

Corporate Social Responsibility Policy

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SKODA AUTO VOLKSWAGEN INDIA PRIVATE LTD.

Corporate Social Responsibility Policy

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, Skoda Auto Volkswagen India Private Limited is required to:

- (i) Constitute a Board Committee to formulate and recommend to the Board a Corporate Social Responsibility (CSR) Policy, recommend the amount of CSR expenditure and monitor the CSR activities of the Company from time to time.
- (ii) Ensure that the Company spends, in every financial year, at least two per cent of the average Net Profits before Tax (PBT) of the Company, made during the three immediately preceding financial years, in pursuance of its CSR Policy.

1. Our Vision :

- i. Skoda Auto Volkswagen India Pvt. Ltd. [SAVWIPL] shall work towards protection of the environment and development of humanity and society in line with Skoda Brand and Volkswagen Group's philosophies.
- ii. Undertake programs that enhance the quality of life, provide unique and enriching opportunities that connect diverse groups that in long term result in sustainable partnership in shaping the communities in which SAVWIPL employees live and work.

2. Our Focus Areas

The Policy recognizes that Corporate Social Responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 read with Schedule VII of the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014:

SAVWIPL has identified :

- Healthcare
- Environment protection and conservation
- People development, and
- Road safety as broad focus areas for its CSR projects.

Projects in these focus areas will seek to address the needs of the socially and economically under-served in society and aim to empower them for a better quality of life; contribute to nation-building by empowering the youth through education and skill development programs; endeavor to alleviate the challenges of environmental degradation and road traffic injuries.

Some of the specific interventions in each of the focus areas would be as follows:

Focus areas	Interventions
Healthcare	<ol style="list-style-type: none"> I. Enabling access to healthcare for those who do not have access to a doctor or primary/sub -healthcare centre II. Providing financial support for specific health conditions in association with a healthcare institution
Environment protection and conservation	<ol style="list-style-type: none"> I. Enabling rain water harvesting in villages and other areas that face water shortages II. Promoting afforestation and restoration of degraded forests (wetland and dryland forests), and tree plantation III. Promoting use of renewable energy IV. Supporting cleanliness drives
People Development	<ol style="list-style-type: none"> I. Promoting higher education of youth through scholarships II. Partnering Industrial Training Institutes to equip youth for jobs in contemporary industrial settings III. Providing industry exposure through internships and mentoring programs for the youth IV. Enabling conducive learning spaces through upgradation of infrastructure in schools and other institutions of learning V. Any other suitable intervention that can harness the potential of young people, including the differently-abled.
Road Safety	<ol style="list-style-type: none"> I. Spreading awareness about road rules, regulations and road use behavior, focusing particularly on vulnerable road users, like school children and youth II. Supporting research based deployment of solutions for reducing road traffic injuries and fatalities in selected corridors

3. Applicability of the policy

The Company's CSR Policy has been developed in conformity with the provisions of Section 135 of the Companies Act, 2013 (referred to as the 'Act' in this Policy) and in accordance with the CSR Rules (hereby referred to as 'the Rules') notified by the Ministry of Corporate Affairs, Government of India. Further this Policy is revised to conform with the amendments in the Act and the Rules.

This Policy shall apply to all CSR initiatives and activities taken up at the various locations in India, preferably in the vicinity where the Company carries out its business operations and for the benefits of different segments of the society, specifically the deprived and under-privileged.

4. Annual spends / Allocation of Funds

The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years.

5. Composition of the CSR Committee.

The CSR Committee will consist of three or more Board members.

The Committee may formulate a CSR Sub-Committee with such other Directors / Executives of the Company from time to time as it may deem necessary and expedient.

The Committee will meet as required, to discuss and review CSR activities and Policy. A quorum of two members is required to be present for the proceedings to take place. Such other meetings of the Committee can be convened as and when deemed appropriate. The Committee members may attend the meeting physically or via such audio visual means as permitted under the Companies Act, 2013, and rules framed thereunder.

The Company Secretary shall act as Secretary to the Committee.

The CSR Committee comprises of the following members of the Board:

Name	Designation & Department
Mr. Gurpratap Boparai	Managing Director
Mr. Martin Mahlke	Executive Director - Finance and CFO
Mr. Jan Frydrych	Executive Director - HR & Admin.

