

POLICYREFERENCE	CORPORATE SOCIALRESPONSIBILITY POLICY
POLICYOWNER	CS R DEPT.

VERSION NUMBER	DATE OF INTRODUCTION	RECOMMENDED BY	DESCRIPTION
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1	21.07.2014	Recommended by CSR Committee	CorporateSocial Responsibility Policy
2	22.07.2014	Approved By Board	CSR Policy
3	17.10.2014	Amendment approved by Board	Revised Corporate Social Responsibility Policy
4	02.05.2018	Amendment to CSR Policy recommended by CSR Committee	
5	02.08.2018	Amendment recommended by CSR Committee approved by Board	Revised Corporate Social Responsibility Policy

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INTERNATIONALPAPERAPPM LIMITED

(Formerly known as The Andhra Pradesh Paper Mills Limited) (Corporate Identity Number: L21010AP1964PLC001008)

Registered Office & Works: Rajahmundry – 533105, East Godavari Dist., Andhra Pradesh, India

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An ISO 9001, ISO 14001 and OHSAS 18001 Certified Company

CSR POLICY

1. List of CSR Projects:

1.1 The Companies Act, 2013 requires that CSR Policy of the Company shall include the following CSR Projects as specified in Schedule VII:

- a) Eradicate hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe-drinking water.
- b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c) 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;
- d) 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;
- e) 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;
- f) Measures for the benefit of armed forces veterans, war widows and their dependents;
- g) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- h) 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;
- i) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- j) Rural development projects.

k) Slum area development

Explanation: For the purposes of this item, the term “slum area” shall mean any areas declared as such by the Central Government or any State Government or any other competent authority under any other law for the time being in force.

- 1.1.a. The Company shall undertake the CSR activities in areas or subjects as specified in Schedule VII of Companies Act, 2013 as amended from time to time.
- 1.2. CSR activities should be undertaken in project/ programme mode. One off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc. would not be qualified as part of CSR expenditure.
- 1.3 Only such activities will be taken into consideration as are undertaken within India.
- 1.4 The CSR Committee shall ensure that CSR activities do not include the activities undertaken in pursuance of normal course of business of the Company. Only activities which are not exclusively for the benefit of the employees of the Company or their family members shall be considered as CSR activities. Similarly expenses incurred for the fulfillment of any Act/Statute of Regulations (such as Labour Laws, Land Acquisition Act etc.) would not count as CSR expenditure.
- 1.5 Salaries paid to regular CSR Staff as well as to volunteers of the Company (in proportion to Company's time/hours spent specifically on CSR activities) can be factored into CSR project cost as part of CSR expenditure.
- 1.6 The Corpus would include (a) 2% of average net profits of the Company made during the three immediately preceding financial years (b) any income arising therefrom and (c) surplus arising out of CSR activities
- 1.7 The Committee shall also ensure that the surplus arising out of CSR projects/programmes/activities shall not form part of business profit of International Paper APPM Ltd.
- 1.8 The CSR expenditure does not include any expenditure on an item not in conformity or not in line with the activities which fall within the purview of Schedule VII of Companies Act, 2013 given above.
- 1.9 Any contribution to the corpus of a Trust/Society/Section 8 Companies etc. will qualify as CSR expenditure as long as the Trust/society/section 8 companies are created exclusively for undertaking CSR activities or where the corpus is created exclusively for a purpose directly relatable to a subject covered in 1.1.

2. Resources Funding Allocation:

2.1 For achieving its CSR objects through implementation of meaningful and substantial CSR programmes, the Company will allocate in every financial year 2% of the average net profits of the Company made during the 3 immediately preceding financial years.

2.2 The Company shall give preference to the local area or areas around it where it operates for spending the amount ear-marked for CSR activities.

2.3 From the annual CSR budget allocation, a provision will be made towards the following expenditure on an yearly basis:

a) Education:

2.3.1 40% of the annual CSR Budget will be ear-marked each financial year for – Project New Horizons, infrastructure support to Government Schools, IP Scholarships, teacher’s training etc.

b) Health & Wellness

2.3.2. 50% of annual CSR budget will be ear-marked for activities relating to Health & Wellness – supply of drinking water through tankers, installation of safe drinking water plants, setting up of cool water kiosks, providing facilities in Government Hospitals etc.

c) Community Engagement:

2.3.3. 10% of the annual CSR budget will be spent on Civic Amenities as per the requests received from community and volunteering activities.

2.3.4. Any unspent/unutilized amount of CSR allocation of the particular year will be carried forward to the following year **(Deleted as approved by the Board at the Meeting held on August 2, 2018)**

2.3.5. If the Company/IP India Foundation fails to spend amount allocated for CSR activities every year, the Board of Directors of the Company shall specify the reasons for not spending the amount in the Board's Report.

2.3.6. CSR programmes/projects will be undertaken by IP India Foundation and they shall submit a progress report for each quarter to the CSR Committee.

3. Powers for approval:

3.1 All the CSR Programmes/Projects identified by IP India Foundation shall be placed before the CSR Committee at the beginning of each financial year for its approval.

4. Execution Agency/Partner:

4.1 IP India Foundation may suo moto take up CSR Projects for implementation in line with the CSR Policy or engage outside Agencies/Partners for execution of CSR Projects. These Agencies/Partners may include NGOs, Panchayats/Voluntary Organizations/Self Help Groups/ Mahila Mandals/ Samhita/ Trusts etc.

4.2 Companies may build CSR capacities of their own personnel as well as those of their implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the company in one financial year.

4.3 IP India Foundation may also consider joining the other companies in the industry for taking up CSR activities, if found feasible.

5. Criteria for identifying the executing Agency:

5.1 While entrusting the CSR projects to any outside agency, the following minimum criteria should be ensured:

- (a) The NGOs/Agency has a permanent address/address in India.
- (b) NGO/Agency is a registered society under the Societies Registration Act or is registered under Section 25 of the Companies Act, 1956 or Section 8 of the Companies Act, 2013.
- (c) Possessing a valid IT exemption certificate.
- (d) The antecedents of NGO/Agency are verifiable.

6. Monitoring and Feedback:

- 6.1 In order to ensure effective implementation of CSR programmes/projects, a monitoring mechanism shall be put in place.
- 6.2 The progress of CSR projects will be reported by the IP India Foundation on quarterly basis to CSR Committee.
- 6.3 IP India Foundation may conduct impact assessment study on a periodical basis through independent professional third parties/professional institutions especially on strategic and high value projects.
- 6.4 CSR Policy shall be displayed on the website of the company.
- 6.5 The CSR activities shall also be included in the Directors' Report as per the format prescribed under the CSR Rules, 2014.