

AVERY INDIA LIMITED'S
CORPORATE SOCIAL RESPONSIBILITY POLICY
("CSR Policy")

<u>TABLE OF CONTENTS</u>	<u>Page No.</u>
I. Introduction	2
II. Objective and Scope	2
III. Administration	3
IV. Initiatives and Activities	4
V. Budgets and Spends	6
VI. Implementation	7

I. INTRODUCTION

Avery India Limited's CSR Policy is inspired by the global CSR ideology of the ITW Group. ITW Group is committed to be a responsible corporate citizen at all levels of the Group. The endeavours of ITW Group are not limited to any industrial brackets but being a social identity it is also concerned for the welfare of the society, it operates in. It understands its social responsibilities very well and is indeed committed towards the up-liftment of society.

CSR in India

CSR in India has traditionally been seen as a philanthropic activity. However, the new CSR provisions in the Companies Act, 2013 has put a formal structure to the governing of CSR and greater responsibility on companies to set out clear framework and process to ensure strict compliance.

The Corporate Social Responsibility Policy ('CSR Policy') of Avery India Limited ('the Company') has been formulated in accordance with section 135 of the Companies Act 2013 and the rules made there under. The CSR Policy shall apply to all the CSR activities undertaken by the Company

The new Companies Act, 2013 (hereinafter referred to as 'the Act'), has introduced the idea of CSR to the forefront through its "Comply-or-Explain" mandate. It mandates qualifying companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities of the company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 or any amendments thereof, as may be applicable (hereinafter referred to as "CSR Rules") has laid down the framework and modalities of carrying out CSR activities which are specified in Schedule VII of the Act.

Avery India Limited falls within the qualifying criterion thereby required to comply with the CSR provisions.

II. OBJECTIVE AND SCOPE

To work in partnership with communities and relevant stakeholders to facilitate individuals and groups from the underprivileged sections of society to access a better quality of life and making them self-reliant for a better tomorrow.

III. ADMINISTRATION

CSR Committee

- (a) **Constitution** – The CSR Committee as mandated by the Companies Act shall comprise of 3 Directors.

CSR Governance Structure

The Company has in accordance with Section 135 and rules thereunder formulated the CSR Committee with the composition as under:

Sl. No.	Name	Designation/ Category	CSR Committee
1	Mr. Basant Kumar Sandooja	Managing Director	Member
2	Mr. Rohit Gupta	Director	Member
3	Mr. Lance Elliot Read	Additional Director	Member

- (b) **Responsibility** – Following are the responsibility of the CSR Committee: -

- (i) Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval;
- (ii) Recommend CSR activities as stated under Schedule VII of the Act;
- (iii) Recommend to undertake CSR activities itself or in collaboration with its affiliates or its subsidiaries/ other companies/ firms/ NGOs etc. and to separately report the same in accordance with the CSR Rules;
- (iv) Recommend the CSR Budget in consultation with Chief Financial Officer of the Company;
- (v) Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the applicable Act and the CSR Rules;
- (vi) Create transparent monitoring mechanism for implementation of CSR Initiatives in India;
- (vii) Submit the Reports to the Board in respect of the CSR activities undertaken by the Company;
- (viii) Monitor CSR Policy from time to time;
- (ix) Monitor activities of the personnel who are authorized to ensure that the CSR activities of the Company are implemented effectively; and
- (x) Authorize executives of the Company to attend the CSR Committee Meetings.

Board's Responsibility towards CSR:

Following will be Board's responsibility towards CSR:

- (1) Approval of the CSR Policy of the Company as recommended by CSR Committee and disclose 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 and rules thereunder.
 - (2) Ensure that the activities included in CSR Policy are undertaken by the Company.
 - (3) 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, in case expenditure is less than 2%, same needs to be explained by Board in its Director Report. Amount unspent will not be carried forward to the next year.
 - (4) The Board of Directors shall establish a monitoring mechanism to ensure that activities as recommended by CSR Committee and undertaken by the Company are implemented.
- (c) **Frequency of Meetings** – The CSR Committee shall each meet at least once in each financial year to evaluate the actual CSR spends vis-à-vis the CSR Plan for the immediately preceding financial year and to finalise the Annual CSR Plan of the Company and to lay down the framework and modalities of carrying out CSR activities and the implementation thereto.

IV. INITIATIVES AND ACTIVITIES

Avery India's CSR Activities

The CSR activities we pursue will be in line with Vision and Mission of ITW Group, focused not just around our manufacturing plants and offices, but also in other geographies based on the needs of the communities.

In line with the allowed activities under the CSR provisions Avery India would focus on the following areas of CSR activities: -

1. Eradicating hunger, poverty and malnutrition –

- (a) Provision of food, nutrition supplement, clothes etc. for the poor, children and other deprived sections of the society;
- (b) Supporting nutrition in underdeveloped areas and building capacities of workers to this effect;
- (c) Provision of shelter for homeless; and
- (d) Promoting sanitation, making available safe drinking water.

