

Corporate Social Responsibility

RANE NSK STEERING SYSTEMS PRIVATE LIMITED (RNSS)

Contents

1. Preamble	2
2. Purpose	2
3. Policy Statement	2
4. Applicability.....	2
5. Rane Foundation.....	2
5.1 Why Rane Foundation?.....	3
6. Key Focus Areas	3
6.1 Education	3
6.2 Health Care	3
6.3 Environment.....	3
6.4 Community Development.....	3
7. Governance Structure.....	4
7.1 Board CSR Committee.....	4
7.1.1 Members.....	4
7.1.2 Responsibilities	4
7.2 Working Committee.....	4
7.2.1 Members.....	4
7.2.2 Responsibilities	4
8. CSR Budget.....	5
9. Project Life-cycle	5
9.1 Project Approval	5
9.2 Implementation	5
9.3 Monitoring	5
9.4 Reporting.....	5

1. Preamble

Rane NSK Steering Systems Private Limited (RNSS) is committed to contributing towards its societal responsibilities beyond statutory obligations. RNSS's Corporate Social Responsibility (CSR) philosophy is to function in a socially and environmentally sustainable manner recognizing the interests of all its stakeholders.

2. Purpose

The key purpose of this policy is to:

- Establish a consistent CSR framework
- Identify broad areas in which projects will be undertaken
- Serve as a guiding document to help define, execute, monitor and report projects
- Enable capability assessment of implementation agencies
- Explain CSR governance structure
- Define the manner in which the surpluses from projects will be treated

3. Policy Statement

RNSS's CSR vision is 'to be a socially and environmentally responsible corporate citizen'. RNSS believes that being a responsible corporate citizen is central to its purpose and values, allowing itself to inspire trust amongst its business partners and motivate people to make the right choices for the business, communities and planet.

4. Applicability

This policy applies to all CSR projects undertaken by the company and aims to full-fill the requirements of the Section 135 of the Companies Act, 2013 and the rules made thereunder. RNSS shall ensure all these activities are over and above its normal course of business and are in line with Schedule VII to the Companies Act, 2013. This policy will be periodically reviewed and updated in line with relevant codes of legislation.

5. Rane Foundation

Rane foundation, a public charitable trust established in the year 1967, is the main arm for the CSR projects of Rane Group. The foundation is governed by a Board of Trustees. The contributors are the Rane group companies. RNSS will contribute to social and environmental betterment by channelizing about 80% of its CSR corpus through Rane Foundation.

The remaining CSR Corpus is allotted for development activities around the plants.

5.1 Why Rane Foundation?

Rane Foundation's projects are focused on education, healthcare, environment and community development which are well aligned with RNSS's CSR vision. With a special focus on education, more details on Rane Foundation's projects are mentioned [here](#). Based on its past experience, Rane Foundation has been engaged as the main implementation partner to:

- identify projects aligned with the focus area and CSR legislation
- execute approved projects on behalf of RNSS
- ensure the quality of project execution and reporting

6. Key Focus Areas

At all operating locations, RNSS actively promotes and engages in activities that help strengthen communities and contribute to the enrichment of society. RNSS believes in good corporate citizenship that strives for creating maximum impact in the following areas.

6.1 Education

Education is at the forefront of RNSS's efforts to be a socially responsible corporate citizen. Many of RNSS's projects are designed as high-impact programmes to bridge the vocational skills gap between the market demands and employability of the nation's youth. For instance, realizing the lack and importance of quality technical education, RNSS supports to provide holistic technical education that enhances skills and employability amongst rural youth.

6.2 Health Care

Significant portion of RNSS's operations are located in semi-urban and rural areas, where access to health, nutrition and sanitation is poor or non-existent. RNSS believes that improved general health of the population is a key indicator to a strong society. RNSS's healthcare projects are centered on creating awareness and enhancing medical infrastructure in these regions to prevent and treat illnesses.

6.3 Environment

RNSS is conscious of the imperatives of the need to protect environment and natural resources for achieving sustainable growth. RNSS has undertaken several projects in this regard such as conservation of energy, water and eco-friendly waste management systems. Apart from creating a significant green cover around the plant, RNSS engages in numerous activities such as tree plantation drives, awareness campaigns, etc. to promote good environmental habits amongst all.

6.4 Community Development

RNSS's Community Development projects focus on creating sustainable development and livelihood enhancement opportunities for the communities in the areas of its operations and beyond. RNSS seeks the empowerment of whole communities by helping them develop capacity to identify and respond to their socio-economic problems at large. RNSS's projects focus on skill development, infrastructure, sanitation, and supporting differently abled people.

7. Governance Structure

RNSS has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Companies Act, 2013.

7.1 Board CSR Committee

The CSR governance structure of RNSS will be headed by the Board CSR Committee. The Board CSR Committee grants auxiliary power to the Working Committees of the company and plant to act on their behalf.

7.1.1 Members

The members of the CSR Committee are:

- L Lakshman - Director
- L Ganesh - Director & Chairman
- Kunihiko Akashi - Managing Director

7.1.2 Responsibilities

- Formulate and recommend RNSS's CSR Policy, for approval of the Board
- Approve projects that are in line with the CSR policy
- Have monitoring mechanisms in place to track the progress of each project
- Recommend the CSR expenditure to the Board of RNSS for approval
- Review new proposals and existing projects' status

7.2 Working Committee

Working Committees at the company and plant level will ensure smooth execution of the approved projects and report to the Board CSR Committee.

7.2.1 Members

The Company level Working Committee will have the Business Head, the HR Head and the Chief Financial Officer of the company. The Plant-level Working Committee will have the Plant Head, the Plant HR Head and the Plant Finance head.

7.2.2 Responsibilities

- Responsible for the execution of the decisions taken by the Board CSR Committee
- Evaluate projects as per the developed framework
- Ensure implementation of projects based on set targets, action plans and regular monitoring
- Find suitable implementation partners if required, conduct due diligence and seek approval from the Board CSR Committee and ongoing interaction
- Evaluate possible collaborations with other organizations on CSR projects
- Conduct quarterly reviews
- Send periodic reports to the Board CSR Committee

8. CSR Budget

The CSR annual budget will be decided as a part of RNSS's annual budget. Any surplus generated from CSR projects undertaken shall be channelized into the CSR corpus. These funds shall further only be used for CSR projects and shall not be added to the profits of RNSS.

9. Project Life-cycle

CSR projects are strategically planned and managed. Following are the key stages of a project:

9.1 Project Approval

All identified projects will be evaluated by the Working Committees and those that align with this policy will be presented to the Board CSR Committee for review and for Board's approval.

9.2 Implementation

The Working Committees will coordinate execution of approved projects.

9.3 Monitoring

The Working Committees will periodically evaluate the projects' progress against the goals and milestones defined for the project, together with the implementing agency (if any). The monitoring methods shall include site visits, review meetings, progress reports etc. Appropriate IT tools shall be used for effective monitoring of all projects.

9.4 Reporting

The Board in consultation with the Board CSR Committee will annually publish a report on the CSR projects which shall form part of the Board's report. The format and disclosure content of the CSR annual report shall be in accordance with Section 135 of the Companies Act, 2013 and the rules made thereunder. In case of a shortfall in spends, appropriate reasons and explanations shall be disclosed in the report.