



PAGE INDUSTRIES LIMITED

CORPORATE SOCIAL RESPONSIBILITY
POLICY

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CORPORATE SOCIAL RESPONSIBILITY POLICY

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CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Preamble

In line with its fundamental and consistent commitment to **quality, welfare, sustainable development and corporate compliance**, Page Industries Limited ("PIL" or "Company") now pledges, through this Corporate Social Responsibility ("CSR") Policy Document, to integrate the same commitment into its responsibilities as a Corporate Entity. Through its CSR initiatives, the company seeks to respond to the needs of less-privileged communities, in a sensitive and impactful manner and enable these communities to achieve a better quality of life. '**Community focus and Quality**' will be the fundamental, non-negotiable values woven into CSR programs at PIL. This ensures that **community focus** is the central priority at all times and that all programs will result in achieving a better **quality of life**. Quality will be visible in all aspects including implementation.

The key purpose of this policy is to:

- Define what CSR means to the company and the approach adopted to achieve the vision, mission and objectives
- Outline guiding principles and elucidate the company's position which will provide a clear direction for strategizing and planning CSR
- Serve as a guiding document to help in strategizing, planning, executing and monitoring CSR projects
- Identify broad thematic areas in which the company will undertake projects
- Explain roles and responsibilities, governance mechanisms and budget allocations for effective implementation of CSR

In accordance with Section 135 of the Companies Act, 2013 and the rules promulgated thereunder (collectively, the "CSR Requirements"), the Board of Directors (the "Board") of PIL has adopted this Corporate Social Responsibility Policy

2. Vision – Mission – Objectives

2.1 Vision:

Enabling better quality of life for less-privileged communities (primarily in the geographical areas that the company functions), in a sensitive and impactful manner through interventions that are relevant, sustainable and environment friendly

2.2 Mission:

- Identify activities that respond to the needs of the community, and bring change to the lives of the needy
- Undertake social development activities in an efficient and sustainable manner
- Impact lives of communities through initiatives that yield long-term benefits
- Implement activities that respect the law of the land, the rights of the stakeholders, and are sensitive to the culture and traditions of local communities

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2.3 Objectives

To implement Social Development Programs for empowering Marginalized and less privileged Communities

To complement the efforts being made by the Government, Civil Society and other CSR entities in achieving social development

To identify and ensure constructive convergence with organizations having similar objectives

To provide leadership and industry benchmarks in CSR initiatives

To foster a culture of & sensitivity towards CSR amongst employees, business associates and other stakeholders

To encourage active involvement of senior management and employees as well as create internal champions for CSR

3. CSR – what it means to us at PIL

3.1 Definition

The definition of CSR by the *European Union (EU)* is, ***"The concept that an enterprise is accountable for its impact on all relevant stakeholders. It is the continuing commitment by business to behave fairly and responsibly, and contribute to economic development while improving the quality of life of the work force and their families as well as of the local community and society at large."***

While subscribing to the above definition, PIL shall not primarily focus its CSR (Social Development) activities merely on the work force and their families but rather on the society at large. This requirement is also mandated by Section 135 of Companies Act 2013, which excludes activities that are focused merely towards the company's work force and their families.

3.2 Guiding Principles

- ◆ Respecting all the stakeholders involved
- ◆ Ethical functioning, respecting the law of the land and values of the society in which the Company is functioning
- ◆ Zero tolerance to child labour, forced labour and any form of discrimination, on the basis of gender, disability (chronic ailments etc.), minorities (sexual minorities etc.) or any other
- ◆ Adoption of a sustainable development approach with greater and proactive responsibility towards environmental protection
- ◆ Inclusive development of the community by complementing strengths of other ethical and like-minded development institutions subscribing to similar values
- ◆ Creating social and human capital that contributes towards a stronger and more prosperous Nation that recognizes the rights of every individual

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3.3 Our Position

CSR at PIL will be an ethical, responsible, systematic and planned process.

The social / community development activities shall be planned only after understanding the true needs of the community and the developmental programs being implemented by other service providers in the identified areas.

PIL will not at any time, expect any direct or indirect benefit towards its business from CSR initiatives. PIL envisages long-term and sustainable development among the communities for which it works with.

PIL will actively encourage developmental innovations such as action research, prototype development etc. for encouraging innovative solutions to address social problems with greater efficiency.

4. Focus Areas

4.1 Developmental Themes

The CSR Policy of PIL will be operative within the overall ambit of CSR Provisions contained in the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules 2014, Schedule-VII of the Companies Act 2013, and amendments thereof from time to time.

The CSR strategy and plan developed by PIL through systematic community consultation, mapping developmental situations in the targeted geography and Community Need Assessment shall clearly outline the thematic areas.

