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Company Level	Mahindra First Choice Wheels Limited
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CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Introduction and Background

Mahindra First Choice Wheels Limited (MFCWL) is committed to being a socially responsible corporate citizen and believes that corporate social responsibility is a key business process for sustainable development. MFCWL is committed to invest 2% of its average net profits of the three immediately preceding financial years, towards CSR initiatives and more specifically for the benefit of economically and socially disadvantaged sections of society, in the areas contiguous to its business and for group-level CSR initiatives by way of contribution to K C Mahindra Education Trust (KCMET)/ Mahindra Foundation.

2. CSR and the Mahindra Group

Mahindra Group has always gone beyond legal and statutory requirements to make responsible investments in the community. Over the past few years, Mahindra group has focused its CSR efforts in specific focus areas with an objective of delivering large scale projects with high impact. In keeping with the group's *Rise* philosophy, the Company commits itself to driving positive change to enable people and communities to *Rise* above their limiting circumstances.

3. Objectives of the CSR Policy

The objectives of this policy are:

- Outline the Company's CSR approach and guiding principles under the *Rise* Philosophy which helps to identify and work closely with the key stakeholders/communities to deliver high social impact projects which are eventually owned by the communities.
- Ensuring increased commitment at all levels in the organisation by encouraging employees to participate in the Company's CSR activities and giving back to society through the employee volunteering programme called ESOPs.

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4. Scope and Applicability

This policy shall be applicable to Mahindra First Choice Wheels Limited and its subsidiaries (latter wherever applicable).

5. Policy Statement

5.1 Core Purpose and CSR Mission

At MFWCL, CSR is an integral part of the business and is embedded in the Mahindra Group Philosophy of *Rise*. Our Core Purpose is to drive positive change in the lives of our communities. Only when we enable others to rise will we rise #TogetherWeRise. Our CSR focusses on creating a more equal world by empowering girls and women as well as contributes to the planet by rejuvenating nature beyond our operational boundaries.

In alignment to the Core Purpose, the CSR Mission of MFCWL is to:-

- Empower Girls through Education.
- Empower Women through Skilling and Livelihood opportunities.
- Rejuvenate the Planet through Environment Conservation efforts.

These contribute to national building and support the UN SDG Goals. Apart from investing in the areas of Girl Child education (Nanhi Kali), Women's Empowerment (Mission Even) and Environment Conservation (Project Hariyali), the company shall also consider working closely with stakeholders/local communities and supports other need-based projects.

For MFCWL responsible business practices include being responsible for our business processes, products, engaging in responsible relations with employees, customers, and the community. Hence, for the Company, Corporate Social Responsibility goes beyond just adhering to statutory and legal compliance and creates social and environmental value for our key stakeholders.

5.2. Total Outlay

In line with the requirements of Section 135 of the Companies Act, 2013 ('Act') read with rules notified thereunder as amended from time to time (collectively referred CSR provisions), Mahindra First Choice Wheels Limited and its subsidiaries (latter wherever applicable), pledges to contribute at least 2% of its average net profits made during the three immediately preceding financial years specifically towards CSR initiatives. For this purpose, the net profit and average net profit shall be calculated in accordance with the provisions of Section 198 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2021.

The unspent CSR amount, if any, during a financial year, unless relates to an ongoing project, shall be transferred to any Fund specified in Schedule VII of Companies Act, 2013, in accordance with the applicable CSR Provisions.

Likewise, any excess amount spent on CSR activities may be set off against the requirement to spend in the succeeding financial years in accordance with the applicable CSR Provisions.

The administrative overheads, if any required to be incurred by the Company as defined in the rules, shall not exceed 5% of total CSR expenditure of the Company for a financial year.

Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be dealt with in accordance with the applicable CSR Provisions.

In the event the Company creates or acquires capital assets out of the CSR spend, such capital assets will be dealt with in terms of the applicable CSR Provisions.

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5.3 CSR Thrust Areas

The Key Thrust Areas under MFCWL CSR Policy and its alignment to Schedule VII are outlined as follows:-

1. Promoting Girl Child Education (Schedule VII- Item No ii)
2. Empowering Women through Skilling and Livelihood Opportunities (Schedule VII- Item No iii)
3. Rejuvenate the Planet through Environment Conservation efforts (Schedule VII – Item No iv).

The Company may also take up other activities including projects as prescribed under Schedule VII of the Companies Act, 2013 or as may be amended from time to time.

