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BSID Corporate Social Responsibility Policy

1 CORPORATE SOCIAL RESPONSIBILITY (CSR) PHILOSOPHY

Bridgestone India Private Limited (BSID) is a leading manufacturer of automotive Tyres, Tubes and Flaps. In fulfilling the Bridgestone Group's mission statement of 'Serving Society with Superior Quality', BSID is committed to serving the communities through world-class products and services.

Corporate Social Responsibility (CSR) has always been at the forefront of BSID's operating philosophy. BSID focus in CSR is on bringing about inclusive growth in the society through interventions to improve healthcare, promote education, generate livelihood opportunities and support rural development.

2 APPLICABILITY

This Policy is applicable to Bridgestone India Private Limited and will apply to all the CSR projects, programs and activities undertaken by BSID.

2.1 RESPONSIBILITIES OF THE BOARD OF DIRECTORS

- a) Approve the CSR Policy after taking into account the recommendations made by the CSR Committee.
- b) Disclose contents of CSR Policy in the Board of Directors' report and place on BSID website.
- c) Ensure that CSR projects, programs and activities incorporated in CSR Policy approved by the Board are undertaken by BSID.
- d) Ensure that BSID spends CSR expenditure on CSR projects, programs and activities in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 ("CSR Rules") and any amendments thereof.
- e) Ensure annual report on CSR in the prescribed format to be covered in the Board of Directors' Annual report.

3 CSR COMMITTEE

CSR Committee is constituted in accordance with the Section 135 of the Companies Act, 2013 and CSR Rules therein. Details of CSR Committee members are given as follows:

CSR COMMITTEE MEMBERS

1. Mr. Kazutoshi Oyama
2. Mr. Ajay Sevekari
3. Mr. Masato Nakamura
4. Mr. Katsuyuki Yamamura

Ms. Abha Jaiswal: Secretary

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3.1 Quorum and Frequency of Meetings

- a) The quorum for a CSR Committee meeting shall be one-third of its total strength or two members, whichever is higher.
- b) The CSR Committee shall meet at least once in a financial year to discuss and review CSR projects, programs and activities and Policy.
- c) The CSR Committee members may attend the meeting physically or via such audio visual means as permitted under the Companies Act. The Committee shall have the authority to call such employee(s), senior official(s) and or externals, as it deems fit.
- d) The CSR committee shall have the authority to obtain professional advice from external sources for the purposes of accomplishments of overall CSR objectives laid down in this CSR Policy.

3.2 Role and responsibilities of the CSR Committee

- a) Formulate & recommend the CSR Policy to the Board for approval which shall provide the indicative list of projects, programs and activities to be undertaken by BSID as specified in Schedule VII to the Companies Act, 2013 and the expenditure to be incurred thereon.
- b) Monitor the CSR Policy and recommend the modifications to the CSR Policy, as and when required.
- c) Recommend to the Board of Directors the CSR projects, programs and activities to be undertaken and the expenditure to be incurred on such CSR projects, programs and activities.
- d) Execution of identified CSR Projects, programs and activities.
- e) Institute a transparent monitoring mechanism for implementation of the CSR activities undertaken by BSID.
- f) Publicize the CSR Policy, initiatives, activities, especially through mailers, policy documentation, and upload on website.

4 CSR WORKING GROUP

CSR Committee shall be assisted by CSR Working Group for achieving the objectives and purpose of CSR Policy. Details of CSR Working Group members are as follows –

CSR WORKING GROUP MEMBERS

1. Mr. Sunil Gang
2. Mr. Shivashish Dass
3. Mr. Praveen Saxena
4. Mr. Vishwajit Singh
5. Mr. Uday Wagde
6. Mr. Deepak Thomas
7. Mr. Parag Jain

Ms. Abha Jaiswal: Secretary

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The members of the CSR Working Group can be changed with the approval of the CSR Committee.

4.1 *Quorum and Frequency of Meetings*

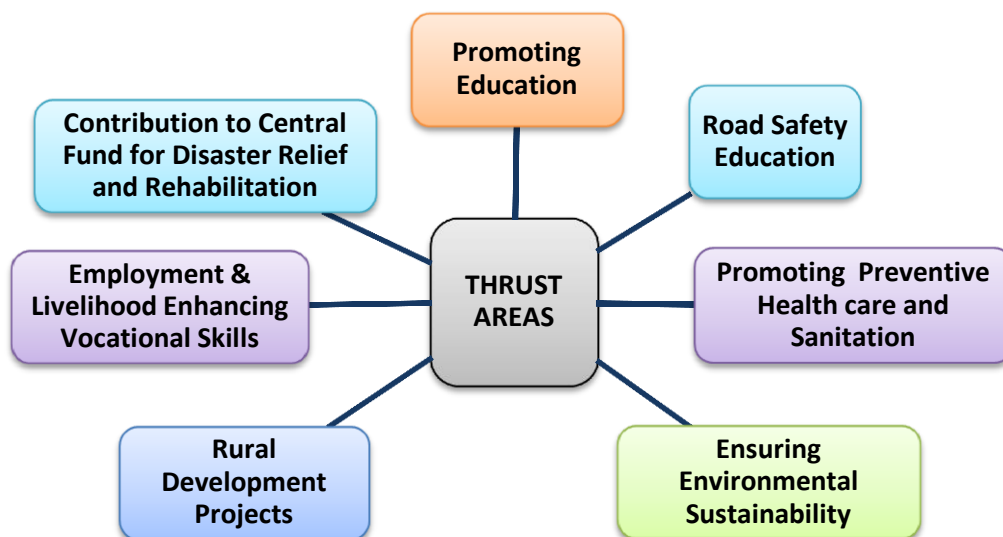
The meeting of the CSR Working Group Members may be convened as and when deemed appropriate, comprising a minimum of 3 members.

