality of soil, air and water and any other program, as may be required by the community. Gram Samruddhi caters to this theme significantly.

6.5 Skilling and Livelihoods: *Promoting inclusive and sustainable economic growth*

Programs may include skill and entrepreneurship development programs focused on youth and women, re-skilling existing workforce, support to existing skill institutions, creating new institutions, agriculture and livestock development programs, promoting community based enterprises, startups and any other program, as may be required by the community. Long-term ongoing Project EXCEL and Gram Samruddhi cater to several aspects of this theme.

6.6 Emergency Response: *Responding to the exigencies*

Programs may include activities towards mitigating the disaster and its impacts, addressing the emergency situation arising in the areas of companies operations and pan India.

6.7 Other Programs

The CSR Committee may recommend any other programs prescribed under Schedule VII to the Companies Act, 2013 and not listed above. Further, any expenditure done towards apprenticeship under Apprenticeship Act of 1961 or Pradhan Mantri Internship Scheme 2025 shall be available to be utilized under CSR as permitted by law.

6.8 Activities that will not be included in CSR Programs

The following activities will not qualify as CSR activities and hence such activities be avoided at time of identifying the CSR activities / projects:

- i. The activities for the benefits of employees or their families. However, any activity which is not designed to benefit employees solely, but the public at large, and if the employees and their family members are incidental beneficiaries, then, such activity would not be considered as "activity benefitting employees" and will qualify as eligible CSR activity.
- ii. Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services. This will include one-off events such as marathons/ awards/ charitable contributions/ advertisement/ sponsorships etc.
- iii. Expenses incurred by the Company for the fulfilment of any other act/ status
- iv. Contribution of any amount directly or indirectly to any political party under Section 182 of the Companies Act, 2013
- v. Activities undertaken by the Company in pursuance of its normal course of business
- vi. The projects/ activities undertaken outside India, except for training of Indian sports personnel representing any State or Union Territory at national level or India at international level.

Section 7: Guiding principles for Monitoring

The CSR Committee shall be responsible for monitoring the CSR policy from time to time. The CSR Committee will approve and recommend to the Board, the projects, programs or activities to be undertaken, the expenditure to be incurred on the projects / programs, the modalities for execution and the implementation schedule.

The CSR Head and Executive Chairman shall do a performance review of CSR activities on a monthly basis. The CSR Committee shall periodically monitor implementation of the CSR Policy and the projects, programs and activities being undertaken as per CSR Annual Action Plan. The CSR Committee shall put in place such controls and processes as it may deem fit for the purpose of implementing and monitoring the projects, programs and activities as it may deem fit. External annual review may be done by an independent agency to be appointed by the CSR Committee.

The performance review (whether internal or external) shall also focus on the following aspects, which are, over & above the regular project performance monitoring parameters:

- i. timely reports on expenditures
- ii. project progress report and deviations
- iii. the results of the use of funds
- iv. the details of commission paid, if any, along with its recipients.

Section 8: Impact Assessment

In order to evaluate the impact of its CSR Projects and Programmes, optimize outcomes, and incorporate sustainability, scalability, and replicability, Nayara will undertake the following measures:

- Engage an independent agency to perform Impact Assessments of CSR projects if (i) Nayara has minimum average CSR obligation of Rs. 10 crore or more in the immediately preceding 3 financial years; and (ii) has CSR projects with outlays of minimum Rs. 1 crore and which have been completed not less than 1 year before undertaking impact assessment.
- Conduct baseline data assessments before project initiation whenever feasible.
- Endeavor to implement appropriate research design when assessing the impact of CSR projects. OECD-DAC or SROI frameworks can be used to assess the impact
- Present Impact Assessment reports to the Board and append them to the annual CSR report for transparency and accountability.
- If Nayara Energy undertakes impact assessment then it may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher from CSR Planned expenditure.

Section 9: Disclosure

The Company shall make appropriate disclosures as required under the applicable provisions of Companies Act, 2013.

Section 10: Anti-Corruption Policy Requirements

The Company shall ensure that the following Anti-Corruption Policy requirements are complied with at all points of time:

If Company engages any third parties, like NGOs or any agencies as a part of its CSR obligations, the Company shall ensure to conduct appropriate CSR Due Diligence to identify and mitigate potential integrity and reputational risks, including conflict of interest risks, if any, associated with the agency and/or its ultimate beneficiaries.

If Company identifies unmitigated or severe integrity or reputational risks associated with the third party or its ultimate beneficiaries, that may severely impact the Company, then the Company shall determine to reject such third parties even if they are competitive in other parameters. The agreement between the Company and the third party/ies must include comprehensive clauses on Anti-Bribery and Corruption, anti-money laundering, and conflict of interest, among others. These clauses should ensure that the third party complies with the Company's ethical standards and is aware of appropriate reporting channels i.e. Nayara's Whistle-Blower Hotline Channels. If it involves, any Public Officials or Government Officials, in its CSR activities then the Company shall take adequate measures to ensure that there is no business

advantage attached to such kind of CSR activities and obtain necessary approval from CEO.

Section 11: Amendments

The Board on the recommendations of the CSR Committee reserves the right to amend, modify or review this Policy in whole or in part, at any point of time, as may be deemed necessary. Any difficulties or ambiguities in the Policy will be resolved by the Board of Directors in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities found inconsistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Section 12: Review of Policy

The policy will be subject to review every three years or as deemed necessary. The Board is authorised to make urgent modifications in the policy as and when required, for effective implementation of the policy.
