



## **CORPORATE SOCIAL RESPONSIBILITY (“CSR”) POLICY OF VOLVO AUTO INDIA PRIVATE LIMITED**

### **1. PREAMBLE**

Volvo Auto India Private Limited (herein referred to as “**VOLVO**” or “**COMPANY**”) commits to empower the community and build a greener future. As a responsible corporate citizen, we believe in integrating the business values and operations to meet the expectations of our stakeholders. India being a developing country faces substantial problems of income inequality, food shortage, gender discrimination, and environmental degradation along with limited and uneven access to healthcare, sanitation, water, energy and education. **VOLVO** is committed towards ensuring that they benefit the rural areas from the presence of the Company in their neighborhood.

Based on the guiding philosophy with which VOLVO approaches its Corporate Social Responsibility (CSR), the CSR vision and mission has been outlined. Our CSR policy framework is developed to assist the Company in undertaking well planned initiatives, that are outcome oriented and measurable and with the objective of creating sustainable impact.

### **2. PURPOSE OF THE POLICY**

**VOLVO** has been extending social services and making charitable spends over the past years, however, with the advent of new Companies Act, 2013 (“Companies Act”), it is prudent that a proper framework be put in place for various activities that would qualify as Corporate Social Responsibility (CSR) initiatives by Volvo and which is in accordance with the requirement of the Companies Act.

Accordingly, CSR Policy has been amended in accordance with section 135 of Companies Act, 2013 (hereinafter referred to as “**ACT**”) read together with The Companies (Corporate Social Responsibility Policy) Rules, 2014 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. This policy shall apply

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to all the CSR projects and programmes undertaken by the Company as per Schedule VII of the Act.

The Policy has been framed with the view to achieve the following objectives:

- a. To serve as a charter for CSR initiatives to be undertaken by the Company.
- b. Describe the projects and programmes and its related impact as per Schedule VII of the Act,
- c. Outline the thrust areas for undertaking the CSR initiatives.
- d. Provide a framework for selection, proper implementation, monitoring and management of the CSR initiatives and formulation of the Annual Action Plan.

### **3. POLICY STATEMENT**

**VOLVO's** Policy aims to contribute towards environmental sustainability through an integrated and holistic approach by way of:

- a. Addressing societal issues that can be anticipated as a threat for the future generation.
- b. On ground initiatives at defined locations primarily in the areas of health, education and like.
- c. Promoting renewable energy by creating opportunities for access and awareness & other ways to provide for environmental sustainability.

The projects shall be selected and developed with the objective of providing long term sustainable impact on communities. Only the projects that are not in the scope of normal course of business of the Company shall be defined as CSR Projects.

### **4. INTERPRETATION**

Unless the context otherwise requires, words expressions used in the policy and not defined herein but defined in the Companies Act, 2013 read with relevant rules shall have the same meaning as prescribed therein.

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**5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE COMPOSITION**

Below is the composition of the CSR Committee:

<b>Name of the Member</b>	<b>Designation</b>
Mr. Jyoti Malhotra	Director, Member
Ms. Yanhang Hu	Director, Member
Mr. Per Anders Ansgar	Director, Member

**PROGRAMMES AND PLANNING**

The CSR activities of the Company are to be aligned with Schedule VII of the Companies Act, 2013 in consultation with key stakeholders.

The Company acknowledges that it involves motivation and encouragement from all stakeholders and this can be achieved from their support. Further the Company acknowledges that activities planned for the year shall also identify the period/time in which these are likely to be taken up and will be completed and the Surplus arising out of CSR activity shall not be a part of business profit of the Company. [As per Rule 6(1)]

**MODE OF IMPLEMENTATION**

The Company will adopt an evolving approach for effective implementation as per the size of the budget outlay and scope of the projects.

The Company shall undertake the CSR activities through implementation agency such as registered trusts or society or through a Section 8 Company registered under Companies Act, 2013. The implementation agencies shall be selected after undertaking a due diligence process of identification, design, budgeting and project development.

## **6. PROGRAMME DETAILS, LOCATION AND ACTION PLAN**

**Details of the CSR project – As per Annexure 1**

## **7. OUTLAY AND FUNDING**

It will be the Company's endeavour to spend in every financial year, two percent of its average net profits during the three immediately preceding financial years. The net profit shall be calculated as per Section 198 of the Companies Act, 2013. The budget shall be based on the recommendation by the CSR Committee. Any surplus funds generated from the CSR projects shall not form part of the business profit of the Company and shall be treated in the following manner subject to the provisions of the Act and relevant rules made thereunder:

- a. Plough back in the same project; or
- b. Transferred to unspent CSR Account and spent in pursuance to CSR Policy and Annual action plan of the Company.
- c. Transfer such surplus amount to a fund specified in Schedule VII

The Company may spend maximum upto 5 percent of its total CSR expenditure towards administrative overheads for any Financial Year.

The CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the CSR Plan.

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All reasonable efforts shall be made to ensure that the CSR amount so disbursed is fully utilized in the respective year in the manner approved by the Board of Directors of the Company.

In case the Company spends an amount in excess of the requirements of its CSR obligations in a Financial Year, such excess amount may be set off against the requirement of the CSR spending in the immediate succeeding three (3) Financial Years subject to the fulfilment of the conditions as specified under the Act and relevant rules made thereunder.



The tax treatment of the CSR expenditure shall be in accordance to the provisions of the Income Tax Act-1961.

## **11. PRINCIPLES FOR PROJECT SELECTION AND IMPLEMENTAION**

### **A. Outcome Oriented**

Projects will be designed with clear objectives and suitable monitoring and reporting framework. All projects shall be periodically reviewed to take necessary actions as may be required.

### **B. Sustainability**

The Projects and programmes undertaken by the Company shall be designed in such a manner that they have long term impact. Due consideration of any material risk factors shall be taken before selecting and during implementation of any project or programme. The risks ascertained if any shall be duly mitigated and managed on regular basis.

## **12. GOVERNANCE**

The Company has established a transparent governance structure to supervise the implementation and working of the CSR Policy.

## **13. ROLES AND DUTIES OF COMMITTEE**

- a) The CSR Committee shall be responsible for formulation and final recommendation of the CSR Policy and the Annual action plan to the Board of the Company. The committee shall approve the projects, recommend the amount to be spent, set project selection guidelines. Every year the CSR Committee will place for the approval of the Board of Directors of the Company an annual CSR Action Plan delineating the CSR Programmes to be carried out during the financial year, including the budgets thereof, their manner of execution, implementation schedules, modalities of utilisation of funds, and monitoring & reporting mechanism for the CSR Programmes.
- b) The CSR committee will conduct impact studies on a periodic basis, through independent professional third parties/professional institutions, especially on the strategic and high value programmes.

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- c) The CSR Committee shall satisfy itself that the funds so disbursed have been utilized for the purpose and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- d) The CSR committee should delegate the responsibility of monitoring that whether the policy as laid down is achieved as per the estimates and also try to obtain feedback from beneficiaries about the programmes.
- e) Appropriate documentation of the Volvo Auto India Private Limited CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be reviewed & undertaken on a regular basis.
- f) CSR initiatives of the Company during the year(s) will also be reported in the Annual Report of the Company.
- g) The Board shall ensure that appropriate disclosures relating to names of CSR Committee members, the content of CSR Policy and reporting of its CSR activities on the Company website and in the Annual Report of the Company.
- h) The committee shall meet atleast once a year to review the progress and the minutes of the meeting shall be signed by the Chairperson and regularly shared with the Board of Directors of the Company. The quorum for the meeting as fixed by the Board shall be minimum of two directors.
- i) The CSR approach made available at the start of the project and the impact so quantified on completion of the project shall be documented for record purposes and future use as well as for sharing of experience. The same shall be uploaded on Company website.

## **14. IMPACT ASSESSMENT OF THE CSR PROJECTS**

The Company shall undertake the impact assessment (if applicable) of its CSR projects and programmes as per the provisions of the Companies (Corporate Social Responsibility) Amendment Rules, 2021, as may be amended from time to time.

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The impact assessment reports shall be placed before the Board and shall be annexed to the Annual Report on CSR.

The Company may book the expenditure towards impact assessment for that Financial Year as per the provisions of the Companies (Corporate Social Responsibility) Amendment Rules, 2021, as may be amended from time to time.

## **15. COMMUNICATION**

The CSR policy of the Company is available at the registered office of the Company and website of the Company.

## **16. AMENDMENT**

The Board of Directors as per their discretion or on the recommendation of the CSR Committee may amend the Policy as and when required. The decision of the Board of Directors on all matters, relating to the policy shall be final and binding upon all concerned. This policy is subject to regular review and updates as required from time to time.

<b>Name of the Project.</b>	<b>Green Healthcare Campaign</b> Setting up solar power panels in primary healthcare centers in sub-urban/rural areas
<b>Item from the list of activities in Schedule VII to the Act.</b>	Environmental Sustainability
<b>Location of the project.</b>	Areas of Gautam Budha Nagar, Faridabad and Gurgaon.
<b>Project duration.</b>	1 <sup>st</sup> December, 2021 To 31 <sup>st</sup> March 2022
<b>Amount allocated for the project (in Rs.).</b>	INR 53,80,940/- (Rupees fifty-three lakhs eighty thousand nine hundred forty) for financial year 2021-22
<b>Mode of Implementation</b>	Installation of solar power panels at healthcare centers through registered agencies.
<b>Monitoring</b>	Physical monitoring on monthly basis through our registered CSR partner agency.