



## CORPORATE SOCIAL RESPONSIBILITY POLICY

### 1. SRF – A Brief Profile

SRF with a turnover of \$700 million (Rs. 4000 crore) is a multi-business entity engaged in the manufacture of chemical based industrial intermediates. Its business portfolio covers Technical Textiles, Fluorochemicals, Speciality Chemicals, Packaging Films and Engineering Plastics. As a manufacturer of wide range of products that make people's daily lives safer and more comfortable, SRF claims to touch everyone's life every day in more ways than one.

### 2. CSR Background

At SRF, we are committed to upholding highest level of commitment towards Inclusive Growth. Corporate Social Responsibility is an integral part of our rich heritage and management. All our plants have been certified with ISO 14001 for Environment Management. Our Bhiwadi plant has obtained SA 8000 for Social Accountability. We, at SRF believe that long term sustainability can be achieved by meeting legitimate concerns of all stakeholders. As a responsible citizen of earth and society, the company is constantly engaged through its 'Businesses' and social arm 'SRF Foundation' 'SRF Charitable Trust' in delivering value to stakeholders with utmost sincerity and dedication.

The Policy shall be referred as "SRF Corporate Social Responsibility Policy" or "SRF CSR Policy" which is framed in accordance with the provisions of Section 135 of Companies Act, 2013 ("The Act") read with Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules") by the Board of Directors of SRF on the recommendations of Corporate Social Responsibility Committee constituted by the Board in accordance with the provisions of the aforesaid provisions of Companies Act, 2013. The terms not referred to herein and not defined anywhere in this Policy shall have the meaning ascribed thereto in the Companies Act, 2013 read with CSR Rules, as amended from time to time.

The Policy outlined the Company's philosophy and responsibility and lays down the Activities, Guidelines and Mechanism for undertaking socially useful programmes towards Welfare & Sustainable Development of the community around the area of operations of the Company and other parts of the country.

### 3. Approach

The Company would follow "Collaborative Model" for empowering communities and believes that for sustainable social intervention, participation of communities Government must be ensured in the Company's CSR projects/programmes. SRF – Limited's role is to function as a catalyst and facilitate the process.

The Company would work through its CSR arm SRF Foundation or any other entity set up in accordance with requirement of the Companies Act 2013 in close collaboration with communities, like minded agencies and govt. for its education, vocational skills, women empowerment and preventive health programmes.

#### **4. Schedule VII – Suggestive Areas of CSR Intervention**

The company shall follow the intervention areas prescribed in the Schedule VII of The Act, namely,

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and 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.
- (v) Protection on natural heritage, art and culture including restoration of buildings and sites of historical importance and works of arts; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognized 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 Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) Rural development projects;
- (xi) Slum Area Development;
- (xii) Swachh Bharat Kosh and Clean Ganga Fund;

#### **5. CSR Activities Planned for Implementation**

From the intervention areas prescribed in the Schedule VII of "The Act", SRF Limited has chosen to focus its energy by initiating its CSR Projects and Programmes in the following areas:

The company shall undertake and execute the following CSR Activities ("CSR Projects/Programmes") in and around plant locations:

- Promoting and enhancing education process and facilities;

**(As Per Item (ii) of Schedule VII of the Act)**

- Imparting employment enhancing vocational skills;

**(As Per Item (ii) of Schedule VII of the Act)**

- Promoting Gender Equality and Empowering Women;

**(As Per Item (iii) of Schedule VII of the Act)**

- Promoting Preventive Healthcare through;

**(As Per Item (i) of Schedule VII of the Act)**

- Ensuring Environment Sustainability;

**(As Per Item (iv) of Schedule VII of the Act)**

- Promoting Rural Sports;

**(As Per Item (vii) of Schedule VII of the Act)**

## **6. Budget**

In the beginning of every financial year, budget for expenditure to be incurred on the CSR Activities for the Financial Year will be recommended by Corporate Social Responsibility Committee (“CSR Committee”) for approval by the Board of Directors of SRF.

However, the amount to be spent on CSR Activities during a year shall be at least 2% of the average net profits of the Company for immediately preceding three financial years (“**CSR Expenditure**”).

