

CSR POLICY AS PER SECTION 135 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

Introduction:

CHEMETALL INDIA PRIVATE LIMITED (herein after called "Chemetall India") is a company founded on tradition, value and experience dating back to the 19th century when it was part of Metallgesellschaft (mg) a German-based organization. Chemetall, a separate company since 1982 and now owned by BASF, is a leading global player in Surface Treatment with headquarters in Frankfurt am Main, Germany. Chemetall Business Unit has over 2,500 employees, 40 subsidiaries and 21 production sites. The company has strengthened its quality and innovation leadership by offering value added products combined with top quality processes, on-time deliveries and excellent technical service. This continues to be its commitment. With sales offices, production facilities, service teams, laboratories and warehouses at locations all around the world, Chemetall operates in close and open collaboration with its customers.

Our CSR Philosophy :-

Recognizing that business enterprises are economic organs of the society and draw on societal resources, it is Chemetall India's core belief that a company's performance must not only be measured by its Market Cap and Revenues, but also by its contribution to building economic, social and environmental capital towards enhancing societal sustainability. Chemetall India believes that in the strategic context of business, enterprises possess, beyond mere financial resources, the transformational capacity to create game changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity. Chemetall India will always try to undertake such Corporate Social Responsibility (CSR) projects, which shall be far more replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and environmental replenishment.

Our CSR Vision

Through sustainable measures, actively contribute to the Social, Economic and Environmental Development of the community in which we operate ensuring participation from the community and thereby create value for the nation.

Our CSR Mission

1. Ensuring socio-economic development of the community through different participatory and need- based initiatives in the best interest of the poor and deprived sections of the society so as to help them to become **SELF-RELIANT** and build a better tomorrow for themselves.
2. Ensuring environmental sustainability through ecological conservation and regeneration, protection & promoting biodiversity.

Our Activities

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

The **focus areas** where special Community Development programs would be run are:

1. **Ensuring environmental sustainability and ecological balance–**
 - a) Plantation drives in schools, villages, our manufacturing units & offices/business premises and other areas in general;
 - b) Promoting alternate energy resources;
 - c) Promoting Energy efficient manufacturing processes
 - d) Promoting use of Renewable Sources of Energy for Manufacturing process;
 - e) conservation of natural resources
 - f) Maintaining quality of soil, air & water.
 - g) Adoption of wastelands to cultivate plants;
 - h) Promoting biodiversity;
 - i) Animal welfare and veterinary services.
 - j) Technical support and Knowhow for improving farming and building capacities of small farmers.
 - k) Promoting agro-forestry.
2. **Promotion of education especially among children, women, elderly and the differently abled including:**
 - a) Non-formal education programs.
 - b) Supporting schools with infrastructure like benches, toilets, potable water, fans etc.
 - c) Supporting other educational institutions.
 - d) Improving educational facilities in general.
 - e) Supporting children for higher education.
3. **Rural Development Projects.**
4. **Health care support to needy (including Employees, family members and relatives of Employees of the Company and Associated Companies), suffering from Terminal Diseases and illnesses with long recovery periods**
5. **Other Activities**
 - a) Welfare for differently disabled persons
 - b) Setting up public libraries
 - c) Reducing inequalities faced by the socially and economically backward groups
6. Such other activities as the Board may consider to be appropriate.

Our approach to implementation

The management of Chemetall India believes that the CSR activities must be undertaken by experts in the particular field, as such, the CSR spending is done by means of donations to various charitable institutions and other similar organizations, in the following manner:

1. Collaborating with various organizations, which are registered as a Trust or a section 8 company under the Act or Society or NGOs or any other form of entity incorporated in India that specialize 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 the 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.

CSR Funds:

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

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

Monitoring

The CSR Committee of the Board will oversee these operations & will regularly report to the Board. This report would indicate:

1. Achievement since last progress report / during the last quarter in terms of coverage compared to the target and reasons for variance.
2. Achievement of the year-to-date in terms of coverage compared to the target, plans to overcome shortfalls if any and support required from the CSR Committee/Board to overcome the shortfalls.
3. Actual year-to-date spends compared to the budget and reasons for variance.
4. In respect of activities undertaken through outside Trust/Society/NGO's etc. there will be mechanism of monthly reporting of progress on each such activities and the amount incurred thereon.

The Board shall seek a short progress report from the CSR Committee on a quarterly basis.