- 2. Promoting Health care including Preventive Health care** through awareness programmes, health check-ups, provision of medicine & treatment facilities, providing pre natal & post natal healthcare facilities, prevention of female feticide through awareness creation, program for preventing diseases and building immunity.
- 3. Ensuring environmental sustainability** and ecological balance through: -
 - (a) Plantation drives in schools, villages, our manufacturing units & offices/ business premises and other areas in general;
 - (b) Reviving endangered plants, promoting agro-forestry;
 - (c) Protection of flora & fauna;
 - (d) Conservation of natural resources;
 - (e) Maintaining quality of soil, air & water;
 - (f) Adoption of wastelands to cultivate plants;
 - (g) Promoting biodiversity;
 - (h) Animal welfare and veterinary services;
 - (i) Technical support and Knowhow for improving farming and building capacities of small farmers;
 - (j) Promoting alternate energy resources.
- 4. Employment and livelihood enhancing vocational skills and projects** including tailoring, beautician, mehndi application, bee keeping, food processing and preservation and other Life Skill Training and livelihood enhancement projects.
- 5. Promotion of education** especially among children, women, elderly and the differently abled including:
 - (a) Non-formal education programmes;
 - (b) Supporting schools with infrastructure like benches, toilets, potable water, fans etc.;
 - (c) Supporting other educational institutions;
 - (d) Improving educational facilities in general; and
 - (e) Supporting children for higher education.
- 6. Promoting gender equality and empowering women** including: -
 - (a) Adult literacy for women;
 - (b) Promoting and providing credit support to women's self-help and joint liability groups;
 - (c) Training in vocations pursued by women;
 - (d) Setting up homes for women & orphans;
 - (e) Setting up old-age homes & other facilities for senior citizens; and
 - (f) Setting up hostels for working and student women, day care centres for kids of working women.

7. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
8. Rural Development Projects.
9. **Other Activities**
 - (a) Promotion of Sports with special focus on training for rural sports, nationally recognised sports, Paralympic sports, Olympic sports;
 - (b) Welfare for differently disabled persons;
 - (c) Setting up public libraries;
 - (d) Reducing inequalities faced by the socially and economically backward groups;
 - (e) Protection of national heritage, art, culture and handicraft; Restoration of Buildings and sites of historical importance & works of art; and
 - (f) Welfare of armed forces personnel, war widows and their dependants.
10. **Incidental Activities** - Employing people and incurring other costs to carry out aforesaid activities.
11. Such other activities as the Board/ Committee may consider appropriate.

BUDGETS AND SPENDS

CSR Funds

The corpus for the purpose of carrying on the aforesaid activities would include the followings:-

1. 2% of the average Net Profit made by the Company during immediately preceding three Financial Years;
2. Any income arising therefrom; and
3. Surplus arising out of CSR activities carried out by the company and such surplus will not be part of business profit of the company.

CSR Expenditure:

Net profit means profit as described under Rule 2(f) of the CSR Rules as may be amended from time to time. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

Limit on Expenditure on CSR capabilities

The Company may build CSR capabilities of their own personnel as well as of their Implementing Agencies and such expenditure shall not exceed 5% of the total CSR spend of the Company as stated in the Rules from time to time. Determination of whether a particular expenses fall within this 5% cap can be decided in consultation of the Chief Financial Officer of the Company based on the clarification available from time to time in this regard.

Failure to spend the CSR Money

In case the Company fails to spend the above targeted amount in that particular financial year, the Committee shall submit a report in writing to the Board of Directors specifying the reasons for not spending the amount which in turn shall be reported by the Board of Directors in their Directors' Report for that particular Financial Year, but same shall not be carried forward to next year for further expenditure as clarified under Act and applicable Rules. Surplus arising out of the CSR initiatives shall not form part of the business profits of the Company.

V. IMPLEMENTATION

The Company's CSR projects will be implemented in a time-bound manner with clear objectives, plan, targets and robust monitoring and evaluation mechanisms.

Budget monitoring

1. The Company will establish an accounting system to ensure project wise accounting of CSR spend Reporting framework. In respect of activities undertaken through outside Trust/ Society/ NGO's etc. there will be separate mechanism of regular reporting of progress on each such activities and the amount incurred thereon.
2. CSR Committee will provide Actual year-to-date spends compared to the budget and reasons for variance.
3. The Company will report CSR performance in its annual report as per the structure and format prescribed in the notified CSR Rules.

Collaboration

The Company will strive to implement the aforesaid CSR activities on its own to the extent possible. However, at the same time, we recognize need to work in partnership with other players also.

This would include:

1. Collaborating with various organisation, which are registered as a Trust or a section 8 company under the Companies Act, 2013 or Society or NGOs or any other form of entity incorporated in India that specialise in the aforesaid activities.
2. Contribution to various funds which are aligned with our Vision and Mission e.g.
 - (a) Prime Minister's National Relief Fund
 - (b) Any other fund set up by the Central Government for :
 - Socio-economic development and relief.
 - For welfare of Scheduled Castes, the Scheduled Tribes, other Backward classes, minorities and women.
3. Collaborating or pooling resources with other companies to undertake aforesaid CSR activities.

The Company may collaborate with its affiliates or its subsidiaries or any other company in India as may be approved by the CSR Committee to implement CSR activities and the same shall form a part of the Annual CSR Plan. The Company may form trusts on its own to carry out CSR activities in accordance with the CSR Rules and to administer its CSR activities. The Company may also collaborate its CSR activities with other ITW affiliates or its subsidiaries or any other company as may be eligible and approved by the CSR Committee vis-à-vis the Board of Directors and towards this effort, the Company may jointly along with other ITW affiliates or its subsidiaries or any other company form Trusts to administer the CSR activities.

Disqualifying Activities for CSR Policy

Following type of expenditure does not qualify as CSR expenditure:

1. The CSR projects or activities that benefit only the employees of the Company and their families;
2. Projects outside India;
3. Any amount whether directly or indirectly contributed towards any political party.
4. Any expenditure on activities other than those falling outside the purview of Schedule VII.

Publication of the CSR Policy

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website, if any.

Policy Review & Future Amendment

The Committee may review this CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board.