



SAFFRON SPECIALITY PAPERS LIMITED **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

In accordance with the provisions of Section 135 of Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee of SAFFRON SPECIALITY PAPERS LIMITED (“the Company”) was constituted by the Board of Directors of the Company at their meeting held on September 18, 2024 as amended from time to time.

Purpose

This policy sets out the Company's commitment & approach towards Corporate Social Responsibility based on our legacy of 'Giving Back to Society'. The Company is committed to improving the quality of life of the communities we serve through the CSR theme of 'Building Sustainable Livelihoods'. The Company endeavors to facilitate livelihood opportunities & socio- cultural development in areas of its operations.

The Company intends to be a significant contributor to CSR initiatives by devising and implementing social improvement projects for the benefit of underprivileged communities, towns and villages.

Focus Areas

In accordance with the requirements of the Companies Act, 2013 (“the Act”), the Company's CSR programs shall mainly focus on the following areas:

- Vocational skill development programs
- Partnerships to preserve & promote indigenous heritage, culture, arts and handicrafts
- Disaster relief and rehabilitation programs
- Income-generation and livelihood enhancement programs

However, the Company may choose to undertake additional CSR Activities falling within the purview of Schedule VII of the Act, as may be amended from time to time, based on the recommendations of the CSR Committee and as may be approved by the Board of Directors.

Responsibility of the Board of Directors

The Board shall be responsible for —

Approving the CSR policy of the Company as may be recommended by the CSR Committee, subject to necessary changes/modifications as the Board may deem fit.

- Ensuring that in each financial year the Company spends such amounts for CSR activities as may be stipulated in the Act, as amended from time to time. (presently 2% of the average net profits of the Company made during the three immediately preceding financial years)
- Ensuring that the activities as are included in the CSR Policy are undertaken by the Company itself or through the entities recognized for CSR implementation under the Companies (Corporate Social Responsibility Policy) Rules ("CSR Rules") as amended from time to time.
- Satisfying itself that the funds so disbursed have been utilized for the purposes and in the manner intended.
- Monitoring the implementation of the ongoing projects with reference to the approved timelines and year-wise allocation and making modifications, if any, for smooth implementation of the projects within the overall permissible time period.
- Approving an Annual Action Plan as may be recommended by the CSR Committee, subject to necessary changes/modifications as the Board may deem fit, based on the reasonable justification to that effect.
- Ensuring that the administrative overheads do not exceed five percent of total CSR expenditure of the Company for the financial year
- Approving, by means of a resolution, the carry forward of excess amounts spent towards CSR during a particular financial year against the CSR obligations of the Company for upto three immediately succeeding financial years
- Reviewing the Impact Assessment Reports to be annexed to the Company's annual report on CSR activities
- Displaying the composition of the CSR Committee, CSR Policy and CSR Projects approved by it on the Company's website

CSR Committee

- The CSR Committee shall comprise three or more directors of which, at least one will be an independent director.
- The CSR Committee of the Company shall be responsible for:
 - Formulating and recommending to the Board the CSR Policy which shall indicate activities to be undertaken in line with Section 135 read with Schedule VII of the Act and the CSR Rules, as amended from time to time.
 - Recommending to the Board the CSR expenditure to be incurred.
 - Monitor the implementation of the CSR Policy from time to time
 - Formulating and recommending to the Board, an Annual Action Plan in pursuance of its CSR Policy.

CSR Budget

The amounts to be spent by the Company shall be as stipulated under the Act, as amended from time to time (presently 2% of the average net profits of the Company for the preceding three financial years) and as approved by the Board. Any surplus arising out of the CSR projects or programs or activities shall not form part of business profits of the Company.

Annual Action Plan

An Annual Action plan would be formulated basis the available CSR budgets and shall include the list of CSR projects or programs which company plans to undertake during the financial year, further specifying modalities of execution of such project or programs, their implementation schedules, monitoring and reporting mechanism for such projects and need of impact assessment, if any for the said projects.

Impact Assessment

The Company shall undertake Impact Assessment through an independent agency, of its CSR projects, as and when applicable, in pursuance of sub-rule (3) of rule 8 of the CSR Rules, as amended from time to time

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR

Guiding Principles for selection, implementation and monitoring of CSR activities

The activities that the Company may undertake shall be (inter alia):

1. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
2. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;
5. 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 arts and handicrafts;
6. measures for the benefit of armed forces veterans, war widows and their dependents;
7. training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
8. 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;
9. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. rural development projects.

Target Communities

The Company's target communities shall include rural, less-privileged, school dropout, differently abled, marginalized youth and women; indigenous artisans, disaster victims and other such groups associated with our focus areas.

Implementation & Monitoring Structure

CSR Programs of the Company shall be undertaken as follows:

- HR department helps initiate projects and provides support & monitoring.
- CSR committee at Board level provides broad direction for CSR planning and conducts biennial reviews to ensure desired impact.

Project Monitoring:

- The Project Monitoring team will ensure that the CSR Policy is implemented as per the Act and the Rules ensuring that all projects as budgeted are duly carried out. All CSR spends will be closely monitored and audited in an accountable and transparent manner
- Project monitoring shall include periodic field visits, comprehensive documentation, and if required interaction with beneficiary communities.
- The CSR Committee shall periodically review the CSR project reports and the same shall be annually presented to the Board.

Interpretation

In any circumstances, where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the CSR provisions applicable to the Company, the law, rule, regulation or standard will take precedence over this policy until such time as this policy is changed to conform to the law, rule, regulation or standard.

Amendment of Policy

The CSR Policy of the company may be amended at any time by the board of the company on the Recommendation of the CSR committee.

Note: - The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.