



CORPORATE SOCIAL RESPONSIBILITY POLICY

OBJECTIVE

The main objective of the CSR policy is to lay down guidelines for Covestro (India) Private Limited (“Covestro” or “Company”) to improve people’s lives, move society forward and committed to the concept of C3 which stands for Curious, Courageous and Colorful.

CSR PROGRAM SCOPE

The following is the list of CSR projects or programs which Covestro plans to undertake pursuant to Schedule VII of the Companies Act, 2013:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- iii. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- iv. 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 ⁴[including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].
- v. 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;
- vi. measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports



- viii. contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix. contribution or funds provided to technology incubators located within academic institutions which are approved by the central govt.
- x. rural development projects
- xi. slum area development.
Explanation.- For the purposes of this item, 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.

CSR COMMITTEE

Composition of CSR Committee

Pursuant to the provisions of Section 135 of the Companies Act, 2013 the Board of Directors shall constitute the CSR Committee. The Members of the CSR committee shall be appointed by the Board of Directors of the Company.

The CSR committee is constituted consisting of:

Mr. Ajay Durrani – Chairman

Mr. Avinash Bagdi – Member

Ms. Puneet Kapur - Member and Secretary of the Committee

DUTIES AND RESPONSIBILITIES

Following are the Powers of the Committee:

- i. Formulate CSR Policy & recommend the same to the Board of Directors of the Company for approval.
- ii. Disclose the contents of such policy on the website in the manner prescribed under the Companies Act, 2013.
- iii. Recommend CSR activities to the Board as stated under Schedule VII of the Companies Act, 2013.
- iv. Recommend the CSR budget.
- v. Review the various proposals and identify the eligible entities/agencies for allocation of CSR amount.
- vi. 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 Act and the CSR Rules.



- vii. Monitor and review periodically the CSR activities and submit the reports to the Board in respect of the CSR activities undertaken by the Company.
- viii. Monitor the CSR Policy from time to time.
- ix. Is authorized to approve any modification to the CSR Plan or to propose any new program during the financial year.

Frequency of the Meetings of the CSR Committee

- i. The CSR committee shall meet atleast four times in a financial year.
- ii. Quorum of the meeting should be 2.
- iii. Notice and the agenda of meeting may be given in advance to the members by any communication means.

Minutes of the CSR Committee shall be placed before the Board for noting.

CSR BUDGET / CSR SPEND

Budget

The CSR Budget would be at least as described under Rule 2(f) of the CSR Rules, 2014 and subsequent amendments affected from time to time.

Spend

The amount should be spent for CSR activities in India and in accordance with the Provisions of Section 135 of Companies Act, 2013.

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.

Surplus arising out of the CSR initiatives shall not form part of the business profits of the Company.

CSR INITIATIVES

In line with Schedule VII of the Companies Act, 2013 and the CSR Rules, 2014, the Company shall undertake CSR activities included in its annual CSR Plan, as recommended by the CSR Committee.

The CSR Committee is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year.