Honda India Power Products Limited

Corporate Social Responsibility Policy

Adopted on **:** April 01, 2014

Revised on **:** September 14, 2021

1. Preamble

CSR is defined as the activities that promote poverty reduction, education, health, environmental sustainability, gender equality and skill development.

In order to contribute to the social and economic development of the community in alignment with the Honda Philosophy certain guidelines have been laid down which encompasses the most disadvantaged sections of society, helping Honda India Power Products Limited ('HIPP') strengthen its position as **"a Company that Society will want to exist"**.

In line with this belief, HIPP will continue crafting unique models which have a significant multiplier impact on sustainable livelihood creation and environmental replenishment. These initiatives are independent of the normal conduct of HIPP's businesses and are aligned to the activities listed in Schedule VII read with Section 135 of the Companies Act, 2013 ('the Act') and the Companies (Corporate Social Responsibility) Rules, 2014 ('the CSR Rules').

Programmes, projects and activities (hereinafter collectively referred to as 'CSR Programmes') carried out in this regard are the subject matter of this Policy. These set of rules or guidelines are called **HIPP - CSR Policy**.

2. Applicability & Scope:

The Policy is applicable to all the CSR activities/projects taken up within India for the benefit of different segments of society by HIPP or through any other entity pursuant to the CSR Rules.

The scope of this policy is to strategically draw the guiding principles for selection, implementation and monitoring of CSR activities as well as formulation of the annual action plan by the Board of the Company, after taking into account the recommendations of its CSR Committee.

3. Vision

To be a socially responsible Corporate and helping in enhancement the standards of human development index, clean environment or in any other ways through partnering with various Government authorities or otherwise, directly or indirectly through any approved Trust/NGO in India.

The CSR Policy sets out our commitment to ensuring that our activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The CSR Policy lays down the guidelines for undertaking programmes geared towards social welfare activities or initiatives.

4. Objective

- To align and integrate the HIPP –CSR activities with the Honda philosophy and make them outcome oriented.
- To sustain and continuously improve the quality of life and economic well being of the local populace.
- To create an image of HIPP which society will want to exist as a socially responsible image.

5. Resources

HIPP propose to deploy the following resources for our CSR activities:

- Funds: At the minimum, 2% of average net profits of the Company made during the three immediately preceding financial years. 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 CSR Rules.

  The administrative overheads not to exceed 5% of total CSR expenditure of the Company for the financial year relating to the general management and administration of CSR functions in the Company.

  Where the Company spends an amount in excess of requirement provided under Section 135(5) of the Act, such excess amount may be set off against the requirement to spend under section 135(5) up to immediate succeeding three financial years subject to certain conditions.
- Services and Expertise of our employees through structured volunteering programme.
- Expertise in Farming Services of our Company to farmers
- Facilities of our offices and plant sites
- Resources from other organisations within and outside the Honda group.

6. Implementation

The Company will implement its CSR activities as permitted under the Act and Rules thereof including through Honda India Foundation, a Trust registered under the relevant Act.

Each of our CSR projects and programmes would have clearly defined output, outcome and process indicators and progress and implementation thereof shall be reported to the CSR Committee from time to time.

The Company may also collaborate with other companies for undertaking projects or CSR activities.

7. Monitoring

The Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee in compliance with the Section 135(1) of the Act, which formulates and recommends to the Board the CSR policy and the annual action plan.

The CSR committee to monitor the progress of the annual action plan and the multi-year programs, their manner of execution, modalities of utilization of funds and implementation schedules along with details of need and impact assessment for projects as required.

The funds to be disbursed shall be utilised for the purposes and in the manner as approved by the Board. The Chief Financial Officer or the person responsible for financial management shall issue a certificate to the Board every year certifying that the funds disbursed are utilised for the purpose and in the manner as approved by the Board.

The CSR Steering Committee of the Company will receive and review all the CSR progress reports on an annual basis. Implementation of this policy will be monitored and reviewed periodically through a three tier structure comprising: CSR Committee of the Board, CSR Steering Committee and CSR Sub-committee. The monitoring process will cover both programme and financial reviews.