

HP Adhesives Limited

**Policy on Corporate Social Responsibility
(CSR)**

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CHAPTER 1

CONCEPT

PREFACE:

Section 135 of the Companies Act, 2013 mandates every Company having a net worth of Rs. 500 crore or more, or turnover of Rs. 1000 crore or more or a net profit of Rs. 5 crore or more during the immediately preceding financial year to have a Corporate Social Responsibility ("CSR") Committee and to adopt CSR Policy. HP Adhesives Limited ("HP Adhesives") intends to lay down its Corporate Social Responsibility Policy in line with the Companies Act, 2013.

MEANING:

For HP Adhesives Limited (hereinafter referred to as "HP Adhesives" or "Company") CSR encompasses the economic, legal, ethical and discretionary responsibilities of the Company.

VISION STATEMENT:

To actively contribute to the social, economic and personnel development in the areas in which HP Adhesives operates in tune with the development of the Company. It believes in improving the quality of life of individuals staying in and around the localities from where the Company carries on its business.

CHAPTER 2

RESOURCES

FUNDING:

HP Adhesives will allocate at least 2% of the average net profits:

1. made during the 3 immediately preceding financial years; or
2. during such immediately preceding financial years, where the company has not completed the period of 3 financial years since its incorporation

towards the Annual CSR Budget.

ALLOCATION:

From the annual CSR Budget allocation, a provision will be made towards any or all of the following expenditure heads:

- a) Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.
- b) Promotion of education, including special education and employment enhancing vocation skills especially among children, women and the differently abled and livelihood enhancement projects.
- c) Promoting gender equality and empowering women, setting up homes and hostels for women and orphans, setting up old age homes, daycare centres, and other such facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- d) 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.
- e) Training to promote rural sports, nationally recognised sports, and Para-olympic sports and Olympic sports.
- f) Rural development projects.

CHAPTER 3

PLANNING

IDENTIFICATION OF THRUST AREAS:

For purposes of focusing its CSR efforts in a continued and effective manner, the following two thrust areas have been identified:

a) Healthcare/ Medical facility

In Health care HP Adhesives's goal is to render health care facilities to people living in the villages and in and around the places where HP Adhesives carries on business through donations to various Hospitals and health care centres.

b) Education/Literacy Enhancement

In education, HP Adhesives's endeavour is to spark the desire for learning and knowledge at every stage.

c) Promotion of rural sports

In rural sports, HP Adhesives's goal is to encourage children to get engaged in rural sports and take the sports to a higher level.

ALLOCATION OF EXPENSES:

As a guideline for the Company to distribute its annual CSR Expenditure amongst the 3 thrust areas, an indicative percentage, as below, has been suggested. However, the actual distribution of expenditure among these thrust areas will depend upon the local needs as may be determined by the studies or discussions with local government/ bodies/ citizen's forums/ NGOs.

Sr. No.	Thrust Area	Percentage Allocation
1.	Healthcare/ Medical facility	45%
2.	Education/Literacy Enhancement	40%
3.	Promotion of rural sports	15%
4.	Any other contingent requirement	5%

CHAPTER 4

IMPLEMENTATION

GENERAL:

The proposed CSR activities may be undertaken by HP Adhesives.

GEOGRAPHICAL AREA:

CSR initiatives will be undertaken in the vicinity of various corporate offices/ plant offices of HP Adhesives.

PROCESS FOR IMPLEMENTATION:

The process for implementation of CSR initiatives will involve the following steps:

- a) Identification of CSR activities
- b) Internal need assessment at the local level
- c) Receipt of proposals/requests from District Administration/local Govt. etc.
- d) Discussions and requests with local representatives/Civic bodies/Citizen's forums/VOs
- e) Funds Approval as per Policy
- f) Grant of donation/help as per need

POWERS FOR APPROVAL:

CSR initiatives as may be identified by each corporate office/ plant office will be required to be put up to the CSR Committee of the Board at the beginning of each financial year.

For meeting the requirements arising out of urgencies, Mrs. Anjana Haresh Motwani, Chairman of the Company, is authorised to approve proposals in terms of the empowerment accorded to her by the CSR Committee.

To afford a further degree of flexibility in approval of CSR initiatives, the following empowerment is afforded to the personnel of the Company:

Sr. No.	Powers	Director
1	Approval and expenditure of CSR initiatives and reappropriation, if any, of approved initiatives on its merits	Rs. 50,000 in each case, subject to an annual ceiling of Rs. 5 lakhs

Note: All initiatives approved as per above authorization to be reported to the CSR Committee.

CHAPTER 5

MONITORING AND FEEDBACK

To ensure effective implementation of the CSR initiatives undertaken at each corporate office/ plant office of the Company, the progress of CSR initiatives will be reported to the CSR Committee in its meeting.

CSR initiatives of the Company will also be reported in the Annual Reports of the Company.

CHAPTER 6

GENERAL

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference is to be made to CSR Committee. In all such matters, the interpretation of the committee shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the laws and guidelines on the subject as may be issued from Government, from time to time.

CSR Policy shall be put up on the official website of HP Adhesives which is the final communication to stakeholders.

The Company reserves the right to modify, cancel, add, or amend any of these Rules.