HITACHI

HITACHI LIFT INDIA PRIVATE LIMITED		
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TITLE: **CORPORATE SOCIAL RESPONSIBILITY**		Approved By: Masaya Sakakibara

1. Purpose

- Hitachi Lift India CSR Policy is aimed at providing guidelines for effectively structuring CSR initiatives undertaken by the Company, adhering to the Companies Act 2013.

2. Scope

- This Policy shall apply to Hitachi Lift India Private Limited.

3. Mission Statement of the CSR Policy

Hitachi Lift India strives to contribute to solve social issues through sustainable CSR initiatives. By recognizing, identifying and prioritizing social issues, Hitachi Lift India aims to implement well-planned CSR initiatives through collaboration with employees, consultation and communication with various stakeholders and more specifically in line with Schedule VII read with Section 135 of The Companies Act, 2013.

4. Framework

Hitachi Lift India CSR Policy outlines the Framework for ensuring that CSR spends are within the areas or subjects specified in Schedule VII and boundaries laid down by the Mission Statement of the Policy and the Law by laying down decision criteria required to be met by every CSR initiative and is within the CSR expenditure limits laid down by this Policy.

5. Decision Criteria for approving CSR Initiatives

Hitachi Lift India will emphasize, focus, select and plan CSR initiatives in accordance with the Companies Act, 2013 (activities outlined in Schedule VII – as on date of formulation of present Policy) by referring to the following selection criteria:

i. The CSR initiatives must adhere to the Companies Act, 2013 covering activities specified under schedule VII thereof.
ii. The CSR initiatives must emphasize Mission, Values and Vision of Hitachi Group Identity. The CSR Initiatives should be sustainable and capable of evaluation at different phases of execution.
iii. Mechanism for measuring the impact of CSR initiative must be well defined.
iv. CSR initiatives should also take into consideration, social values which can be shared and jointly implemented through collaboration and extension with/without Hitachi group companies in India.
v. Relevance to Company's theme of Social Innovation business should also be considered.

6. Overall CSR Expenditure Limit & Approval Process

- The total amount of CSR spent on all initiatives during any financial year should be at least 2% of the average net profits i.e. net profits means profit as determined pursuant to provisions of Section 198 of The Companies Act, 2013 (as defined in the Companies Act, 2013) but not exceeding 5% during the 3 immediately preceding financial years.
- The Board of Directors of Hitachi Lift India is empowered to approve any CSR initiatives under this Policy, if they adhere to the criteria and the expenditure limits as listed out in this Policy.
- The Board of Directors should be updated and informed about such CSR initiatives at frequent intervals.
- Company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR Policy as well as for capacity building of their own personnel for CSR.
- Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.
- The Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the

Chief Financial Officer or the person responsible for financial management shall certify the effect.

- In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

The Company should give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

If the Company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

If the Company spends an amount in excess of the obligation, Company may set off such excess amount against the requirement to spend for such number of succeeding financial years and in such manner, as may be prescribed and deemed appropriate by Board.

The Board shall also ensure that the administrative overheads do not exceed five percent of total CSR expenditure of the Company for the financial year.

Board shall ensure that any surplus arising out of the CSR activities shall not form part of the business profit of a Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR Policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Board to ensure compliance with provisions of Rule 7 of The Companies (Corporate Social Responsibility) Rules, 2014 all the time.

7. CSR Activities under Schedule VII of Companies Act, 2013

i. Eradicating hunger, poverty and malnutrition, promoting preventive health care, and sanitation, and making available safe drinking water;
ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
iii. 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 backward groups;
iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
v. 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;
vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
vii. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
viii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, and other backward classes, minorities and women;
ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
x. Rural Development Projects; and
xi. Slum area development

The aforesaid is based on Schedule VII of The Companies Act, 2013 and further, the Company will review the sectors/activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities.

8. Expenditure on CSR capabilities

The Company may build CSR capabilities of their own personnel as well as of their Implementing Agencies and such expenditure shall not exceed 5% of the total CSR spend of the Company as stated in the Rules from time to time. Determination of whether expenses fall within this 5% cap can be decided in consultation of the Chief Financial Officer of the Company based on the clarification available from time to time in this regard.

9. Implementation

In view of Section 135 (9):

Where the amount to be spent by a Company under Section 135 (5) does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee shall, in such cases, be discharged by the Board of Directors of such Company, hence no committee is being constituted and all the functions shall be discharged by the Board only, a gist of functions are as hereunder:

a. Formulate CSR Policy and seek approval of Board.
b. Recommend CSR activities as stated under Schedule VII of the Act.
c. Approve to undertake CSR activities, if necessary, in collaboration with Hitachi Group companies/other Companies/firms/NGOs etc., and to separately report the same in line with the CSR Rules.
d. Recommend the CSR Budget
e. Spend the allocated CSR amount on the CSR activities.
f. Create transparent monitoring mechanism for implementation of CSR initiatives in India.
g. Monitor CSR Policy from time to time.
h. Monitor activities/charter of Internal Working and Monitoring Group (WG) who are authorized to ensure that the CSR activities of the Company are implemented effectively.