







REFERENCE NUMBER	LRI_036(1)				
SUBJECT / TITLE	CSR POLICY AND STRATEGY DOCUMENT OF SG ENTITIES INDIA ADOPTED BY ALD AUTOMOTIVE PVT. LTD.				
ADDRESSEES (Positions only)	All Finance and Sales Staff of ALD India				
FOR INFORMATION	All Finance and Sales Staff of ALD India				
REFERENCE DOCUMENTS (Local regulations, GR, SG Group Directives or Instructions)	Sec 135 of Companies Act 2013 and Schedule VII and Rules frames under the said Act.				
VERSION #	2				
EFFECTIVE ON	Version 1 Effective from 12 June, 2015 Version 2 Effective from 17 November, 2021				
CANCELLED POLICIES	Nil				
FOR FURTHER INFORMATION (Contact details)	Minal Vanarase – Company Secretary - 61933299				
<u>SUMMARY (OBJECTIVES AND SCOPE):</u>					
To define a CSR Strategy of the Company as well as a policy document to implement the same which will be reviewed annually.					
SIGNATURES / VALIDATED BY					
CEO	CFO	Head of Sales	Chief Administrative Officer	Dy. CFO	Head Customer Service Delivery, Operations
Suvajit Karmakar	Sarvesh Joshi	K. Venkatesh	Aylin Czgar	Shoba Krishnan	Rakesh Bajaj
					



I. INTRODUCTION

The Société General Group is committed to a strong Corporate and Social Responsibility culture across all the geographies in which it operates. Our CSR initiatives conform to the legal and regulatory E&S obligations in force in the countries where the Group operates and complies with the applicable International E&S conventions and agreements.

ALD Automotive, subsidiary of Société General Group deploys a responsible growth strategy, fully integrating the challenges of Corporate Social Responsibility (CSR), and committed to all of its stakeholders (clients, employees, investors, suppliers, regulators, supervisors and civil society) in a culturally and environmentally responsible manner, in all countries where it operates. To be a trusted partner committed to positive change, the Group bases itself on four core values (Team Spirit, Innovation, Responsibility and Commitment) and focuses on the behaviours and skills through which these values must be manifest in all employees.

For Société General, the CSR approach must be integrated into the strategies of the various businesses and activities to contribute to value creation. ALD Automotive is part of Société General group and has the broadest worldwide coverage on the car leasing market. It is also committed to the responsible conduct of its proprietary activities, through a carbon footprint reduction program and a responsible sourcing policy. The company has bold ambitions on sustainable mobility, employer responsibility, business practices and internal carbon footprint.

In line, with the Group's philosophy and the recent amendment to the Indian Companies (Amendment) Act 2020, and CSR Rules vide the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("CAR 2021") the Company has defined a CSR Strategy through this policy document the same which will be reviewed annually.

All provisions of the CSR Policy would be subject to revision/amendment in accordance with the applicable laws and Group Code of Conduct. The Company reserves the right to modify, cancel, add, or amend this CSR Policy.

The Indian entities of SG Group will follow the group's aim to become a benchmark reference in CSR among Europe's leading financial institutions.

II. SG Group Framework –CSR Orientations

At the Group level, corporate social responsibility is embedded in the bank's overall strategy: The Group aims to:

Be a benchmark for our customers:

- finance economy and cater to the financial needs of customers;
- worthy of their trust on which our very business depends, beside them through good and bad times;
- putting customer satisfaction at the heart of our strategy.

Mobilize and value the wealth of our human capital, essential to the Group's strategy, by being a responsible employer:

- mindful to the well-being and professional development of its teams;
- ensuring behaviour that will sustain value creation over the long term.

Protect the environment and society as a whole:

- manage the E&S impacts of our products and services;
- encourage our employees' involvement which benefits the community and society at large, alongside the Group's various partnerships and sponsorship programs.

With these three broad orientations in mind, the Group aims to be a key player in terms of Corporate and Social Responsibility (CSR). Our CSR policy targets sustainable growth through the following 5 strategic priorities identified across the group:

- **Responsible finance**
- **Solidarity-based banking**
- **Responsible employer: diversity and employability**
- **Internal environmental impact and responsible sourcing**
- **Role in society**

III. ALD India CSR Strategy/ Policy

Based on the above five priorities set out by the Group, the Indian entities of SG Group are committed to improving quality of life of the people and be a positive change in a socially, ethically and environmentally friendly manner. All CSR initiatives will focus on the upliftment of the disadvantaged and marginalized sections of Society. The company will continue to primarily support activities in Schedule VII to the 2013 Act listed below however its CSR initiatives will be focused mainly on the aforesaid area. All of which are recognized as CSR projects in terms of the Companies Act 2013.

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water in villages, supporting disaster relief activities;

2. Promoting education of disadvantaged children, and offering financial education to under-privileged women, helping the differently abled and promoting livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backwards groups;
4. Harness the objective of safe roads awareness through various programs like educating the people on road safety measures in or without association with the local traffic authorities, arranging driver training programs.
5. Ensuring environmental sustainability, ecological balance, and 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" setup by the Central Government for rejuvenation of river Ganga.
6. Working for promotion of health care of economically backward section of the society.

Subject to the availability of resources both in terms of budget and manpower, and depending upon the Social Conditions the ALD India could expand its CSR horizons to include:

7. 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;
8. Measures for the benefit of Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
9. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
10. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) 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.
11. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; AND (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged

in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)”.

