

Honda Logistics India Pvt. Ltd

**Corporate Social Responsibility
Policy**



HLIND CORPORATE SOCIAL RESPONSIBILITY POLICY

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1. INTRODUCTION

Honda Logistics India Pvt. Ltd (“**HLIND/ the Company**”) believes in contributing to the society through corporate activities, providing products and services that are beyond expectation from customers and society. In order to fulfill responsibility as a corporate citizen, HLIND will take initiatives for social activities. HLIND, through the CSR Activities, will endeavor to enhance value creation in the society and in the community, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate.

This policy, which encompasses HLIND’s philosophy for delineating its responsibility as a corporate citizen, lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of society at large, is titled as “**HLIND Corporate Social Responsibility Policy**”

2. OBJECTIVE

HLIND aims at supplementing the role of Government in enhancing the welfare measures of the society within the framework of its policy.

The objective of this CSR Policy is to:

- (i) Outline projects, programs and activities to be undertaken by HLIND;
- (ii) Specify the process of execution of such projects, programs and activities;
- (iii) Monitor the process to be followed for such projects, programs and activities;
Directly or indirectly take up programs that benefit the communities through enhancing the quality of life and economic well-being of the local populace.

3. DEFINITIONS/INTERPRETATIONS

- a) “**Corporate Social Responsibility (CSR)**” means the activities undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of the Companies Act, 2013 (hereinafter referred to as “**Act**”) read with Companies (Corporate Social Responsibility Policy) Rules, 2014.
- b) “**CSR Committee**” means the Corporate Social Responsibility (CSR) Committee of the Board referred to in section 135 of the Act.
- c) “**Net profit**” means the net profit of a Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following namely
 - (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.
- d) “**Administrative overheads**” mean the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but



shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

- e) **“Ongoing Project”** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.
- f) **“Implementing agency”** means the eligible entities which can act as an implementing agency for undertaking CSR activities given as under:
- (i) Company established under section 8 of Companies Act 2013, or Trust, or Society registered under section 12-A and 80-G of the Income Tax Act 1961, being established by the Company, either singly or along with any other company;
 - (ii) Company established under section 8 of Indian Companies Act 2013, or Trust, or Society, being established by Central Government or State Government;
 - (iii) Any entity established under an act of Parliament or a State Legislature.
 - (iv) Company established under section 8 of Indian Companies Act 2013, or Trust, or Society registered under section 12-A and 80-G of the (Indian) Income Tax Act 1961, and having an established track record of at least three years in undertaking similar CSR activities;

4. SCOPE OF CSR ACTIVITIES

As required pursuant to the provisions of section 135 read with Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company shall endeavor its CSR activities within the purview of Schedule VII in the following areas:

1. **Eradicating hunger, poverty and malnutrition, promoting health care** including preventive health care 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.
2. **Promoting education**, including special education and employment and enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
3. **Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers** and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.



4. **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.
5. **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.
6. **Measures for the benefit of armed forces veterans, war widows** and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
7. **Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.**
8. **Contribution to the Prime Minister's National Relief Fund** or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (**PM CARES Fund**) any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
9. A) **Contribution to incubators or research and development projects** 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; and

 B) **Contributions to public funded Universities;** Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organization (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
10. **Rural development projects.**
11. **Slum area development** (The term "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).
12. **Disaster management**, including relief, rehabilitation and reconstruction activities.

However, the following activities are excluded from considered as eligible CSR activity:



- i) Activities undertaken in pursuance of normal course of business of the Company.
- ii) Any activity undertaken by the company outside India except for training of Indian Sports personnel representing any state or Union territory at national level of India at international level.
- iii) Contribution of any amount directly or indirectly to any political party under section 182 of the Act.
- iv) Activities benefitting employees of the company as defined in clause (k) of section 2 of the code on wages, 2019.
- v) Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
- vi) Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

5. APPLICABILITY

Corporate Social Responsibility is required for all companies viz. private limited company, limited company. These companies are required to form a CSR committee consisting of its directors. This committee oversees the entire CSR activities of the Company.

Criteria: If any of the below financial strength criteria are met, the Corporate Social Responsibility (CSR) provisions and related rules will be applicable to the company.

- Companies with a net worth of Rs. 500 crores or greater, or
- Companies with a turnover of Rs. 1000 crores or greater, or
- Companies with a net profit of Rs. 5 crores or greater.

Presently, HLIND will fall in this category due to third criteria as above and therefore needs to comply with CSR requirement.

