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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 and part of Bridgestone group a global leader in tyres and rubbers providing solutions for safe and sustainable mobility. In fulfilling the Bridgestone Group's mission statement of 'Serving Society with Superior Quality', BSID is committed to serve 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 on 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. The CSR Policy and its amendments shall be approved by the Board as and when required.

2.1 RESPONSIBILITIES OF THE BOARD OF DIRECTORS

- Approve the CSR Policy after considering the recommendations made by the CSR Committee.
- Disclose contents of CSR Policy in the Board of Directors' report and place on BSID website.
- Ensure that CSR projects, programs and activities incorporated in CSR Policy approved by the Board are undertaken by BSID.
- Ensure that BSID spends sums 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"), schedule VII and any amendments thereof.
- Ensure annual report on CSR in the prescribed format to be covered in the Board of Directors' Annual report.
- To ensure that, CFO or person responsible for financial management certify that CSR fund utilized for the purpose and manner approved by the Board
- to monitor implementation of ongoing projects with respect to approved timelines and year-wise allocation
- to ensure that surplus arising from CSR activities has given proper treatment as per the rules
- to ensure that excess amount, if any spent-on CSR set off within 3 immediate three succeeding financial year by passing a resolution to that effect.
- to transfer unspent CSR amount within a time to the fund established under Schedule VII
- To transfer capital asset created for CSR activities in the name of section 8 company/trust/society.

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



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1. [Mr. Stefano Sanchini](#) - Chairman
2. [Mr. Frederic Hendrickx](#) - Member
- ~~1-3.~~ [Mr. Parag Satpute](#) - ~~Member~~ [Managing Director](#)
- ~~2.~~ [Mr. Mete Ekin](#) - ~~Director~~
- ~~3-4.~~ [Mr. Apurv Choubey](#), [Member](#) ~~Observer~~
- ~~4.~~ [Mr. Deepak Gulati](#), ~~Observer~~
- ~~5.~~ [Mr. Yoshimasa Kihara](#), ~~Observer~~
- ~~6-5.~~ Ms. Reni Varghese, Secretary
- ~~7-6.~~ Ms. Jyotsna Sharma, Observer
- ~~8-7.~~ Ms. Ranu Kulshrestha, Observer

3.1 Quorum and Frequency of Meetings

- a) The quorum for a CSR Committee meeting shall be two members.
- b) The CSR Committee shall meet at least once in a financial year and can hold and conduct such meetings as necessary 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

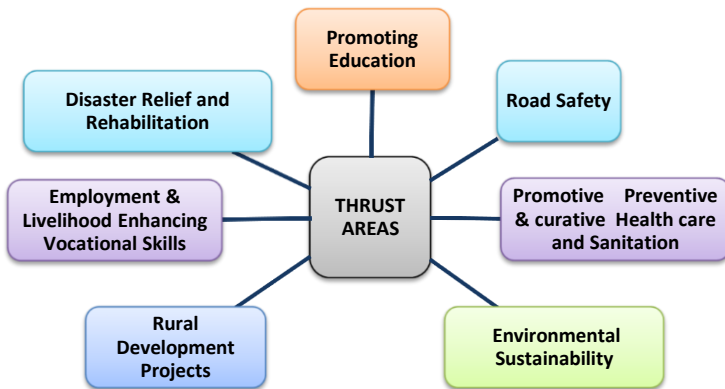
- a) Formulate & recommend the CSR Policy to the Board for approval, which shall provide the annual action plan which shall include indicative list of projects, programs, and activities to be undertaken by BSID as specified in Schedule VII to the Companies Act, 2013 and the expenditure to be incurred 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.
- g) the modalities of utilisation of funds and implementation schedules for the projects or programmes
- h) details of need and impact assessment, if any, for the projects undertaken by the company

4. CSR MAIN THRUST AREAS

In accordance with BSID CSR Philosophy and the specified activities under the Companies Act, 2013 read with Schedule VII thereof and the CSR Rules, and any amendments thereof, the CSR committee will ensure that the CSR programs, projects, and activities are designed and implemented by the CSR function in any of the following thrust areas.