5.4 Governance Structure

The Company has a well-defined and robust governance structure to oversee the implementation of the CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013 read with Rules made thereunder, as amended from time to time. The Board level Corporate Social Responsibility Committee (CSR Committee) of the Company shall be responsible for monitoring the CSR Policy from time to time. The CSR Committee shall be constituted in accordance with the requirements of the Companies Act, 2013 and the Rules made thereunder. The details of the composition will be hosted on the Company's website, if any. The CSR Committee shall formulate and recommend to the Board an annual action plan which includes the manner of execution, modalities of utilisation of the CSR funds and implementation schedules for CSR projects or programmes, monitoring and reporting mechanism for the projects or programmes and details of need and impact assessment, if required for the projects undertaken by the Company. The CSR Committee may also recommend to the Board any alteration in the annual action plan at any time during the year including updation of the CSR Policy if required, to that effect. Apart from recommending and approving budgets for project implementation, the Committee may also institute a monitoring mechanism to track the progress of each project. The Committee reports to the Company's Board of Directors. The operating management implements the CSR initiatives and reports to the CSR Committee.

5.5 Implementation

The CSR Committee shall be responsible for monitoring and implementation of the CSR Policy. The CSR committee shall approve and recommend to the Board annual action plan including the list of projects/ programmes, modalities of execution, and implementation schedule thereof, as guided by this Policy.

On the recommendation of the CSR Committee, the Board shall approve the annual action plan for the projects or programmes to be undertaken and shall also satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer shall certify to the effect.

The CSR Committee may recommend to the Board "Ongoing Projects" that requires multi-year implementation but not having timelines exceeding three years excluding the financial year in which it commences, and also may designate some of the existing CSR projects as an Ongoing Project and such Ongoing Projects shall be selected, implemented, monitored and reported in accordance with the applicable CSR Provisions. Ongoing Projects shall also include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

5.6 Monitoring process of CSR activities

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It will be the responsibility of the operating management to review the progress of various CSR projects in terms of outcome. Operating management will mandate the effective and timely monitoring and evaluation of CSR projects by directing the respective Commercial-Head/ Chief at each Plant or the third-party independent agency to carry out situational analysis, need assessment surveys, project visits, or impact studies, etc., if and as required, for strategic and high value CSR programmes.

5.7 Executing Agency / Partners

CSR initiatives will be implemented either directly by the Company through its ESOPs programme where dedicated CSR employees may directly implement CSR initiatives, or through implementing partners which include NGOs having an established track record of at least 3 years in carrying out the specific activity.

The necessary due diligence process will be followed while selecting NGOs / voluntary organizations for programme execution as per the applicable MCA, Income Tax and all applicable laws:

- The NGO has submitted a detailed project proposal and budget which has been approved by the operating management. The Company may also collaborate with other companies to undertake CSR projects or programmes, provided the CSR Committees of the respective companies are in a position to report separately on such projects or programmes.
- The Company may engage independent and external organisations for conducting impact assessment of the CSR projects or programmes as applicable under MCA CSR Rules as well as for capacity building of their own personnel for CSR.

5.8 Approach, Directions and Guiding Principles

Based on the approach and directions given by the Board on the recommendation of CSR Committee and the guiding principles for formulation of Annual Action Plan, the Company's CSR Projects/ Programmes would be directed towards measures for the benefit of veterans, widows and dependents of armed forces, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF), and for eligible educational activities, including but not limited to Nanhi Kali, as envisaged under the Companies Act, 2013 and Rules made thereunder with respect to CSR.

5.9 Policy Guidelines

- All CSR Projects must be aligned as prescribed in Schedule VII of the Companies Act, 2013.
- CSR projects or programmes or activities must be undertaken in India alone.
- Any activity undertaken by the Company outside India shall not qualify as a part of CSR expenditure except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.
- CSR activities must not include the activities undertaken in pursuance of the normal course of business of the Company.
- Projects or programmes or activities that benefit only the employees of the Company and their families shall not be considered as CSR.
- CSR activities should be in project/ programme mode. One-off events such as marathons/ awards/ charitable contribution/ advertisements / sponsorship of TV programmes etc. will not qualify as part of CSR expenditure.
- Contribution of any amount directly or indirectly to any political party shall not be considered as CSR.
- Activities supported by the Company on a sponsorship basis for deriving marketing benefits for its products or services shall not be considered as CSR.
- Activities carried out for fulfilment of any other statutory obligations under any law in force in India will not qualify as part of CSR expenditure.

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5.9 Amendments

Amendments from time to time to the CSR Policy, if any, shall be considered and approved by the Board of Directors based on the recommendations of the CSR Committee.

In case of any subsequent change in the Act/ Rules made thereunder, if any particular part/ provision of this Policy becomes inconsistent or requires amendment, till this Policy is amended, any subsequent changes in the Act/ Rules shall prevail.

For Mahindra First Choice Wheels Limited

Shivin Tikoo
Head – Human Resources

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