Corporate Social Responsibility (CSR) Policy 3.0

Global CSR Policy



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UST

5 Polaris Way

Aliso Viejo, CA 92656

Tel: 949.716.8757

Fax: 949.716.8396

ust.com

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Revision history

Date	Version	Description	Author	Reviewer & approver
28 December 2016	1.0	CSR policy	**Umesh Kamath** Director HR	**Sunil Balakrishnan** Global Head - Center Operations
5 August 2020	2.0	Updated CSR policy to align with UNSDG 2030.	**Smita Sharma** CSR Catalyst	**Sunil Balakrishnan** Chief Values Officer
26 June 2024	3.0	Updated CSR policy approved by CSR Board Committee	**Smita Sharma** CSR Catalyst	**Sunil Balakrishnan** Chief Values Officer

Purpose

UST believes that Corporate Social Responsibility ('CSR') extends beyond the ambit of business and should focus on a broad portfolio of assets - human, physical, environmental, and social.

The purpose of the document is to outline the policies and procedures for CSR for UST at India and Global levels. This Policy is framed pursuant to the provisions under Section 135 of the Companies Act, 2013 ('the Act') of India. At the global locations, the region-specific rules and regulations, aligned with the CSR initiatives, will be followed.

Context

UST's CSR commitment is to integrate economic, environmental, and social objectives with the Company's operations and growth. This commitment is guided by the words of our Founder Chairman, Mr G A Menon – 'The Company should be socially responsible and use most of the wealth created to help people less fortunate than ourselves. We should be involved in something higher than ourselves. If you believe in this aim and you are inspired and motivated by this belief, no one can stop us.'

The CSR commitment is driven by the Company's Core Values of Humility, Humanity and Integrity.

UST's CSR follows the Company's motto 'Transforming Lives' and strives to cater to our associates, customers, communities, and the environment. We integrate our business of technology and its impact to help create more inclusive societies that offer more opportunities to the people.

Vision

UST CSR works to transform the lives of the community, through inclusive and sustainable development initiatives. This vision is aligned with the Company's corporate strategy and intends to bring about sustainable social development for its co-communities. UST does not believe in being a 'check-writing' organization in its CSR initiatives and actively promotes volunteer effort from its employees (associates).

Objectives

- To engage in outcome-based CSR programs that will impact and transform the lives of the communities, with an additional focus on the Company's operational locations.
- To engage associates to develop social empathy and contribute to the Company's CSR initiatives.

Applicability

This policy applies to all the companies of UST, its sister concerns, its subsidiaries & all other entities in India and Global locations. The CSR policy aligns with Section 135 of the Companies Act 2013 and the Rules thereunder notified by the Ministry of Corporate Affairs, Government of India in 2014. The Policy shall apply to all CSR projects/programs undertaken by the Company in India as per Schedule VII of the Act.

Initiatives taken up outside India will be selected based on the needs of the local communities as per the Company's vision and strength. The respective geographies will abide by the local CSR regulatory selection compliances, if any. Other areas as reviewed and deemed appropriate by the CSR Committee may also be included in the list of CSR programs that UST undertakes.

This policy serves to publicly reinforce the importance of corporate responsibility in all facets of our business and to ensure alignment across all business units.

CSR budget

The Board shall ensure that a minimum of 2% of the average net profits of the Company for the last 3 years is spent on the CSR programs/activities of the Company. All expenditures towards the CSR programs/activities will be diligently documented. The surplus, if any, arising out of CSR initiatives of the Company shall not form part of the Company's business profits.

Focus areas

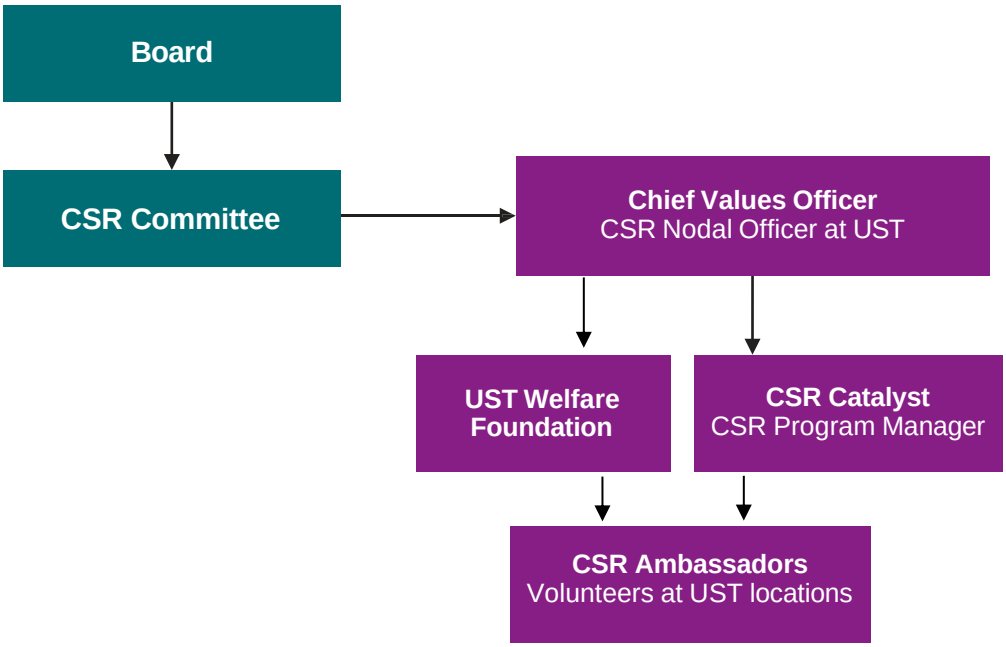
The UST CSR thematic focus areas are aligned with Schedule VII activities of Companies CSR Rules) 2014 and UN Sustainable Development Goals 2030. The major focus areas are:

- Education
- Health
- Livelihood
- Environment
- Disaster Relief

Gender equality and inclusion of people with disabilities are cross-cutting interventions in all the CSR focus areas.

