

# **Corporate Social Responsibility Policy**

**Toyota Material Handling India Pvt. Ltd.**

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# 1 INTRODUCTION

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This CSR policy sets out TMHIN's commitment to ensure that its activities shall extend beyond business and include initiatives for the benefit of community and society at large. This CSR Policy lays down the guidelines for undertaking programs geared towards social welfare activities.

## 2 OBJECTIVE & SCOPE

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The main objective of this CSR Policy is to lay down guidelines for TMHIN to make CSR as one of the key focus. This Policy covers proposed CSR activities to be undertaken by TMHIN and examining their alignment with Schedule VII of the Companies Act, 2013 ("Act"). TMHIN proposes to implement its CSR activities in various sectors stated hereunder:

### **Targeted initiative:**

- 2.1. Environment Protection, Tree Plantations
- 2.2. Healthcare facility for under privileged
- 2.3. Drinking Water
- 2.4. Medical Aid, Aids and appliances to the differently abled person
- 2.5. Sanitation
- 2.6. Education
- 2.7. Vocational Skills
- 2.8. Facilities for Senior Citizens

TMHIN will review the sectors from time to time and make additions/ deletions/ clarifications to the above sectors.

## 3 CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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### 3.1 Constitution

Pursuant to the provisions of Section 135 of the Act, the Board of Directors had constituted the Corporate Social Responsibility (CSR) Committee of TMHIN consisting:

Mr. Vikram Kirloskar,

Mr. Hiroshi Yanagisawa,

Mr. Hajime Iwase.

### **3.2 Powers of the Committee**

Following are the powers of the CSR Committee:

- (i) Formulate CSR Policy and recommend the same to the Board of Directors of TMHIN for approval.
- (ii) Recommend CSR activities as stated under Schedule VII of the Act.
- (iii) Approve to undertake CSR activities and to separately report the same to the Board of Directors in accordance with the CSR Rules.
- (iv) Recommend the CSR Budget.
- (v) Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of TMHIN in accordance with the Act and the CSR Rules.
- (vi) Create transparent monitoring mechanism for implementation of CSR Initiatives in India.
- (vii) Monitor CSR Policy from time to time.
- (viii) Monitor activities/charter of employees who are authorized to ensure that the CSR activities of TMHIN are implemented effectively.
- (ix) Authorize executives of TMHIN to attend the CSR Committee Meetings.

## **4 CSR BUDGET**

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Provisions of Section 135 (5) of the Companies Act, 2013 provides that the Board of Directors of the Company shall ensure that the Company spends, in every financial year, at least two percent of the average net profits (before tax) of the Company made during the three immediately preceding financial years. Thus, the Budget for CSR activities shall be decided on annual basis i.e. 2% (two percent) of the average net profits (before tax) of the Company made during the three immediately preceding financial years.

## **5 CSR INITIATIVES**

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Employees of TMHIN shall undertake CSR activities as recommended by the CSR Committee. The Committee is authorized to approve any modification to the existing CSR activities or to propose any new program during the financial year under review.

TMHIN prefer to spend money in the local area of its operations. If due to requirement of

a project, TMHIN needs to spend excess amount earmarked for CSR activities then such excess amount spent cannot be carried forward to the subsequent years but TMHIN would be entitled to disclose in its Annual Report of subsequent years, any such excess spending of previous years while giving reasons for not spending in those later years.

The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

If due to any reason TMHIN is unable to spend amount earmarked for CSR activities, TMHIN may carry forward such funds in the corpus to be maintained only for CSR activities. TMHIN may open a Bank account in the name of “**Toyota Material Handling India Private Limited CSR fund**” and maintain such fund in this account. Further TMHIN shall maintain proper documentation for expenditure of funds on CSR activities.

TMHIN may take support of any Non-Profit Organization and/or NGOs established under section 8 of the Act and in accordance with Companies (Corporate Social Responsibility) Rules, 2014 framed under the Act to carry out CSR activities. Additionally, TMHIN will endeavour for maximum participation of its employees in CSR activities undertaken through such Non-Profit Organisations and/or NGOs.

## **5.1 Disqualifying Activities for CSR**

The Companies (Corporate Social Responsibility) Rules, 2014 prohibit the CSR projects and programs:

- 5.1.1.** That is implemented by TMHIN for benefit of the employees of TMHIN and their families.
- 5.1.2.** The CSR activities implemented outside India also fall outside the purview of the Rules and hence CSR expenditure on such activities will not be considered for inclusion in the CSR Report.
- 5.1.3.** Any amount directly or indirectly contributed towards any political party under Section 182 of the Act shall not be considered as CSR Spend.
- 5.1.4.** Activities that are undertaken by TMHIN in pursuance of its normal course of business will not be considered as CSR activities.
- 5.1.5.** CSR activities should be undertaken by the companies in project/ program mode. One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV program etc. would not be qualified as part of CSR expenditure.
- 5.1.6.** Expenses incurred by companies for the fulfilment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.) would not count as CSR expenditure under the Companies Act.

## 5.2. Implementation and Monitoring Mechanism

A group of employees of TMHIN (CSR Group), for fulfilling its CSR obligations, will be created to ensure effective implementation and monitoring of the projects approved by the CSR Committee. This CSR Group shall submit periodic reports to the CSR Committee of TMHIN on the progress of projects approved by the CSR Committee and entrusted to the CSR Group for implementation and monitoring.

The CSR Group would recognize the activities to be undertaken under CSR program of TMHIN and make a "RINGI" for approval of Managing Director of TMHIN. After approval of RINGI, day, date, time shall be decided by CSR Group for CSR activities and all employees shall be involved in CSR activities under the supervision of CSR Group. For this purpose, TMHIN shall set 2 non-working days (CSR leaves) in a year for CSR activities and all employees shall join in CSR activities. Employees can refer leave Policy of the Company for such CSR leaves. The group shall ensure that amount earmarked for CSR activities shall actually be expended only for CSR activities and shall make a report to Managing Director giving details of amount expended on CSR activities from time to time.

Further the Branch Managers shall be informed from time to time regarding budget allocated for CSR activities, in their areas. The Branch Managers shall involve all employees of branch office for such CSR activities.

## 5.3. Reports

CSR Group shall assist the CSR Committee to prepare reports that are required to be placed before the Board of Directors. The format of the Report shall be the format prescribed under the CSR Rules stated hereunder:

- (1) S No.
- (2) CSR project or activity identified
- (3) Sector in which the project is covered
- (4) Projects or Programs
  - (i) Local area or other
  - (ii) Specify the state and district where projects or programs was undertaken
- (5) Projects outlay (budget) project or programs wise
- (6) Amount spent on the projects or programs Sub-heads:
  - (i) Direct expenditure on projects or programs
  - (ii) Overheads;
- (7) Cumulative expenditure up to the reporting period
- (8) Amount spent direct or through implementing agency

## 6 PUBLICATION OF CSR POLICY & PROGRAMS



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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 TMHIN's website, if any.

## 7 POLICY REVIEW & FUTURE AMENDMENT

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The CSR Committee may 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 of Directors.

  
  
Hajime Iwase  
Managing Director  
Date: 16.03.2021

**End of Policy**