



**CORPORATE SOCIAL RESPONSIBILITY POLICY
OF
GREENLAM INDUSTRIES LIMITED**

FRAMED UNDER SECTION 135(3) (a) OF THE COMPANIES ACT, 2013

The Board of directors of Greenlam Industries Limited ('Company') had initially adopted this CSR Policy in terms of section 135 (3) (a) of the Companies Act, 2013 ('the Act') read with the Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII made thereunder on November 11, 2014. Further, considering the amendment of the Schedule VII of the Companies Act, 2013, which inter-alia includes the activities proposed to be undertaken by the Company for fulfilling its obligations towards the Corporate Social Responsibility of the Company, the Policy was amended on March 15, 2016. Now, Considering the recent amendments made in Section 135 of the Act vide the Companies Amendment Act, 2019 and the Companies Amendment Act, 2020 along with changes in the Rules vide the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ('Amendment Rules'), the Policy has been further amended on May 27, 2021.

I. INTERPRETATION

For the purposes of this Policy references to the following shall be construed as:

1. **"Authorised Person"** shall mean the officer of the Company heading the CSR function of the Company by whatever name called or any other person as may be authorised by the CSR Committee who shall be responsible for carrying out execution of CSR Projects of the Company.
2. **"CSR Rules"** shall mean the Companies (Corporate Social Responsibility Policy) Rules, 2014.
3. **"CSR Policy"** shall mean a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.
4. **"Minimum Allocation of CSR"** shall mean 2% of the average net profits of the



three immediately preceding financial years in relation to the financial year in question.

5. "**Priority Projects**" shall mean such CSR projects which are selected by the CSR Committee to be pursued by the Company within the territory of India.
6. "**Unspent CSR Account**" means an account opened by the Company with a scheduled commercial bank in terms of sub-section (5) of section 135 of the Act.

Words and expressions not defined here shall bear its meaning from Companies Act, 2013.

II. GUIDING PRINCIPLES

Greenlam Industries Limited and its people are committed to society, ecology and environment. The Company realises that caring for the society, country and the planet is not philanthropy or generosity - it is the very way of doing sustainable business. The Company also realises that the Company is not being generous by following the CSR Policy - it is only being relevant and meaningful to the society of which we are a corporate citizen.

Vision: The CSR Committee's Vision is "improving lives in pursuit of collective development and environmental sustainability". This vision should encompass all CSR activities of the Company.

Mission: The CSR Committee's Mission is primarily to pursue initiatives directed towards enhancing welfare measures of the society based on long term social and environmental consequences of the CSR activities. Within the above mission, the CSR Committee will choose Priority Projects from time to time.

The objective of this Policy is not only to guide the Company and its people to indulge in social activities but also to integrate the business processes with social processes. The Company believes that CSR Policy is the Company's faith in socially inclusive and sustainable business as the way of doing business.



III. GENERAL POLICIES

The Company recognises that good CSR embraces all aspects of sustainable development and the way the Company affects people through its business operations. The Company recognises that CSR is not all about spending - it is orientation of the Company and its people to larger social causes. The Company encourages its people to contribute to its CSR efforts in every possible way.

The policies to be pursued by the CSR Committee are as follows:

General business policies:

1. The Company realises that one of the most important parameters for a socially responsible corporate citizen is to carry out its business in accordance with principles of sustainability, balance and equity. The Company will always strive to align its business interests with those of the society in general, ecology and environment. The Company further encourages any stakeholder or any member of the public to make thoughtful suggestions, addressed to Chairperson of the CSR Committee, for sustainable business practices.
2. The Company will encourage voluntary efforts of its directors and employees to CSR Projects. The Company also encourages its directors and employees to recommend to the CSR Committee meaningful projects in accordance with the Guiding Principles that may be taken up by the Company, under the supervision of the CSR Committee.
3. The Company shall strive to enhance corporate value while achieving a stable and long- term growth for the benefit of stakeholders.
4. The Company respects and honors the human rights of people involved in its business and, in particular does not use or tolerate any form of forced or child labour.



