

CORPORATE SOCIAL RESPONSIBILITY POLICY OF BOSCH REXROTH (INDIA) PRIVATE LIMITED

Approved by the Board of Directors at its 284th meeting held on 25th June, 2021

1. SHORT TITLE AND COMMENCEMENT:

This policy may be called “**Bosch Rexroth (India) Private Limited**” Corporate Social Responsibility Policy and shall have effect from **25th June, 2021**.

2. DEFINITIONS:

In this Policy unless the context otherwise requires:

- 2.01 ‘Act’ means Companies Act, 2013.
- 2.02 ‘Board’ means Board of Directors of the Company.
- 2.03 ‘Company’ means **Bosch Rexroth India Private Limited**.
- 2.04 ‘Corporate Social Responsibility’ means and include but is not limited to:-
 - (i) Projects or programs relating to activities specified in Schedule VII to the Section 135 of Companies Act, 2013 and applicable rules therein as amended from time to time and will include sustainable development projects or program.
 - (ii) Projects or programs relating to activities undertaken by the Company in pursuance of recommendation of the CSR Committee of the Board as per declared CSR Policy of the Company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.
- 2.05 ‘CSR Committee’ means Corporate Social Responsibility Committee of the Board formed in accordance with provision of Section 135 of the Act and Rules made thereunder.
- 2.06 ‘Net’ profits means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act subject to adjustment as per Section 135 of the Act and Rules made thereunder.
- 2.07 ‘Rules’ means Companies (Corporate Social Responsibility Policy) Rules 2014, Companies (Corporate Social Responsibility Policy) Amendment Rules 2021 and including any further amendments made from time to time;
- 2.08 Internal monitoring group/ CSR sub-committee/CSR implementation committee means associates/employees of the Company nominated by the CSR Committee for the purpose of implementing CSR programs/projects of the Company and related activities.

Word and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

3. OUR POLICY OF CORPORATE SOCIAL RESPONSIBILITY & GUIDING PRINCIPLES.

The Corporate Social Responsibility (CSR) is a Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner whereby organization serve the interests of society and create positive and lasting social impact by addressing various needs of the society through its CSR programs.

Company promotes its corporate social responsibility (hereinafter called "CSR") activities based on the conviction that all business activities must take CSR into consideration. Values of Bosch Group, which says that the actions of the Company must accord with the interests of society, clearly shows the Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

Company is committed for well-being of all stakeholders. It is committed to bring equilibrium in use of natural resources and making efforts to maintain the ecological balances in the areas of operations and taking all efforts to rebuild / replenish, the natural resources used in the process of its operations, and create a positive environment for bringing various entities / organizations working in the domain of protecting environment, developing well-being of human resources, providing education, health and safety to the marginalized sections of society, to work for the overall growth and well-being of society and environment. Company believes in the principle of well-being of every human being and environment.

Company understands its responsibility to contribute to the communities of the area in which company has its operation and to create positive and lasting social impact by addressing various needs of the society through its CSR programs.

This Policy will serve as a guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan. Whenever in doubt, cross reference of the Act and the rules made thereunder is advised to avoid any inconsistency with the later.

4. CSR VISION STATEMENT AND OBJECTIVE

Company through its CSR initiatives will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained

growth for the society and community, in fulfillment of its role as a Socially Responsible Corporate, with environmental concern.

The Policy aims to fulfill following objectives:

- (a) Establishing a guideline for compliance with the provisions of the Companies Act, 2013 and rules made thereunder to dedicate a percentage of Company's profits for CSR initiatives.
- (b) Ensuring the Implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting
- (c) Creating opportunities for employees to participate in CSR initiatives.
- (d) Ensuring an increased commitment at all levels in the organization, to operate its business in an economically, socially, & environmentally sustainable manner, while recognizing the interests of all its stakeholders;
- (e) To take initiatives, directly or in association with other organizations, and organizing programs that benefits the communities, in and around its areas of operations, over a period of time, in terms of enhancing the quality of life and economic well-being of the local general public.
- (f) To generate, through its CSR initiatives, a community goodwill for Company and help reinforce a positive & socially responsible image of the Company as a corporate entity.

