

SUZUKI R&D CENTER INDIA PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR POLICY)

1.0 TITLE, OBJECTIVE AND APPLICABILITY

- i. Suzuki R&D Center India Private Limited (“Company”) has framed its Corporate Social Responsibility Policy (“CSR Policy”) which sets out Company’s commitment to ensure that its activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society.
- ii. The CSR Policy has been framed in accordance with the applicable provisions of the Companies Act, 2013 (“Act”) and the rules made thereunder.
- iii. The CSR Policy shall apply to all the CSR programs and projects (“CSR Activities”) undertaken by the Company at various locations in India for the benefit of diverse sections of the society.

2.0 APPROVAL OF CSR POLICY

The Board of Directors of the Company (“Board”) has approved this Policy, formulated by the Corporate Social Responsibility Committee (“CSR Committee”), after taking into account the recommendations by the CSR Committee. The Board may amend the Policy as may be required from time to time, basis the recommendations of the CSR Committee.

3.0 CSR FOCUS AREAS

- i. The Board shall ensure that the CSR Activities that are undertaken by the Company should be within the scope of the following activities:
 - **HUNGER, POVERTY, MALNUTRITION AND HEALTH:** Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare 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.
 - **EDUCATION:** Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled, and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, tables, laboratories, etc., with the objective of assisting students in their studies.
 - **GENDER EQUALITY:** 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.
 - **RURAL AND SLUM AREAS DEVELOPMENT PROJECTS:** Strengthening rural and slum areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.
 - **ENVIRONMENTAL SUSTAINABILITY:** Ensuring environmental sustainability,

ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

- NATIONAL HERITAGE: 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.
 - ARMED FORCE: Measure for the benefit of armed force veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
 - SPORTS: Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympics sports.
 - CONTRIBUTION TO FUNDS: Contribution to the Prime Minister's National Relief Fund or Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Schedule Tribes, other backward classes, minorities and women.
 - CONTRIBUTION TO INCUBATORS OR RESEARCH AND DEVELOPMENT PROJECTS: Contribution 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.
 - CONTRIBUTIONS TO PUBLIC FUNDED UNIVERSITIES: Contribution to Universities such as the 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).
 - DISASTER MANAGEMENT: Disaster management, including relief, rehabilitation and reconstruction activities.
- ii. The CSR Activities will be carried out in a manner that the preference is to undertake the CSR activities in and around the local areas where the Company operates.
- iii. In order to count towards CSR Expenditure, CSR Activities must be undertaken in compliance with the Act and shall not include the following:
- activities undertaken in pursuance of normal course of business of the company.
 - any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international

- level;
- contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- activities carried out for fulfilment of any other statutory obligations under any law in force in India.

4.0 CSR BUDGET

- i. The Board of Company shall ensure that in each financial year, the Company spends at least 2% of the average net profits made during the immediate three preceding financial years.
- ii. The unutilized CSR budget from the 2% of the average net profit will be transferred either to a fund specified under Schedule VII of the Act or the Unspent CSR Account (as the case may be) in accordance with Section 135 of the Act.
- iii. In case of any surplus arising out of CSR activities the same shall not form part of business profits of the Company.

5.0 IMPLEMENTATION

- i. The CSR Committee may approve constitution of an implementation group for the purposes of implementation of the CSR Activities approved by the Board from time to time (the "Implementation Group") and submitting report of the progress on the CSR Activities to the CSR Committee, which shall be further laid before the Board.
- ii. Mode of Implementation: The CSR Activities may be undertaken by the Company directly through its Implementation Group or with the prior approval of the Board, through any of the entities as "Implementation Agency", being specified in Rule 4 of The Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, and duly registered with the Central Government and having a unique CSR Registration Number.
- iii. The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with The Companies (Corporate Social Responsibility Policy) Rules, 2014.
- iv. The Company shall conduct due diligence prior to selection of an entity as its implementation agency, to inter alia verify the credentials and ensure that the proposed implementation agency is eligible and capable to be appointed as such.
- v. The Board shall empower the Implementation Group to finalize, approve and execute various agreements, deeds, writings, confirmations, undertakings or other documents, as may be necessary, under the Common Seal of the Company or otherwise, with any party including Implementing Agencies and/or others for the purposes of the CSR Policy and accept modifications, changes and amendments to any such documents/ agreements as it may deem fit.

