

Corporate Social Responsibility Policy - CSR Policy

Policy Number	PS-3A-044 (A)	Classification	Public
Policy Name	CSR Policy	Applicable for	Factory, Branch and Corporate Office
Issue Date	April 2019	Effective Date	Immediate
Prepared by	HR & GA Department	Verified by	Corporate Planning Department
Approved by	Takemichi Hirakawa MD & CEO	Last Review Date	June, 2025
Version No.	I	Review Changes	Composition of Committee member-Clause II (i) updated

Objective	<p>The policy outlines the Company's responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking activities for the welfare and sustainable development of the community at large.</p> <p>The core purpose of Corporate Social Responsibility ("CSR") is the continuing commitment by business to ethical principles, protection of human rights, care for the environment while improving the quality of life of all stakeholders including the local community and society at large.</p> <p>The Company believes that all the stakeholders must be benefited, whether it is employee welfare or involvement of the employees in fulfilling the needs of the society. It firmly believes in sharing its prosperity with the society in which it operates. Kobelco Construction Equipment India Private Limited ("the Company"), being a responsible corporate citizen, has always believed in going beyond mere compliance with the laws of land. Thus, the objective of the CSR policy of the Company is not just to meet the legal requirements but to have profound positive social impact. The CSR policy of the Company is an effort to upheld the interest of various stakeholders along with the community and the environment as a whole.</p>
Applicability	Applicable to all the departments at KCEI
Policy Content	<p>I. Objective</p> <p>The main objective of the CSR policy is to lay down the guidelines for CSR activities of the Company. The Company aims to create economic value and to actively contribute towards the development of sustainable society by taking up projects for common good through responsible business practices and good governance. The policy is formulated in compliance of the requirements of the Companies Act, 2013 ("the Act") and rules made thereunder.</p> <p>II. COMPOSITION</p> <p>(i) The CSR Committee shall consist of the minimum two (2) member and maximum five members. At least two-member shall be whole-time directors of the Kobelco Construction Equipment India Private Limited. KCEI organisation chart is to be referred for the composition of CSR Committee members.</p> <p>(ii) The meeting of the committee could be held at periodic intervals as may be required but the meeting has to be carried out atleast once a year.</p> <p>(iii) Proceedings of committee meeting signed by the Chairman shall be confirmed in the next following board meeting.</p> <p>III. CSR Activities</p> <p>The Company may undertake any of the following activities or such other activities as may be notified by the government from time to time:</p> <p>(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive healthcare and sanitation including contribution to the</p>

Swachh 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 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 arts and handicrafts;

(vi) Measures for the benefit of armed forces veterans, war widows and their dependents;

(vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

(viii) Contribution to the Prime Minister's National Relief 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;

(ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

(x) Rural development projects;

(xi) Slum area development;

(xii) Any other activities in relation to above and all other activities which forms part of CSR as per Schedule VII of the Companies Act, 2013 as amended from time to time.

The CSR activities shall be undertaken in India for the benefit of general public. Provided that preference shall be given to the local area and areas, where the Company operates, for undertaking the CSR activities.

IV. CSR RESOURCES

(i) The CSR Corpus for the purpose of carrying on aforesaid activities would include the followings:

a) 2% of average net profits made by the Company during the three immediately preceding financial years;

b) Any income arising therefrom;

c) Surplus arising out of SR activities carried out by the Company and such surplus will not be a part of business profit of the Company.

V. IMPLEMENTATION AND MONITORING

The Company's CSR programs will be identified and implemented according to this policy in following manner:

(i) CSR Committee of the Board shall be constituted as per the requirements of the Act and the Rules made there under.

(ii) The CSR activities shall be undertaken by the Company as per its stated CSR policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

(iii) The CSR activities approved by the CSR committee may be undertaken through:

a. A Company established under section 8 of the Act or a registered trust or a registered society, established by the Company, either singly or along with any other Company, or

b. A Company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government or any entity established under an act of parliament or State legislature.

c. In case a Company established under section 8 of the Act or a registered trust or a registered society are other than those specified hereinabove, then such Company, trust or society shall have an established track record of three years in undertaking similar programs or projects and the Company has specified the projects or programs to be undertaken, the modalities of utilization of funds of such projects and programs and the monitoring and reporting mechanism.

(iv). The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with Companies (CSR Policy) Rules, 2014.

(v). In terms of the provisions of sub-section (5) of section 135 of the Act, the CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.

(vi). The Companies may build CSR capacities of their own personnel as well as those of their implementing agencies through Institutions with established track record of at least three financial years but such expenditure (including expenditure on administrative overheads) shall not exceed 5% of total CSR expenditure of the Company in one financial year.

(vii). CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the board on the recommendation of its CSR committee.

VI. EXCLUSIONS



a. CSR activities does not include the activities undertaken in pursuance of normal course of business of a company.

b. The CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with this policy.

c. Any contribution made directly or indirectly to any political party(ies) will not form part of CSR activities/expenditure.

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

e. CSR expenditure does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

	<p>VII. REPORTING</p> <p>a. The Board's Report shall disclose the Composition of CSR Committee. b. The Board's Report of the Company shall include an annual report on CSR containing particulars specified in Annexure of Companies (CSR Policy) Rules, 2014. c. The CSR Policy shall be disclosed on the website of the Company. d. If the Company fails to spend or does not spend such amount as specified in sub-section (5) of section 135 of the Act, the Board shall, in its report specify the reasons for not spending the amount.</p> <p>VIII. GENERAL</p> <p>a. In case of any doubt with regard to any provision of the policy and also in respect of the matters not covered herein, a reference to be made to the CSR Committee. In all such matters, the interpretation & decision of the Chairman of the Committee shall be final. b. Any or all the provisions of CSR Policy would be subject to revision/amendment in consultation with CSR Committee and in accordance with the guidelines on the subject as may be issued by the Government from time to time.</p> <p>IX. AMENDMENT</p> <p>The Company or the Board reserves its right to modify, cancel, add or amend this Policy in whole or in part, at any time without assigning any reason whatsoever. However, this policy, in whole or in part shall stand modified/amended from time to time, without any further act on the part of the Company, as and when there would be any statutory modification(s)/ amendment(s)/ revisions(s) made to the applicable provisions of the Companies Act, 2013 or the Rules made there under.</p>	
Review	The policy is subject to yearly review by the MD & CEO post which the amended policy will be released and duly intimated to all the employees	
Exception	Any exception to the policy requires the approval as per KCEI Authority Matrix / Managing Director & CEO before its enactment	
Contact	For any queries or clarifications please contact the HR & GA department / CSR Committee	
Approval	<p>Verified By: </p> <p>Director - C.P. Division</p> <p>Date</p>	<p>Approved by: </p> <p>Managing Director & CEO</p> <p>Date</p>