



POLICY ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

**Latest date of review and approval of the policy, by the
Board of Directors on July 22, 2022.**

1 Preamble:

Seshasayee Paper and Boards Limited (SPB) has adopted policies on Vision, Mission and Values, which in principle, address the basic concept of CSR. The Policy statements are :

Vision:

To excel as a trusted, socially responsible and customer driven organisation providing maximum value to all stakeholders.

Mission:

To manufacture quality products at competitive cost through technology and team work.

Values:

Ethical practices, Customer focus, Commitment to society, safety and environment, Professional and transparent Management, Empowerment and accountability, Adaptability to 'Change', Innovation and creativity and Emphasis on human resources development, cost reduction, productivity enhancement and resource conservation.

2 Applicability :

SPB has developed its Corporate Social Responsibility Policy ('Policy') in accordance with Section 135 of the Companies Act 2013 and the Rules made there under. The Policy shall apply to all CSR programmes of the Company.

3 Objectives :

- ◇ To undertake social projects in villages around the Mill site for maximum positive impact.



- ◇ To design and effectively implement projects in areas such as health care, education, protected drinking water, sanitation, rural infrastructure and vocational training.
- ◇ To enhance employability of the youth by partnering and supporting educational institutions involved in such activities.
- ◇ To enhance the green cover by supply of quality clones and saplings of tree plants at concessional rates to farmers and supplement their activities with technical support.

4 Validity :

The Board may amend the CSR Policy as may be required from time to time.

5 Programme Areas :

The Company will focus primarily on the following programmes

- Community Development
- Water and Sanitation
- Education
- Health
- Rural Infrastructure
- Vocational and Technical Training.

6 CSR Budget :

The CSR Committee will decide the CSR Budget and will get it approved by the Board of Directors.

The Board shall ensure that in each financial year, the Company spends at least 2 % of the average net profit made during the immediate three preceding financial years.

Subject to the provisions of the Companies Act, 2013, Rules made there under and the general circulars issued by MCA from time-to-time, the excess amount (if any incurred by the company in a financial year over and above the minimum mandated 2% of net profits) can be



carried forward and set off against the required 2.0% expenditure, upto immediately succeeding 3 financial years. Carry Forward shall be allowed for the excess amount spent, if any, in financial years 2020-21 and thereafter.

The Company may collaborate or pool resources with other companies in Esvin-SPB Group to undertake CSR activities.

7 Implementation :

The Company's CSR Projects will be implemented in a time-bound manner with clear objectives, plan, targets and monitoring and evaluation mechanisms. The Company's ongoing CSR Projects will be aligned to the Policy.

8 Roles and responsibilities :

(i) The Board :

The Board of Directors of the Company will be responsible for:

- ◇ approval of the CSR Policy of the Company.
- ◇ disclosing the content of the Policy in its report and place the Policy on the Company's website in such a manner as prescribed under Section 135 of the Companies Act 2013 read with the CSR Rules.
- ◇ ensuring that the social projects included in the Policy are undertaken by the Company.
- ◇ ensuring that the Company spends, in every financial year, at least 2 % of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the Policy.
- ◇ ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR projects.



- ◇ ensuring that it specifies the reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount.

(i) CSR Committee :

- ◇ to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII.
- ◇ to recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above and
- ◇ to monitor the Corporate Social Responsibility Policy of the Company from time to time.

9 Composition of the CSR committee :

The composition of the CSR Committee of the Board is as under:

Sri A L Somayaji, Independent Director & Chairman of the Committee

Dr Nanditha Krishna, Independent Director

Sri N Gopalaratnam, Chairman of the Company

Sri K S Kasi Viswanathan, Managing Director

The Board shall have the power to make any change(s) in the constitution of the Committee.

10 Project monitoring and reporting :

The Company will institute a well-defined monitoring, evaluation and reporting framework that is aligned with the requirements of the section 135 of the Companies Act, 2013 and the CSR Rules.

The CSR activities will be reviewed by the Board of Directors and the CSR Committee every half year while the internal Management will review the progress on quarterly basis.

The Company will report CSR performance in its Annual Report as per the structure and format prescribed in the CSR Rules.



Seshasayee Paper and Boards Limited
Fine Papers - Lasting Impressions

11 Budget monitoring :

The Company will establish an accounting system to ensure project wise accounting of CSR spend.

(N GOPALARATNAM)

Chairman