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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 CSR Committee may consider being appropriate.

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5. CSR PROJECTS, PROGRAMS AND ACTIVITIES

a. 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 / 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 that 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.

b. Geographical Reach:

BSID shall give preference to the local as well as strategic 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.



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6. MODALITIES OF EXECUTION OF ACTIVITIES

The CSR committee in consultation with CSR function 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

Provided that above institution shall be in the form of section 8 company/society/trust formed by the Company itself / not formed by the Company i.e., independent - to carry out CSR activities and registered under se. 80G and 12A of Income Tax Act or through entities established by Central / State Government or by Parliament or State legislature.

Criterion for CSR Partner(s) and Agreement:

On the recommendation of CSR function CSR committee will assess the CSR partner(s) organization to execute the projects . 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 and registered under se. 80G and 12A of Income Tax Act
- ❖ The CSR partner is a registered Trust, Society or section 8 companies formed by the Company itself and registered under se. 80G and 12A of Income Tax Act
- ❖ Such section 8 company/trust/society should file form CSR-I and take CSR unique no. for undertaking CSR activities
- ❖ 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.

7. 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 function under the overall superintendence and guidance of the



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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 monthly progress reports on execution from CSR Partner(s).
- ❖ The CSR function shall submit its report on a quarterly basis to the CSR Committee.
- ❖ The CSR Committee will provide the progress update of the CSR projects, programs and activities to the Board of Directors every six months 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.

8. 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.

9. CSR CAPACITY BUILDING

ADMINISTRATIVE OVERHEADS / CSR CAPACITY BUILDING ADMINISTRATIVE OVERHEADS" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

- 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) 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.
- c) A company may engage international organisations 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.



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d) A company may also collaborate with other companies for undertaking projects or programmes of CSR.

10. TREATMENT OF UNSPENT AMOUNT

Unspent amount shall be transferred to any fund established under schedule VII. But if the CSR activities related to an ongoing project /multi-year project, then Board can fulfill the CSR obligation within three years excluding the financial year in which it was commenced.

11. CSR POLICY REVIEW

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



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Revised On	Article No.	Addition / Deletion / Amendment	Contents / Remarks	Reviewed / Approved by
28.11.2014	3 & 4	Re-constitution of CSR Committee members and CSR function	Effective from 30.11.2015	Board of Directors
30.11.2015	3 & 4	Re-constitution of CSR Committee members and CSR function	Effective from 30.11.2015	Board of Directors
19.01.2017	3	Re-constitution of CSR Committee members	Effective from 19.01.2017	Board of Directors
28.02.2017	3	Re-constitution of CSR Committee members	Effective from 03.03.2017	Board of Directors
28.08.2017	4	Withdrawal of all the authorities of Mr. Sunil Gang	Effective from 24.08.2017	Board of Directors
28.09.2017	3	Re-constitution of CSR Committee members	Effective from 29.09.2017	Board of Directors
07.12.2017	3	Re-constitution of CSR Committee members	Effective from 01.01.2018	Board of Directors
12.03.2018	3	Re-constitution of CSR Committee members	Effective from 12.03.2018	Board of Directors
22.03.2019	3	Re-constitution of CSR Committee members	Effective from	Board of Directors



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			22.03.2019	
31.01.2020	3	Re-constitution of CSR Committee members and working group members	Effective from 31.01.2020	Board of Directors
08.10.2020	2 3 4 7 10	Applicability Roles and responsibilities. Re-constitution of CSR Committee members and working group members CSR function Modalities of execution of activities CSR capacity building	08.10.2020	Board of Directors
01.12.2021		Reconstitution of the Committee	01.12.2021	Board of Directors
01.01.2023		Reconstitution of the Committee	07.12.2022	Board of Directors