

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **PHILOSOPHY**

Kansai Nerolac Paints Ltd. (KNPL) believes that business and society are interdependent. This belief drives the Company's commitment to create mutual benefit and shared progress. KNPL will make a positive and significant contribution to the society by targeting social and cultural issues, maintaining a humanitarian approach and focusing on areas in and around our plants and where our establishments are located.

The Mission and philosophy of this function is “To contribute positively to the development of the society, by acting as a good neighbour, considerate of others, playing the role of a good corporate citizen with passion and compassion”. KNPL will lend a helping hand to the society in which it operates, in the area of health, education, environment preservation and community development and such other activities as specified in Schedule VII of the Companies Act 2013.

### **CSR VISION**

“We strive to be a responsible corporate by proactively partnering in the Environmental, Social and Economic development of the communities through the use of innovative technologies, products as well as through activities beyond normal business”.

### **SCOPE AND LIST OF CSR ACTIVITIES**

The Company would continue to carry out CSR activities as it has been carrying out over the years in the areas of Environment, Health, Education and Community Development.

In particular, the Company will undertake CSR activities as specified in Schedule VII to the Companies Act, 2013 (including any amendments to Schedule VII and any other activities specified by the Government through its notifications and circulars) as follows:

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1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocational 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 quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;
5. 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;
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 the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
9. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO),



Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);

10. Rural development projects;
11. Slum area development. 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;
12. Disaster management, including relief, rehabilitation and reconstruction activities.

The Company will undertake its CSR for overall betterment of the community with special emphasis on activities for the benefit of the poor and needy segments of the society. The Company aims at overall National and community development; at the same time would give preference to the local areas around it where it operates.

Activities undertaken in the normal course of business of the Company or only for benefit of the employees and their families shall not be considered as CSR under this Policy. However, if employees and their families get benefits by an activity which is largely meant for the outside community or society, then such activity will count as a CSR activity, if otherwise qualified.

## **MODALITIES OF EXECUTION OF PROJECTS/PROGRAMMES**

### **a. CSR Committee**

The company has constituted a CSR Committee of the Board consisting of a judicious combination of independent and non-independent directors with majority being independent. The responsibilities of the Committee include:

- i. formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- ii. recommend the amount of expenditure to be incurred on the activities referred to in clause (i); and





- iii. Monitor the CSR policy of the Company from time to time.

**b. CSR Vehicle**

- i. CSR activities will be undertaken either by the Company itself or through a Trust/ Section 8 Company (under the Companies Act, 2013) to be established by the Company.
- ii. If Company decides to contribute/ donate to any other entity/ trust to carry out its CSR activities, preference will be given to such entities/ trusts having track record of at least three years in undertaking similar programmes or projects.
- iii. Further, in such a case, the Company will specify the project or programme to be undertaken by these entities, the modalities of utilization of funds on such projects or programmes and the monitoring and reporting mechanism.
- iv. The Company may also collaborate with other companies for undertaking projects or programmes in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with the prescribed CSR Rules.
- v. The Company may build CSR capacities of its own personnel as well as those of the implementing agencies through institutions with established track record of at least three years, subject to the prescribed CSR Rules.

**c. Implementation**

- i. The conduct of CSR activities shall be implemented by the Management of the Company.
- ii. The process of implementation of CSR will involve identification of programmes, project based approach, time period, cost of the project, etc.
- iii. The management will identify various areas to be covered under the CSR and the projects and programmes to be carried out in these areas, subject to sudden or overwhelming needs or natural calamities which a region or country may face. After



- evaluation, the management shall put forward all proposals under the CSR activities along with their comments to CSR Committee.
- iv. The Committee would consider and as it deem appropriate recommend the proposal of CSR and the amount of expenditure to be incurred on the same to the Board for its approval.
  - v. The implementation will be done as per the requirement of project or programme which is envisaged. The time period over which a particular programme will be spread will depend on its nature, extent of coverage and the intended impact of the programme.
  - vi. For execution of various CSR projects, a sub-committee consisting of senior management personnel viz. Head of finance, Head of HR and Company Secretary will be formed. This sub-committee will recommend individual CSR projects/activities to the CSR committee for approval. Expenditure not exceeding Rs. 3 lacs per project and totally not exceeding Rs 25 lacs per quarter can be approved by the Managing Director. However this expenditure will be ratified by the CSR committee.
  - vii. The CSR spending by the Company in every financial year shall be in accordance with the provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as may be amended from time to time.
  - viii. Surplus arising out of the CSR projects or programmes or activities shall not form part of the business profit of the Company.

#### **AMENDMENTS TO THE POLICY**

This Policy has been adopted by the Board of Directors of KNPL. The Company is committed to continuously reviewing and updating its policies and procedures. This policy is therefore subject to such modification(s) as may be required by law or considered necessary by the Company. 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.



**REPORTING**

CSR policy and initiatives of the Company will be reported in the Annual Report of the Company in the manner prescribed under the Companies (Corporate Social Responsibility) Rules and would also be documented and hosted on the website of the Company.

**EFFECTIVE DATE**

The CSR Policy shall be effective from 1st April, 2014.

