

# **HONDA CARS INDIA LIMITED**

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **Background**

Honda Cars India Limited's (HCIL) aim is to become the Most Trusted Company, which the Society would want to exist. Continued to be driven by this aim, HCIL has been undertaking various activities under Corporate Social Responsibility (CSR), mainly in the areas of health, education, livelihood, safety, environment protection, etc. with thrust on increased participation of Associates at all levels of the Company.

### **Basis of the Policy**

This Policy has been framed in compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

### **Title & Scope**

This Policy shall be called the '**HCIL Corporate Social Responsibility Policy**' (hereinafter referred to as "the CSR Policy").

The CSR Policy lays down the guidelines for undertaking socially meaningful programmes for welfare and sustainable development of the community, especially in and around the areas of operations of the Company, and to provide assistance / relief to the people affected by natural disasters in any part of the Country.

The CSR Policy shall apply to all CSR activities or programmes undertaken by the Company in India.

### **CSR Activities**

CSR programmes or projects to be undertaken by HCIL in terms of the CSR Policy shall include activities falling within the purview of Schedule VII to the Companies Act, 2013 (as amended from time to time). The said Schedule VII is attached hereto as Annexure – I.

The Company may collaborate or pool resources with other companies to undertake CSR activities.

### **CSR Expenditure**

In accordance with provisions of Section 135 of the Companies Act, 2013, in every financial year, the Company shall spend at least 2% of the average net profits of the Company made during three immediately preceding financial years. CSR expenditure shall not include expenditure not in conformity or not in line with the activities which fall within the purview of the CSR activities listed in Schedule VII to the Companies Act.

However, if the Company is not in profit situation during three immediately preceding financial years, then the Company to continue such CSR activities, as the financial situation may permit and as per approval of the CSR Committee.

### **Monitoring Mechanism**

To ensure effective implementation of the CSR activities by the Company, the CSR Committee shall review and monitor the same from time to time at its meetings.

To ensure effective implementation of the CSR programme, the CSR Committee may further

establish a CSR Sub-Committee comprising of members from the Top Management of the Company.

**Treatment of Surpluses:**

Any surplus generated from CSR activities / projects undertaken will be separately tracked and channelized into CSR corpus. The surplus amount will be further used in development of the CSR projects and will not be added to the normal business profits of the Company.

**Review of HCIL CSR Policy**

The CSR Policy will be reviewed on a yearly basis or as may be recommended by the CSR Committee of the Board and may be amended from time to time.

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## <sup>1</sup>[SCHEDULE VII

(See sections 135)

Activities which may be included by companies in their Corporate Social Responsibility Policies

Activities relating to:--

- £"(i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation <sup>4</sup>[including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water;
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water <sup>4</sup>[including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;]
- (v) 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;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- (viii) 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;
- (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) rural development projects.]
- £(xi) slum area development.