

Akzo Nobel India limited

Corporate Social Responsibility Policy

Philosophy

Akzo Nobel India (ANI) recognizes that its business activities have direct and indirect impact on the physical and social environment in which it operates. Therefore, the Company is firmly committed to conduct its business in a socially and environmentally responsible way for the benefit of all its stakeholders.

We take action every day by empowering our people, reducing our impact on the planet and consistently innovating to deliver sustainable solutions for our customers. It's about focusing on the things we can truly influence. We believe in the power of paint to transform lives by uplifting communities, changing behavior and making living spaces more fun, livable and enjoyable.

(i) Focus areas

To achieve its CSR philosophy, and in consonance with the provisions of the Companies Act, 2013 (the 'Act'), and subsequent amendments, the Company shall inter-alia, focus its attention on any or all of the following areas:

- a) promoting employment enhancing vocational skill training among youth and education amongst children
- b) promoting access of quality health care and sanitation
- c) promoting environmental sustainability
- d) contribution to prime minister's national relief fund or PM CARES Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare
- e) any other area which:
 - the Board may find appropriate for the Company to pursue in furtherance of its CSR focus areas,
 - Schedule VII (Section 135) of the Companies Act / Rules may prescribe from time to time in this regard.

(ii) Formulation of CSR Action Plan

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereto. It will include:

- list of projects and programmes that are approved to be undertaken as per Schedule VII of the Act
- the manner of execution of such projects or programmes
- modalities of utilisation of funds and implementation schedules for the projects or programmes
- monitoring and reporting mechanism for the projects or programmes

The Board will consider and approve the CSR Plan with or without any modification that it may deem necessary

(iii) Selection and Implementation

The CSR Committee shall be responsible for overseeing the planning, coordination and implementation of CSR activities.

CSR Projects will be selected in alignment with ANI CSR focus areas and its ability to provide innovative solutions to social problems.

ANI's CSR programme will be implemented either directly or in collaboration with partners, internal & external stakeholders including Central/State Government Departments, NGOs and other likeminded corporates.

The Board shall ensure that the CSR activities are undertaken by the company itself or through -

- (a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company and having an established track record of at least 3 years in undertaking similar initiatives.

Every such entity who intends to undertake any CSR activity, shall register itself with the Central Government wef. 1 Apr 2021.

(iv) Review and Monitoring mechanism

The following Review Mechanism shall be followed for the CSR initiatives, which shall ensure a top down review and delivery.

- The CSR team will in consultation and through supervision of the CSR Committee submit quarterly project reports of projects undertaken on CSR to the ANI Board.
- The CSR Committee of the Company shall further review the CSR Expenditure and project performance on periodic basis and such reports shall be further forwarded to ANI board.
- ANI if it so desires will undertake independent third-party evaluation of the flagship CSR Projects once as and when required. The report of the same would be presented to the CSR committee for its review and recommendation.

(v) CSR Expenditure

- The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund within a period of six months of the expiry of the financial year.
- Excess amount spent (excluding surplus from CSR activities) by ANI may be set off against the requirement to spend, up to immediate succeeding three financial years and the Board of the company shall pass a resolution to that effect.
- The CSR amount, if spent by a company for creation or acquisition of a capital asset, shall be held by a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number.

(vi) CSR Reporting

The Board's Report pertaining to any financial year shall include an annual report on CSR containing particulars specified in the relevant rules.

(vii) Display of CSR activities on its website

The Board of Directors of ANI shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

(viii) Transfer of unspent CSR amount.

The unspent CSR amount, if any, shall be transferred by ANI to any fund included in schedule VII of the Act.

(ix) Governance

The Board of Directors shall promote and implement this CSR policy through a CSR Committee. The CSR activities undertaken by a Committee shall not include activities undertaken in pursuance of normal course of business of ANI or activities supported by the Company on sponsorship basis for deriving marketing benefits for its products and services.

(x) Amendments to the policy

The Company is committed to continuously reviewing and updating its policies and procedures. Therefore, this policy will be subject to modifications per changes in the Companies Act, rules and notifications related thereto.

As approved by Akzo Nobel India Board on 22nd May, 2021.