- vi. In case of failure to ensure the minimum CSR Expenditure i.e. 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years, detailed reasons for the same should be submitted by the Implementation Group to the CSR Committee and the Board. Further the Board shall duly include such explanation in their annual board of directors' report.
- vii. The following details of any CSR Activities to be undertaken by the Company shall be presented to the Board by the CSR Committee along with its recommendations:
- The list of CSR projects or programmes to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - The objectives and expected results of the CSR Activity;
 - The relevant sector and the nature of the CSR Activity;
 - The focus area/ location for implementation of the CSR Activity;
 - The modalities of utilisation of funds and amount to be allocated towards the CSR Activity;
 - The implementation schedules for the projects or programmes with indicative timelines for completion of the CSR Activity;
 - The manner of execution - whether the CSR Activity should be undertaken by the Implementation Group or any Implementing Agency or in collaboration with any other company;
 - Monitoring and reporting mechanism;
 - details of need and impact assessment, if any, for the projects undertaken by the company; and
 - Such other details as it may deem necessary.
- viii. In case any of the CSR Activities to be undertaken are anticipated to be long term i.e. an ongoing project being of a term of 3 (three) years excluding the financial year in which it was commenced, then a detailed estimate on implementation schedule or milestones should be submitted by the CSR Committee to the Board.
- ix. Based on the recommendations of the CSR Committee, the Board shall approve the CSR activities of the Company for a given financial year.

6.0 CSR GOVERNANCE STRUCTURE

6.1 The Board:

The Board of Directors of the Company will be responsible for:

- Approval of the CSR Policy of the Company.
- Disclosing the content of the CSR Policy in its report and place the CSR Policy on the Company's website, if any in such a manner as prescribed under Section 135 of the Act read with the CSR Rules.
- Ensuring that the CSR activities included in the Policy are undertaken by the Company.
- Ensuring that the Company spends, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the Policy and funds so disbursed have been utilized for the purposes and in the manner as approved by it

- Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR activities.
- Ensuring that it specifies the reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount.

6.2 CSR Committee:

- I. Composition of the CSR committee:** The composition of the CSR Committee shall be decided by the Board from time to time under the provisions of Section 135 of the Act.
- II. Responsibility of the CSR Committee:**
 - To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013;
 - To recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
 - Formulate and recommend to the Board, an annual action plan, in pursuance of the CSR Policy in accordance with the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014.
 - Institute a transparent monitoring mechanism for ensuring implementation of the CSR projects undertaken by the Company.
 - To monitor the CSR policy of the Company from time to time and recommend any change to the Board;

7.0 MONITORING

- i. To ensure that the objectives of CSR Policy are being met in an efficient and effective manner, the utilisation of the amount sanctioned towards CSR Activities should be reported by the Implementation Group to the Board as well the CSR Committee on periodic basis in such manner as the CSR Committee may direct.
- ii. In the event that any of the CSR Activities are undertaken through an Implementing Agency, the Implementation Group should obtain relevant information from the Implementing Agency and ensure that the progress on such CSR Activity is submitted to the Board as well the CSR Committee on a quarterly basis in such manner as the CSR Committee may direct.
- iii. For the purposes of monitoring, the Implementation Group may visit the Implementation Agency site to review CSR project and carry out inspections as recommended by the CSR Committee from time to time.
- iv. Upon receipt of such progress report by the Implementation Group, the CSR Committee may review and deliberate upon such reports and provide such inputs or recommendations, as it may deem necessary, to the Board.
- v. Notwithstanding anything to the contrary, the Board shall not be obliged to comply with the recommendations of the CSR Committee.

8.0 REPORTING

- i. The Board's report of the Company shall include an annual report on CSR containing the particulars and such other details as may be prescribed from time to time under the Act and the CSR Rules.
 - ii. In respect of the reporting, the Board will be responsible to ensure that:
 - The report of the Board includes the annual report on CSR Activities of the Company and sets out the requisite information in terms of the Act and the Rules;
 - The contents of the latest and updated version of the CSR Policy is included in the report of the Board;
 - The contents of the CSR Policy along with composition of the CSR committee, and projects approved by the Board will also be made available on the website (if any) of the Company.
 - In case of failure to ensure the minimum CSR Expenditure, detailed reasons for the same are adequately disclosed in the Board Report and ensure that the unspent amount is transferred as per the provisions of sections 135(5) and 135(6) of the Act.
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Date of Adoption: 23 August, 2024

Date of Last Amendment: