

Corporate Social Responsibility Policy of Hubergroup India Private Limited

Introduction

The Companies Act, 2013 (hereinafter referred to as “the Act”) under Section 135 has introduced the concept of Corporate Social Responsibility (CSR). It mandates qualifying companies to formulate a CSR Policy and to constitute a CSR Committee to effectively monitor CSR Activities of the Company.

Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as “CSR Rules”) lays down the framework and modalities of carrying out the CSR Projects and programs relating to activities specified in Schedule VII of the Act.

As per the Act and CSR Rules, all qualifying companies requires to spend at least 2% of its average net profits made during the three immediately preceding financial years. Hubergroup India Private Limited (hereinafter referred to as “the Company”) is also covered under the preview of the said provisions.

This policy would be governed by various applicable provisions of the Act and CSR Rules, for the time being in force.

Objective & Scope

The objective of the CSR Policy is to lay down guidelines for the Company to make CSR activities for making a positive contribution to society through sustainable programs.

The Company is committed to make contribution to the society where we live and work and aspires to continue its tradition of contributing to and investing in communities around its manufacturing facilities. So, the Company intends to take CSR activities which have a lasting impact on the economic and social conditions of local people. All CSR Activities, initiatives, projects and programs should always in promotion of activities specified in Schedule VII of the Act, read with Section 135 of the Act.

This Policy covers current as well as proposed CSR activities to be undertaken by the Company and observing their alignment with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India and includes strategy that defines plans for future CSR activities.

The Company proposes to implement its CSR activities in any of the sectors specified Schedule VII of the Act and as decided by the CSR Committee and accordingly identify CSR Projects and design CSR programs.

CSR Committee

Pursuant to the provisions of Section 135 of the Act, the Board of Directors of the Company (hereinafter referred to as “the Board”) have constituted the CSR Committee comprising of following members of the Board as member of CSR Committee;

1. Mr. Heinrich Ringer
2. Mr. Ashwani Bhardwaj
3. Ms. Ursula Borgmann

The Board shall have exclusive power to appoint / remove any member of the CSR Committee.

⇒ **The CSR Committee will inter alia perform the following activities:**

- i) Formation of CSR Policy and recommend the same to the Board for approval.
- ii) Recommendation on CSR Activities in line with the Schedule VII of the Act.
- iii) Recommendation on CSR Expenditure / Budget.
- iv) Monitor CSR Policy.
- v) Monitor spending of allocated CSR Amount, approved by the Board, on CSR Activities in accordance with the Act and CSR Rules.
- vi) Submit periodic report to the Board in respect of the CSR Activities of the Company.
- vii) Ensure compliance of the Act, CSR Rules and related notifications.
- viii) Appraise the Board regarding any non-compliance of the Act, CSR Rules and related notifications.
- ix) Delegate power to any executive of the Company.
- x) Any other activity assigned by the Board

⇒ **CSR Committee meetings:**

The CSR Committee shall meet as and when required.

Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings. Quorum for the meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.

Minutes of the CSR Committee shall be placed before the Board for noting.

CSR Projects and Programs

The Company understands that being part of the society, it is moral responsibility of the Company to aid and serve the society to the maximum possible extend.

There are several ways to serve the society and the Company believe that the education is one of the basic requirements of every citizen of the country and therefore it recognized as fundamental rights in our constitution. For this, the CSR committee would focus on the following projects and programs:

- Promoting education
- Vocational Sciences
- Information Technology
- Communication Skills
- Career Counseling
- Behavioral Programs
- Co-curricular programs
- Leadership Skills etc.

However, the CSR Committee may decide to implement CSR activities in any of the sectors specified Schedule VII of the Act and accordingly identify CSR Projects and design CSR programs.

CSR Expenditure / Budget

The Act mandates companies meeting the qualification criteria to allocate certain portion of its annual net profits (before tax) during the three immediately preceding financial years to be spent on CSR Activities that fall under purview of Schedule VII of the Act.

⇒ CSR Expenditure:

Net profit means profit more fully described under Rule 2(f) of the CSR Rules. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

⇒ **Expenditure on CSR capabilities**

The Company may build CSR capabilities of their own personnel as well as of their Implementing Agencies and such expenditure shall not exceed 5% of the total CSR spend of the Company as stated in CSR Rules from time to time. Determination of whether a particular expenses fall within this 5% cap can be decided in consultation of the Chief Financial Officer of the Company based on the clarification available from time to time in this regard.

⇒ **Failure to spend the CSR Money**

In case the Company fails to spend the above targeted amount in that particular financial year, the Committee shall submit a report in writing to the Board specifying the reasons for not spending the amount which in turn shall be reported by the Board in the Directors' Report for that particular Financial Year. Surplus arising out of the CSR initiatives shall not form part of the business profits of the Company.

CSR Activities

In line with Schedule VII of the Act and CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee at the beginning of each year. The Committee is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

The Annual CSR Plan is a yearly plan of CSR activities that would be placed before the Board based on recommendation of the CSR Committee which outlines the aspects of CSR initiatives of the Company, however as per the Act and CSR Rules following activities will not be considered as CSR Activities;

- Any CSR projects and programs that are implemented by the Company for benefit of the employees of the Company and their families.
- The CSR activities implemented outside India also fall outside the purview of CSR Rules, hence any CSR expenditure on such activities will not be considered as CSR Activities under this policy.
- Any amount contributed, directly or indirectly, to any political party or for any political purpose shall not be considered as CSR Spend.
- Activities that are undertaken by the Company in pursuance of its normal course of business.

⇒ **Collaboration**

The Company may collaborate with any Affiliates and / or subsidiaries of the Company as may be approved by CSR Committee to implement its CSR activities.

The Company may form trust on its own to carry out CSR activities in accordance with the CSR Rules and to administer its CSR activities.

The Company may also collaborate for its CSR activities with any other Company / Trust / Non-government Organisation (NGO) as may be eligible and approved by the CSR Committee and the Board.

⇒ **Monitoring Mechanism**

All employees of the Company entrusted with the responsibility to monitor the CSR Activities and representatives of entities with which the Company decides to collaborate for fulfilling its CSR obligations, will be responsible to ensure effective implementation and monitoring of the projects approved by the CSR Committee. And also responsible to submit periodic reports to the CSR Committee of the Company on the progress of the various projects approved by the Committee.

Publication

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website, if any.

Amendments

The Committee shall annually review its CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board.