The Committee may call Special invitees from different SAVWIPL departments for consultation on different aspects of SAVWIPL's CSR engagements. Special invitees to CSR Committee currently include:

- Mr. Pankaj Gupta, Honorary Secretary and VP, External Affairs & CSR
- Mr. Sanjay Khare, Vice President-Safety
- Mr. Mojmir Hajek, Executive Director-Technical
- Mr. Kausik Basu, Head –Accounts & Taxation

6. Meetings:

The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The members would strive to hold at least two meetings in a financial year.

The Committee shall periodically review the implementation of the CSR programs and issue necessary direction from time to time to ensure orderly and efficient execution of the CSR programs in accordance with this Policy. It would be the responsibility of the CSR Committee to periodically keep the Board apprised of the status of the implementation of CSR activities.

The quorum for CSR Committee meetings shall be two members physically present or through audio visual means, as the case may be.

7. Role of CSR Committee:

- a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 (as amended from time to time).
- b. To recommend the amount of expenditure to be incurred on the activities in a financial year.
- c. To monitor the Corporate Social Responsibility Policy of the company from time to time.
- d. Any other matter as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company or pursuant to any amendments in law.

8. Responsibilities of the Board:

The Board shall:

- Form a CSR Committee and disclose the composition of the CSR Committee.
- Approve the CSR Policy after taking into account the recommendations made by the CSR Committee.
- Place the CSR Policy on the Company's website.
- Ensure implementation of the activities under CSR
- Ensure expenditure of requisite amount on CSR every year as per law.
- Disclose reasons for not spending the amount (if applicable) in the Annual Report to the Shareholders of the Company.
- Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.
- Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board / CSR Committee and the Chief Financial Officer shall certify to the effect.
- Approve transfer of unspent CSR Amount in accordance with the law. The Accounts and Finance Team of SAVWIPL shall prepare the statement of spent and unspent CSR amounts and shall assist and facilitate for transfer of the same.

9. Monitoring of CSR engagements

The CSR Committee shall as far as possible meet every quarter to review the progress on projects implemented, monitor finances, consider project proposals, and identify projects to be recommended to the Board. The Committee may also advise on additional areas of intervention that comply with schedule VII of Companies Act, 2013 from time to time.

Appropriate documentation and amendments of the CSR Policy, reports on execution of projects by CSR Partner(s) and expenditures will be undertaken on a regular basis and same will be made available to the Board of Directors of the Company by the CSR Committee. The CSR Committee and persons /entities authorised by it, will conduct due diligence checks on the current projects/partners on a quarterly basis and report anomalies, if any, immediately. Based on analysis of projects, the CSR Committee will carry out roadmap planning for allocation of budget and selection of projects.

10. Reporting Framework

The CSR Committee will review the CSR activities of the Company and will provide progress update to the Board of Directors every three months/such other intervals as deemed fit. The Company will report, in the prescribed format, the details of CSR initiatives and activities of the Company in the Directors' Report and on the website of the Company, as required under the regulations. The reporting framework for CSR activities shall be in accordance with the format prescribed in the Companies (Corporate Social Responsibility Policy), Rules 2014, as amended.

The surplus arising out of CSR projects or programs or activities shall not form part of the business profits of Skoda Auto Volkswagen India Pvt. Ltd.

11. Amendments to the Policy

The Board of Directors on its own and/or as per the recommendations of CSR Committee may amend this Policy, as and when required and as deemed fit by them. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Companies Act, 2013 on the subject as may be issued by relevant statutory authorities, from time to time.

12. List of CSR projects

The illustrative list of CSR projects, implementation mode and tentative schedule for each financial year is given in the Annexure to this Policy.

The CSR Policy shall continue to be in force until amended by the Board in a meeting of the Board of Directors in future.

General

- Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, the CSR Rules made thereunder or in any amendment thereto. This Policy shall also be subject to such clarifications and FAQs as may be issued by Ministry of Corporate Affairs, Government of India, from time to time.
- In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference should be made to External Affairs Department. In all such matters, the interpretation & decision of the CSR Committee shall be final.
- Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject

End of policy.