

CIE Automotive India Limited

(Formerly known as Mahindra CIE Automotive Limited)

Corporate Social Responsibility (CSR) Policy

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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	WASH and School Sanitization Program	Environment	Centre for Youth Development & Activities (CYDA)	1 Year	Start : May 2021 End : April 2022	To enhance attendance capacity of schools by creating safe and COVID free environment through sanitization. Implement WASH (Water, Sanitation and Hygiene) program & improve Child immunity.
2	Green Belt - Tree Plantation	Environment	FINISH Society	3 Years	Start : May 2021 End : April, 2024	1. To increase Green Cover and reduce carbon footprints. 2. Create awareness and involve local community for Environment Conservation. 3. Plantation of trees at 3 locations @ 1000 trees per location, Total 3000 trees
3	Green Education Movement in School (GEMS)	Education	Skill Sonics India Pvt Ltd	3 Years	Start : Dec 2020 End : Dec 2023	To create awareness on Sustainability, Safety and Health amongst Students from Class 6 to 10. & their Parents.
4	Lakshya- CIE India Institute of Skills	Education	Learnet Skills Ltd	5 Years	Start : May 2020 End : March 2025	Well-equipped Technical Skills training centre where 360 candidates will be trained and employed in CNC Operator Turning, Industrial Welder & Fitter - Hydraulics and Pneumatics courses, Soft Skills training. Assured Placement of

						trained Students in relevant Industry
5	LOTUS- Learning Opportunity & Training for Upliftment of Special Students	Education	Bleetech Innovations Pvt. Ltd.	3 Years	Start : Aug 2020 End : Aug 2023	To give digitally enabled training in Indian Sign Language (ISL) in 2 schools 1. Approx. 200 students , 2. Minimum 1 teacher in each school 12 Identification of 2 schools 3. Indian Sign Language training for students
6	Utkarsh - 1	Education	IMPART	3 Years	Start : March 2021 End : March 2024	1. Infrastructural development work 2. To provide non-academic training for students in subjects like Adolescence Education, Career Guidance, Environment, Self Defence, Yoga, Awareness on Social and Emotional Health
7	Utkarsh - 2	Education	Shilpi Sansthan	3 Years	Start : March 2021 End : March 2024	1. Infrastructural development work 2. To provide non-academic training for students in subjects like Soft Skills, Communication Skills, Health education.
8	Project Mamta	Health	Mamta Foundation	3 Years	Start : Nov 2019 End : Oct 2022	1. Diet- To provide high protein diet 2. Education- To support for regular academic study through PMC school 3. Medical- Regular monitoring and check up 4. Rehabilitation- Encourage and

						provide vocational training
9	Project Akshar Dhai	Education	Dhai Akshar Educational Trust	3 Years	Start : Nov 2019 End : Oct 2022	1. Mathematics Program. 2. Language Development Program 3. Resource Room - Extra Curricular activities
10	Gram Samrudhhi Abhiyan	Community Development	Jeevanvidya Foundation	3 Years	Start : Nov 2019 End : Oct 2022	1. Community Health 2. Children Education 3. Environment : Tree Plantation, Solid Waste Management, Water Conservation 4. Awareness to Farmers on new farming technique & increase agricultural income 5. Women empowerment - Through Self Help Groups
11	Saksham 1	Education	Samarth Rural Educational Institute	3 Years	Start : Feb 2020 End : Jan 2023	1. Classroom & Practical training on CNC Operator trade for 100 Students. 2. Behavioural, Safety, Soft Skills & Communication training. 3. Placement of Passed out Students.
12	Saksham 2	Education	Institutional Management Committee of ITI Rajkot	3 Years	Start : July 2020 End : March 2023	1. Classroom & Practical training on CNC Operator trade for 200 Students at 2 locations. 2. Behavioural, Safety, Soft Skills & Communication training.

