

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.

The Ministry of Corporate Affairs vide its notification dated 22nd January, 2021 notified the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, which requires amendment to this CSR Policy.

Thereafter, the CSR Committee recommended amendments in CSR Policy to the Board for its approval. The Board in its resolution dated 30.06.2021 approved and adopted the amended CSR Policy

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 CSR activities will be mainly in the following areas:

- (i) Promoting healthcare including preventive health care and sanitation by organizing health camps and creating health awareness
- (ii) Promotion of education and partnership for upgradation of quality of training in Government Industrial Training Institutes (ITIs) and/or Polytechnic under private-public partnership for improving employability and renovating Government school infrastructure.
- (iii) Ensuring Environmental Sustainability.
- (iv) Contribution to Prime Minister's National Relief fund or fund set up by the Central Government for socio-economic development.
- (v) Promotion of Road Safety

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

CSR Expenditure

1. 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.
2. Any amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in point no. 3 below, within a period of thirty days from the date of completion of the third financial year
3. Until a fund is specified in Schedule VII for the purposes of unspent amount as per subsection (5) and (6) of section 135 of the Act, such unspent CSR amount, if any, shall be transferred by the Company to any fund specified in schedule VII of the Act within six months of the end of the financial year

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.

The CSR Annual Action Plan shall include the following :-

- (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (ii) the manner of execution of such projects or programmes;
- (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (iv) monitoring and reporting mechanism for the projects or programmes; and
- (v) details of need and impact assessment, if any, for the projects undertaken by the company.

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, which is responsible to implement CSR projects as per the CSR Annual Action Plan laid out by the Board level CSR Committee.

The Sub-Committee will carry out impact assessment, in case average CSR obligation of the Company is Rs. 10 Crore or more in the three immediately preceding financial years, through an independent agency, of its CSR projects having outlays of Rs. 1 Crore or more, and which have been completed not less than one year before undertaking the impact study.

The impact assessment report shall be placed before the Board and shall be annexed to the annual report on CSR.

Further, the amount to be spent on the aforesaid assessment shall not exceed five percent (5%) of the total CSR expenditure for that financial year or Rs. 50 Lakhs, whichever is less.

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.

SCHEDULE VII
(See Section 135)

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

Activities relating to:—

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation 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 vocational 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 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 art and handicrafts;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(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 Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

(x) rural development projects]

(xi) slum area development.

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

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

COMPOSITION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Name of Director	Category	Position
Mr. Gaku Nakanishi	Executive	Chairman
Mr. Manoj Arora	Independent	Member
Mr. Satoshi Kato	Non-Executive	Member