6. MEASURES

In the aforesaid backdrop, policy on CSR of HLIND is broadly framed taking into account the following measures:

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



- HLIND shall give preference to the local area or areas around it where it operates, for spending the amount earmarked for CSR activities.
- HLIND may collaborate with other companies for undertaking projects or programmes 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 programmes in accordance with these rules.
- HLIND may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.
- In case of ongoing project, the Board of the Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

7. ROLE OF BOARD OF DIRECTORS IN CSR

The Board of directors plays a significant role in CSR activities of the Company. The role of HLIND Board is as follows:

- Approval of the CSR policy.
- Ensuring its implementation.
- Disclosure of the contents of CSR policies related to its report.
- Placing the same on Company's website, if any.
- Ensuring that amount specified as per law is spend by the company with reference to CSR activities.
- Satisfy itself regarding the utilization of the disbursed CSR funds and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

8. ORGANIZATIONAL MECHANISM AND RESPONSIBILITIES

A. Constitution of Corporate Social Responsibility Committee:

The Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee of the Board ("**CSR Committee**") consisting of two or more directors. The Company Secretary shall be the secretary to the Committee. The CSR Committee may invite other experts/ invitees as per its requirements.

The CSR Committee shall-

1. Formulate and recommend to the Board, activities to be undertaken by the company in areas or subject as per Schedule VII;
2. Recommend the amount of expenditure to be incurred on the above activities; and
3. Monitor the CSR Policy of the Company from time to time.
4. Formulate annual action plan in pursuance of the CSR Policy in accordance with the applicable law, and inclusive of the following items:



- a. the list of CSR projects or programmes, that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- b. the manner of execution of such projects or programmes;
- c. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d. monitoring and reporting mechanism for the projects or programmes;
- e. details of need and impact assessment, if any, for the projects undertaken by the company.

Provided that the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

B. Frequency of Meetings

The meetings of the CSR Committee could be held at such periodic intervals as may be required.

C. Quorum

Minimum two (2) Directors shall constitute quorum for the CSR Committee meeting.

D. Chairman

In the absence of the Chairman, the members of the CSR Committee present at the meeting shall choose one amongst them to act as Chairman.

E. Minutes of CSR Committee Meeting

Proceedings of all meetings must be minuted and signed by the Chairman of the CSR Committee and tabled at the subsequent Board meeting.

F. Formation of CSR Sub-Committee

CSR Committee may constitute CSR Sub-Committee to assist it in the implementation and impact assessment of the CSR initiatives. CSR Committee shall authorize any Divisional Head-GA to form a CSR Sub-Committee to monitor CSR activities. Divisional Head-GA shall be coordinating and leading the CSR Sub-Committee and will report and update the status to CSR Committee as and when meeting will conduct.

CSR Sub-Committee shall be reconstituted or revised with the approval of CSR Committee in April or such month as may prescribe every year. In this meeting Divisional head-GA shall propose activities and targets to CSR Committee which need to be execute in that financial year and CSR Committee shall approve it with necessary changes and comments.

The CSR Sub-Committee shall be responsible for:

- (i) Identifying CSR Activities at the directions of the Board and the CSR Committee;



- (ii) Undertaking impact assessment of the CSR Activities;
- (iii) Determining the process of execution including targets and timelines in consultation with the CSR Committee;
- (iv) Timely implementation of the CSR Activities approved by the Board in compliance with the applicable provisions of the Act and CSR Rules;
- (v) Providing periodic reports to the CSR Committee on implementation as well as assessment carried out through field visits and feedback sessions; and
- (vi) Any other assistance as may be required by the Board and the CSR Committee in relation to implementation of the CSR Activities.

G. Frequency, Quorum of CSR Sub-Committee Meeting

The meetings of the CSR Sub-Committee could be held at such periodic intervals as may be required and instructed by Board or CSR Committee. Minimum two (2) Members shall constitute a quorum for the CSR Sub-Committee meeting. In the absence of the Divisional Head-GA/Chairman, the members of the CSR Sub-Committee present at the meeting shall choose one amongst them to act as Chairman.

Proceedings of all meetings shall be minitised and signed by the Chairman/Divisional Head-GA of the CSR Sub-Committee and tabled at the subsequent Committee.

9. SETTING TARGETS

Prior to the commencement of CSR activities/projects, CSR Sub-Committee will carry out a survey study of the nearby area/villages of HLIND Tapukara Plant i.e. SPL 1(E), Suppliers Park, Tapukara Industrial Area, Tehsil Tijara, District Alwar-301707 Rajasthan, India/ HLIND Bangalore location i.e. Survey no 96, Narsapura Village, Narsapura Hobli, Kolar taluk, Kolar, Karnataka- 563101.

However, the CSR Sub-Committee may identify other areas for CSR Activities, as per directions given by CSR Committee/Board from time to time.

The study encompasses various parameters such as- health indicators, literacy levels, sustainable livelihood processes, facilities available and population data – below the poverty line and above the poverty line, state of infrastructure, among others.

Based on survey study, the CSR Sub-Committee will analyze and determine the areas where any development is required on the basis of above-mentioned parameters and accordingly set the targets for further process.

