



## HPL Additives Limited

<b>POLICY &amp; PROCEDURE</b>	<b>TITLE: CORPORATE SOCIAL RESPONSIBILITY POLICY</b>		
<b>ALL FUNCTIONS</b>	<b>ISSUE DATE</b> March 16, 2018	<b>Effective Date</b> March 16, 2018	<b>PROCEDURE NO.</b> <b>HPLA/CORP/POL/001: 01</b> <b>Page No. 1-5</b>

- I. These rules shall be called the Company Corporate Social Responsibility.
- II. These rules shall be effective from **March 16, 2018**.

### 1. INTRODUCTION

- a) The Corporate Social Responsibility (CSR) Policy of HPL Additives Limited is aligned with its overall commitment to maintaining the highest standards of business performance. The Vision of HPL Additives Ltd is centered on its philosophy of success through innovation, continuous improvement and excellence. Its vision is supported by its core values: ***Adaptability, Dependability, Teamwork, Speed, Versatility and Caring.***
- b) The Mission of HPL Additives Ltd is to be a financially successful corporation with a global presence through investment in systems, processes, technology and human assets to ensure high levels of quality, service efficiency, safety and environmental consciousness.
- c) The CSR commitment of HPL Additives Ltd positions its social and environmental consciousness as an integral part of its business plan and its commitment to all its stakeholders including consumers, share holders, employees, local communities and the society at large.
- d) The policy has been formulated as per the Section 135 of the Companies Act, 2013 and the rules thereto.

### 2. POLICY STATEMENT

The CSR Policy of HPL Additives Ltd aims to achieve, consolidate and strengthen Good Corporate Governance including socially and environmentally responsible business practices that balance financial profit with social well being.

### 3. SCOPE AND OBJECTIVES

- a) HPL Additives Ltd is committed to the well being of the local communities and the society at large.
- b) The **geographic scope** of the Company's CSR work includes
  - i. the immediate surroundings of the plants of the Company
  - ii. the district, town or city as a whole where the plants are located

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- c) The approach of the company would be oriented to identify and formulate projects in response to felt societal needs in diverse areas falling in the geographic scope mentioned in para 3.4 and to implement them with full involvement and commitment in a time bound manner. In addition to being an engaged corporate citizen involved in the identification, planning, designing and monitoring of CSR initiatives, The Company will also provide grants to specialist organizations to implement approved activities.

#### 4. ACTIVITIES

- a) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently able and livelihood enhancement projects;
- c) 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;
- d) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- e) 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;
- f) Measures for the benefit of armed forces veterans, war widows and their dependents;
- g) Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- h) Contribution to the Prime Ministers' National Relief 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;
- i) Contributions or funds provided to technology incubators located within academic institution which are approved by the Central Government;
- j) Rural development projects

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### 5. FUNDING & ALLOCATION

For achieving its CSR objectives through implementation of meaningful & sustainable CSR program, the Company will allocate at least 2% of the average net profit of the company made during the three immediately preceding financial year as its annual CSR budget.

From the annual CSR Budget allocation, the expenditure will be incurred for CSR programs as mentioned above in point no. 4.

### 6. CSR COMMITTEE

The Board of Directors of the Company, in its meeting held on 24<sup>th</sup> March, 2014, has constituted Corporate Social Responsibility Committee comprising of the following directors as members of the Committee :-

- i. Mr. Harcharan Singh – Managing Director – Chairman
- ii. Mr. Umesh Anand - Managing Director – Member
- iii. Dr. Veena Chaudhary – Independent Director – Member.

### 7. IMPLEMENTATION

- a) The CSR activities shall be undertaken by the company, as per its stated CSR Policy as projects or programs or activities.
- b) The Board of Directors of the company may decide to undertake its CSR activities approved by the CSR Committee, directly or through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company under section 8 of the Act or otherwise:
  - i. If such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;
  - ii. The company has specified the projects or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.
- c) The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.

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**The process of implementation of CSR programs will involve the following steps:**

**a) Identification of Program**

Identification of programs at corporate will be done by means of following:

- i. Need identification studies by cross functional team at local level;
- ii. Receipt of proposals/requests from districts administration/ Local Government;
- iii. Discussions and request from local representatives/Civic bodies/Citizen's forums, NGOs'

**b) Powers for Approval**

- i. CSR Programs as may be identified by corporate office will be required to be put up to the CSR committee constituted by the Board at beginning of each financial year.
- ii. For meeting the requirements arising out of immediate & urgent situations, Mr. Harcharan Singh, Managing Director of the Company, is authorized to approve proposals in terms of the empowerment accorded to him.

**c) Criteria for Identifying Executing Agency**

While identifying programmes if so required, an external agency would be identified to execute the said programme. In case of programme execution by NGOs/ Voluntary organizations the following minimum criteria need to be ensured:

- i. The NGO is a registered society under Societies' Registration Act'
- ii. Possesses a valid Income Tax Exemption Certificate;
- iii. The NGO /Agency has a permanent office/address in India;

**d) Agreement between HPL Additives Ltd & Executing Agency;**

Once the program is approved by the CSR Committee of the Board, the Company will enter into an agreement with each of the executing/implementing agency.

### **8. MONITORING AND FEEDBACK**

- a) To ensure effective implementation of the CSR programs undertaken by the Company, a monitoring mechanism will be put in place by the CSR Committee. The progress of CSR programs under implementation will be reported to CSR Committee on quarterly basis.
- b) The CSR department at the corporate office will conduct impact studies on a periodic basis, especially on the strategic and high value programs.
- c) Appropriate documentation of the CSR Policy, CSR activities, executing partners and expenditure entailed will be undertaken on a regular basis and the same will be available in the public domain.



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d) CSR initiatives of the Company will also be reported in the Annual Report of the Company.

### 9. GENERAL

- a) In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to Corporate CSR Department. In all such matters, the interpretation & decision of the Business Head – Corporate Development shall be final.
- b) Any or all provisions of the CSR policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Ministry of Corporate Affairs, Govt. of India.
- c) The Company reserves the right to modify, cancel, add or amend any of these rules.

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