IV. APPROACH TOWARDS CSR

A. Selection of CSR Projects:

1. The CSR Committee shall, from time to time, identify the Priority Projects of CSR to be carried out by the Company from the areas specified under Schedule VII of the Act;
2. Notwithstanding the listing of the Priority Projects, the CSR Committee may undertake projects which are relatable to the activities as stated in Schedule VII of the Companies Act, 2013, by taking a liberal interpretation so as to capture the essence of the subjects enumerated in the said Schedule.
3. The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR Projects.
4. A CSR Project may be selected by the CSR Committee, either based on its own discretion or based on recommendations/ proposal received from any stakeholder.
5. The CSR Committee will accord priority to projects in the areas covered by Priority Projects.
6. The CSR Committee shall approve an Annual Action Plan in terms of the Policy and recommend the same to the Board of Directors for its approval.
7. The CSR Committee, after identifying and approving a CSR Project, should fix a target spending as per the Annual Action Plan or any modification thereof, and accordingly shall carry out the execution thereof.
8. The investment in CSR projects shall be project-based with specific timeframes.
9. The progress of all CSR Projects, including the spending thereon, shall be periodically reviewed by the CSR Committee.

B. Priority Projects

The scope of activities which, the Company will undertake towards fulfillment of its CSR obligation, shall be in line with Schedule VII of the Act. The Company has currently identified the following Priority Projects to be undertaken by the CSR Committee-

1. Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
2. Promoting health care including preventive health care and sanitation and



ensuring availability of safe drinking water.

3. Promoting gender equality, empowering women, setting-up homes and hostels for women and orphans.

Notwithstanding the listing of the Priority Projects, the CSR Committee may, at its discretion, accept CSR Projects falling within the activities listed out in Schedule VII to the Companies Act, 2013 and any amendment thereto.

C. Carrying out of CSR Projects through implementing agencies

1. The CSR Projects may be taken up by the Company either directly or indirectly through agencies covered under Rule 4 (1) of the CSR Rules.
2. In case the CSR Committee decides to execute a CSR Project through an agency, such as a registered trust, society or NGO ("Agency"), it would adhere to the following principles:
 - (a) The agency must be eligible for carrying the CSR Project in terms of Rule 4 of the CSR Rules, subject to the above, any director of the Company may be associated/ affiliated as a trustee, governing body member or in any other manner with the agency, provided that no personal benefit, directly or indirectly, should flow from such Agency to any such director.
 - (b) The Committee shall provide specific project agenda targets, target spending, accomplishments, manner of execution etc. to the Agency, subject to discussions with the Agency.
 - (c) The disbursement of funds to the Agency must be done on a progressive basis so as to align with the funding needs of the Project, and to permit the evaluation of the activity carried so far.
 - (d) The Agency must provide periodically reports, to the satisfaction of the Committee, about execution of the Project.
3. The CSR Committee shall review the progress reports received from the Company and Implementing Agencies, if any. The CSR Committee shall satisfy the Board on the utilization of the funds disbursed for the purpose and in the manner approved by it. The outcome of impact assessment and progress reports, if any, submitted, will be taken into consideration while



engaging the Implementation Agencies for subsequent CSR projects and programmes and while finalizing the annual action plan for the subsequent year.

4. In addition to Projects that may be taken up by the Company directly, the Company may also collaborate with other companies or entities, including its group companies, to carry out any CSR Projects, in accordance with this Policy.