5. CSR Activities

The focus areas of the CSR activities shall include following activities/projects /programs as notified under Schedule VII to Section 135 of the Act read with Rules made thereunder as modified from time to time.

5.1 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;

5.2 Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

- 5.3 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;
- 5.4 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];
- 5.5 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;
- 5.6 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;]
- 5.7 training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- 5.8 contribution to the Prime Minister's National Relief Fund [or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or 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;
- 5.9 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

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 Organization (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).

5.10 rural development projects;

5.11 slum area development;

Explanation.— For the purposes of this item, 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.]

5.12 Disaster management, including relief, rehabilitation and reconstruction activities.

5.13 Contribution towards corpus of Bosch India Foundation;

Besides it may also include Sustainable Development Projects or programs based on the need of community.

6 THE GEOGRAPHIC REACH & GENERAL PRINCIPLES

The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility .The Company will conduct CSR activities preferably in and around the area of its operations presently being Sanand, Ahmedabad in State of Gujarat. However, the CSR Committee may identify such other areas in addition to above, as it may deem fit, for undertaking CSR activities.

The Company shall take into account following broad principles while undertaking any CSR activity:

- 6.1 Consult pro-actively with the community and other key stakeholders for understanding needs and designing initiatives for the social well-being of the community. Wherever necessary, the local authorities and specialized agencies/CSR project implementation agencies should also be consulted and involved.
- 6.2 The main focus of the CSR Policy would be undertaking the activities that benefit the society as a whole as well as the activities that will help to reverse any adverse impact on the environment and ecology and to promote sustainability.
- 6.3 CSR activities shall be undertaken as projects, programs (either new or ongoing) excluding activities which are required to be undertaken in pursuance of the normal course of business of the Company.

6.4 CSR activities are undertaken within India.

7 CSR Committee – Constitution

7.1 Section 135 of the Companies Act, 2013 and rules made thereunder requires the company to constitute a CSR Committee consisting of three or more directors out of which at least one director shall be an independent director and where there is no requirement to appoint independent Director, then such committee shall consist of two or more Directors. The Board of Directors of the Company shall undertake CSR activities, through a Board level Committee called ‘CSR Committee’ and the Committee shall function as per Terms of Reference specified in the Act, Rules made thereunder as amended from time to time and as decided by the Board.

7.2 The CSR Committee will consist of two or more Directors of the Company. The Board of the Company may nominate other directors on the CSR committee in addition to above in accordance the requirement of the Companies Act, 2013 and Rules made thereunder.

7.1 The Chairman of the Committee may either be appointed by the Board or in case Board does not appoint Chairman, the members of the Committee shall select one of them to be Chairman of the Committee.

7.4 The Board’s report under sub-section (3) of Section 134 of the Act and website of the Company shall disclose the composition of the CSR Committee.

7.5 The CSR Committee may function with the help of Company’s in house internal monitoring group/ CSR sub-committee/CSR implementation committee consisting of employees of the Company as may be nominated by the CSR Committee from time to time.

8 ROLE OF THE CSR COMMITTEE

8.1 Formulate and recommend to the Board, a CSR Policy with amendments to be made from time to time.

8.2 Formulate and recommend to the Board, Annual Action Plan including any modification thereof in pursuance of CSR policy which shall include list of CSR projects/programs approved in areas or subjects specified in Schedule VII of the Act, manner of execution of such projects/programs and modalities of utilization of funds and implementation schedules for the projects or programs, monitoring and reporting mechanism for the projects/ programs and details of need and impact assessment if any, for the projects undertaken by the Company.

