

ARDEX ENDURA (INDIA) PRIVATE LIMITED

CIN: U24233KA1997PTC022383

Unit No.406 & 407, "Brigade Rubix" No.20, HMT Campus, Yeshwanthapur Hobli,
Bangalore, Karnataka – 560013

ARDEX ENDURA (INDIA) PRIVATE LIMITED (AEIPL) is a Private Limited Company registered under the Companies Act, 1956 having registered office in Bangalore, India. The Company is a Joint Venture between ARDEX Group, Germany and Prism Johnson Limited, India. The joint venture partners hold 50% each of the Company's share capital. The Company is managed by a professional Board of Directors supported by a team of professionally qualified and experienced personnel. The company's Corporate Vision is as below:

“Our vision is to be one of the world's leading solution providers of high performance specialty building materials”

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. Preamble

Ardex Endura (India) Private Limited (hereinafter referred to as “the company”), sees itself as a part of the society in which it operates and believes in holistic development for the common good. The Company is committed to the cause of social service and has repeatedly channelized a part of its resources and activities such that it positively affects the society.

The Company seeks to formulate a robust CSR policy which encompasses its philosophy and guides its sustained efforts for undertaking useful programs for the welfare and sustainable development of the society.

As a responsible corporate citizen, we try to contribute for social and environmental cause on a regular basis. We believe that an organization must maintain highest standards of corporate behavior towards its employees, consumers and societies in which it operates to succeed. We are of the opinion that CSR underlines the objective of bringing about a difference and adding value in our stakeholders' lives.

Our Corporate Social Responsibility Policy is rooted in the Company's core values of quality, reliability and trust guided by international standards and best practices, and driven by our aspiration for excellence in the overall performance of our business.

2. Background

The Corporate Social Responsibility (hereinafter referred to as 'CSR') Policy is framed in terms of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as 'the CSR Rules'), as amended from time to time.

This policy delineates the Company's responsibility as a corporate citizen and lays down the guidelines and mechanism for carrying out socially useful activities, projects and programs for welfare and development of society at large, preferably in the local area and in its areas of operation.

In its commitment to CSR initiatives, the Company has been making available medical and education assistance to economically disadvantaged and socially weaker sections of the society. The Company also carries out a variety of social initiatives in the areas of education, hunger, healthcare and environment.

The Company also focuses on healthcare and general health camps are regularly conducted for construction workers and their families, and disadvantaged communities around its operational sites. Similarly, at certain locations close to the Company's operations, school kits distributions are carried out for the Children of local residents. Apart from these awareness programs on health, awareness programs on safety and hygiene are also carried out from time-to-time for laborers.

3. CSR Vision Statement and Objective

- 3.1 Corporate Social Responsibility is the continuing commitment of the Company to behave ethically and contribute to economic development while improving the quality of life of the local communities living around the plants and offices and society at large. Each and every manufacturing plant implements CSR initiatives with special focus on water, health and sanitation, energy conservation, pollution-free atmosphere, rural development and clean technologies.

CSR Vision:

- a. Develop meaningful and effective strategies for engaging with all stakeholders;
- b. Consult with local communities to identify effective and culturally appropriate development goals;
- c. Partner with credible organizations like trusts, foundations etc. including non-government organizations as approved;
- d. Check and prevent pollution; recycle, manage and reduce waste, manage natural resources in a sustainable manner; and
- e. Ensure efficient use of energy and environment friendly technologies.

- 3.2 CSR Projects, Programs and Activities:

- a. Promoting Education / Supporting the Schools in the surrounding Villages;
- b. Promoting health care and sanitation;
- c. Eradicating hunger, malnutrition and illiteracy;
- d. Promoting gender equality and women empowerment;
- e. Rural Development Projects; and
- f. Promoting Rural Art and Culture.
- g. Contribution to funds specified in Schedule VII
- h. Slum area Development
- i. Disaster Management
- j. Activities in line with Schedule VII to the companies Act, 2013.

- 3.3 The objective of this policy is to:

- a. Promote a unified and strategic approach to CSR to incorporate the Company's philanthropic giving on the one hand and business which creates shared value on the other hand, thus enabling maximum impact of the CSR initiatives.
- b. Ensure an increased commitment at all levels in the organization, to operate in an economically, socially and environmentally responsible manner while recognizing the interests of all its stakeholders.
- c. Focus on incorporating 'shared value' into the core of the business which will result in creating value for the society.
- d. Encourage employees to participate actively in the Company's CSR.

4. Policy Statement

4.1. Core Ideology

For the Company, responsible business practices include being responsible for its business processes, products and engaging in responsibly with and its stakeholders and community at large. Hence for the Company, Corporate Social Responsibility goes beyond just adhering to statutory and legal compliances but involves creating social and environmental values. A number of initiatives to maintain a strong CSR position for the future, includes inter alia:

- Maintaining its facilities and equipment in a safe, clean and responsible manner.
- Supporting the communities in the vicinity in the area of operation of the Company.
- Developing sustainable technologies and products.