10. PROJECTS, PROGRAMS AND ACTIVITIES

The CSR Sub-Committee shall identify and evaluate areas of intervention where funding of CSR activities is required and projects will be prioritized by assessing their impact. The CSR sub-committee will then forward its recommendations to the CSR Committee. The CSR Committee will then assess the proposals and approve proposals for implementation at its discretion.



11. CSR IMPLEMENTATION

HLIND may undertake CSR activities through three modes of implementation:

- i. Implementation by itself; or
- ii. Implementation through eligible implementing agencies; or
- iii. Implementation in collaboration with one or more companies.

12. CSR BUDGET/ EXPENDITURE

1. In every financial year, the Company shall spend atleast 2 (two) % of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy.
2. In any financial year, if CSR spending could not be achieved, the Company shall in its Board's Report specify the reasons for not spending the amount and unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII of the Act within a period of 6 months after expiry of the financial year.
3. In any financial year, if any amount remains unspent pursuant to any ongoing project, shall be transferred within a period of 30 days from the end of the financial year into a separate bank account called "Unspent Corporate Social Responsibility Account" and such amount will be utilised within a period of three consecutive financial years, failing which, the Company need to transfer to any fund specified under schedule VII of the Act with in a period of 30 days from the date of completion of 3rd financial year.
4. If in any financial year, the Company spends more than 2% of average net profit of three immediately preceding years as mandated by the Act, the excess amount can be carried forward and set off against the requirement up to immediate succeeding three financial years subject to the conditions that the excess amount available for set off shall not include the surplus, if any, arising out of the CSR activities and the Board of the Company shall pass a resolution to that effect.
5. Any surplus arising out of the CSR activities shall not form part of the business profit of the company and may only be re-allocated to the CSR Activities being undertaken in terms of this CSR Policy and the annual action plan for the financial year in which such surplus has arisen.
6. HLIND may incur expenses towards general management and administration of CSR functions as "administrative overheads". However, such administrative overheads shall not exceed 5 (five) percent of total CSR expenditure of the Company for the financial year.
7. CSR Committee shall recommend CSR budget to Board every year in July for that financial year. HOD-Finance shall be responsible for calculation of CSR budget as per Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013 and any further amendments therein.



13. INFORMATION DISSEMINATION

HLIND need to disclose CSR Policy, Committee Composition, projects approved by the Board on its website, if any.

14. MANAGEMENT COMMITMENT

Our Board of Directors, our management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

15. REPORTING & REVIEW

The CSR Committee will review the policy from time to time and is empowered to amend or modify the CSR Policy and such changes shall be placed before the Board for its approval. The Board may subject to compliance with applicable law, at any time approve or alter, amend or modify the CSR Policy, as it deems fit to comply with the statutory obligation to undertake the CSR Activities.

16. RECORD KEEPING

- a. All relevant statutory records pertaining to the CSR shall be kept by the Company Secretary.
- b. All other records pertaining to CSR programs/projects/activities of the Company shall be kept by Divisional Head-GA.
- c. The documents to be preserved till a period of 8 years unless prescribed any other retention period as per law.

17. CSR REPORTING

HLIND shall make appropriate disclosure as revised under the Act, laws or rules as may be applicable from time to time, including an Annual Report on CSR activities in the Board's Report of the Company for every financial year in the format as prescribed in **Annexure-1** or as amended from time to time.

**COMPOSITION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

S. No	Name of Director	Category	Position
1	Kazuhiko Honda	Managing Director	Chairman
2	Yukihide Isobe	Director	Member
3	Pawan Bhardwaj	Director	Member
4	Koji Hirota	Director	Member



ANNEXURE -1

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES

TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL
YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2020

1. Brief outline on CSR Policy of the Company.
2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1			
2			
3			
	TOTAL		

6. Average net profit of the company as per section 135(5).
7. (a) Two percent of average net profit of the company as per section 135(5)
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.
- (c) Amount required to be set off for the financial year, if any
- (d) Total CSR obligation for the financial year (7a+7b- 7c).
8. (a) CSR amount spent or unspent for the financial year:



Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)					
	Total Amount transferred to Unspent CSR Account as per section 135(6).			Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	of	Name of the Fund	Amount.	Date of transfer.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation-Direct (Yes/No).	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration Number
1												
2												
3												
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No).	Location of the project.		Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation-Direct (Yes/No).	Mode of Implementation – Through Implementing Agency	
				State	District				Name	CSR Registration Number
1										
2										
3										
	Total									

(d) Amount spent in Administrative Overheads

(e) Amount spent on Impact Assessment, if applicable



(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9(a) Details of Unspent CSR amount for the preceding three financial years:

Sl No. Preceding Financial Year	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1							
2							
3							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.



1.								
2.								
3.								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Sd/-	Sd/-	Sd/-
(Chief Executive Officer or Managing Director or Director)	Chairman CSR Committee	(Person specified under clause (d) of sub-section (1) of section 380 of the Act) (Where applicable)