- 8.3 Recommend the amount of expenditure to be incurred on the CSR activities.
- 8.4 Monitor the CSR Policy of the company from time to time.
- 8.5 Implement the CSR projects with the involvement of Company's personnel and external specialized implementation agencies.
- 8.6 Such other activities as are incidental for implementing the CSR projects in line with the requirements of the Companies Act, 2013.
- 8.7 Committee shall place on record the CSR activities undertaken during the year in the Annual Report to Board. ”

9. MEETINGS OF CSR COMMITTEE

- 9.1 The Committee will meet with such frequency as may be specified under the Act or in absence, at least once a year to discuss, approve, review and recommend to the Board the Annual Action Plan, CSR activities/programs proposed to be undertaken in particular financial year and to take necessary decisions with respect to implementations of CSR programs of the Company.
- 9.2 A quorum of minimum two members is required to be present for the proceedings to take place. The Committee shall be at liberty to pass a resolution which shall be evidenced in writing and passed by majority after being circulated.
- 9.3 The Committee members may attend the meeting physically or via such audio-visual means as permitted under the Act.

The committee shall have the authority to call such, CSR Implementation committee members, employee(s), senior officials(s) and or externals, as deem fit to the meeting. The Company secretary shall act as Secretary to the Committee.

- 9.4 Notice of not less than 7 (seven) clear working days containing date, time and place of every Meeting, (together with list of business to be conducted at the Meeting) shall be given / circulated to each member of the Committee present in India, either by hand or by e-Mail, whatsoever is convenient. Such meeting shall be held as per provisions of the Secretarial Standard 1 issued by the Institute of the Company Secretaries of India.

9.5 The secretary of the Company shall be secretary of the CSR Committee.

10. ANNUAL SPENDS/ALLOCATION OF FUNDS

10.1 CSR Committee will identify suitable projects for implementation in line with policy approved by the Board and requirements laid down under the Act. These projects would be executed either directly by the Company and/or through specialized agencies in CSR field with established track record.

10.2 The CSR Budget shall be fixed for each financial year as part of annual budget of the Company. All expenditure to be incurred on the activities/projects annual action plan will be included in the budget.

10.3 The list of CSR projects/programs which the Company plans to undertake during the financial year and annual action plan for that financial year will be laid down before the CSR Committee in its meeting for approval and for recommendation to the Board.

11. IMPLEMENTATION AND MONITORING PROCESS

11.1 CSR programs/projects will be undertaken by COMPANY under supervision of CSR Committee.

11.2 The time period / duration over which a particular program/project will be spread, will depend upon its nature, extent of coverage and the intended impact of the program/project and such duration of the program/project shall be approved by the committee and specified in the annual action plan and shall be termed as ongoing project(s).

11.3 Annual action plan shall include list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act, manner of execution of projects/programs, modalities of utilization of funds and implementation schedules for the projects or programs, monitoring and reporting mechanism, details of need and impact assessment, if any for the projects undertaken by the Company.

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

11.4 Project activities identified under CSR may be implemented by the Company itself or through specialized agencies, which could include – voluntary organizations, formal or informal elected local bodies such as

Panchayats, Institutes / academic Institutions, Trusts, Section 8 (non-profit) Companies, Self Help Groups, Government / Semi Government / organizations, Professional Consultancy organization, etc.

11.5 CSR Programs/Projects will be identified by the Committee by following means:

- Need identification studies by professional institutions / agencies;
- Internal need assessment by cross functional team within organization;
- Receipt of proposals / requests from district administration / local government etc.;
- Discussion and request with local representatives / civic bodies /citizen's forums/voluntary organization.

11.6 Appropriate documentation with respect to execution of CSR activities, will be ensured by internal CSR monitoring group/sub-committee/implementation committee on a regular basis which may also include a Completion Report/Certificate from beneficiary/implementing agency listing inter-alia, the impact and benefit of the CSR activity and number of person benefitted. The report shall be made available to the CSR Committee/Board as and when required.

11.7 Initiatives undertaken on the CSR front will be reported in the annual report of the Company.

11.8 Committee shall ensure effective implementation of the CSR programs/projects undertaken, a monitoring mechanism will be put in place by the Company and such mechanism shall be part of annual action plan of concerned financial year. The progress of CSR programs/projects will be reported to the Company Secretary on a periodical basis being at least once in quarter by the implementation committee.

