

CIE Automotive India Limited

(Formerly known as Mahindra CIE Automotive Limited)

Corporate Social Responsibility (CSR) Policy

Name of the Document	Corporate Social Responsibility (CSR) Policy
Effective Date	12 th December, 2014
Approving Authority	Board of directors
Date of last amendment	02 nd May, 2024
Current Version	03
Version History	Please see Annexure



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1. Introduction

Corporate Social Responsibility (CSR) has been an integral part of the way CIE Automotive India Limited, (CIE India or the Company) has been doing business since inception.

The Company is committed to its social responsibilities and takes initiatives to serve the society as a good corporate citizen.

2. Short Title and Applicability

This Corporate Social Responsibility Policy (the Policy) shall apply to all CSR initiatives, activities and programs taken up by CIE INDIA, to provide solutions to the difficulties and needs existing in the communities where it operates.

The Policy inter-alia provides the approach, direction and guiding principles given by the Board of Directors of the Company, taking into account the recommendations of the CSR Committee, for selection, implementation and monitoring of CSR Activities as well as formulation of the Annual Action Plan.

3. Objectives:

The **objective** of this policy is to -

- Promote a unified and strategic approach to CSR
- Encouraging employees to participate in the Company's CSR Activities and give back to society in an organised manner thereby increasing employee satisfaction.

4. CSR Focus Area

The Company will focus its CSR activities in the areas of (i) Education and Skill Development (ii) Promotion of Health Care and Sanitation (iii) Environment and (iv) Community Development. **(the Thrust Areas).**

The Company may also make contributions to Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund or any other fund set up by the Central Government for socio economic development and relief and welfare which qualifies the criteria as per CSR Rules and the relevant provisions of the Companies Act 2013.

The Company shall continue encouraging its employees to participate in the Employee Social Engagement Program (ESEP), to drive positive change in society, through health checkup camps, blood donation camps, tree plantation, vocational guidance to school children in the nearby schools, Scholarships/Felicitation to the meritorious village students, to help/support in their further education, providing educational aid like books, school bags, donations to school for infrastructure i.e. benches, sound system, computers, laboratory aid, support to Old Age home, Orphanage etc. ESEPs are specifically designed to benefit the economically and socially

disadvantaged communities and involve the employees to participate in Company's CSR Activities.

The major CSR Activities undertaken by the Company are listed in Annexure 1.

5. Approach & Guiding Principles

All the CSR Activities will be undertaken in India in and around Company's Plants and Offices.

It will not include the activities undertaken in pursuance of normal course of business of the Company, projects benefitting the employees of the Company (as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019) and as amended from time to time), or contributions of any amount directly or indirectly to any political party.

All CSR activities will be in project mode and will not include activities supported on sponsorship basis for deriving marketing benefits for its products or services or activities carried out for fulfilment of any other statutory obligations under any law in force in India.

All the CSR Activities undertaken by the Company, shall be in compliance with the Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013, as amended from time to time (hereafter referred as "CSR Law").

6. Total Outlay –

The Company shall contribute 2% of the average net profits of the Company made during the immediately preceding three financial years towards CSR initiatives. For this purpose, the net profit and average net profit shall be calculated in accordance with the provisions of section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company may spend up to 5% of the total CSR expenditure in one financial year on administrative expenses relating to the general management and administration of CSR functions in the company.

The surplus arising out of the CSR Activities will not be considered as a part of the business profits of the Company and shall be ploughed back into the same project, or shall be transferred to the Unspent CSR Account and it shall be spent in pursuance of this CSR policy and Annual Action Plan of the Company, or the Company may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the Company in any scheduled bank called the "Unspent Corporate Social Responsibility Account".

Such amount shall be spent by the Company towards CSR within a period of 3 financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of the third financial year.

7. Implementation

CSR initiatives will be implemented either directly by the Company where its employees will directly implement the CSR projects, or through implementing partners which include a company established under section 8 of the Act, or a registered public trust or a registered society having an established track record of at least 3 years in undertaking similar activities for which the grant is being given. These organizations would need to be registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961). The above entities shall register with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 1st April 2021.

The Company may engage International Organisations (as defined in Clause 2(g) of the Companies (Corporate Social Responsibility Policy) Rules 2014) for designing, monitoring, and evaluation of CSR Projects as well as capacity building of their personnel.

The Company may also collaborate with other companies to undertake CSR projects, provided the CSR Committees of the respective companies are able to report separately on such projects.

Out of the total CSR Budget, the amounts budgeted for ESEP Activities is managed by the plant level CSR Committees. The CSR Activities under ESEP will include the projects of short-term duration and short-term impact which are carried out around the Factory premises of the Company. 20% of the total CSR budget is managed by Central CSR Council which focuses on projects having mid-term duration with mid-term impact. These Projects shall be in the CSR Thrust Area mentioned herein above. Balance CSR budget is managed by the Corporate Social Responsibility Committee of the Board which will inter-alia include the long- term CSR projects having long term impact.