In the event the CSR Expenditure could not be achieved, the reasons for the same would be specified in the Board’s Report for that year.

## **7. CSR Expenditure**

CSR Expenditure shall include all expenditure including contribution to corpus or on projects/programmes relating to CSR Activities approved by the Board on recommendations of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within purview of Schedule VII of the Act.

The Company may build CSR capabilities of their own personnel as well as of its CSR Bodies or any other implementing agency but expenditure during a Financial Year shall not exceed five percent of total CSR Expenditure of the Company for that Financial Year.

Any Surplus arising out of CSR Activities will not form part of business profit of the Company, but the same will be spent on CSR Activities.

If in any financial year, the Company fails to spend at least two percent of average net profit of three immediately preceding years will be carried forward to next financial year's CSR Expenditure or corpus will be created.

## 8. Mode of Implementation

The CSR projects/programmes will be executed through its CSR arm SRF Foundation or any other entity set up in accordance with requirement of the Companies Act 2013.

Alternatively, CSR Committee may decide to set up a new entity as envisaged in the CSR Rules to undertake CSR activities on behalf of the Company and/or its holding or subsidiary company or any other company in accordance with the Act and CSR Rules.

The company will identify location wise projects and provide funds to SRF on requirement basis. The funds will be utilized by SRF for such projects. SRF will maintain a separate account for each project at each location and ensure to provide the details of expenditure/reports for each project, in a manner as maybe desired by the Board of Directors/CSR Committee, from time to time.

The allocated CSR Budget/corpus will be utilized for CSR Activities to be undertaken within India:

- (i) Which shall not exclusively be for the benefit of employees of the Company or their family members.
- (ii) Which are not in pursuance of normal course of Business of the Company.

The Board of Directors ("The Board") or the CSR Committee may delegate necessary powers for the execution and implementation of CSR Policy. The delegation shall also include powers for meeting the requirements arising out of immediate and urgent situations.

## 9. Project Locations

The CSR Activities will be carried out around the areas of the Company's manufacturing locations, offices viz. Bhiwadi (Rajasthan), Dahej (Gujarat), Pantnagar and Kashipur (Uttarakhand), Gwalior and Indore (Madhya Pradesh), Gummidipoondi, Manali and Viralimalai (Tamil Nadu) and Mewat (Haryana).

However, the CSR Committee may identify other areas for CSR Activities, from time to time.

## 10. Monitoring

The CSR Committee will monitor all CSR Projects/programmes. Broadly, the following procedure will be adopted by the CSR Committee:

- Specific projects with locations, budgets and time schedules shall be recommended by the CSR Committee in the beginning of every financial year to the Board for its approval.

- Funds towards particular projects/programmes will be released on requirement basis.
- The CSR committee would meet on half yearly basis to take stock of project wise status of project completion and fund utilization and to compare with budgeted funds and timelines. The minutes of the meeting of the CSR Committee will be placed before the Board.

## 11. Board's Responsibility

- CSR Activities as per clause 5 of this Policy are required to be undertaken by the Company;
- The Company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, pursuant to this policy.
- The reason for not spending the above amount are explained in the Board's Report, if the Company fails to spend such amount and will be either create a Corpus recognized as per the CSR Rules and/or will be carried forward and added to the amount for next financial year..

## 12. Review/Amendment

The Board may amend, abrogate, modify or revise any or all clauses of this Policy, on recommendation of the CSR Committee and in accordance with the Act.

## 13. Disclosure/Reporting

The CSR Policy will be displayed on the Company's website [www.srf.com](http://www.srf.com)

Board Report of the Company shall disclose the contents of CSR Policy.

As annual report on CSR containing the particulars as prescribed under the CSR Rules shall form part of the Board's report of the Company for the financial years commencing on or after 1<sup>st</sup> April, 2014.

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**The CSR Policy was : -**

- **Approved by the Board on August 4, 2014;**
- **noted by CSR Committee on October 28, 2014;**
- **amended and recommended by CSR Committee on February 10, 2015;**
- **approved by the Board on May 11, 2015 (amendments recommended by CSR Committee);**