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CSR HAND BOOK

KOHINOOR PRINTERS PRIVATE LIMITED
APPROVED BY CSR COMMITTEE

Contents

1.0. Overview

According to the UNIDO[1] (United Nations Industrial Development Organisation), "Corporate social responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (Triple-Bottom-Line Approach), while at the same time addressing the expectations of shareholders and stakeholders"

The CSR approach is holistic and integrated with the core business strategy for addressing social and environmental impacts of businesses. CSR needs to address the well-being of all stakeholders and not just the company's shareholders. Philanthropic activities are only a part of CSR, which otherwise constitutes a much larger set of activities entailing strategic business benefits

2.0. CSR in India

CSR in India has traditionally been seen as a philanthropic activity. And in keeping with the Indian tradition, it was an activity that was performed but not deliberated. As a result, there is limited documentation on specific activities related to this concept. As some observers have pointed out, the practice of CSR in India still remains within the philanthropic space, but has moved from institutional building (educational, research and cultural) to community development through various projects. Also, with global influences and with communities becoming more active and demanding, there appears to be a discernible trend, that while CSR remains largely restricted to community development, it is getting more strategic in nature (that is, getting linked with business) than philanthropic, and a large number of companies are reporting the activities they are undertaking in this space in their official websites, annual reports, sustainability reports and even publishing CSR reports.

The Companies Act, 2013 has introduced the idea of CSR to the forefront and through its disclose-or-explain mandate, is promoting greater transparency and disclosure. Schedule VII of the Act, which lists out the CSR activities, suggests communities to be the focal point. On the other hand, by discussing a company's relationship to its stakeholders and integrating CSR into its core operations, the draft rules suggest that CSR needs to go beyond communities and beyond the concept of philanthropy.

3.0. CSR and sustainability

Sustainability (corporate sustainability) is derived from the concept of sustainable development which is defined by the Brundtland Commission as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs"[2] . Corporate sustainability essentially refers to the role that companies can play in meeting the agenda of sustainable development

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[1] *http://www.unido.org/what-we-do/trade/csr/whatis-csr.html#pp1[g1]/0/*
[2] *Brundtland Commission's Report, 1987*

and entails a balanced approach to economic progress, social progress and environmental stewardship. CSR in India tends to focus on what is done with profits after they are made. On the other hand, sustainability is about factoring the social and environmental impacts of conducting business, that is, how profits are made. Hence, much of the Indian practice of CSR is an important component of sustainability or responsible business, which is a larger idea, a fact that is evident from various sustainability frameworks.

4.0.   Benefits of a robust CSR programme

As the business environment gets increasingly complex and stakeholders become vocal about their expectations, good CSR practices can only bring in greater benefits, some of which are as follows:

Communities provide the license to operate:

 Apart from internal drivers such as values and ethos, some of the key stakeholders that influence corporate behavior include governments (through laws and regulations), investors and customers. In India, a fourth and increasingly important stakeholder is the community, and many companies have started realising that the 'license to operate' is no longer given by governments alone, but communities that are impacted by a company's business operations. Thus, a robust CSR programme that meets the aspirations of these communities not only provides them with the license to operate, but also to maintain the license, thereby precluding the 'trust deficit'.

Attracting and retaining employees:

Several human resource studies have linked a company's ability to attract, retain and motivate employees with their CSR commitments. Interventions that encourage and enable employees to participate are shown to increase employee morale and a sense of belonging to the company.

Communities as suppliers:

There are certain innovative CSR initiatives emerging, wherein companies have invested in enhancing community livelihood by incorporating them into their supply chain. This has benefitted communities and increased their income levels, while providing these companies with an additional and secure supply chain.

Enhancing corporate reputation:

The traditional benefit of generating goodwill, creating a positive image and branding benefits continue to exist for companies that operate effective CSR programmes. This allows companies to position themselves as responsible corporate citizens.