The CSR projects will be primarily taken up from the CSR Thematic areas. The CSR Committee can take up any other project/ activity specified in Schedule VII of the Companies Act in India and the region-specific needs at a global location.

CSR governance structure



Roles and responsibilities

The Board

In line with the provisions of Section 135 of the Act, UST's Board of Directors will be responsible for the following:

- Constitute a CSR committee and approve the CSR policy.
- Ensure the Company spends, in every financial year, at least 2% of its average net profit during the three preceding financial years, in pursuance of this policy.
- Approve the CSR action plan and budget as proposed by the CSR committee in accordance with Schedule VII of the Companies Act, 2013.
- Make disclosures in the Board report as per clause (o) of sub-section (3) of section 134 including particulars specified in Annexures to the CSR rules. If the Company fails to spend the amount, reasons for not spending should be specified in the above report.

CSR Committee

- Formulate CSR policy and seek approval from the Board of Directors of the Company.
- Review the policy yearly.
- Formulate and share the CSR action plan with a budget for the year with the Board of Directors and seek approval. Implement the activities either through the Implementation Partner or directly through its team.

- Spend the allocated amount on CSR activities once approved by the Board of Directors and create a transparent monitoring mechanism of CSR initiatives.
- Submit periodic reports to the Board for the activities undertaken.

The CSR Committee for each UST entity will be constituted with not less than two members of the Board and the quorum for the CSR Committee meeting is two.

In addition to the above, the following officers of UST shall attend the CSR Committee meeting as Invitees (CSR Working Committee) with the approval of CSR Committee members. The CSR Working Committee will perform at UST group level for all companies covered under the purview of Section 135 of the Companies Act and Rules made thereunder and as amended from time to time, for planning, implementation, monitoring, evaluation and documentation of CSR Projects across UST locations.

- Chief Values Officer
- CSR Catalyst
- Finance Representative
- Employee representative

The CSR Catalyst will maintain the list of committee members and will share it with interested parties on a need-to-know basis.

UST Welfare Foundation
The Company implements 90% of its CSR activities through the UST Welfare Foundation. Remaining projects are being implemented directly through the concerned UST business entity according to the CSR plan, stakeholder partnership and geography.

The UST Welfare Foundation, India is a non-profit organization registered under section 25 of the Companies Act, 1956 (section 8 Company as per Companies Act, 2013) to support charitable activities. The Foundation acts as a nodal body to manage the CSR initiatives of UST and its sister concerns & subsidiaries in India. The UST Foundation manages CSR projects through direct implementation with active participation from associates, as well as through supporting charitable foundations, trusts, section 8 companies, and NGOs.

Planning and implementation

The CSR activities are planned and implemented in the form of Projects/Programs, preferably in the communities, but not limited to, around the UST business operations in India. The CSR management is centrally driven under the guidance of the Chief Values Officer at the office of Values and Culture of the Company.

Based on the thematic areas, the Company builds on the best practices of the ongoing CSR activities to maximize the outcome of the community development initiatives. The programs continuously evolve with the participation of business units, employees, and the communities that we work with. The implementation strategy follows a two-pronged approach.

Direct implementation

The direct implementation involves complete planning and execution of the project by the Company through the employee volunteers and UST Welfare Foundation. UST ensures the active engagement of the employees as a major criterion for the success of all such CSR projects. The Company seeks to maximize the utilization of its vast global footprint and large employee base to transform lives and drive social impact programs through a predominantly volunteer-driven approach. Our deep knowledge of technology enables us to make these projects more effective and efficient. The CSR

ambassador (Company Employees) at each UST location leads the planning, implementation, and supervision of such CSR projects in the respective locations based on their volunteering capacity.

Partnerships with implementation agencies

UST partners with non-profit organizations to implement long-term and sustainable projects for increased access to grassroots-level communities through collaborations and networking. The partnership-based projects also ensure volunteering engagement in the project cycle.

UST may also collaborate with other companies or institutions for undertaking projects or programs for CSR activities as per CSR Rules under section 135 of the Company's law.

Monitoring and evaluation

The CSR Committee of the Company will recommend to the Board of Directors of the Company the amount of expenditure to be incurred on CSR programs/activities, monitor the CSR Policy of the Company, and review its implementation by the Company.

At the project execution level, the robust monitoring and evaluation process is in place to ensure:

- Effectiveness in achieving the project objectives.
- Efficiency of the project against the budget allocated.
- Sustainability and scalability of the CSR projects.

A robust monitoring and evaluation system is being in place for concurrent monitoring and impact evaluation.

Reporting and communication

The reporting and documentation process will ensure

- The CSR policy is implemented as per the Act and the Rules.
- The CSR policy is implemented to ensure that all projects/programs as budgeted are duly carried out.
- CSR spends are closely monitored and funds are released against verified utilizations as per the approved work plans. This may include monthly field visits, comprehensive documentation and regular interaction with beneficiary communities.
- CSR spending is audited in an accountable and transparent manner.
- Quarterly and Annual CSR report submission by the CSR committee and the biannual review by the Board.

To ensure a smooth flow of communication between the CSR Committee & the UST Board, quarterly meetings of the CSR Committee are envisaged. In this meeting review of all ongoing projects and proposals for any future projects will be taken up and discussed.

Disclaimer

This policy document is to provide broad guidelines for the CSR activities of UST in accordance with its vision, objectives, and other statutory requirements. Management of UST reserves the right to amend, modify, and add any new guidelines as deemed appropriate to this document.

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