4.2 *Role and responsibilities of the CSR Working Group*

CSR Working Group will work closely with the CSR Committee, Project implementing Partners and BSID volunteers in planning, implementing, and conducting of the CSR projects, programs and activities as approved by the Board.

5 CSR MAIN THRUST AREAS

In accordance with BSID CSR Philosophy and the specified activities under the Companies Act, 2013 read with the CSR Rules, and any amendments thereof, the CSR committee will ensure that CSR Working Group will design & implement CSR programs, projects and activities in any of the following thrust areas.



However, commitment to CSR will be manifested by investing in any of the area mentioned in Schedule VII of the Companies Act. Such other activities as the Board may consider being appropriate.

6 CSR PROJECTS, PROGRAMS AND ACTIVITIES

6.1 *Identification*

Identification of CSR projects, programs and activities will be done in a participatory manner. BSID may recourse to the participatory rural appraisal mapping process as and when required. Subsequently, based on a consensus and in discussion & requests from / with District Administration

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/ Local Government / Local Bodies such as Panchayats / Civic Bodies, where required, projects will be prioritized by assessing the following:

- ❖ Project / Program / Activity Objectives
- ❖ Implementation Action Plan
- ❖ Major result expected including the expense ratio as against the actual CSR spend

A list of CSR projects, programs and activities which BSID plan to undertake during implementation year will be laid down before the Board at the beginning of each financial year, specifying the modalities of execution in the areas, sectors chosen and implementation action plan for the same.

CSR Activities shall be undertaken in project, programs mode.

6.2 Geographical Reach:

BSID shall give preference to the local areas and areas around it where it operates, for spending the amount earmarked for CSR projects, programs and activities. However, the CSR Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

7 MODALITIES OF EXECUTION OF ACTIVITIES

The CSR committee in consultation with CSR working group will identify suitable projects for implementation in line with the thrust areas identified. These projects will be executed directly by BSID or by partner agencies or by collaboration with other corporates.

These agencies would work singly or jointly with other agencies. Such agencies would include:

- ❖ NGO's
- ❖ Community based organizations
- ❖ Government Bodies, Semi-Government or Autonomous Organizations
- ❖ Institute/ Academic Organizations
- ❖ Individual Developmental Resource Person
- ❖ Other Non-profit/Charitable Organization
- ❖ Or any other organization, as may deem fit and approved by the Board

7.1 Criterion for CSR Partner(s) and Agreement:

On the recommendation of CSR working group, CSR committee will assess the CSR partner(s) organization who would execute the projects at the grass root levels. At a minimum they need to meet following criteria:

- ❖ The CSR partner(s) has a permanent office / address in India
- ❖ The CSR partner(s) is a registered Trust, Society or section 8 companies having an established track record of three years in undertaking similar CSR programs or projects in pursuance with the relevant regulations.

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- ❖ The antecedents of the CSR Partner are verifiable.
- ❖ Have requisite framework to report progress / status of the projects on a quarterly basis on agreed parameters.
- ❖ Maintain a required level of auditable records on the CSR initiatives conducted.

Once the project/Program is approved, BSID and the CSR partner will be required to enter into an agreement as per the standard MOU requirement.

All CSR Partners must follow norms of confidentiality, if and as applicable.

8 MONITORING, REVIEW AND REPORTING MECHANISM

To ensure steady progress of varied CSR Projects, Programs, Activities both outcome assessment and financial monitoring will be done by CSR Working Group under the overall superintendence and guidance of the CSR Committee members either by internal or external resources. The CSR Committee will review the strategy from time to time and may choose new focus areas and projects on Board approval as and when required. The following monitoring mechanism will be adopted:

- ❖ Submission of progress reports on execution from CSR Partner(s).
- ❖ The CSR Working Group shall submit its report to the CSR Committee.
- ❖ The CSR Committee will provide the progress update of the CSR projects, programs and activities to the Board of Directors annually or such other intervals as may be decided by the Board.
- ❖ The Annual report shall be prepared on the CSR projects, programs and activities in the prescribed format to form a part of the Board of Directors' Report.

In order to ensure transparency and communication with all stakeholders, the CSR Policy & projects undertaken will be uploaded on the company website so that it is available in the public domain.

9 ANNUAL SPENDS / ALLOCATION OF FUNDS

- a) The CSR budget will be calculated in line with Section 135 of the Companies Act, 2013 and the CSR Rules thereof.
- b) The surplus arising out of the CSR projects, programs and activities will not be considered as a part of the business profits of BSID.
- c) All reasonable efforts will be made to ensure that the annual CSR allocation is fully utilized in the respective financial year.
- d) Tax treatment of CSR spend will be in accordance with the Income Tax Act, 1961 as may be notified by the Central Board of Direct Taxes to be read together with the CSR Rules
- e) The CSR Committee shall be responsible to maintain a record of the expenditure of each project, program and activity of CSR.

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10 CSR CAPACITY BUILDING

- a) BSID may build CSR capacities of its own employees as well as those of its CSR Partners by providing training to them in understanding CSR objectives, specifics of CSR, how and where to incur the CSR expenditure, implementation, monitoring, reporting.
- b) Expense on capacity building including expenditure on administrative overheads will not go beyond the limit provided in CSR Rules, presently maximum 5% of total CSR expenditure of BSID in a financial year and the Institutions providing training must have an established track record of minimum 3 years in implementing such training as provided in the CSR Rules.

11 CSR POLICY REVIEW

The Board of Directors on its own or based on recommendation from CSR Committee can amend this Policy, as and when required subject to amendment is in accordance with the Companies Act, 2013 and CSR Rules thereof as may be amended by relevant statutory authorities from time to time.