8. Governance and Monitoring process of CSR activities

The Company has a well-defined and robust governance structure to oversee the implementation of the CSR Policy and monitoring of CSR projects as per the requirements of Section 135 of the Companies Act, 2013.

CSR Committee of the Board

The CSR Committee of the Board shall be responsible for formulating and recommending to the Board the CSR policy and a CSR annual action plan, provided that the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect. The CSR Committee reports to the Company's Board of Directors.

The CSR Annual Action Plan shall include the following: -

- a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act,
- b) the manner of execution of such projects or programmes,
- c) the modalities of utilisation of funds and implementation schedules for the projects or programmes,
- d) monitoring and reporting mechanism for the projects or programmes and
- e) details of need and impact assessment, if any, for the projects undertaken by the company.

The members of the CSR Committee of the Board are Mr. Narahari Kadambi (the Chairman and Independent Director), Mr. Dhananjay Mungale (the Independent Director), Mr. Anil Haridass (Executive Director) and Mr. Manoj Menon (Executive Director).

Central CSR Co-Council

The Company has set up a Central CSR Council (the Council) which is responsible to implement all the CSR projects as per the CSR Annual Action Plan formulated by the CSR Committee of the Board and approved by the Board. The Council will convene quarterly to monitor CSR projects and will be responsible to report on the progress of the projects, to the Board and CSR Committee, at regular intervals. The Council will carry out impact assessment of completed CSR Projects having a value of INR 10 Million, through an independent agency, at least once in every three years or such shorter period as may be prescribed by Law from time to time.

Plant level CSR Committees

The Plant level CSR Committees are responsible to implement the activities under the Employee Social Engagement Program as per the CSR Annual Action Plan formulated by the Board level CSR Committee and approved by the Board. The Plant level CSR Committees will convene quarterly to monitor ESEP Activities and will be responsible to report on the progress of the projects, to the Council, at regular intervals.

9. Amendment and Disclosure

The Board of Directors of the Company on recommendation of the CSR Committee shall have authority to amend the Policy.

The Chairman of the Central CSR Council will have authority to amend the Annexure I of the Policy in line with the Annual Action Plan and any amendment thereto in accordance with the Policy.

The CSR Policy of the Company shall be uploaded on the Company's website for information of all stakeholders.

Annexure 1
Flagship CSR Projects

Some of the flagship CSR projects of the CIE INDIA are as follows:

Sl. No.	CSR Project Name	Category under Schedule VII	Name of Implementing Agency	Duration	Project start year & end year	Project Deliverables
1	ESEP (Employee Social Engagement Program)	Promoting Healthcare & Sanitation (Clause i), Promoting Education (Clause ii), Rural Development (Clause x), Environmental Sustainability (Clause iv)	Direct	1 Year	Start : Jan 2024 End : Dec 2024	Each Plant Level CSR Committee will implement various Social activities in CSR Thrust areas of Education, Health, Environment & Community development. These activities will be conducted by CIE INDIA Staff as ESEP Volunteers
2	Lakshya (CIE India Institute of Skills)	Promoting Education (Clause ii)	Social Empowerment and Economic Development Society (SEEDS)	3 Years	Start : 2022 End : 2025	Well-equipped Technical Skills training centre located in Pune, where unemployed candidates will be trained in technical courses as well as life skills subjects and employed in relevant Industry
3	Construction of a school building near Bill Forge plant 2 location - Kallubalu village in place of the existing GHPS	Promoting Education (Clause ii)	Direct	3 years	Start : 2021 End : 2024	Project focuses on construction of a school building in Bengaluru to be run by State Government to pave the way for increased student enrolment from nearby villages. Optimal utilisation of the infrastructure provided for the betterment of the students.
4	Harit Gram	Promoting Healthcare & Sanitation (Clause i),	Center for Youth Development	2 years	Start : 2023 End : 2025	The project intervention includes plantation of 1500 trees, setting up of solid waste management plant,

		Rural Development (Clause x), Environmental Sustainability (Clause iv)	& Activities (CYDA)			plastic recycle plant and WASH program in four schools at Rajkot
5	WASH 2 (Water, Sanitation & Hygiene)	Promoting Health Care and Sanitation (Clause i)	Center for Youth Development & Activities (CYDA)	2 years	Start : 2023 End : 2025	Project focuses on training on WASH subjects in fourteen schools of Pune and renovation of WASH facilities to make the school WASH compliant
6	Santulan 2	Promoting Health Care and Sanitation (Clause i)	Santulan	3 Years	Start : 2023 End : 2026	Support patients under treatment at Drug rehabilitation centre at Pune through: Treatment - Complete Treatment to patients for de-addiction. Aftercare in the centre. Yoga classes to enhance Physical, Mental & Spiritual state. Prevention - Quarterly free de-addiction camps, Awareness through street plays, Awareness campaigns in communities, schools and colleges. Rehabilitation- Train recovered addicts to be counsellors as Peer Educators, Networking with industries and skill centres for helping the participants get jobs. Skill building and help them towards their livelihood generation
7	GEMS 2 (Green Education Movement in Schools)	Promoting Education (Clause ii)	Pramith Foundation for Science and Economic Change	3 Years	Start : 2024 End : 2027	To create awareness among four school students of Pune based on well-designed training program on the topics comes under Safety, Sustainability and Health

8	LOTUS 2 (Learning Opportunity & Training for Upliftment of Special Students)	Promoting Education (Clause ii)	Ekansh Trust	3 Years	Start : 2024 End : 2027	To give digitally enabled training in Indian Sign Language (ISL) for the special students of fifteen schools located in Maharashtra state. In addition to it, to enable at least one teacher of each school with Indian Sign Language (ISL) training
9	Utkarsh 5 (K Yan - Every Class Smart Class)	Promoting Education (Clause ii)	Direct	1 year	Start : 2024 End : 2025	To provide portable digital smart projector K-Yan in schools of Pune & Rajkot to convert every classroom into smart classroom. In addition to it, capacity building of school teachers is also part of the program
10	SaniSafe (Menstrual Hygiene Awareness Program)	Promoting Health Care and Sanitation (Clause i)	Unipads Foundation	1 year	Start : 2024 End : 2025	The project intervention includes awareness session and training program on Menstrual Hygiene for the women of rural villages of Pune, Chh. Sambhaji Nagar, Rajkot and distribution of re-usable sanitary pads
11	GEMS 3 (Green Education Movement in Schools)	Promoting Education (Clause ii)	Pramith Foundation for Science and Economic Change	3 Years	Start : 2024 End : 2027	To create awareness in one school of Bengaluru based on well-designed training program on the topics comes under Safety, Sustainability, Safety Health. In addition to it, maintain hygiene standards of ten schools and six Anganwadi at Bengaluru is also part of the program
12	Kallubalu Lake Maintenance Project	Environmental Sustainability (Clause iv)	Direct	3 years	Start : 2024 End : 2027	To maintain the Kallubalu lake, Bengaluru which includes Lake maintenance, wire mess installation at inlet pipes, awareness to community etc.
13	CLASS (Computer Literacy And Smart Skills)	Promoting Education (Clause ii)	Pramith Foundation for Science	3 years	Start : 2024 End : 2027	To provide training in resource center located at Bengaluru on computer, soft skills and basic English for

			and Economic Change			local youths with placement assistance
14	Green Belt - 1	Environmental Sustainability (Clause iv)	Technology, Education, Research and Rehabilitation for the Environment (TERRE)	3 years	Start : 2024 End : 2027	Project intervention includes plantation of 5000 Trees towards environmental protection at village Kekat Jalgaon, Chh. Sambhaji Nagar
15	Green Belt - 2	Environmental Sustainability (Clause iv)	Technology, Education, Research and Rehabilitation for the Environment (TERRE)	3 years	Start : 2024 End : 2027	Project intervention includes plantation of 5000 Trees towards environmental protection at village Mavadi Kadepathar, Pune

Annexure-2

Version History

Version	Date of Amendment	Change & Reason for change
Version 1	29 th April, 2014	Formulation of the policy pursuant to Section 135 of the Companies act, 2013 & Schedule VII.
Version 2	29 th April, 2021	The CSR Policy of the Company was amended in line with the amendments made by the Companies (Amendment) Act, 2019, the Companies (Amendment) Act, 2020 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 by amending definitions viz. meaning of CSR, Ongoing Project, etc. and including a statement containing the approach and direction given by the Board of Directors, taking into account the recommendations of its CSR Committee including Guiding principles for Selection, Implementation, Monitoring of activities and formulation of the Annual Action Plan.
Version 3	22 nd February, 2022	Annexure 1 to the policy was amended in line with the approved annual action plan for the year 2022.
Version 4	22 nd July, 2022	Annexure 1 to the policy was amended in line with the modification in annual action plan for the year 2022.
Version 5	18 th October, 2022	Annexure 1 to the policy was amended in line with the modification in annual action plan for the year 2022.
Version 6	14 th December, 2022	Annexure 1 to the policy was amended in line with the approved annual action plan for the year 2023.
Version 7	22 nd February, 2023	Annexure 1 to the policy was amended in line with the modification in annual action plan for the year 2023.

Version 8	18 th July, 2023	Annexure 1 to the policy was amended in line with the modification in annual action plan for the year 2023.
Version 9	12 th December, 2023	Annexure 1 to the policy was amended in line with the approved annual action plan for the year 2024 and modification in Annual Action Plan of 2023.
Version 10	19 th February, 2024	Annexure 1 to the policy was amended in line with the modification in annual action plan for the year 2024.
Version 11	2 nd May 2024	Annexure 1 to the policy was amended in line with the modification in annual action plan for the year 2024.