

Honda Siel Power Products Limited

Corporate Social Responsibility Policy



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 HSPP strengthen its position as **“a Company that Society will want to exist”**.

These set of rules or guidelines are called **HSPP - CSR Policy**.

2. Applicability:

The Policy is applicable to all the CSR activities/projects taken up within India for the benefit of different segments of society.

3. Vision:

To be an active contributor in raising the country’s human development index and fulfill the role of a Socially Responsible Corporate, with environmental concerns.

4. Objective:

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

5. Resources:

- a. For achieving the CSR vision, HSPP will allocate at least 2% of its average net profits made during the three immediately preceding financial years as Annual CSR Budget.
- b. Any unspent /unutilized CSR allocation of a particular year will be carried forward to the following year.
- c. CSR expenditure will include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board of Directors on recommendation of CSR Committee.

6. Programs/Activities under CSR

- a.** Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swacchh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- b.** Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- c.** 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.
- d.** 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.
- e.** 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;
- f.** measures for the benefit of armed forces veterans, war widows and their dependents;
- g.** training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- h.** contribution to the Prime Minister's National Relief 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;
- i.** Contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.
- j.** rural development projects
- k.** Slum area* development.
*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.
- l.** Other programmes and activities as may specified by law from time to time

7. Organizational Mechanism, responsibilities and Implementation Process:

HSPP provides the vision under the leadership of its Corporate Social Responsibility Committee (Hereinafter referred to as 'Committee') comprising of following Members of the Board:

Committee Members:

1. Chairman of the Board of Directors
2. President and CEO/Managing Director
3. Whole Time Directors

The vision underlines all CSR activities and the Responsibilities of CSR Committee includes the following.

- To take role of a mentor and to work for the successful and time bound implementation of the projects.
- Identification of CSR Activities and recommending to the Board of Directors.
- To allocate the expenditure from the CSR Budget for the Projects to be undertaken.
- To decide about the Implementation schedule of specific project/activity and also set the mechanism for measuring the effectiveness.

In order to have effective implementation of the above vision, the CSR Committee may further establish a CSR Sub-Committee comprising of Members from various functions of the Company headed by Head- General Affairs. The said CSR Sub-committee will function under the terms of reference as may be prescribed by the Management. Further, the functions of the CSR Sub Committee shall be monitored by a CSR Steering Committee comprising of the Members from Top Management of the Company.

The CSR activities shall be undertaken by the company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

The Company may undertake the above activities as prescribed under relevant laws and rules thereunder.

8. Monitoring Mechanism:

To ensure effective implementation of the CSR programs undertaken by the Company, a monitoring mechanism will be put in place by Committee.

- a. Appropriate documentation of the HSPP CSR Policy, annual CSR activities, executing partners, if any, and expenditures entailed will be undertaken on a regular basis.
- b. Annual report on CSR initiatives undertaken by the Company will also be reported in the Board's Report of the Company, format annexed at **ANNEXURE**.

9. General:

- a. The Committee may modify, cancel, add, or amend any of these rules in accordance with the guidelines on the subject as may be issued from Government/Regulatory Authorities or otherwise, from time to time with prior approval of the Board of Directors.
- b. In case of any doubt with regard to any provision of the policy and also in respect of the matters not covered herein, reference can be made to CSR Committee. In such matters, the interpretation and decision of the CSR Committee shall be final.
- c. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of HSPP.

**for and on behalf of the Board
Honda Siel Power Products Limited**

**Yoshifumi Iida
President & CEO**

ANNEXURE:-

Format for the Annual Report on CSR Activities to be included in the Board's Report

1. A brief outline of the HSPP- CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee.
3. Average net Profit of the Company for last three financial years.
4. Prescribed CSR expenditure (two percent of the above amount.)
5. Details of CSR spent during the financial year.
 - Total amount to be spent for the financial year.
 - Amount unspent if any.
 - Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR Project or Activity Identified	Sector in which the Project is covered.	Projects or Programs 1. Local area or other 2. Specify the state and district where project or programs was undertaken.	Amount outlay (budget) project or programs wise.	Amount spent on the projects or programs Sub-heads: 1. Direct expenditure on projects or programs. 2. Overheads	Cumulative expenditure upto the reporting period.	Amount spent : Direct or through implementing agency.
1							
2							
	Total						

*Give details of Implementing Agency.

6. In case the Company has failed to invest the 2 % of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board Report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.