						3. placement of Passed out Students.
13	Santulan	Health	Santulan	3 Years	Start : July 2020 End : July 2023	<p>Support patients under treatment at Drug rehabilitation centre through :</p> <p>Treatment - Complete Treatment to patients for de-addiction. Aftercare in the centre. Yoga classes to enhance Physical, Mental & Spiritual state.</p> <p>Prevention - Quarterly free de-addiction camps, Awareness through street plays, . Awareness campaigns in communities, schools and colleges.</p> <p>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 set up small scale business.</p>
14	Medicine Bank	Health	Shree Sankalp Pratishthan	1 Year	Start : Dec 2020 End : Dec 2021	<p>1. Provide Medicines to underprivileged community.</p> <p>2. Provide Diagnostic equipment in Medical Centre</p> <p>3. Support Pathology Lab with Test Kits, Reagents etc for free Medical test of poor patients</p>

15	Toilet Project at Village Dongarwadi	Health & Sanitation	Direct	1 Year	Start : May 2021 End : May 2022	<ol style="list-style-type: none"> 1. Identification of Civil Contractor 2. MoU with Gram Panchayat 3. Start Infra activity 4. Handing over to Gram Panchayat
16	ESEP (Employee Social Engagement Program)	Education, Health, Environment & Community Development	Direct	1 Year	Start : Jan 2021 End : Dec 2021	<p>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</p>
17	Covid 19 Support and Responding to social needs highlighted by authorities and Communities around the plants	Category 1 and 2 - Health & Sanitation and Education & livelihood enhancement projects	Direct & Through Multiple Implementing Partners	NA	Start : May 2021 End : Dec 2021	<p>Q2 2021 and Q3 2021</p> <ol style="list-style-type: none"> 1. Support in setting up Covid Care Facilities including participation in collective efforts of Industry Body and Associations. 2. Providing Medical Aids required for Covid including participation in collective efforts of Industry Body and Associations. 3. Distributing essential items and personal protection items etc. to needy to combat Covid 4. conduct awareness programs for Covid Guidelines including individual discipline and hygiene

						<p>5. Support for Covid Vaccination Program.</p> <p>6. Support to schools in reopening post the pandemic</p> <p>7. livelihood enhancement projects to support affected people by pandemic</p>
18	Construction of a school building near Bill Forge plant location to be run by State Government	Education	Direct	NA	2021 - 2022	Project focuses on construction of a school building 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.
19	Setting up of a Forging Laboratory in Dr. TT Thimmaiah College of Engineering, Kolar	Education	Direct	NA	By end of 2021	Setting up a Forging Laboratory in the college premises proposed to be named as "Bill Forge Forging Laboratory" for the purpose of imparting knowledge and practical training to the students to make them industry ready.
20	Development Centre for the Government	Education	Kalisku Foundation	NA	By end of 2021	Development Centre for the Government school

	school teachers with Computer, Library & Reading room within the premises of the BEO					teachers with Computer, Library & Reading room
21	Mobile Clinic to treat leprosy patients	Health	Sumanahalli Society	NA	2021 - 2022	To provide quality medical care to the persons affected by leprosy and their family members. To improve the health conditions of persons affected by leprosy and their family members.
22	Sponsoring mid-day meals to Government schools	Health	The Akshayapatra Foundation of ISKCON	2 years	Continuing	."Eradication of hunger" - Providing nutritious and hot meals to the benefit of 800 + students to ensure no child is left hungry and also improves attendance.
23	Health amenities and infrastructure development in Government schools in Bangalore, Coimbatore and Haridwar	Health	Yuva Unstoppable	6 years	Continuing	Better Hygiene conditions and Health awareness amongst Students.
24	Educational aids, promoting digital literacy and providing other developmental education activities to Government schools in Bangalore,	Education	Meghshala and similar	6 years	Continuing	Improve Learning skills and provide better education environment

	Coimbatore and Haridwar					
25	Grant-in Aid to Helpline Charitable Trust to support economically backward children	Community	Helpline Charitable Trust	1 year	Continuing	Help vulnerable poor community fulfilling various essential needs.
26	Grant in aid to Foundation for Excellence to support economically backward scholarly students to pursue Engineering degree	Education	Foundation for Excellence	9 years	Continuing	Support in continuing education
27	Maintenance and upkeep of good hygiene of washrooms in schools and anganwadis	Health	Dhanya Cleaning Services	2 years	Continuing	Better Hygiene conditions and Health awareness amongst Students.
28	Setting up of Library & Reading room facilities in Government schools	Education	Kalisku Foundation	2 years	Continuing	Project 'Jnanalaya' - Setting up of libraries to inculcate reading habits and learning to help success of children in their academics, better vocabulary, developing reading skills and enhancing knowledge.
29	Providing additional resource persons to comply to the teachers' gap in Government schools	Education	Full Circle	3 years	Continuing	Improve Teaching Skills & create better learning environment

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	The Annexure 1 to the policy was amended in line with the approved annual action plan for the year 2022.