

# **ASIAN PAINTS PPG PRIVATE LIMITED**

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

(Approved by the Board of Directors on 19<sup>th</sup> July, 2016)

## CSR Vision:

Our CSR vision is based on embedded tenets of trust, fairness and care and shall be based on below keystones:

- *to actively initiate projects and/ or participate in projects to improve the life of people living near its manufacturing facilities*
- *Company will strive to provide vocational training to improve skills of people in the primarily unorganised sector*
- *Company commits to creating social value and also allow individual employees to contribute in the various programs*
- *Company shall manage its operations using principles of Sustainable development to minimize impact on environment and protect health & safety of our employees, service providers, neighbouring communities and customers*

## Scope and Approach

The CSR initiatives undertaken by the Company so far have been in the areas of basic healthcare and education.

The CSR committee of the Company will, keeping in view, the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014, any amendment(s) thereto and also pursuant to Schedule VII to the Act recommend and proceed to carry out any of the following activities from time to time as the Committee deems fit:

- 1) Eradication of hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation and making available safe drinking water.
- 2) Promoting Education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects
- 3) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups

- 4) Ensuring environmental sustainability ecological balance protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining the quality of soil, air and water
- 5) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of public libraries; promotion and development of traditional arts and handicrafts
- 6) Measures for the benefit of armed forces veterans, war widows and their dependents
- 7) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic Sports
- 8) Contribution to the Prime Minister's National relief fund or any other fund set up by the Central government for socio economic development and relief and welfare of Scheduled Castes, the Scheduled Tribes, Other backward classes, minorities and women;
- 9) Contributions and funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- 10) Rural Development Projects

The CSR areas highlighted in this policy shall be monitored and reviewed by the Management, CSR Committee and the Board of Directors (Board) from time to time. All CSR initiatives / projects / programs / activities are and will continue to fall under the purview of schedule VII of the Act. The CSR Committee may include any other areas falling within the Schedule VII of the Act (and amendments thereto) from time to time.

The CSR initiatives as stated aforesaid are ongoing initiatives of the Company and are proposed to be implemented on a continuous basis subject to review and monitoring by the CSR Committee and Board.

The approach of the Company shall be based on the following principles:

- CSR initiatives to focus on the areas around where the Company has its presence and operations.
- CSR initiatives to create awareness amongst employees and ensure involvement of employees in the CSR initiatives.
- Company is committed to acquiring / obtaining / providing the expertise required to carry out the above activities and engage with any agencies of repute, if the need arises.

- The CSR committee would evaluate proposals for engagement and approve based on its merit.
- Company to actively participate in the CSR initiatives through structured programs and projects. The involvement of the Company shall be more towards participation on the ground rather than only administering the expenditure.
- Company to have an internal structure to implement the CSR philosophy of the Company under supervision of CSR Committee and the Board.

#### **CSR Committee and its role:**

A CSR committee comprises of three members. A CSR committee formed shall work in coordination and in accordance with directions given by the Board.

#### **Role of CSR Committee shall include *inter-alia* the following:**

- Recommend, formulate and implement CSR activities approved by the Board and in compliance with Schedule VII of the Act
- Approve the budgets for the CSR Expenditure and recommend to the Board for approval
- Monitor and recommend the amount of CSE Expenditure to be incurred for CSR activities and to ensure it is in line with the CSR Policy
- Monitor CSR Policy of Company from time to time
- Any other activity as may be decided by the Board

The constitution and the role of the CSR Committee of the Board of the Company shall be in accordance with section 135 and other applicable provisions of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 including any modifications or amendments thereof).

#### **Partnership:**

Collaborative partnerships shall be formed with the internal as well as external stakeholders which shall include the Government, the village panchayats, NGOs, the District Authorities and other like-minded stakeholders. Company may join hands with external experts and organizations with an established track record of at least 3 years who have done work or are capable of doing work in the areas identified by the Company as CSR initiatives. The Company may also collaborate with other companies for undertaking projects or programs or CSR activities

### **Monitoring / Review Mechanism:**

Structure: In-house structure for roll out and implementation of the CSR activities will be in place. The CSR activities shall be centrally monitored by the Management.

Review and Monitoring Mechanism: The following three step Review Mechanism shall be followed for the CSR initiatives, which shall ensure a top down review and delivery.

- The Management shall in consultation and through supervision of the CSR Committee submit quarterly reports of projects undertaken on CSR to Board of Directors the of the Company in the format specified under the Act.
- The Management Council of the Company shall further review the CSR Expenditure on periodic basis and such reports shall be further forwarded to CSR Committee.
- Regular audits of the amount spent on CSR initiatives shall be carried on by the Internal Audit Function of the Company and report / observations shall be forwarded to hierarchy for their review.

The CSR Committee shall be responsible for overseeing the planning, coordination and implementation of CSR activities and compliance of the same shall be reported to stakeholders through the Company's Report on CSR.

### **Amendments to the Policy:**

The Company is committed to continuously reviewing and updating our policies and procedures. Therefore, this policy is subject to modification. Any amendment of any provision of this policy must be approved in writing by the Company's Board as per the recommendations of the CSR Committee and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment.