



## **ARCHIDPLY INDUSTRIES LIMITED**

### **CORPORATE SOCIAL RESPONSIBILITY POLICY**

#### **ARCHIDPLY'S CSR POLICY**

Founded Archidply in 1976, Sri Deen Dayal Daga with a vision that has transformed Archidply today into the one of the largest providers of Ply, Laminates and Veneers. Archidply aims to enrich society and drive sustainable economic growth by giving people and businesses innovative ways to be more creative, productive, and successful through the power of information. While pursuing our business strategy of introducing products that give our consumers health & wellness, Archidply operates in a manner that not just continues to generate an attractive return for shareholders, but also minimizes our impact on the environment and helps in replenishing the planet; while lending a helping hand to the community.

Corporate Social Responsibility is a company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large and building capacity for sustainable livelihoods.

The Company believes in conducting its business responsibly, fairly and in a most transparent manner. It continually seeks ways to bring about an overall positive impact on the society and environment where it operates and as a part of its social objectives. Archidply has been making consistent efforts over the years towards economic and social upliftment of the marginalized sections of society.

Though this policy has been formally formulated and adopted in terms of Section 135 of the Companies Act, 2013 and the CSR Rules to undertake CSR activities, the Company right from its inception, has made consistent efforts to maintain an active corporate social responsibility portfolio.

This Policy has been reviewed and updated by the Board of Directors of the Company at its Meeting held on 18.06.2021 and shall be effective from the date the Company is listed on BSE Limited and National Stock Exchange of India Ltd.

#### **CSR VISION & MISSION STATEMENT & OBJECTIVE**

Through sustainable measures, actively contribute to the Social, Economic and Environmental Development of the community in which we operate ensuring participation from the community and thereby create value for the nation.

Ensuring socio-economic development of the community through different participatory and need-based initiatives in the best interest of the poor and deprived sections of the society so as to help them to become self-reliant and build a better tomorrow for themselves.

Ensuring environmental sustainability through ecological conservation and regeneration, protection & re growth of endangered plant species, and promoting biodiversity.

### **SHORT TITLE & APPLICABILITY**

This Policy describes and contains the Company's philosophy for delivering its responsibility as a corporate citizen and lays down the guidelines, process and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large. Titled as the "**ARCHIDPLY INDUSTRIES LIMITED CSR Policy**" (CSR Policy), it has been prepared keeping in mind the Company's business ethics and the requirements of the Companies Act, 2013 Schedule VII and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

#### **1. DEFINITIONS**

1.1 '**Act**' means the Companies Act, 2013;

1.2 '**Board**' means the Board of Directors of ARCHIDPLY INDUSTRIES LIMITED;

1.3 '**Company**' means ARCHIDPLY INDUSTRIES LIMITED;

1.4 '**Corporate Social Responsibility (CSR)**' means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-

- i. activities undertaken in pursuance of normal course of business of the company: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-
  - a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
  - b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
- ii. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- iii. contribution of any amount directly or indirectly to any political party under

section 182 of the Act;

- iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India;

1.5 **‘CSR Expenditure’** shall include all expenditure including contribution to projects or programs relating to CSR activities specified in this policy as approved by Board on recommendation of CSR Committee;

1.6 **‘CSR Committee’** means the committee constituted under the provisions of Section 135 of the Act;

1.7 **‘Directors’** shall mean the directors of the Company;

1.8 **‘Net profit’** means the net profit of a Company calculated in accordance with the provisions of section 198 of the Companies Act, 2013 and shall not include the following namely:-

- i. Any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise; and
- ii. Any dividend received from other companies in India which are covered under and complying with the provisions of section 135 of the Act.

1.9 **“Ongoing Project”** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

1.10 **“Rules”** means the Companies (Corporate Social Responsibility Policy) Rules 2014, as amended from time to time.

#### **COMMITTEE Composition:**

The Corporate Social Responsibility Committee of the Company shall consist of at least three directors amongst whom at least one shall be Independent Director or as may be constituted by the Board of Directors from time to time in compliance with the Act.

**Meetings:** The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The members would thrive to hold at least one meeting in a financial year.

**Quorum:** The quorum for a meeting of the Committee on CSR shall be one-third of its

total strength (any fraction contained in that one-third being rounded off as one), or two members, whichever is higher.

**Sitting Fee:** The sitting fees for attending the meeting shall be determined from time to time by the Board of Directors.

### **Role of CSR Committee**

- a. 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 of the Companies Act 2013;
- b. To recommend the amount of expenditure to be incurred on the activities referred to in clause  
(a) in a financial year;
- c. To monitor this Policy from time to time.
- d. The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
  - a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
  - b) the manner of execution of such projects or programmes;
  - c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - d) monitoring and reporting mechanism for the projects or programmes; and
  - e) details of need and impact assessment, if any;
- e. Any other matter/thing as may be considered expedient by the members.

The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

### **CSR BUDGET/CSR SPEND**

For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, the Company will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.

The Annual CSR Budget shall be spent on CSR activities or projects as recommended by the CSR Committee. CSR expenditure shall include all expenditure including contribution to projects or programs relating to CSR activities as per CSR policy, but does not include any expenditure on an item not in conformity with the CSR Policy.

If during any financial year, the Company is not able to meet its CSR obligation, then the unspent amount shall receive the treatment as prescribed in the Act.

The Company may during any financial year, spend in excess of its CSR obligation and carry-forward and set-off, such excess amount from its CSR obligation during next immediate succeeding three financial years subject to the conditions that –

- i. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
- ii. the Board of the Company shall pass a resolution to that effect.

### **CSR ACTIVITIES**

The Company will undertake its CSR projects or activities in one or more areas mentioned below:

- a) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of 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 abled 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 centers 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, 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;
- 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 art and handicrafts;
- f) 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;
- g) Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;

- h) 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 or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- i) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- j) Rural development projects;
- k) Slum area development; the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force;
- l) Disaster management, including relief, rehabilitation and reconstruction activities;
- m) Such other matters as may be prescribed from time to time.

The CSR Committee shall recommend the activities to be carried to the Board every financial year.

### **CSR EXPENDITURE**

The CSR projects or programs or activities undertaken by the Company in India only, shall amount to CSR Expenditure in accordance with the provisions of sub-section (5) of section 135 of the Act.

The Company shall prefer to take up projects for spending the amount earmarked for CSR at local areas and regions where the Company operates.

All expenses and contributions for CSR activities will be made upon recommendation of CSR Committee followed by approval from the Board of Directors of the Company.

Suitable delegation of powers would be granted to the executives for approving CSR expenditure within specified limits by the CSR Committee.

### **SURPLUS ARISING FROM CSR ACTIVITY**

The surplus arising from CSR projects, programs or activities shall not form part of the business profit of the company and shall be, (a) ploughed back into the same project or (b) transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or (c) transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

### **AGENCY FOR IMPLEMENTATION**

The Company may undertake its CSR activities approved by the CSR Committee directly or through a Registered Trust or a registered society or a company established under section 8 of the Act by the Company either singly or along with any other Company or any other entity(ies) allowed under the Act provided such entity (ies) have valid CSR registration number allotted by Government of India. Where the CSR activities are undertaken through entities established by any other Company, the Company shall make sure that expenses incurred can be demarcated in respect to all the contributories involved and;

The Company shall specify the project or programs to be undertaken through these entities, modalities of utilization of funds on such projects and programs.

A company may also collaborate with other companies for undertaking projects or programmes 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 programmes in accordance with the rules

Where the CSR activities are undertaken directly, the Company shall appoint its officers to undertake, supervise and monitor the CSR activities and expenditures and they shall work under the control and supervision of the CSR Committee. Such officers will submit periodical report to the Committee.

### **MONITORING AND FEEDBACK**

- a. The annual action plan approved by the Board every financial year, shall provide the manner in which CSR projects or activities undertaken during the said year, will be monitored.
- b. The report on progress on the CSR program undertaken by the Company will be put forward to the CSR Committee with full details of cost incurred and results achieved on a regular basis.
- c. CFO shall certify to the Board at the end of the every financial year, that CSR funds disbursed have been utilised for the purposes and in the manner as approved by Board.

### **DISCLOSURES**

Composition of the CSR Committee, CSR Policy and Projects approved by the Board shall mandatorily disclose on the website of the Company and be updated on regular intervals.

The Board's report, being a part of the Annual Report shall disclose the composition of the Corporate Social Responsibility Committee, web-link of the CSR policy along with salient features of the policy and changes (if any) undertaken during the last financial year and the CSR initiatives undertaken.

### **MISCELLENEUOS**

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as maybe issued from Government, from time to time. The CSR Committee reserves the right to modify,add, or amend any of provisions of this Policy subject to approval of the Board.