

## Sudarshan Chemical Industries Limited

### Corporate Sustainability Policy

#### **Effective date of Policy**

This policy is effective from 27<sup>th</sup> May 2016

The Board of Directors of Sudarshan Chemical Industries Ltd., after taking into account the recommendations of the CSR Committee have approved this CSR Policy for the Company and as required under Section 135(4) of the Companies Act, 2013. The expenditure on yearly CSR will be published in the Annual Report of the Company for the information of all concerned.

#### **Background of Corporate Sustainability at Sudarshan**

Reaching out to the community has always been a part of Sudarshan's philosophy. Sudarshan's Holistic Aspiration (SUDHA) was initiated in 2011 to give a structure to the existing projects and to start new projects, to involve, engage and empower women in the community.

#### **Grand Vision of Sudarshan**

The grand vision of Sudarshan is 'Growing Together' in a manner that is Spiritually fulfilling, Socially Just and Environmentally sustainable.

#### **Vision of SUDHA**

Wholesome sustainable growth of women and children in communities around Sudarshan's plants.

#### **Mission of SUDHA**

Reach out to communities by engaging in projects pertaining to Livelihood -Women Empowerment, Health, Education, Environment and Community Development.

#### **Objective**

- **SERVING** communities for a better future
- **CREATION** of belongingness through sustainable inclusive growth
- **EMPOWERING** women for leadership
- **CREATING** groups to lead projects ahead

#### **Eligibility**

This policy is applicable to all the individuals and communities preferably within a radius of 25kms around our plants located in Pune & Raigad District in State of Maharashtra

## Definitions for reference through policy

**Corporate Social Responsibility to Corporate Sustainability** - We at Sudarshan call Corporate Social Responsibility as Corporate Social Sustainability because we believe that any project initiated is not only a responsibility but it has to be a sustainable initiative.

## Framework of SUDHA

Sudha has been working consistently to create a better living standard and environment for people of the community. Sudha has its operations branched out in following major areas:



## Focus areas for CS activities:

The following broad categories for CS activities have been in general planned for next 3 to 5 years:

S.No	Broad Categories	Activities	Brief description of activities
1	Livelihood enhancement Project	Paper Bag project	Our Newspaper Bag project is an ongoing activity for the last 3 years, encouraging reuse of paper, thus enhancing the livelihood of the village women.

2	Employment Enhancing vocational skill	Stitching	To professionally equip the women with adequate skills to earn a sustainable income through Stitching Projects
		Paper craft	To professionally equip the women with adequate skills to earn a sustainable income through Paper Craft
		Exhibition	Providing a platform to help them showcase & market their products
3	Health	Health Outreach	Creating awareness on the importance of health, hygiene, nutrition and societal balance in order to bring about better ways of living
4	Promotion of education	Scholastic Development of Children & Youth	Projects are aimed towards enhancing & promoting Scholastic education of children & youth
5	Ensuring Environment Sustainability	Organic Farming & Waste Management	Projects such as waste management, vermi-composting, organic farming, etc. are carried out to enhance awareness on living in a more environmentally sustainable manner. We have partnered with an NGO, called Know How Foundation (INORA) for these initiatives
		Plastic Free Roha	Educating communities to use more environment friendly products to reduce of plastic, through awareness drives
6	Community Development	Community bonding through festivals and get-togethers	Arrange get together and celebrations of major festivals like Ganesh Chaturthi, Diwali, Navratri etc. for community bonding
		Swachh Bharat Abhyan	Taking up various projects under the Swachh Bharat Abhyan initiative of the Government
		Swachh Vidyalaya	Build toilets for girls in schools near our site locations, under Swachh Vidyalay initiative of the Government

However while selecting Projects due care will be exercised to undertake projects which fall under any one of the activities listed under Schedule VII read with section 135 (4) of the Companies Act, 2014.

While harmonising the objectives and the projects undertaken pursuant thereto due regard shall also be given to their judicial interpretation as laid down by Judicial forums . This shall be one of the guiding factors.

