



ASIAN PAINTS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

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1. CSR VISION

Standing true to our Charter, to bring joy and happiness to people's lives, our CSR vision is based on embedded tenets of trust, fairness, and care to maximise efforts in this regard. Following are keystones of our CSR philosophy:

- *to actively initiate projects and / or participate in projects that together make us the local lighthouse for the region which significantly improves the lives of the people where we operate and are present.*
- *to provide vocational training and impart skilling to enhance the livelihood and skills of people who are primarily from the unorganized sector.*
- *to commit to creating social and economic value as a corporate citizen and encourage employees to participate and contribute to our various CSR programmes.*
- *to manage our operations using principles of sustainable development to minimize resource footprint and protect health & safety of all the stakeholders.*

2. SCOPE AND APPROACH

We believe in responsible growth and thus we will undertake CSR initiatives that will make a difference to the communities and the environment in which we operate. The outcome of these activities when measured will stand testimony to the Company being a responsible & a caring organization.

The CSR Committee has identified the following thrust areas around which the Company shall be focusing its CSR initiatives and channelizing the resources on a sustained basis:

- **Health & Hygiene:** Under Health & Hygiene, we aspire to deliver primary health care support through diagnosis and treatments to our communities. Interventions will include promoting preventive healthcare, building awareness about hygiene, sanitation, maternal & child health care, setting up medical infrastructure, instrumenting clean drinking water habits, etc.
- **Disaster Management:** We contribute towards relief, rehabilitation, and reconstruction activities as a part of our disaster management intervention. As a responsible Company, we focus towards mitigating the effects of the crisis created by natural disasters, pandemic or likewise. We have partnered with the Government on various instances to provide support and aid. We have also worked with different partners for distribution of essentials among communities during the time of crisis.
- **Enhancing Vocational Skills:** In the area of Vocational training and skilling, we provide specialized and skill-based training to painters, carpenters, plumbers, etc., to enhance their skills, empower them, provide opportunities to secure better employment and improve their livelihood.

- **Water:** Water being a valuable and scarce resource that we share with our surrounding communities, we have identified water conservation and management as a key area of intervention. Our focus will be an integrated approach across (a) to (d) below:
 - (a) reducing overall specific water consumption;
 - (b) reuse/recycle wastewater back within the factories and communities in the vicinity of our manufacturing locations and other areas of operations;
 - (c) rain Water harvesting in our factories and communities in the vicinity of our manufacturing locations and other areas of operations;
 - (d) watershed management and community outreach programs thus making more water available for the communities than what we consume every year.

The initiatives in this thrust area would, *inter alia*, include (i) creating capacities in conserving water through significant investments in partnership with relevant stakeholders, with the objective of water conservation, (ii) educating farmers in looking at various Government schemes with the objective of water management, (iii) undertaking water replenishment projects in the communities surrounding our factories. The approach would include providing support and infrastructure at each stage of water conservation, water preservation, water re-charge and waste-water treatment.

Vocational Skilling and Water conservation will continue to remain our key thrust areas of intervention.

The CSR areas highlighted in this policy shall be monitored and reviewed by the Management, CSR Committee, and the Board of Directors of the Company from time to time. All CSR Initiatives/projects/programs/activities will continue to fall under the purview of Schedule VII of the Companies Act, 2013 (the Act) and Sustainable Development Goals (SDG). The CSR Committee may include any other areas falling within the ambit of Schedule VII of the Act, and amendments thereto, from time to time.

The CSR initiatives as stated aforesaid will either be one-time initiative or ongoing initiatives of the Company and the latter is 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 their involvement in volunteering. To develop substantial programs to promote active participation at all levels.
- Company will acquire/ obtain/ provide the expertise required to carry out the above activities and engage with any agencies and third parties of repute, if the need arises.
- Company will actively participate in the CSR initiatives through structured programs and projects and its involvement will be more towards participation on the ground rather than mere administering of the expenditure. The Company will have an internal structure to implement its CSR philosophy under supervision of the CSR Committee and Board.

3. IMPLEMENTATION

The CSR activities will be undertaken by the Company, either itself or jointly along with any other companies, and/or in collaboration with its stakeholders which, *inter alia*, include the Government, the village panchayats, NGOs, local communities and District Authorities. The Company may also join hands with external experts and implementation partners with an established track record in the area of our CSR initiatives.

4. CSR COMMITTEE AND ITS ROLE

The CSR committee shall comprise of such number of members as prescribed under the provisions of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules) (including any statutory modification(s) and/or re – enactment(s) for the time being in force). The CSR committee formed as such shall work in co-ordination and in accordance with directions given by the Board of Directors.

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

- Formulate, review and recommend the CSR Policy to the Board for its approval;
- Provide strategy and direction to enrich the CSR policy
- Monitor implementation and adherence to the CSR Policy;
- Approve the budgets for the CSR Expenditure and recommend to the Board for its approval;
- Formulate and review the annual action plan for each financial year and recommend the same to the Board for its approval;
- Review and recommend to the Board, certain CSR projects/programmes as ongoing projects in accordance with the CSR Rules;
- Review the impact assessment reports of CSR projects undertaken;
- Review and recommend to the Board, the Annual Report on CSR formulated as per the requirements of the Act and disclosed as part of the Report of the Board of Directors; and
- Any other activity as may be decided by the Board from time to time.

The Constitution and the role of the CSR Committee shall be in accordance with Section 135 and other applicable provisions of the Act and the CSR Rules, including any modifications or amendments thereto. All the CSR activities recommended by the CSR Committee and approved by the Board shall be in compliance with Schedule VII of the Act and SDG principles.

5. MONITORING/ REVIEW MECHANISM

Internal Monitoring

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 Review Mechanism shall be followed for the CSR initiatives, which shall ensure a top-down review and delivery:

- The CSR team shall in consultation and through supervision of the CSR Committee submit monthly MIS on CSR activities to the CFO & Company Secretary and the members of the CSR and Colour Academy Functions.
- The CSR Committee shall periodically review and monitor the CSR expenditure vis-à-vis Annual Action Plan. Additionally, the CSR team will obtain feedback from the beneficiaries about the programs and shall share the same with the CSR Committee as a part of the progress reports from time to time.
- The Board shall on a periodic basis monitor the implementation of the ongoing projects with reference to the approved timelines and year-wise allocation.
- The head of relevant line function shall certify to the CFO the utilisation of funds disbursed for CSR projects for each financial year.
- 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 Annual Report on CSR.

External Monitoring

- Operational/ progress reports on periodical basis from the partners, depending on the size and scale of the project.
- Periodic field visits by the Company representatives.
- Impact assessment reports of the CSR projects - To ensure steady progress and proper utilization of CSR amount against the goals and objectives of the project. The following monitoring mechanism may be adopted depending upon the size of contribution and the implementing partner shall:
 - obtain Utilization Certificates (UCs) from all the implementing partners by the end of the financial year - The UCs in certain cases will be required to be certified by chartered accountant in practice, if contribution crosses prescribed threshold.
 - Conduct third-party independent audits, as and when required.

6. AMENDMENTS TO THE POLICY

The Company is committed to continuously reviewing and updating its policies and procedures. Therefore, this policy is subject to modification. This Policy and every subsequent modification, alteration or amendment made thereto, shall be promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations.



However, in case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent 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.