11.9 Company Secretary shall compile the information and may seek such clarification from implementation committee which may be required to explain the complete facts to the CSR Committee and the Board of Directors about the CSR Programs/Projects undertaken by the Company, progress of the same and its monitoring mechanism.

11.10 The implementation committee/CSR sub-committee shall obtain feedback about the program, impacts assessment report if applicable, project/program completion certification from beneficiaries or implementation agency appointed to implement the CSR program/project as the case may be and shall submit the report to the Company Secretary.

12. ANCILLARY ACTIVITIES

The Committee, if thinks fit may take steps:

- 12.1 To publicize the CSR Policy and initiatives including through mailers, screensaver and Policy documentation and uploading on website.
- 12.2 Plan and publish an annual calendar of major events so as strive for maximum participation of stakeholders.
- 12.3 To plan and carry out workshops to increase employee awareness on various projects and initiatives.
- 12.4 To build CSR capacities of its personnel and/or those of its implementing agencies through Institutions with established track records but such expenditure shall not exceed 5 % of total CSR expenditure of the Company in one financial year.
- 12.5 To undertake such other activities as directed by the Board of Directors of the Company and/or as deemed appropriate and expedient by the committee for the furtherance of CSR objectives of the Company, in pursuance with the Act and Rules made thereunder.
- 12.6 To collaborate or pool resources with other companies including Bosch Group Companies and Bosch India Foundation to undertake CSR activities within India. Only activities which are not for the exclusive benefit of employees of the Company or their family members shall be consider as CSR activity.
- 12.7 To obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee / external consultant or such other person(s) and for such purpose as may be deemed expedient for the purpose of accomplishments of overall CSR objectives laid down under the Act.

13. PROJECTS / PARTNERS

- 13.1 The Company may collaborate with other Companies including Bosch Group Companies, CPSEs for relatively big projects which would have greater visibility more number of beneficiaries and long term visible impact.
- 13.2 The Company can supplement the efforts of the Government if it is assessed that the resource gap and inadequate capacities are critical constraints in achieving the targets/ goals of a particular government scheme/ initiative/welfare project.

- 13.3 The Company may either implement the CSR projects/programs by itself or through external specialized agencies meeting the following criteria:
- (i) The CSR Agency (s) has a permanent office/address in India;
 - (ii) The CSR Agency(s) is a Trusts, Societies, or Section 8 Company having an established track record of three years in undertaking similar CSR programs or projects in pursuance with the relevant regulations;
 - (iii) The CSR Committee or the competent authority of the company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism;
 - (iv) Possesses a valid Income-Tax exemption Certificate under section 12A and 80G of the Income Tax Act, 1961 including any amendment thereof and registration with Ministry of Corporate Affairs to undertake CSR activities.
 - (v) The antecedents of the CSR Agency are verifiable.
 - (vi) Have requisite framework to report progress/ status of the projects on a quarterly basis or as agreed between such implementing partner/agency and the Company.
 - (vii) Maintain a required level of auditable records on the CSR initiatives conducted in conjunction with the Company as agreed mutually.
- 13.4 Company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programs as per its CSR policy as well as for capacity building of their own personnel for CSR.
- 13.5 Once the project/program is approved, the Company and CSR partners/agencies will be required to enter into an agreement / MOU as per requirements.

14 REPORTING

The Company will report, in the prescribed format as prescribed under section 135 of the Companies Act 2013 including rules framed thereunder, the details of CSR

activities/programs/projects of the Company in the Directors report and on the website of the Company, as required under the regulations.

15 AMENDMENTS TO THE POLICY

The Board of Directors on its own and/or as per the recommendations of the CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/ amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time and Policy shall be deemed to have been modified upon change in regulations /provisions of the Act in case of inconsistencies.

For, Bosch Rexroth (India) Private Limited

Sd:

Mr. B V Ramesh

Managing Director and CSR Committee Member

Sd:

Mr. Deepak Chellani

Whole Time Director and CSR Committee Member

Place: Bangalore

Date: June 25, 2021