**Composition of CS Committee of the Board**

<b>Chairperson:</b>	Mrs. Rati F. Forbes
<b>Member:</b>	Mr. P R Rathi
<b>Member:</b>	Mr. R B Rathi

**Role & Responsibilities of the CS Committee**

The role of the CS Committee is to institute a transparent monitoring mechanism for implementation of the CS projects or programs or activities undertaken by the company. Some of their responsibilities are as below:

- Formulate and recommend to the Board for approval, a CS policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to Section 135 of the Companies Act, 2013.
- Recommend the amount of eligible expenditure to be incurred on the activities referred in the point above for approval by the Board.
- Monitoring the implementation and impact, as also the policy from time to time complying with the legal requirement.
- The CS Committee shall ensure that the surplus (if any) arising out of CS activities shall not form part of the business profit of the Company.
- Ensure that the activities that have been included in the CS policy are broadly undertaken by the company.
- Reporting to the Board from time to time coinciding with scheduled Board meetings about activities pursued and amount spent.
- Any other activity as may be mandated by the Board

The Board in turn has some responsibilities towards CS as follows:

- After taking into account the recommendations made by the CS committee, the board will arrange to place the policy on the Company’s website where it is visible to everyone.
- To review the activities that have been included in the CS policy are undertaken by the company
- Upon recommendation of the CS Committee to approve spending of such amounts as may be deemed expedient on one or more Projects outlined above.
- To ensure that the company spends, in every financial year, at least 2% of the average net profit of the company made during the 3 immediately preceding financial years, in pursuance of its CS Policy.
- To give reasons If the allocated amount is not spent in the respective financial year
- To carry forward any unspent CS funds to the CS corpus.

## Partnerships

To complete the activities/ projects planned under CS in the best way possible and to achieve the CS goals of Sudarshan, Company may partner with different NGO, Trust, Society or other organisation with an established track record of at least three years.

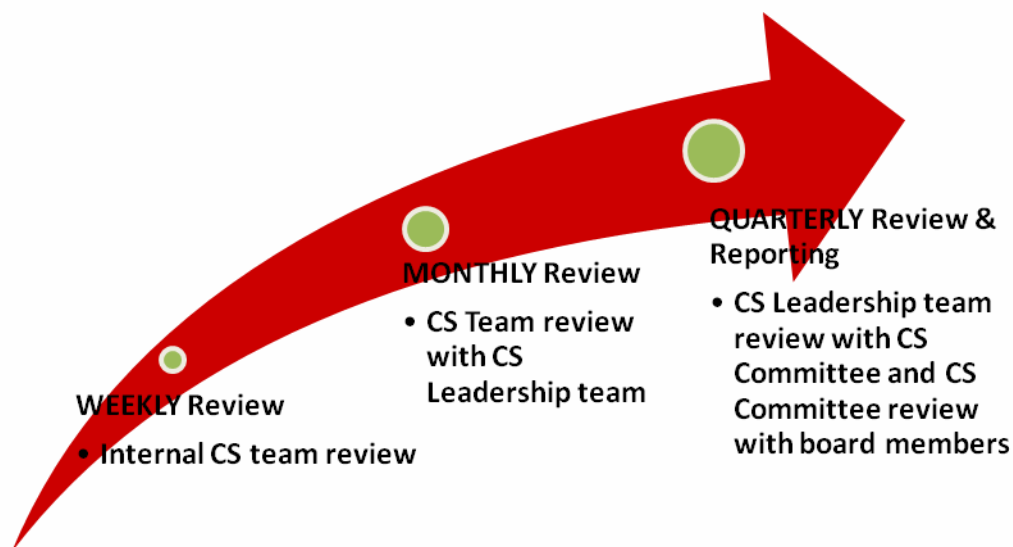
## Monitoring process

The proposed CS activities have been recommended by the CS Committee and accepted by the Board of Directors of the Company. Apart from the above mentioned process, all the projects recommended above would be monitored by the CS Committee from the perspective of achieving time frames and assessing social impact. The management of the company would also ensure accountability for the funds invested in the NGO's project through continuous monitoring of projects undertaken.

The CS committee shall work closely with the in-house CS team and convene periodic meetings to monitor both the process and progress. The CS committee will in turn keep the Board informed.

## Review Mechanism

The review mechanism would be done on weekly, monthly and quarterly basis



## Reporting

The Company's Annual Report would include the annual report on CSR as per the particulars specified under CSR rules.

The report shall include a responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The Annual Report on CSR Activities shall be jointly signed by the Chairperson of the CSR Committee and the Chairman and Managing Director of the Company.

## **Amendments to the Policy**

Any amendment of any provision of this policy must be approved in writing by the Company's Board as per the recommendation of the CS Committee and promptly disclosed on the Company's website and in all applicable laws and regulations , together with details about the nature of amendment.