4.2. Definitions

- (a) 'Act' means the Companies Act, 2013.
- (b) 'Board' means Board of Directors of the Company.
- (c) 'Corporate Social Responsibility (CSR)' means and includes but is not limited to:
 - a. Projects or programs relating to activities [areas or subjects] specified in Schedule VII to the Act as may be amended from time to time; or
 - b. Projects or programs relating to activities undertaken by the Board of Directors of the Company in pursuance of recommendations of the CSR Committee of the Board as per the CSR Policy of the company.
- (d) 'CSR Committee' means the Corporate Social Responsibility Committee of the Board.
- (e) 'CSR Policy' means this Policy adopted by the Board and relates to the activities to be undertaken by the Company in areas or subjects specified herein and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of the Company.
- (f) 'Net profit' means the net profit of the Company as per the financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:
 - a. any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
 - b. any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.
- (g) 'Ongoing Project' means a multi-year project undertaken by the 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.

4.3. Total Outlay

As mandated by the Companies Act 2013, the Company shall spend 2% of the average net profits made during the three preceding financial years specifically towards CSR initiatives.

The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

In case the Company spends an amount in excess of the requirements provided under the Act, the Company may set off such excess amount against the requirement to spend for such number of succeeding financial years and in such manner, as may be prescribed under the Act.

In case the Company is unable to spend such amount, the Board shall, in its report specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year.

Until a fund is specified in Schedule VII to the Act for the aforesaid purposes, the unspent CSR amount, if any, shall be transferred by the Company to any fund included in Schedule VII to the Act.

Any amount remaining unspent as stated above, pursuant to any ongoing project, fulfilling such conditions as may be prescribed under the Act, undertaken by the Company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII of the Act, within a period of thirty days from the date of completion of the third financial year.

4.4. CSR Expenditure

- (a) The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- (b) Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of the CSR Policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year.
- (c) Where the Company spends an amount in excess of requirement provided under Clause 4.3 above, such excess amount may be set-off against the requirement to spend up to immediate succeeding three financial years' subject to the conditions that:
 - a. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of 4.4(b) above; and
 - b. the Board shall pass a resolution to that effect.
- (d) The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by:
 - a. a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
 - b. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - c. a public authority;

Provided that any capital asset created by the Company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the above, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

4.5. Allocation of Resources & Thrust Areas

The CSR Committee of the Board of the Company will manage 2% of the average net profits made during the three immediately preceding financial years to undertake CSR initiatives and includes but is not limited to:

- (a) Projects or programs relating to activities [areas or subjects] specified in Schedule VII to the Act as may be amended from time to time; or
- (b) Projects or programs relating to activities undertaken by the Board in pursuance of recommendations of the CSR Committee of the Board as per the CSR Policy of the Company.

The Company shall give preference to the local area and area around it where it operates for spending the amounts earmarked for CSR activities.

The surplus arising out of the CSR activities will not be considered as a part of the business profits of the Company.

4.6. CSR Committee

The CSR Committee of the Board as constituted by the Board shall consist of at least two directors including the Managing Director.

The CSR Committee shall:

- (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII to the Act;
- (b) recommend the amount of expenditure to be incurred on the activities referred to in (a); and
- (c) monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Board will ensure that the activities included in the CSR Policy are undertaken by the Company and ensure that the Company spends, in every financial year at least two percent of the average net profits of the Company made during three immediately preceding financial years. In case the Company fails to spend such amount, the Board's report shall specify the reasons for not spending the amount and the Company shall take requisite actions as stated 4.3 above.

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of the CSR policy, which shall include the following, namely: -

- (a) the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII to the Act;
- (b) the manner of execution of such projects or programs;
- (c) the modalities of utilization of funds and implementation schedules for the projects or programs;
- (d) monitoring and reporting mechanism for the projects or programs; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the Company

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

While CSR programs may be identified by the CSR Committee, the CSR Committee will also evaluate projects submitted directly by reputed not-for profit- organizations having an established track record of at least three years' in carrying on the specific activity. To ensure that there is focus and maximum impact, the CSR Committee will endeavor to work on fewer projects over a longer period of time so as to ensure that the outcomes of the projects can be measured.

The CSR Committee shall meet periodically to review the progress of varied CSR projects in terms of both outcome assessment and financial monitoring. The CSR Committee will review the strategy from time to time and may choose new focus areas and projects as and when required.

4.7. Executing Agency/Partners

The Board shall ensure that the CSR activities are undertaken by the Company itself or through any of the following:

- 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, either singly or along with any other company;
- b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government;
- c) any entity established under an Act of Parliament or a State legislature;
- d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

The Company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programs as per its CSR policy as well as for capacity building of their own personnel for CSR.

The Company shall ensure that every entity who intends to undertake any CSR activity, shall register/shall have registered itself with the Central Government. The Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect. In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

The CSR activities may also be undertaken in collaboration with other companies where such collaborating companies are in a position to report separately as per the reporting requirements under the Act and Rules thereunder.

4.8. CSR Reporting

- (i) The Board's Report of the Company pertaining to any financial year shall include an Annual Report on CSR containing applicable particulars specified in the Act.
- (ii)
 - a. If the Company has average CSR obligation of ten crore rupees or more in the three immediately preceding financial years, then the Company shall undertake impact assessment, through an independent agency, of the CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
 - b. The impact assessment reports shall be placed before the Board and shall be annexed to the Annual Report on CSR.
 - c. The Company may book the expenditure towards undertaking impact assessment under the head Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

5. Display of CSR activities on its website

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

6. Update

The CSR Committee of Board will review the Policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications/revisions as may be necessary.

7. Effective Date

The revised CSR Policy has been adopted by the Board and shall be effective from March 31, 2021.

MANAGING DIRECTOR