D. CSR Expenditure

1. CSR spending shall include spending in kind, that is, application of any of the assets or properties of the Company to a CSR project/program, to the extent permitted under applicable law. Where any such property or asset is so utilized by the Company, the lower of its fair value or WDV shall be treated as the monetary amount of the spending.
2. Based on its consultative process of needs assessment as well as other criteria for identifying social initiatives, necessary budget allocation exercise shall be carried out at the start of relevant accounting year. The budget shall include details of activities / projects planned to be covered during the year. However, administrative overheads shall not exceed such limits as prescribed under the Act.
3. In any financial year, if the budgeted amount is not spent, Board shall, in its report made under section 134 (3) (o) of the Act, specify the reasons for not spending the amount.
4. The Company shall deal with the unspent amount, if any, in the following manner:
 - (a) Where the unspent amount is related to an Ongoing Project, such unspent amount shall be transferred to the CSR Unspent Account within a period of 30 days from the end of the financial year and the same shall be spent in the manner as prescribed in section 135(6) of the Act and the Rules; and
 - (b) Where the unspent amount is not related to an Ongoing Project, such unspent amount shall be transferred to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year or such other time period as permissible under the Applicable Law.



5. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
6. If the Company spends an amount in excess of the Minimum allocation of CSR, such excess amount may be set off against the minimum allocation of CSR of three immediately succeeding financial years subject to the conditions that—
 - a) The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of Rule 7(2) of the Rules.
 - b) The Board of the Company shall pass a resolution to that effect.
7. The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by –
 - a) A company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
 - b) Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - c) A public authority.
8. The CSR Committee would be authorized for sanctioning the amount for any specific activity/initiative within the overall approved ceiling limit and/or to delegate authority from time to time to the Authorised Person to allocate amount for any such specific activity within the approved ceiling limit.

E. Monitoring and Evaluation

1. The Committee shall discuss the progress of each Project undertaken including spending thereon and make any decision including allocation/reallocation of funds, with respect to the project which it thinks fit, and shall recommend the same to the Board of directors for approval.
2. Where, after the adoption of this Policy by the Board of the Company, the Committee requires further funds for undertaking any new CSR project, the

- Committee shall request the Board of the Company to approve such higher amount.
3. The Board of Directors of the Company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to that effect. For this, the Board / Committee may *inter alia* require a utilization certificate / report from the Authorised Person / Implementing Agency / beneficiary, as the case may.
 4. In case of Ongoing Project, the Board of the Company shall monitor the implementation of the Project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

F. Formulation of Annual Action Plan

1. The Management shall place before the CSR Committee as well as before the Board, the Annual Action Plan preferably at the beginning of the Financial Year or such time as may be practically possible, which may be amended from time to time as recommended by the CSR Committee and approved by the Board.
2. Annual action plan shall include the following:
 - a. the list of CSR projects or programmes that are approved to be undertaken in the areas or subjects specified in Schedule VII of the Act;
 - b. the manner of execution of such projects or programmes as specified in Rule 4(1) of the Rules;
 - c. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - d. monitoring and reporting mechanism for the projects or programmes; and
 - e. details of need and impact assessment, if any, for the projects undertaken by the Company:
3. The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.



G. Impact Assessment

1. The Company shall carry out impact assessment, as and when applicable.
2. The Company shall undertake impact assessment, through an independent agency, as mentioned in sub- clause (c) above.
3. The impact assessment reports, if applicable, shall be placed before the Board and shall be annexed to the annual report on CSR.
4. The Company may book an expenditure arising out of the impact assessment towards Minimum CSR allocation for the financial year in which the assessment is being carried out, which shall not exceed the limits specified in the Act.

H. Information dissemination and Policy Communication

The Policy shall be uploaded on the website of the Company.

I. Amendments

The Board will review the CSR Policy from time to time based on changing requirements of the target beneficiaries and make such modification(s), as may be necessary. Any amendments in the Act or CSR Rules or any applicable law including any clarifications/ circulars of relevant regulator, if mandatory, shall be read with this Policy such that the Policy shall automatically reflect the contemporaneous applicable law at the time of its implementation.

Place: New Delhi

Date: May 27, 2021

For Greenlam Industries Limited

Sd/-

**Saurabh Mittal
Chairman, CSR Committee**