The Company shall undertake specific CSR projects and programs, as approved by the Board from time to time on the recommendations made by the CSR Committee of the Company, in any of the following broad CSR categories:

- Promoting education, including special education and employment enhancing vocational skills and livelihood enhancement projects;
- Ensuring environmental sustainability;
- Promoting gender equality and women's empowerment;
- Promoting healthcare including preventive healthcare;
- Contributing towards social innovations and action research for bringing innovation into effectively addressing developmental issues
- Contribution to Prime Minister's National Relief Fund
- Providing disaster relief under applicable items in Schedule VII of the CSR Requirements; and

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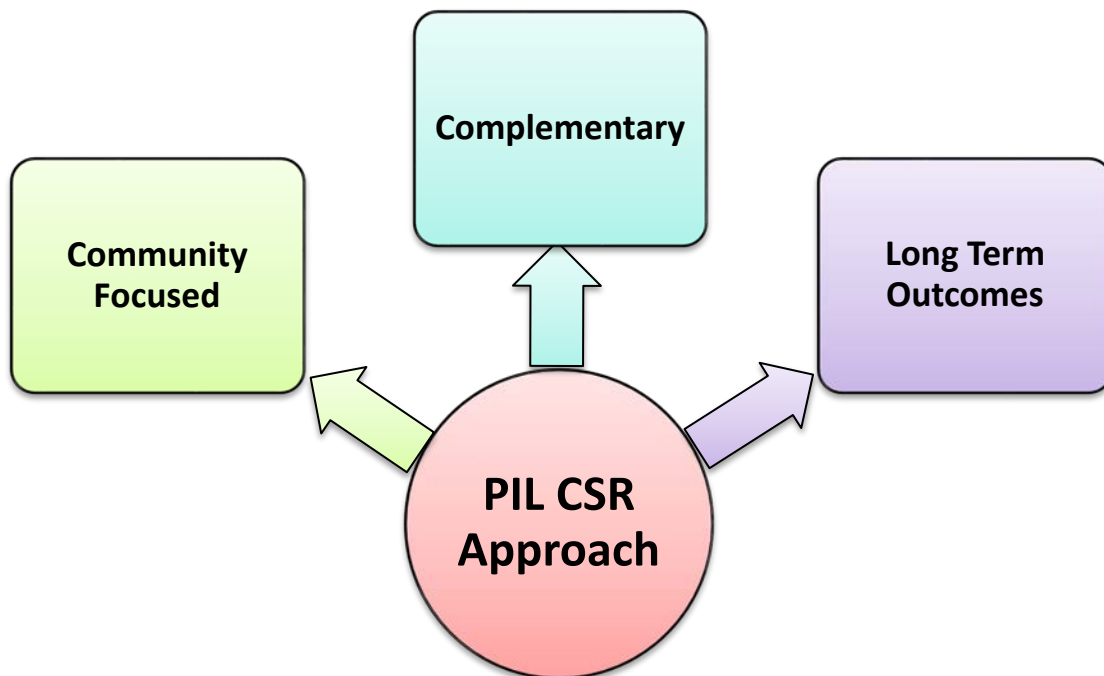
- Providing financial assistance to reputable non-governmental organizations (NGOs) working in any of the above indicated areas.

4.2 Geographical Area

Primary geographical area of operation will be in the places (villages/ hamlets/ habitations/ areas) around the manufacturing units of PIL located across four districts of Karnataka state in India. The places around the manufacturing units of PIL, which are the neediest in terms of developmental initiatives, will be considered on priority.

PIL being a nationally and globally renowned company and being committed towards the country's developmental goals will consider other areas based on the strategy and plan that will be developed and approved by the CSR Committee from time to time.

5. Our Approach



A systematic need assessment and situational analysis will be made in the proposed geographical area before initiating any social development activities and the Company shall not develop the CSR strategy and plan based merely on perceived needs.

A clear strategy and plan shall be developed explaining activities, expected outcomes, mode/method for implementation etc.

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CSR activities at PIL shall be Community Focused and at all times an effort to enhance the quality of life of communities.

PIL shall also focus on the project outcomes that build human capability.

The CSR activities planned shall be implemented through competent not-for-profit organizations duly registered under the prevailing Act. PIL may also implement the project directly through its dedicated CSR personnel. For this, a CSR team shall be established to manage and implement the activities. The decision on mode of implementation shall be taken based on the strategy and plan developed by the Company from time to time considering field variables.

6. Engagement of Internal Stakeholders

6.1 Board Members

PIL shall encourage the participation of its Board Members in the CSR programs of the company.

6.2 Employee Participation

As a part of their contribution to CSR, employees shall be encouraged to voluntarily participate for a cause or in a project supported by the Company through the designated agency in a way that the time spent does not interfere with working hours. The Company may also encourage structured employee involvement based on the program plan and timing. Though employees may not see any financial gains for such work or service, it will boost their morale, personality, skill development, socialization and more importantly inculcate a sense of citizen engagement within them.