12. Rural development projects.
13. Slum area development (“Slum Area’ shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force).
14. Disaster management, including relief, rehabilitation and reconstruction activities. Contribution made to State Disaster Management Authorities to combat COVID-19 or other Pandemics of similar nature.

The CSR projects and programs may also be implemented through registered public charitable trusts, not-for-profit companies set up under Section 25 of the Companies Act, 1956 corresponding to Section 8 of the Companies Act, 2013) through recognized and reputed NGOs and similar implementing entities.

IV. Governance

Board of Directors:

In view of Sec 135(9) inserted by Companies Amendment Act 2020 the functions of the CSR Committee provided under this section shall, be discharged by the Board of Directors of the Company. The Board reviews the impact of CSR activities, provides inputs and satisfies itself that the CSR spends are aligned to the CSR Policy and has been utilized for the purposes and in the manner as approved by it.

The scope and role of Board of Directors for CSR has been as set out in the Companies Act and the CSR Rules.

Monitoring Mechanism

Further to recommendation of the Board of Directors the Company has constituted the internal CSR monitoring committee in order to evaluate various CSR initiatives and measures to be undertaken by the Company for the same and to formulate CSR policies.

The Internal CSR Monitoring Committee constitutes of:

Ms. Suman Purohit	-	Associate Vice President Marketing & My ALD.
Mr. Rahul Bishnoi	-	Senior Vice President HR & A
Ms. Minal Vanarase	-	Company Secretary

The committee shall be reviewing and proposing various CSR initiatives which could be considered and undertaken by the Company in line with its CSR Policies and the recommendations of the Board of Directors.

The said committee shall be guided and monitored by Mr. Suvajit Karmakar – CEO and Whole Time Director of the Company.

The initiatives and operations of the said committee shall be further reviewed by the Board of Directors on periodic basis and the members of the Board shall be providing their recommendations on the same.

7.2 Reporting by Internal CSR Monitoring Team

The Internal CSR Monitoring Team will report / give feedback to the Board of Directors for all CSR projects undertaken, approved by the Board of Directors for implementation and monitoring.

The administration of the CSR Policy of the Company and the execution of identified CSR projects, programs and activities under it shall be carried out under the control and overall supervision of the said an Internal CSR Monitoring Team.

Further, the Board of Directors may revise/ amend this CSR Policy based on the recommendations of the Internal CSR Monitoring committee or to bring the same in line with the guidelines or amendments issued from time to time by Government/ Group Policies on the subject.

Activities not considered as CSR:

The following shall “not be” considered as CSR activities:

- Activities undertaken in pursuance of normal course of business.
- Contributions made, if any, to any political party. Monies, if any, spent exclusively for the benefit of employees [as defined in clause (k) of section 2 of the Code on Wages, 2019) and their families].
- Activities, if any, undertaken outside India, except for training of Indian sports personnel representing any state or union territory at the national or international level
- Activities, if any, supported on “sponsorship basis” for deriving marketing benefits for its products or services.

V. CSR spends:**Annual CSR spends**

The company is committed to spend 2% of its average net profits made during the immediately preceding three financial years on CSR activities every financial year. If during any financial year the company spends an amount in excess of 2% of its average net profits, the same will be considered as excess CSR spends for the financial year and will be set-off in the immediately succeeding three financial years subject to fulfilment of conditions prescribed under the 2013 Act and the CSR Rules, if the Board decides to do so.

Limits on CSR spends: Administrative overheads on CSR activities will not exceed 5% of total CSR spends in any financial year. The company shall not acquire any capital asset out of its CSR spends. In case it does, the said capital asset will be held Beneficiaries of the Project/ Public Authority, in the manner specified in the 2013 Act and the CSR Rules.

Unspent CSR amount: If for any reason, the budget of a year remains unutilised, the same would not lapse and would be carried forward to the next year for expenditure on CSR activities (CSR Projects as listed above), which were planned for implementation in the previous year, but could not be completed due to some reason and will be dealt with in the manner prescribed under the 2013 Act and the CSR Rules. Such unspent amount is to be transferred to an 'Unspent CSR Account' with a scheduled commercial Bank. The Board of Directors will disclose the reasons for not being able to spend the entire budgeted amount on the CSR activities as planned for that year in the Annual Report of the Company.

Excess CSR spends: If in any financial year the company spends on CSR activities in excess of the obligated 2% of average net profits, the Board may decide to set-off the same in the immediately succeeding three financial years, subject to conditions prescribed under the 2013 Act and the CSR Rules along with the rules prescribed by the MCA.

'Income' or 'Surplus' arising out of CSR activities: 'Income', or 'Surplus', if any, arising out of CSR activities, shall not form part of company's business profits and shall be ploughed back in the same CSR project or transferred to "Unspent CSR Account" and spent in pursuance of CSR Policy and the Annual Action Plan on CSR activities.

VI. Annual Action Plan on CSR Activities:

As prescribed under CSR Rules, at the beginning of every financial year, the Internal CSR Monitoring Team shall propose Annual Action Plan on CSR activities, for the financial year, for consideration and approval of Board

The company may take up other CSR activities during the financial year, as may be considered appropriate in accordance with retrospective approval of the Board of Directors.

VII. Reporting

In terms of the Companies Act, 2013, necessary disclosures shall be made in the Annual Reports of each of the SG entities that participate in the SG- India CSR Programme in the Director's Report / Notes to Account section.

Further the CSR policy approved by the Board of Directors of the Company shall be displayed on the Company's website.

