

Type of Document : Policy

Policy Document Number: *IL/2014/01/CSR/V-2*

Name of document

Corporate Social Responsibility Policy

Version

Second (V-2)

Effective Date

May 24, 2021

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Issued By

Legal & Secretarial Department

Approved By

Chief Finance Officer, Chief Executive Officer & CSR Committee

Corporate Social Responsibility Policy

VE Commercial Vehicles Limited

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I. Objectives of the Policy

We at VECV aim to create economic value and to actively contribute towards development of a sustainable society by taking up projects for the common good through responsible business practices and good governance.

II. Applicability

VECV (hereby referred to as the Company) Corporate Social Responsibility (CSR) policy has been developed in consonance to Section 135 of the Companies Act 2013 (hereby referred to as the Act) and in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendment thereof (hereby referred to as the Rules).

The Policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Section 135 and Schedule VII of the Act.

III Board

The Board of VECV will:

- Approve the CSR policy as formulated by the CSR Committee
- Approve a CSR annual action plan and amendment thereof as recommended by CSR Committee,
- Approve the amount to be spent by the Company on its CSR activities
- Ensure to include in Board report, an annual report on CSR as specified under the Act and the Rules.
- Ensure disclosure of the composition of the CSR Committee, CSR Policy and the projects approved by the Board on the Company's website, for public access.

IV CSR Committee

a. Composition of the CSR committee: The Board of directors of the company have already constituted the CSR Committee in their meeting held on 30th April 2014. The committee may invite people involved in the CSR projects or having expertise in the CSR projects for participation in the discussions.

b. The CSR committee of VECV will be responsible for:

- (i) formulating the CSR policy in compliance to Section 135 of the Act and the Rules

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(ii) recommending activities to be undertaken as per Schedule VII of the Act.

(iii). Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programmes
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if required, for the projects undertaken by the company:

(iv) recommending to Board the CSR expenditure to be incurred.

(v) recommending to Board, modifications to the CSR policy as and when required.

(vi) regularly monitoring the implementation of the CSR policy including execution and implementation of the annual action plan.

(vii) Any other matter as may be entrusted to the CSR Committee by the Board from time to time.

V CSR Expenditure

CSR Committee will recommend the annual project wise expenditure to the Board for its consideration and approval as per the Act and the Rules.

VI Implementation

The Company's CSR programmes will be identified and implemented according to this policy. The Company will enhance its monitoring and evaluation mechanism so as to ensure every programme has:

- a. Clearly defined objectives.
- b. A progress monitoring system
- c. Impact assessment.
- d. A reporting framework and system aligned to the Act and Rules.

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The company will implement its CSR programs on its own or through Eicher Group Foundation and its various partners including, Goodearth Education Foundation and Shroff Eye Hospital. VECV may also collaborate with other partners for undertaking projects or programs in such manner as the Committee may deem fit and upon Board's approval.

VII Monitoring and Reporting Framework

CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews. An authorised person will present annual budgets and list of programmes, projects, and activities to the CSR Committee for its approval. The Committee will in turn recommend such programs, projects and activities to the VECV Board for its final approval. The monitoring and reporting mechanism is divided into three distinct areas:

1. Programme Monitoring:
2. Evaluation:
3. Reporting and Documentation:

1. Programme Monitoring

- a. Programme monitoring mechanism will ensure:
 - The CSR policy is implemented as per the Act and the Rules.
 - The CSR policy is implemented ensuring that all projects/programmes as budgeted are duly carried out
- b. CSR spends will be closely monitored and funds shall be released against verified utilizations as per the approved work plans. This may include monthly field visits, comprehensive documentation, and regular interaction with beneficiary communities.
- c. CSR spends will be audited by the auditors.

2. Evaluation

- a. Expected outcomes, outputs and inputs will be clearly defined for each programme as per stated timelines.
- b. There shall be clarity about the need and scope of the programme before evaluations are undertaken.

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3. Documentation and Reporting

The CSR Committee will prepare the annual CSR report and present for approval of the Board. This report will ensure that CSR projects and programmes are being properly documented.

The Board's report pertaining to any financial year shall include an annual report on CSR containing particulars under the Act and the Rules.

VIII. Guiding principles for selection /Identification of projects

The Company may undertake CSR projects/programmes as per Section 135 and Schedule VII of the Act. However, arising from our objectives, the focus areas that have emerged are Education, Healthcare and Vocational and Special Education/ training/ welfare.

1. Education

In education, our endeavour is to promote learning and knowledge at every stage by supporting the schools or the organisation engaged in supporting the Schools. The company is already supporting projects of several schools through Goodearth Education Foundation or in association with other organisations.

2. Healthcare

In healthcare, our goal is to render quality healthcare facilities to people directly or through Hospitals and Medical Institutes or through organisations supporting such Hospitals or institutes. The company is already supporting several projects of Shroff Eye Institute.

3. Special Education/ training/welfare

Our goal is to partner with various Institutes across India or directly to familiarize the fresh and existing drivers/ technicians with safe and appropriate training techniques so as to enable them to get employment in the industries. The company is already supporting several Driver training Institutes or technical training institutes in the area of sage driving and technical training.

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Welfare and competence building of Commercial Vehicle (CV) drivers by providing the 'Eicher Driver Care' offerings, eye and ear check-up for CV drivers and other associates (Eg. cleaners, mechanics), Competency building by providing primary driving skills, upskilling and safe driving skills, Education on road safety for both CV drivers and other road users.

IX. Amendments

Any modification/amendment in the Policy may be carried out by the Board on the recommendation of the CSR Committee of the Company. The Policy will be subject to change as per the Act and the Rules, other applicable laws, rules, regulations and government guidelines.