6.3 Vendors / Customers

PIL may also engage its Vendors / Customers to participate in CSR Activities from time to time.

7. Outlining Responsibilities

7.1 Governance Structure

PIL has constituted a robust, transparent and vigilant governance structure to oversee the implementation of its CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013.

The Corporate Social Responsibility Committee (CSR Committee) is the governing body that will articulate the scope of CSR activities for the Company and ensure compliance with the CSR Policy.

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The company has constituted a CSR Committee at its Board Meeting held on 29 May 2014, in accordance with the provisions of the Act with respect to its composition and terms of reference.

The following are the members of CSR Committee:

- i. Mr. Sunder Genomal, *Chairman*
- ii. Mr. G.P. Albal
- iii. Mr. B.C. Prabhakar and
- iv. Mr. Sandeep Kumar Maini

7.2 Board of Directors

The Board of Directors of PIL shall be responsible for:

- Formation of a CSR committee
- Approving the CSR policy, strategy and program plan recommended by the CSR committee
- Ensuring implementation of the activities under CSR as per approved policy, strategy and plan
- Ensuring appropriate funding and spending in accordance with the Act and program plan approved
- Disclosing reasons for not spending the designated amount in that fiscal (if applicable)
- Disseminating the CSR Policy in the annual Directors' Report and on the company website

7.3 CSR Committee

The CSR Committee of PIL shall be responsible for:

- Formulating and recommending a CSR policy to the Board of Directors
- Recommending activities and the amount of expenditure to be incurred
- Monitoring the implementation of CSR activities from time to time
- Meeting at least twice a year to review the progress made
- Engaging suitable partners and professionals for implementing CSR activities
- Creating a facilitating system and process for implementing CSR within the Company
- Liaising with appropriate Government authorities for ensuring compliances as mandated in the Act
- Creating an environment within PIL for CSR to thrive

8. CSR Budget Allocation and Utilization

The Board of Directors shall allocate the required budget towards the CSR activities. The Board shall adhere to the prevailing acts and regulations that mandates the budget allocation.

PIL will earmark as CSR Allocation for the year, at least 2% of the average of its net profits earned during three immediately preceding financial years.

The CSR committee shall ensure proper utilization of the budget. It periodically monitors the budget utilization and provides proper suggestion to the CSR implementing agency / team. The CSR team or agency, which strategizes and plans CSR, will develop detailed Project Plans and

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indicate the Budget required from time to time. The CSR committee shall verify these Plans & Budgets and will recommend them (with clear comments and recommendations) to the Board for approval.

9. Ethical Considerations

At all levels, the CSR activities shall be implemented with utmost **transparency**. The Program Reports and utilization of Financial Resources shall be disclosed as per the prevailing Act.

The Committee shall ensure efficient and effective utilization of resources that are allocated towards CSR.

10. Applicability

The policy would pertain to all activities undertaken by the Company towards fulfilling its CSR objectives. The policy would also ensure compliance with section 135 of the Companies Act, 2013 and include the activities as covered under Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

The CSR Policy shall be applicable to all activities and projects pursuant to this policy. The activities, strategies suggested and plans developed, shall be endorsed and approved by the CSR committee and the Board of Directors periodically.

11. Monitoring and Evaluation

The CSR Committee shall ensure transparent monitoring mechanism for CSR activities.

- i. The CSR Committee shall review the progress of CSR activities at least twice a year, including the annual review
- ii. The Board of Directors shall review the progress of CSR activities at least annually

Further, a specific monitoring and evaluation plan shall be developed as part of annual implementation plan clearly explaining the focus and periodicity of monitoring.

PIL may conduct periodical evaluation of activities by a competent external agency to understand the program efficiency and outcomes.

If in any case the project or program is not meeting its desired objective, or it is not relevant at that point in time, the CSR Committee will deliberate to either change the program or withdraw from the program respectively.

12. Surpluses Generated from CSR Projects

The surplus if any, arising out of CSR projects or programs or activities, shall not form part of the business profits. It shall be tracked and channelized into the company's CSR corpus.

13. Disclosure

The Company shall include in the Board of Director's Report, the CSR policy and an Annual Report on CSR as prescribed under Companies Act, 2013 and the rules thereunder, as amended from time to time. The CSR Policy shall also be displayed on the Company's website.

In any Financial Year, if for any reasons PIL is unable to spend an amount as stated in the Clause 7 of this Policy, the CSR Committee shall provide suitable explanation stating the reasons thereof to the Board of Directors and the Board shall include the same in the Director's Report of the Company.

14. Policy Period

This Policy shall be in effect from August 13, 2015 with approval by the Board of Directors and is subject to amendments from time to time.

The Committee shall review this CSR Policy on a periodic basis and shall recommend to the Board to amend the Policy to ensure that it reflects the CSR Requirements of the Company, the relevant Stakeholders and the current needs of the Community.