

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

**CORPORATE
SOCIAL
RESPONSIBILITY**



Century Plyboards (India) Ltd.

CPIL'S POLICY FOR CORPORATE SOCIAL RESPONSIBILITY

I. PREAMBLE

Corporate Social Responsibility (CSR) is defined as the integration of business operations and values, whereby the interests of all stakeholders including investors, customers, employees, the community and the environment are reflected in the Company's policies and actions. It is essentially a way of conducting business in an economically, socially and environmentally sustainable manner which is transparent and ethical.

The Board of Directors of Century Plyboards (India) Limited (CPIL) at its meeting held on 20th January, 2014 constituted a Corporate Social Responsibility Committee to, inter- alia, formulate and recommend to the Board a Corporate Social Responsibility Policy.

This policy, which encompasses the Company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare & sustainable development of the community at large, is titled as the '**CPIL'S Policy for Corporate Social Responsibility**'. This policy is rooted in the Company's core values of quality, reliability and trust guided by the best practices and is driven by our aspiration for excellence in the overall performance of our business.

II. INTRODUCTION

Corporate Social Responsibility is strongly connected with the principles of sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of CPIL to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders and with intent to make a positive difference to society. Our CSR initiatives would focus on to create social, environmental and economic value to the society.

A CSR policy is framed to guide its strategic planning and provide a roadmap for its CSR initiatives, which is an integral part of overall business policy and aligned with its business goals.

In the aforesaid backdrop, policy on Corporate Social Responsibility of CPIL is broadly framed taking into account the following measures: -

- Welfare measures for the community at large including employees and their families, so as to ensure the poorer section of the Society derived the maximum benefits.
- Contribution to the society at large by way of social and cultural development, imparting education, training and social awareness specially with regard to the economically backward class for their development and generation of income to avoid any liability of employment.
- Protection and safeguard of environment and maintaining ecological balance.

III. OBJECTIVE

The main objective of CSR policy is to lay down guidelines for the company to make CSR a key business process for sustainable development for the Society. The other objectives of CPIL's CSR Policy is to:

- Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- To directly or indirectly take up programmes that benefit the communities over a period of time, in enhancing the quality of life & economic well-being of the local populace.
- To give back to the society from which it draws its resources by extending helping hand to the needy and the underprivileged.
- Improving the quality of lives of people in the communities in which we operate.
- To generate, through its CSR initiatives, a community goodwill for CPIL and help reinforce a positive & socially responsible image of CPIL as a corporate entity.

IV. SCOPE

CSR activities at CPIL shall be carried out through

- Century Charitable Trust.
- Contribution / donation made to such other Organization / Institutions as may be permitted under the applicable laws from time to time.
- Collaboration with trusts, societies and charitable institutions who are undertaking projects/programs in CSR activities.
- Directly by the Company for fulfilling its responsibilities towards various stakeholders.
- Government, Semi-Government and autonomous Organizations.
- Any other Voluntary Agencies (NGOs), Self-help Groups, Trusts, Missions, Mahila Mandals, Academic or other recognized Institutes, Specialized Agencies, Professional Consultancy organization, etc. which satisfies the conditions and criteria specified in the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

V. CSR PROJECTS, PROGRAMMES AND ACTIVITIES

The Company’s scope of CSR activities will primarily cover the following areas but the same is illustrative and not exhaustive and CSR Committee may take up any other activity covered under Schedule VII of the Companies Act, 2013. Similarly, allocations made hereunder are for guidance purpose and may be utilised interchangeably, depending on circumstances.

Thrust Areas	Projects/Programmes to be undertaken	Modalities of Execution	Implementation Schedule	Allocation (% of required CSR spending)
(i) eradicating hunger, poverty and malnutrition, promoting health care including 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	<ul style="list-style-type: none"> ✓ Providing safe drinking water ✓ Medicine supply ✓ Medical facilities ✓ Organising Health care and check-up camps ✓ Other healthcare services 	Efforts by the Company directly or through Century Charitable Trust and other organizations providing healthcare services	Annually beginning from FY 2014-15.	40%-50%
(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	<ul style="list-style-type: none"> ✓ Literacy Enhancement ✓ Financial assistance to Primary, Middle and Higher Secondary Schools ✓ Financial assistance to Libraries ✓ Other assistance to institutions for promoting education 	Efforts by the Company directly or through Century Charitable Trust and other institutions organizations, school and colleges promoting education.	Annually beginning from FY 2014-15.	30%-40%
(iii) 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	<ul style="list-style-type: none"> ✓ Setting up of Homes for orphans ✓ Setting up of old age homes ✓ Programmes on development and empowerment of women 	Efforts by Century Charitable Trust and other organizations which are empowering women for their overall development.	Annually beginning from FY 2014-15.	Nil - 25%