5.0.   Companies Act, 2013

In India, the concept of CSR is governed by clause 135 of the Companies Act, 2013, which was passed by both Houses of the Parliament, and had received the assent of the President of India on 29 August 2013. The CSR provisions within the Act is applicable to companies with an annual turnover of 1,000 crore INR

and more, or a net worth of 500 crore INR and more, or a net profit of five crore INR and more. The new rules, which became applicable from the fiscal year 2014-15 onwards, also require companies to set-up a CSR committee consisting of their board members, including at least one independent director. The Act encourages companies to spend at least 2% of their average net profit in the previous three years on CSR activities. The ministry's draft rules, that have been put up for public comment, define net profit as the profit before tax as per the books of accounts, excluding profits arising from branches outside India.

The Act lists out a set of activities eligible under CSR. Companies may implement these activities taking into account the local conditions after seeking board approval. The indicative activities which can be undertaken by a company under CSR have been specified under Schedule VII of the Act. The draft rules (as of September 2013) provide a number of clarifications and while these are awaiting public comment before notification, some the highlights are as follows:

- Surplus arising out of CSR activities will have to be reinvested into CSR initiatives, and this will be over and above the 2% figure
- The company can implement its CSR activities through the following methods:
  - Directly on its own
  - Through its own non-profit foundation set- up so as to facilitate this initiative
  - Through independently registered non-profit organisations that have a record of at least three years in similar such related activities
  - Collaborating or pooling their resources with other companies
- Only CSR activities undertaken in India will be taken into consideration
- Activities meant exclusively for employees and their families will not qualify

6.0.   Kohinoor and CSR

Kohinoor has started imitating their CSR frameworks in the year 2018. The activities which are being initiated and done are maintained through a CSR committee.

Our Corporate Social Responsibility (CSR) company policy refers to our responsibility toward our environment. Our company's existence is not lonely. It's part of a bigger system of people, vision, mission, other organizations and nature. The social responsibility of a business is to give back to the world just as it gives to us. Our Policies are intended to provide a framework for the governance of Kohinoor and adherence to our policies and related operating procedures is the responsibility of every Kohinoor Employee.

We are committed to understanding, monitoring and managing our social, environmental and economic impact to enable us to contribute to society's wider goal of sustainable development. We aim to demonstrate these responsibilities through our actions and within our policies.

At Kohinoor, we define Corporate Social Responsibility as follows:

- Complying to all statutory and regulatory requirements
- Conducting business in a socially responsible and ethical manner
- Protecting the environment and the safety of people

- Supporting human rights

- Engaging, learning from, respecting and supporting the communities and cultures within which we work.

Business Ethics and Transparency

Kohinoor is committed to maintaining the highest standards of integrity and corporate governance practices in order to maintain excellence in its daily operations, and to promote confidence in its governance systems.

Kohinoor will conduct its business in an open, honest, and ethical manner. Kohinoor recognizes the importance of protecting all our human, financial, physical, informational, social, environmental, and reputational assets.

Kohinoor will advise its partners, contractors, and suppliers of its Corporate Social Responsibility Policy, and will work with them to achieve consistency with this policy.

Protecting the environment and safety of the people

Kohinoor recognizes the need to protect the natural environment. Keeping our environment clean and unpolluted is a benefit to all. We'll always follow best practices when disposing garbage and using chemical substances.

We'll ensure that we:

- Don't risk the health and safety of our employees and community.

- Avoid harming the lives of local and indigenous people.

- Support diversity and inclusion

Supporting human rights

Kohinoor is dedicated to protecting human rights. We are a committed equal opportunity employer and will abide by all fair labour practices. We'll ensure that our activities do not directly or indirectly violate human rights.

Supporting the community

Kohinoor strives to understand and respect the cultural values and laws of the local community where we operate. We actively support initiatives in the local community. This commitment is visible in our contributions of financial, equipment and volunteer support. We encourage our employees to contribute time and energy in leadership and other roles in community organizations.

Kohinoor's CSR activities informed to the public through our website every year.