

**CORPORATE SOCIAL RESPONSIBILITY
POLICY**

OF

HELLA INDIA LIGHTING LIMITED

I. Objective

Corporate Social Responsibility (CSR) has been an integral part of the way we have been doing our business at HELLA India Lighting Limited (hereby referred to as HIL/the Company/we/our) since inception. Since past, the Company's CSR initiatives have played a pivotal role in improving the lives of the communities and society at large, in & around our operations with an objective to energize, involve and enable them to realise their potential. This has also enabled us to fulfil our commitment to be a socially responsible corporate citizen. The main objective of HIL's CSR policy is

- To lay down guidelines to make CSR a key business process for sustainable development of the society.
- To create economic value and to actively contribute towards development of a sustainable society by taking up projects for the common good through responsible business practices and good governance.
- Being of help to the communities in and around our plant and society at large.
- To generate goodwill and recognition among all stake holders of the company.

II. Applicability

HIL's Corporate Social Responsibility (CSR) policy has been developed in consonance to Section 135 of the Companies Act 2013 (hereby referred to as 'the Act') and in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments thereof from time to time (hereby referred to as 'the Rules').

HIL's CSR Policy shall apply to all CSR projects/programmes undertaken by the Company in India, as per Section 135 and Schedule VII of the Act.

III. Board of Directors ('Board')

The Board of HIL will:

- i. Approve the CSR policy, after it is formulated by the CSR Committee, with or without modification(s)
- ii. Approve a CSR annual action plan (AAP) and amendment thereof as recommended by CSR Committee,
- iii. Approve the amount to be spent by the Company in every financial year, on its CSR activities
- iv. Ensure to include in HIL's Board report, an annual report on CSR as specified under the Act and the Rules.
- v. Ensure disclosure of the composition of the CSR Committee, CSR Policy and the projects approved by the Board on the Company's website, for public access
- vi. Ensure all applicable statutory compliances, in relation to CSR, are made in a timely manner.
- vii. Ensure all applicable statutory disclosures, in relation to CSR, are made in a timely manner, on the Company's website, for public access, if prescribed by Act and/or Rules

IV. CSR Committee

a) Composition of the CSR committee:

The Board of directors of the company have already constituted the CSR Committee. The Committee may invite people involved in the CSR projects or having expertise in the CSR projects for participation in the discussions.

b) The CSR committee of HIL will be responsible for:

- (i) formulating the CSR policy in compliance to Section 135 of the Act and the Rules, as amended from time to time
- (ii) recommending activities to be undertaken as per Schedule VII of the Act, as amended from time to time.
- (iii). Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
 - 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; and
 - e) details of need and impact assessment, if required, for the projects undertaken by HIL:
- (iv). recommending to Board, the CSR expenditure to be incurred.
- (v). recommending to Board, modifications to the CSR policy and the Annual Action Plan as and when required.
- (vi). regularly monitoring the implementation of the CSR policy, including execution and implementation of the annual action plan.
- (vii). Any other matter as may be entrusted to the CSR Committee by the Board from time to time.

V. Guiding principles for formulation of Annual Action Plan

The Company may undertake CSR projects/programmes as per Section 135 and Schedule VII of the Act. However, arising from our objectives, the Projects and activities with the following themes shall be given preference while formulating Annual Actions Plans:

1. Local Area Development-

- i) Improving the lives of communities where we operate and other

- identified places:-
- ii) Promotions of Education, "Educating the Masses and Promotion of Road Safety awareness in all facets of road usage.
 - iii) Strengthening healthcare infrastructure and facilities, access to clean drinking water, sanitation and hygiene
 - iv) Education for children
 - v) Creation of livelihood opportunities through skill building

2. Social Mission

- i) Environment sustainability including, through development of water conservation and waste management systems, targeted afforestation, and take such other measures that facilitate sustainable travel, as required
- ii) Preserve and protect the natural assets and local environment at destinations that are frequently travelled by travellers
- iii) Generate socio-economic benefits to local communities in environmentally sensitive travel destinations by supporting enhancement of skills, livelihood opportunities, market-linkage for their products and services, and such activities to effectively promote their local culture and heritage

VI. CSR Implementation

The Company's CSR programmes will be identified and implemented according to this policy. The Company will enhance its monitoring and evaluation mechanism so as to ensure every programme has:

- a) Clearly defined objectives.
- b) A progress monitoring system
- c) Impact assessment (if applicable).
- d) A reporting framework and system aligned to the Act and Rules.

The Company will implement its CSR programs on its own/Directly or through any CSR implementing agency(s), as registered with the Ministry of Corporate Affairs, India ('MCA'), including but not limited to BST (Bal Swavlamban Trust) and its various partners. HIL may also collaborate with other Companies/other partners for undertaking projects or programs (other than BST), in such manner as the Committee may deem fit and upon Board's approval.

VII. Evaluation, Monitoring and Reporting

1. Evaluation

Prospective programmes shall be presented to the CSR Committee for evaluation. The proposals shall set out proposed budget, social need for the programme and benefits expected.

2. Monitoring

The CSR Internal Committee has been formulated in HIL, for undertaking all operational related aspects related to CSR projects and/or programmes

implementation. The CSR Committee and The CSR Internal Committee will be responsible for monitoring CSR activities and shall report to the Board from time to time in this regard.

The CSR Committee has the powers to:

1. Seek monitoring and implementation/ progress report from the Implementation Agency(s) receiving funds.
2. Delegate a designated company official to co-ordinate with the Implementation Agency(s) receiving funds to inspect the activities undertaken and ensure information in a timely manner.
3. To examine the CSR spends closely and funds shall be released against verifiable utilizations as per the approved work plans. This may include field visits, comprehensive documentation, and regular interaction with beneficiary communities.

The following processes will be followed

(a) Activities and Budget

The activities and budgets for CSR will be presented in detail to the Committee for the following areas/domains:

- D2S related Activities, being a registered Implementation Agency for HIL or other activities through any CSR implementing agency(s)
- Direct Spent to be made by the Company, in Schedule VII activities.

(b) Continuous Monitoring

- The Committee Members will receive in a prescribed format, a quarterly report of CSR spend, by the Implementation Agency(s);
- A presentation on the progress of the CSR projects / activities will be made to the Committee by the CSR Executives at the Committee meetings held from time to time;
- An annual presentation will be made to the Committee which will also include the details of the projects / activities planned for the next year and its respective budgets

3. Reporting

The CSR Committee will prepare the Annual CSR report and present for approval of the Board. This report will ensure that CSR projects and/or programmes are being properly documented.

VIII. Disclosures

The Board's report pertaining to any financial year shall include an annual report on CSR containing particulars under the Act and the Rules.

IX. Amendments

Any modification/amendment in this CSR Policy may be carried out by the Board on the recommendation of the CSR Committee of the Company. The Policy will be subject to change as per the Act and/or the Rules, other applicable laws, rules, regulations and government guidelines.