



PPG ASIAN PAINTS PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY



CSR Vision

Our CSR vision is based on embedded tenets of trust, fairness and care. The pillars of Innovation, Agility, Customer Centricity, Integration and People will form the basis of our CSR philosophy. PPG Asian Paints CSR shall be based on below keystones:

- *to actively initiate projects and/ or participate in projects to improve the life of people living near its owned 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 as a corporate 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.*

Our Board of Directors, Our Management and all our employees shall form part of the CSR Philosophy and make endeavors towards being a responsible and caring organization for all its stakeholders.

APPLICABILITY

As Per Section 135 of the Companies Act, 2013 every company having net worth of rupees five hundred crore or more or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall:

- constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors.
- ensure that the Company spends, in every financial year, not less two percent of the average net profits of the Company made during the three immediately preceding financial years.

DEFINITIONS

- a. **“Act”** means the Companies Act, 2013
- b. **“Board”** refers to Board of Directors of PPG Asian Paints Private Limited
- c. **“Corporate Social Responsibility (CSR)”** as per Companies (Corporate Social Responsibility Policy) Rules, 2014 means and includes but is not limited to:-
 - i. Projects or programs relating to activities specified in Schedule VII to the Act or
 - ii. Projects or Programs relating to activities undertaken by the board of directors of a company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act
- d. **“CSR Committee”** means the Corporate Social Responsibility Committee constituted and re-constituted by the Board from time to time.
- e. **“CSR Expenditure”** shall include all the expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on recommendation of the CSR Committee and would also include expenditure incurred by the Company in building its CSR capacities either through its own personnel or other implementing agencies not exceeding five percent of the total CSR Expenditure of the Company in one financial year.
- f. **“CSR Policy”** relates to the activities to be undertaken by the Company as specified in Schedule VII of the Act including amendments from time to time.
- g. **“Company”** or **“PPG Asian Paints”** refers to PPG Asian Paints Private Limited pursuant to this Policy, having its Registered Office at 6A, Shantingar, Santacruz (East) Mumbai – 400 055
- h. **“Net profit”** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act (including any modifications or amendments thereof), but shall not include the following, namely:
 - i. any profit arising from any overseas subsidiaries/Joint Ventures and
 - ii. any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act:
- i. **“Rules”** means Companies (Corporate Social Responsibility) Rules, 2014 including any modifications or amendments thereof).



- j. “**Schedule**” means Schedule VII (including any modifications or amendments thereof) of the Act

Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.

SCOPE AND APPROACH

The Company shall take up CSR initiatives that make a sustainable difference to the environment in which it operates including activities which shall allow it to leverage its strengths in Processes, Accountability and other organizational abilities. These activities when measured will stand testimony to the Company being a responsible & caring organization.

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

- **Health & Hygiene:** In Healthcare we aspire to deliver facilities to communities and other sections of the society in the form of primary health care support through diagnosis and treatments, promoting preventive healthcare, building awareness about sanitation and providing monetary support, setting up and managing rehabilitation centers, medical camps, creating awareness through various programs, etc.
- **Education:** In education we aspire to contribute to improving and facilitating the literacy levels in various sections of the society, by providing support at every stage of a child’s educational cycle including but not limited to developing infrastructure for schools/educational centers, conducting education programs on “how to lead to a healthy life”, engaging with students and parents leading to development of a better community, livelihood enhancement projects, etc.
- **Water:** In Water Management we believe, abundant and stable supply of clean water is the basic need of society. Water being an important resource, its conservation has become imperative. The approach would include providing support and infrastructure at each stage of water conservation, water preservation, water re-charge and waste water treatment.



- **Enhancing Vocational Skills:** In the area Vocational training, we aspire to provide specialized and skill based training to painters, workers, etc., to enhance their skills, empower them, provide opportunities, enhance their ability take better employment and better livelihood.

The CSR areas highlighted in this policy shall be monitored and reviewed by the CSR Committee and the 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 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. To build programs that has internal participation.
- 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.
- 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 four members. A CSR committee formed 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:

- 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.
- To regularly 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 Directors 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).

PARTNERSHIPS:

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

Proposed 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 Company Secretary.

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 Company Secretary 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 specified format under the Act.
- The Management Team 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 from the financial year ending 31st March, 2015 onwards.

AMENDMENTS TO THE CODE

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.