RESPONSIBLE CARE®
OUR COMMITMENT TO SUSTAINABILITY

DEEPAK NITRITE RESPONSIBLE CHEMISTRY

CSR Project Selection and Evaluation Guidelines

1. Purpose

To provide a structured and transparent approach for identifying, selecting, evaluating, and approving CSR projects that are aligned with:

- DNL's CSR Policy and sustainability goals
- Section 135 of the Companies Act, 2013 and Schedule VII
- ISO 26000: Guidance on Social Responsibility
- UN Sustainable Development Goals (SDGs)

2. Scope

This guideline applies to all CSR projects undertaken by Deepak Nitrite Limited, directly or through implementing agency across its manufacturing units, project locations, subsidiaries and joint ventures across India. It is relevant for all functions involved in CSR planning, budgeting, implementation, and monitoring.

3. Key Principles for Project Selection (As per ISO 26000)

Principle	Application in CSR Projects
Accountability	Projects must define ownership, reporting, and impact measurement mechanisms
Transparency	Stakeholder engagement and reporting should be open, inclusive, and traceable
Ethical Behavior	No conflict of interest; programs must uphold human rights and local laws
Respect for Stakeholder Interests	Communities and local leaders must be consulted during project planning
Respect for Rule of Law	All CSR projects must comply with applicable national and state laws
Respect for Human Rights	No discrimination; support dignity, diversity, and inclusion

4. CSR Project Selection Criteria

A. Strategic Alignment

Criteria	Details
Alignment with DNL's CSR policy with focused areas	Health, Education, Livelihoods, Environment, Women Empowerment, Rural development and such other activities are allowed under section 135 of the Company's Act read with Schedule VII of the Act
Contribution to SDGs	Must support at least one relevant Sustainable Development Goal
Consistency with Schedule VII of Companies Act	Must fall under permissible categories
Relevance to business context	Should relate to DNL's community/environmental footprint or geographic presence

B. Community Needs and Stakeholder Engagement

Criteria	Details
Community participation	Must be based on participatory rural appraisals or stakeholder consultations
Inclusivity	Should benefit marginalized, underprivileged or underserved populations
Local relevance	Should address a well-defined local issue or development gap

C. Project Feasibility and Sustainability

Criteria	Details
Technical and financial feasibility	Must have clearly defined timelines, budgets, and deliverables
Scalability and replicability	Should have potential to scale within or outside the current geography
Sustainability	Should include community ownership and exit strategy for long-term benefits

D. Implementation Partner Capability

Criteria	Details
Implementing Partner credibility	NGO/trust/ Section 8 Company registered with CSR 1 registry having 3+ years' experience in project domain

Financial Transparency	Should provide clear accurate and timely disclosures of financial information relating to CSR activities
Alignment with DNL values	Should follow ethical practices, no conflict of interest
Monitoring and reporting systems	Should be able to provide periodic reports and measurable KPIs

5. Project Evaluation Matrix

A scoring system used for internal review and selection:

Parameter	**Weightage (%)**
Strategic Alignment & SDG linkage	20%
Community Need & Stakeholder Relevance	20%
Feasibility, Budget & Timelines	15%
Sustainability & Exit Strategy	15%
Impact Potential & Measurability	15%
Implementation Partner Capability	15%
Total	**100%**

Minimum qualifying score: 70% for project approval

6. CSR Project Approval Workflow

1. **Concept Note Submission** (by Nodal Officer and NGO Partner)
2. **Initial Screening** (CSR & Sustainability Team)
3. **Site-level Consultation and Feasibility Review**
4. **Scoring & Evaluation (using matrix)**
5. **Submission to CSR Committee for recommending to the Board**

6. **Final Approval by Board**
7. **Implementation, Monitoring, and Reporting**

7. Evaluation and Impact Assessment Criteria

Criteria	Indicators
Output	Number of beneficiaries, infrastructure created, etc.
Outcome	Change in literacy rate, health indicators, income levels
Impact	Long-term changes in quality of life or environment
Efficiency	Budget utilization rate, timeliness
Stakeholder Feedback	Community satisfaction, grievance resolution

Impact assessments may be done internally or via third-party agencies depending on project size and importance.

8. Document Preservation:

Record	Retention Period
Project Proposals	5 years
CSR Committee Meeting Minutes	Perpetual
MoUs with NGOs / Partners	5 years
Impact Assessment Reports	8 years

CSR projects and selection criteria will be reviewed annually and updated as required to stay aligned with DNL's strategic priorities and regulatory changes.

Approved by:
Chairperson, CSR Committee
Deepak Nitrite Limited
Date: 09.07.2025