

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

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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. CPIL, as responsible corporate citizen, is committed towards improving the quality of lives of the underprivileged sections of the society and other stakeholders. Driven by the said philosophy, your Company endeavors 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 that are undertaking projects/programs in CSR activities and having an established track record of atleast three years in undertaking such 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, as amended from time to time.

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 must be interpreted liberally so as to capture the essence. The CSR Committee may take up any other activity covered under Schedule VII of the Companies Act, 2013. The list of activities shall be deemed to include/ exclude such activities as may be notified by the Ministry of Corporate Affairs from time to time. 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 other institutions and organizations providing healthcare services	Annually beginning from FY 2014-15.	20%-30%
(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 ✓ Setting up and providing financial assistance to Libraries ✓ Other assistance to institutions for promoting education 	Efforts by the Company directly or through other institutions organizations, school and colleges promoting education.	Annually beginning from FY 2014-15.	40%-50%
(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 ✓ Construction and maintenance of dharamshalas and rest-houses 	Efforts by the Company directly or through other institutions and organizations which work for women empowerment.	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 other institutions and organizations working towards environmental sustainability</p>	<p>Annually beginning from FY 2014-15.</p>	<p>10% - 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. ✓ promotion and development of traditional arts and handicrafts 	<p>Efforts by the Company directly or through other institution and organizations which work in these areas</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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;</p>	<ul style="list-style-type: none"> ✓ Activities/programs for benefit of armed forces and families. ✓ Activities/ programs for benefit of CAPF and CPMF and their families. 	<p>Efforts by the Company directly</p>	<p>Annually beginning from FY 2014-15.</p>	<p>Nil to 2%</p>
<p>(vii) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;</p>	<ul style="list-style-type: none"> ✓ Projects/programs promoting various sports activities 	<p>Efforts by the Company directly or through other institutions and organizations which work in these areas</p>	<p>Annually beginning from FY 2014-15.</p>	<p>Nil to 2%</p>
<p>(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;</p>				<p>Nil</p>

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(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government;		Directly by the Company		Nil
(ix) (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);		Directly by the Company		Nil
(x) rural development projects;	✓ Construction of roads, ponds, sheds, etc. in rural areas	Directly by the Company or through other institutions and organizations which work in these areas		Nil to 5%
(xi) slum area development;	✓ Construction of toilets, etc. in slum areas	Directly by the Company or through other institutions and organizations which work in these areas		Nil to 5%
(xii) disaster management, including relief, rehabilitation and reconstruction activities.	✓ Distribution of relief materials including food, medicines, medical equipment, etc. during natural calamities and pandemic	Directly by the Company or through other institutions and organizations which work in these areas		Nil to 5%

VI. SOURCE OF FUND

For achieving its CSR objectives, through implementation of meaningful & sustainable CSR programmes, CPIL 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.

The Board shall ensure that the Company spends not more than 5% of the total CSR expenditure in one financial year on administrative overheads. 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 and shall be treated as per the provisions of the Companies Act, 2013.

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 (Act) read along with Rules made thereunder or as directed by the Ministry of Corporate Affairs.

Any excess expenditure i.e., beyond the mandatory requirement will be disclosed in the Board's Report and shall be made available for set off against the CSR requirement to spend in any of the three succeeding financial years after complying with the requirements of the Act read along with the Rules made thereunder.

VII. GUIDING PRINCIPLES FOR SELECTION OF CSR PROJECTS

The guiding principles for selection of the CSR projects and programmes will be dependent on the long term objective of each project, statutory eligibility and credibility of implementing agency that is involved in the implementation and the practical need for such projects.

VIII. GUIDING PRINCIPLES FOR 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. In undertaking CSR Activities, preference shall be given to the local areas wherein the Company operates or has its offices.
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, as amended.

4. The Company may take help of International Organizations in designing, monitoring, and evaluating its CSR Projects, and in assisting with capacity building of its own personnel for CSR.
5. 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.
6. For CSR projects, the time-frame and periodic milestones should be finalized at the time of approval of the Project.
7. 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.

IX. GUIDING PRINCIPLES FOR MONITORING OF CSR ACTIVITIES

- The CSR Committee shall submit a report to the Board giving status of the CSR Activities undertaken, expenditure incurred and such other details as may be required by the Board;
- The Board shall satisfy itself that the disbursed funds have been utilized for its intended use in consonance with its Annual Action Plan. It can rely on the certificate issued by the Chief Financial Officer of the Company or the person responsible for the financial management to that effect.;
- In case the Company undertakes any 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.

X. GUIDING PRINCIPLES FOR FORMULATING ANNUAL ACTION PLAN

The CSR Committee shall formulate and recommend to the Board an annual action plan which will, inter-alia, contain the suitable CSR Activities to be undertaken during for the financial year along with the manner of execution, modalities of utilization of funds, implementation schedule, monitoring and reporting process, details of need and impact assessment for the project undertaken and such other details as mentioned in the Act and the Rules made thereunder. The Board may alter the Annual Action Plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect.

XI. PROCEDURE FOR CSR ACTIVITIES/ CSR APPROACH

- 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.
- 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.

XII. REFLECTION OF CSR ACTIVITIES

Appropriate disclosures with regard to the CSR activities will be reflected in the Board'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 amount spent or unspent for 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.

XIII. IMPACT ASSESSMENT

- a. If the Company has an average CSR obligation of ten crore rupees or more, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
- b. The impact assessment reports if applicable shall be placed before the Board and shall be annexed to the annual report on CSR.
- c. Impact assessment if applicable may be booked as the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

XIV. CAPITAL ASSET

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.
- b. Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- c. A public authority

Provided that any capital asset created by the Company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with this requirement, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

XV. 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.

XVI. 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.