



Honda Motorcycle & Scooter India Pvt. Ltd.

Policy Document – Corporate Social Responsibility Policy (CSR Policy)

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CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR POLICY)

1. Title & Applicability

- The documents describe the Corporate Social Responsibility Policy (“CSR Policy”) of Honda Motorcycle and Scooter India Private Ltd. (“HMSI” or “the Company”). It includes HMSI’s vision, mission, and other relevant attributes of Corporate Social Responsibility.
- The CSR Policy shall be guided by HMSI’s corporate philosophy of respect for the individual and society at large.
- The CSR Policy has been formulated in accordance with Section 135 of the Companies Act, 2013 together with the rules notified thereunder and Schedule VII to the Act and Circular(s) and notification(s) issued by the Ministry of Corporate Affairs (MCA), from time to time (‘the Act’).
- The CSR policy shall apply to all CSR Programs of HMSI.

2. Vision and Mission

HMSI is committed to build a sustainable business with strong social relevance and a commitment to inclusive growth and contribute to the society by supporting causes on various concern including road safety, healthcare, environmental sustainability, promoting education, promoting sports and other rural development activities.

In pursuance of our vision that HMSI desires to be a ‘Company which society want to exist’, we are dedicated towards fulfilling the social objectives through various CSR Activities. The Company shall make it endeavour to positively impact and influence the society for its sustainable development.

3. Purpose

The Company Act, 2013 together with the rules notified thereunder and Schedule VII to the Act and Circular(s) and notification(s) issued by the Ministry of Corporate Affairs (MCA), from time to time (‘the Act’) has brought greater emphasis on CSR that provide guidance on minimum CSR spend, focus areas, implementation mechanism and reporting to the shareholders of the company.

HMSI CSR Policy has been designed keeping in view the company’s business vision, its CSR vision and long-term social objectives that the company wants to achieve. HMSI CSR policy has been created with the purpose to outline its CSR focus areas, review mechanism, execution process and reporting mechanism.

4. Responsibility of the Board of Directors

The responsibility of the Board of Directors shall be as under:

- a) Approve the CSR Policy & disclose the contents of such policy in its Directors’ Report and place it on the Company’s website.
- b) Ensure that the activities proposed in the CSR Policy are undertaken.
- c) Ensure that the company spends, in every financial year, at least 2% of average net profit of the company made during the 3 immediately preceding financial years, as required under Section 135 of the Companies Act, 2013 & rules made thereunder.
- d) If company fails to spend the sum as mentioned above, then the Board shall, in its Report specify the reasons for not spending the amount.
- e) Any other function as may be specified under the Act or the CSR Rules from time to time.

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5. Corporate Social Responsibility Committee:

5.1 Constitution of Corporate Social Responsibility Committee:

A Corporate Social Responsibility Committee (“the CSR Committee”) has been constituted by the Board of Directors to oversee the CSR agenda of the Company. The Committee has been formed as per the requirements of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

Board of Directors shall be empowered to take decision for making or effecting changes in the constitution of the CSR Committee

The composition of CSR Committee shall be disclosed in the Board of Directors’ Report.

5.2. Responsibilities of the CSR Committee

- (a) formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Act;
- (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- (c) monitor the CSR policy from time to time;
- (d) formulate and recommend to the Board, an Annual Action Plan covering the following aspect:
 - (i) the list of approved CSR projects or programmes to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - (ii) the manner of execution of such projects or programmes;
 - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - (iv) monitoring and reporting mechanism for the projects or programmes; and
 - (v) details of need and impact assessment, if any, for the projects undertaken by the company.
- (e) implement, oversee and monitor the progress of the project or activity rolled out under this Policy.
- (f) provide regular update to the Board on the CSR activities undertaken during the financial year; and
- (g) to ensure CSR policy of the Company displayed over the website of the Company.
- (h) any other function and responsibilities, as may be assigned from time to time.

5.3 Meetings of CSR Committee

The CSR Committee shall meet at least once in six months. The meeting shall be held at the registered office of the Company, or any other place as may be decided by the members. The Committee members may attend the meeting physically or via such audio-visual means as permitted under the Act. The quorum for CSR Committee meetings shall be two members physically present or through audio visual means, as the case may be.

5.4 Notice of Meeting

Notice convening a Meeting shall be given at least seven day before the date of the Meeting specifying the day, place and timing of meeting as per the provisions of the Act. In urgency meeting may be convened by shorter notice.

6 Areas of CSR Activities

The Company is hereby devoted to direct its CSR resources, to a reasonable extent, for improving the quality of life of the people by focusing on the social causes falling within the purview of Schedule VII to the Companies Act, 2013 (as amended from time to time).

