

# **MODEL CSR**

**(CORPORATE SOCIAL RESPONSIBILITY)**

## **POLICY OF**

**Haldex India Pvt.Ltd.**

## **1. INTRODUCTION**

- 1.1 In pursuant to section 135 of the Companies Act, 2013 (the act) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules) framed thereunder on this behalf, “Corporate Social Responsibility (CSR)” is a company’s mandatory commitment to contribute and operate in an economically, socially and environmentally sustainable manner.
- 1.2 Accordingly, henceforth, it is a continuing commitment for a company to perform ethically and contribute to economic development of the society at large. CSR, therefore, is not a mere philanthropic activity but also comprises of activities that require a company to integrate social, environmental and ethical concerns into the company's vision and mission through such activities.

## **2. AIMS & OBJECTIVES**

- 2.1 Haldex India Pvt. Ltd. (hereinafter referred to as “COMPANY”) shall continue to enhance value creation in society through its primary business, and in this context the aim and objectives of the CSR activities of COMPANY, enumerated in Schedule VII to the Act, shall be to complement the primary business of the company with the overall social and environmental concerns related to its primary business.
- 2.2 In particular, and without prejudice to the generality of the foregoing, the key aims and objectives of the CSR Policy shall be to:
  - (i) Ensure an increased commitment at all levels in the organization to operate its business in an economically, socially & environmentally sustainable manner.

- (ii) Take up such programmes, whether directly and / or indirectly, which benefit communities and result, over a - period of time, in enhancing the quality of life & economic well being of the local populace.
- (iii) Generate, through its CSR initiatives, community goodwill for COMPANY and help reinforce a positive & socially responsible image of COMPANY as a corporate entity.
- (iv) Encourage alignment with millennium development goals related to gender sensitivity, skill enhancement, entrepreneurship development etc.

### **3. RESOURCES & ALLOCATION OF FUNDS**

- 3.1 Every financial year, with the approval of Board of Directors, COMPANY will make a budgetary allocation for CSR activities / projects for that financial year. The budgetary allocation will be based on the net profit of the company, which shall not be less than 2% of the average net profits of last three Financial Years before tax of the company (CSR Budget).
- 3.2 The unutilized budget for CSR activities planned for a financial year will not lapse and will be carried forward to the next financial year. COMPANY will disclose the reasons for not fully utilizing the budget allocated for CSR activities planned for each financial year.
- 3.3 The annual budget earmarked for CSR activities shall have to be spent on implementation of activities in the project mode. The activities not implemented in project mode also have to be in conformity with these guidelines.
- 3.4 Such allocation of funds shall not act as a constraint in the event of a national calamity and COMPANY may contribute such amount as may be deemed necessary for a cause.

3.5 Budgetary allocations to a Specified Projects may be enhanced or curtailed, as the case may be, by CSR Committee, if found necessary.

#### **4. CONSTITUTION OF CSR COMMITTEE**

The CSR functions of COMPANY will be coordinated and monitored by CSR Committee as constituted by Board time to time for the successful implementation of the CSR policy of the Company. The CSR Committee will meet at least once in a quarter. The progress report of CSR Programs under implementation shall be placed before the Board on quarterly basis.

#### **5. RESPONSIBILITIES OF CSR COMMITTEE**

The primary responsibility of the CSR Committee would be to implement the CSR policy and broadly the roles and responsibilities are the following:

- To assist the Board of Directors to formulate suitable policies and strategies to take the CSR agenda of the company forward in the desired direction.
- Formulation of broad guidelines for selection of the projects, planning, execution, monitoring & evaluation.
- Selection of projects in accordance with policy framework & guidelines.
- Submission of annual budgetary requirement for each project along with the targets.
- Formulation of strategies for efficient implementation of projects.
- Monitoring of the progress of the work.

#### **6. THE IMPLEMENTATION MECHANISM**

A Identification of Thrust Areas:

The thrust areas shall be identified by the CSR Committee on the basis of need identification studies (or) internal need assessment or receipt of proposals/requests etc which shall fall within the ambit of the schedule VII of the Companies Act 2013 and are also in compliance with the aims and objectives specified above. All efforts must be made, to the extent possible, to define the following while identifying the CSR projects:

- Programme objective
- Baseline survey
- Implementation schedule
- Responsibilities and Authorities
- Payment terms
- Major results expected and measurable outcome
- The activities would be taken up in a project mode with milestones and deadlines.

CSR activity can be carried out at any location of its choice within the country, including the backward regions.

## B EXECUTION

B.1 CSR activities/programmes will be undertaken by the Company or through an external agency or a combination of both which will be decided by the CSR Committee for the activities mentioned in **Schedule-1.**

B.2 CSR Coordinator, to be appointed by CSR committee would be responsible for submitting the progress reports after review with the implementing agencies on projects approved in the identified thrust areas for consideration of the CSR Committee

## C MONITORING, EVALUATION AND IMPACT ASSESSMENT OF CSR ACTIVITIES

C.1 CSR Committee shall be responsible for monitoring the project and shall provide quarterly reports to Board of directors and will ensure that the project gets completed within the specified time period.

C.2 The progress report of the activities undertaken shall be reported to CSR Committee on Quarterly basis along with the impact assessment.

#### D. DOCUMENTATION & DISSEMINATION

D.1 The CSR approach including the base-line data (wherever applicable) made available at the start of the project and the impact so quantified on completion of the project shall be documented for record purposes and future use as well as for sharing of experience.

D.2 The CSR Policy shall be uploaded on COMPANY website./Group Website

D.3 CSR initiatives of the company will be reported in the Annual Report of the Company, in the manner and form prescribed under the Act and Rules.

D.4 Activities undertaken under CSR activities shall be, if required, reported to National CSR Hub for record purpose.

### **7. GENERAL**

7.1 The power to interpret & administer the policy shall rest with CSR Committee which is also empowered to make any supplementary rules/orders to ensure effective implementation of scheme.

7.2 Any or all provisions of the CSR policy would be subject to revision / amendment in accordance with the guidelines on the subject as may be issued by the Government, from time to time.

### **8. MISCELLANEOUS**

8.1 COMPANY reserves the right to modify, add, delete or amend any of the provisions of this Policy.

8.2 This policy will supersede / override any previous policy made in this regard

## **SCHEDULE-1**

- i. eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- 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 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 Caste, the Scheduled Tribes, other backward classes, minorities and women;

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- 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.

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