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<p>(iv) 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].;</p>	<ul style="list-style-type: none"> ✓ Protecting Environment ✓ Conservation of natural resources ✓ measures to check and prevent pollution ✓ Tree Plantation ✓ Organising campaigns for 'plastic-free' environment 	<p>Efforts by the Company directly or through Century Charitable Trust and other institutions and organizations who ensure environmental sustainability</p>	<p>Annually beginning from FY 2014-15.</p>	<p>5% - 25%</p>
<p>(v) 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 arts and handicrafts;</p>	<ul style="list-style-type: none"> ✓ Promoting our cultural heritage, art and culture. ✓ Setting up of Libraries ✓ promotion and development of traditional arts and handicrafts 	<p>Efforts by the Company directly or through Century Charitable Trust and other societies and institution which look after our national heritage</p>	<p>Annually beginning from FY 2014-15.</p>	<p>Nil to 2%</p>
<p>(vi) measures for the benefit of armed forces veterans, war widows and their dependents;</p>	<ul style="list-style-type: none"> ✓ Activities/programs for benefit of armed forces and families. 		<p>Annually beginning from FY 2014-15.</p>	<p>Nil to 2%</p>
<p>(vii) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;</p>	<ul style="list-style-type: none"> ✓ Projects/programs promoting various sports activities 		<p>Annually beginning from FY 2014-15.</p>	<p>Nil to 2%</p>

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(viii) contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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;				Nil
(ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;				Nil
(x) rural development projects.				Nil to 5%
(xi) slum area development.				Nil to 5%
(xii) disaster management, including relief, rehabilitation and reconstruction activities				Nil to 5%

VI. SOURCE OF FUND

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, CPIIL shall allocate a minimum of 2% of its average Net Profits during every block of three years, calculated as per Sec-198 of the Companies Act, 2013, as its Annual CSR Budget in each Financial Year. A specific budget is allocated for CSR activities. This budget will be project driven. Every project, whether developed by the in-house team or an external agency, will be formally examined and approved. This is to ensure that each project is in line with the CSR strategy and policy, the monitoring indicators are clearly defined and relevant and there is an adequate budget available.

From the annual CSR Budget allocation, a provision will be made towards the expenditure to be incurred on identified Areas, for undertaking CSR activities on a year on year basis.

The surplus, if any, arising out of CSR projects or programmes or activities will not form a part of the business profit of the Company. Any unspent/unutilized CSR allocation of a particular year shall be dealt with in accordance with the provisions contained in Section 135 of the Companies Act, 2013 read with Rules thereunder or as directed by the Ministry of Corporate Affairs.

VII. IMPLEMENTATION

1. CSR programmes will be undertaken by various work centres of CPIL to the best possible extent within the defined ambit of the identified Thrust Areas.
2. The Company will encourage and recognize its employees for volunteering with the spirit of serving and sharing with the community. The Company shall endeavour to increase employee participation at all levels in the Organization, by encouraging employees to participate in the Company's CSR activities.
3. The Company may collaborate with other companies for undertaking the CSR Activities subject to fulfillment of separate reporting requirements as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.
4. The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.
5. For CSR projects, the time-frame and periodic milestones should be finalized at the time of approval of the Project.
6. The CSR Activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company. The Company shall not make any payment directly or indirectly to Political Party(ies) for CSR Activities.

VIII. PROCEDURE FOR CSR ACTIVITIES

- The administration of the CSR policy and execution of the identified CSR projects, programmes and activities under it shall be carried by the overall superintendence and guidance of the CSR Committee headed by its Chairman.
- The CSR Committee shall recommend to the Board suitable CSR Activities to be undertaken during for the financial year along with the detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
- For meeting the requirements arising out of immediate and urgent situations, CMD is authorised to approve proposals in terms of the empowerment accorded to him by the CSR Committee.
- The CSR Committee, shall submit the report to Board giving status of the CSR Activities undertaken, expenditure incurred and such other details as may be required by the Board.

IX. REFLECTION OF CSR ACTIVITIES

The CSR activities will be reflected in the Director's Report and Accounts of CPIL. The Annual Report of the Company(from 2014-15 onwards) will include a section on CSR outlining the CSR Policy, CSR committee, CSR initiatives undertaken by Company, the CSR spend during the financial year including the reasons for not spending the prescribed amount, if any and such other information as required by the prevailing law. The Company's engagement in this domain will be disseminated on its website, annual reports, in-house journals and through the media. However, no cost towards the same should be booked under the CSR expenditure.

X. CONCLUSION

The above guidelines would form the framework around which the CSR activities would be undertaken. Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

XI. AMENDMENT

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Government, from time to time. Based on recommendations of the CSR Committee, the Board will review the policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary. In case of any conflict between this policy and the Companies Act, 2013 or Rules made thereunder, the later shall prevail.