The Company undertakes to initiate its CSR activities in the following key areas amongst other as provided in Schedule VII to the Act:

- (i) Eradicating hunger, poverty and malnutrition, [“promoting health care including preventive health care”] and sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) 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.
- (iv) 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].
- (v) 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;
- (vi) 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];
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
- (viii) contribution to the prime minister’s national relief fund or Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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;
- (ix) (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 Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- (x) rural development projects
- (xi) slum area development.

(xii) disaster management, including relief, rehabilitation, and reconstruction activities.

(xiii) any other activity as may be specified under the Act or the CSR rules from time to time.

EXCLUSION:

The following activities shall be excluded from the CSR Expenditure of HMSI:

- a) activities undertaken in pursuance of normal course of business of the company;
- b) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- c) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- d) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019;
- e) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- f) activities carried out for fulfilment of any other statutory obligations under any law in force in India;
- g) any other exclusions as specified under the Act or the CSR rules from time to time.

7 Geographies and beneficiaries

7.1 Geographies

CSR Activities can be conducted in any part of India. At the same time, HMSI will give preference to the local areas around its operation for spending the amount earmarked for CSR Activities. HMSI's operations are mainly concentrated in the following areas:

- State of Haryana
- State of Karnataka
- State of Rajasthan
- State of Gujarat

7.2 Beneficiaries

The beneficiaries of HMSI's CSR programs may be the following categories of people:

- Children/ Students
- Women
- Weaker section of the society
- Others- society at large

8 Implementation Mechanism

8.1 The Company may conduct/ implement CSR Programs by itself or through Section 8 Companies, registered trusts, registered societies having an established track record of at least three years in undertaking similar activities

8.2 A company may also collaborate or pool resources with other companies to undertake CSR activities and any expenditure incurred on such collaborative efforts would qualify for computing the CSR spending.

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9 CSR Expenditure

- 9.1 Every year, upon the recommendation of the CSR Committee, the Board will make a budgetary allocation for CSR activities/projects for the year. The budgetary allocation will be based on the CSR obligation of the Company for that financial year arrived in the manner provided under the Act.
- 9.2 The Company shall strive to spend the budgetary amount allocated for CSR activities/projects planned for each financial year, within that year. If for any reason, any of the provisioned annual budget remains unutilized, the same will not lapse and will be treated in the following manner:
- i. In case of an Ongoing Project, the unspent amount shall be transferred to an account i.e., 'Unspent CSR Account' within 30 days of the end of the financial year, or within such other time period as may be specified in the Act or CSR Rules from time to time, and such sum shall be spent during the next three financial years from the date of transfer, in the manner prescribed under the Act read with CSR Rules, failing which, the Company shall treat the unspent amount in the manner prescribed under the Act read with CSR Rules.
 - ii. In case of activities/projects other than Ongoing Project, the same shall be transferred to funds specified in Schedule VII of the Act, or any such other fund(s) as may be specified under the Act or CSR Rules, within 6 months of the close of the financial year or within such other time as may be specified from time to time.
- 9.3 The administrative overheads shall not exceed prescribed limit as specified in the act or the CSR Rules for the financial year.
- 9.4 Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- 9.5 The Board may during any financial year, approve to undertake CSR expenditure beyond the CSR obligation for that particular financial year. Such excess CSR spend shall be carried forward for set off against the CSR obligation of the Company for the next three consecutive financial years in the manner decided by the Board in compliance with the provisions of the Act and the Rules.

10. Monitoring of CSR Programs

The HMSI CSR team shall be responsible for day to day management of CSR related activities of the Company. The Team shall periodically report to the CSR committee regarding the financial and programmatic progress of CSR Projects.

All projects undertaken by HMSI shall be monitored on a regular basis. On-site monitoring would also be undertaken at least once a year to ensure on track implementation.

The CSR team shall be empowered to appoint an external third party to monitor/ review/ audit the progress (financial and programmatic) of the CSR projects.

11. Effective Date

The CSR Policy shall be effective from the date of its approval by the Board of Directors. This policy document shall supersede the earlier CSR Policy dated 9th February 2017. Provided, however, that all the acts done in pursuance of the earlier CSR Policy shall stand ratified and covered under this policy.

12. Amendments to CSR Policy

CSR policy may be updated to align it with the changing requirements or changes in the legal and regulatory framework. Any revision in the policy shall be approved by the Board of Directors.

CSR POLICY APPROVED ON BEHALF OF BOARD OF DIRECTORS ON THIS 12TH DAY
OF FEBRUARY 2025 AT REGISTERED OFFICE OF THE COMPANY

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