

Considered and approved  
by CSR Committee in its  
meeting held on 17.05.2018  
for recommendation to the  
Board

Considered and approved  
by Board in its meeting  
held on 12.06.2018

### Corporate Social Responsibility Policy of SAIPL for 2018-19

Skoda Auto India Pvt. Ltd. has been a socially responsible organization since the beginning, and has been contributing for CSR activities to support socially & economically weaker and deprived section of society and communities. The CSR activities are being carried out on a regular basis to help underprivileged section of society.

#### **Operating Principles**

**"SIMPLY CLEVER = SIMPLY HUMAN"**

(Extracted from ŠKODA AUTO Annual reports/ Sustainability report 2012-2013)

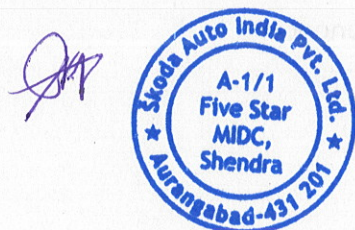
#### **Mission and Objective**

To strive for upliftment of living conditions of underprivileged sections of society through focused CSR activities to create pathway for the better future.

CSR policy aims to address social needs and aid in resolution of social problems in the region, where SAIPL is located. The problems are identified in consultation with the local community. Notwithstanding above, the CSR Committee, at its discretion may decide to undertake some CSR activities at other places in India.

#### **Applicability**

1. Skoda Auto India Pvt. Ltd. (hereinafter referred to as "the Company" or "SAIPL") CSR policy has been developed in consonance to Section 135 of the Companies Act 2013 read with Schedule VII (referred to as "the Act" in this policy) and the Companies (Corporate Social Responsibility) Rules, 2014 (hereinafter referred to as "the Rules") as amended from time to time.
2. The Policy shall apply to all CSR projects/programmes / activities / initiatives undertaken by the Company in the region located in and around Aurangabad (India) and also to projects undertaken at other locations, at the discretion of CSR Committee as per Schedule VII of the Act.



## Responsibility of the Board

The Board of SAIPL will be responsible for:

- Approving the CSR policy as formulated by the CSR Committee.
- Ensuring that in each financial year the Company spends budgeted amount as approved
- Ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively.
- Disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities.
- Publishing CSR Policy on the Company's website.

## Responsibility of CSR Committee

### I. Composition of the CSR committee:

The CSR Committee will be constituted by the Board of SAIPL.

### II. The CSR committee of SAIPL will be responsible for:

- Formulating the CSR policy in compliance to Section 135 of the Companies Act 2013
- Identifying activities to be undertaken as per Schedule VII of the Companies Act 2013 .
- Recommending to Board the CSR expenditure to be incurred.
- Recommending to Board, modifications to the CSR policy as and when required.
- Regularly monitoring the implementation of the CSR policy.
- Reporting about CSR progress to parent company Skoda Auto a.s., at their request.

## Identification of projects

All projects will be identified in a participatory manner, in consultation with the community. Projects will be prioritized based on the needs identified by the Company including through discussions with various stake holders.

The focus areas that have emerged from this process for the CSR activities to be undertaken by the Company are as follows:

1. Promoting Education including improvement in school building infrastructure and other facilities in the school
2. Promoting Health, safety, hygiene and eradication of hunger
3. Sustainable Livelihood



4. Promoting Environment and Water Conservation
5. Support to the poor / underprivileged section of the society and other needy people

The list of projects to be undertaken during 2018 -19 is specified in the Annexure nr.1. The CSR Committee shall decide the time period for implementation of the Projects along with the amount to be spent on each Project. The CSR Committee may review the list at regular intervals and may decide not to implement any of the projects mentioned in Annexure nr.1 or to take up any additional project falling in the above identified focus areas based on the developments that happens during the year.

#### **CSR Budget**

CSR Committee will recommend the annual budget to the Board for its consideration and approval. The approved budget for the year will be used for various activities identified to be undertaken during the financial year. The CSR Committee will also allocate funds for undertaking CSR activities through NGO, Volunteer group on approved CSR fund basis.

Surplus arising out of CSR projects or programs or activities shall not form part of business profit of the Company

#### **Modalities for carrying the Identified projects:**

The above projects will be implemented through-

1. Employees nominated for implementation of CSR activities. CSR Committee will constitute an operating team of employees who would be responsible for implementation of CSR policy and monitoring the same on regular basis.
2. The employee volunteers and groups.
3. Tie-ups with the NGOs, self-help groups and other volunteers.
4. Jointly / in co-operation with Skoda Auto a.s., other body corporates, respective authorities or other agencies as may be approved by CSR Committee

#### **Monitoring and Reporting Framework**

The comprehensive monitoring and reporting framework will be put in place to ensure that the funds are spent on CSR programmes that are creating the desired impact on the society and in compliance with the Act & the CSR Policy of the Company. The monitoring and reporting mechanism is divided into following areas:



## I. Programme monitoring and evaluation:

## II. Reporting and Documentation

### I Programme monitoring and evaluation mechanism

Programme monitoring mechanism will ensure that the CSR policy is implemented as per the Act, the Rules and the CSR Policy of the Company. Following mechanism would be adopted for effective monitoring and evaluation of CSR activities

1. CSR spends will be closely monitored to ensure that funds are released against verified utilizations as per the approved work plans. The CSR operating team will maintain regular MIS for this. Monthly field visits, comprehensive documentation, and regular interaction with beneficiary communities will be undertaken, as may be considered necessary for monitoring.
2. CSR spends will be audited in an accountable and transparent manner.
3. Quarterly reporting and review by the CSR committee and reviews by the Board at Board meeting will be undertaken.
4. Operating team will monitor the implementation of CSR projects on regular basis and will submit its report to the Committee members at regular intervals.
5. Expected outcomes, outputs of the projects will be clearly defined for each project and evaluation would be done.
6. There shall be clarity about the scope of the programme and the need before evaluations are undertaken.
7. The CSR Committee will decide whether it will be internal, external or third party evaluation.

### II Documentation and Reporting

1. The Operating Team will prepare monthly report and submit the same to the Committee members.
2. The CSR Policy will be displayed on Company's website.
3. The Annual Report of the Company will contain extracts of CSR Policy, information of projects undertaken by the Company and such other information as may be required under the Act and Rules.

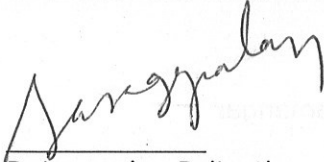


## Information dissemination

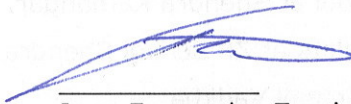
The Company's engagement in this domain is disseminated on its website, annual reports, its in-house journal, if any.

This Policy will be reviewed for changes, if any.

For Skoda Auto India Pvt. Ltd.



Rajagopalan Paliyath  
Chairman of the CSR  
Committee



Jana Fernandez Zambrano  
Member of the CSR  
Committee



Lubos Hradecky  
Member of the CSR  
Committee



## Annexure - 1

### **Projects Identified for the year 2018 - 19**

The projects identified for implementation during the financial year ending on 31<sup>st</sup> March, 2019 are as follows:

1. Renovation of ZP School at Varzadi
2. Repair / Renovation of ZP School at Shendra Kamangar
3. Repair of Compound wall & Toilets at ZP School Shendra Kamangar
4. Drinking Water Project at ZP School Vadkha
5. Annamrita Project
6. Blood Donation Camp
7. Household equipment support to "Savali Mulinche Balgruha"
8. Support in education sector to children of Vasantrao Naik Balakashrama (VNB)
9. Donation of computers to VNB
10. Preventive and promotional Health care activities such as health-check camps, free cataract surgery and treatment of critical illnesses
11. Road Safety Awareness – Training & Hoarding Display
12. Water Percolation / rain-water harvesting project
13. English improvement classes for students
14. Tree Plantation
15. Installation of solar street lamps in nearby villagers.
16. Hobby classes at Varzadi village
17. Contribution to UNICEF –at the discretion of the CSR Committee.

