

Considered and approved
by CSR Committee in its
meeting held on 25/04/2016
for recommendation to the
Board

Considered and approved
by Board in its meeting
held on 19/05/2016

Corporate Social Responsibility Policy of SAIPL for 2016-17

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

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 help 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 and reflect their surveyed needs.

Proposed Objectives

The objectives of the CSR policy are defined in accordance with the surveyed and studied social problems in the region located around SAIPL's factory premises:

1. Education
2. Health care and safety
3. Sustainable livelihood
4. Environment and Rural Hygiene related Development
5. Support to poor and underprivileged section of the society

Our goal is to support weaker section of the society affected by the social issues of the region through fulfillment of the proposed objectives.

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 its factory premises in 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. from time to time.

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 captured through surveys/studies and through discussion with the stake holders.

The focus areas that have emerged from this process are education, health care, gender sensitivity towards girl child, sustainable livelihood and environmental & rural hygiene related development and support to orphanage / child home.

Promoting Education –

- Spoken English
- Girl child education
- Adult education programs
- Support to orphanage / poor children/ people affected by natural calamities for pursuing vocational courses, higher education
- Supplement the government education programs and granting of scholarships to talented students.
- Donation of books, training material
- Overall improvement in school building and other facilities in the school

Promoting Health care, safety and eradication of hunger-

- Primary health care including mother & child care projects and Preventive health measures through awareness programs.
- Awareness on Mosquitoes related health issue and support in creation of self-sustained solutions (maintenance of sewage, proper household waste / garbage disposal)
- Awareness on household safety (e.g. Rural household kitchen safety) and Road Safety
- Support to people affected by natural calamities

Sustainable Livelihood –

- Support to Self-help Groups / people affected by natural calamities for acquiring skills and promoting livelihood
- Vocational training / financial support for promoting sustainable livelihood

- Rejuvenation of water percolation tank/ structures

Environment and Rural Hygiene related Development -

- Development of green zone (tree plantation)
- Safe drinking water and Rain water harvesting
- Sanitation & hygiene including construction of toilets / wash rooms
- Renewable sources of energy.

Support to the poor / underprivileged section of the society -

- Development activities in the orphanage / children home including infrastructural development and overall improvement in various facilities.
- Support to UNICEF.

The list of projects to be undertaken during 2016-17 is specified in the Attachment nr.1 along with the tentative time period for implementation. The CSR Committee may review the list at regular intervals and may decide not to implement any of the projects mentioned in Attachment 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 and various groups of volunteers.
4. Tie-ups with self-help groups and the identified stake holders
5. Jointly/ in co-operation with respective authorities or organizations, if applicable.
6. Jointly / in co-operation with Skoda Auto a.s. and other body corporates 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 same to the Committee members.
2. The CSR Policy will be displayed on Company's website.
3. The CSR Committee will prepare the annual CSR report for approval of the Board.
4. The Annual Report of the Company will contain extracts of CSR Policy, information of projects undertaken by the Company and such other information 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.

This Policy will be reviewed for changes, if any.

For Skoda Auto India Pvt. Ltd.

Sd/-

Sudhir Rao
Chairman & Managing Director

Sd/-

Rajagopalan Paliyath
Director – Human Resource Management &
Chairman of the CSR Committee

Attachment 1

Projects Identified for the year 2016-17

The projects identified for implementation during the financial year ending on 31st March, 2017 are as follows:

1. Tree Plantation during the months of June-August, 2016
2. Provision of safe drinking water and rain water harvesting project during May-July 2016
3. Rejuvenation of water percolation tanks/ structures, Nala Bandhs.
4. Various initiatives for enhancing road safety – during quarter two of FY 2016-17
5. Health check-up camps- to be undertaken in surrounding villages – during the year 2016-17
6. Granting Scholarships to 15 topper students of 10th Maharashtra Board during quarter two of FY 2016-17
7. Computer knowledge training courses – 2 months courses – to be undertaken during July to December, 2016.
8. Blood donation camp during quarter two of FY 2016-17
9. English speaking classes for teachers, women, girl child, school going students, school drop-out and village youth – to be organized through-out the year.
10. Donation of training material to educational institutions including scrap materials – 2 to 3 activities during the year 2016-17
11. Support to orphanage and poor children for vocational, higher secondary and higher studies.
12. .Training on basic hygiene, sanitation and solid waste / garbage management during quarter two and three of FY 2016-17
13. Art and Hobby development classes for nearby villagers during quarter three of FY 2016-17
14. Installation of solar street lamps in nearby villagers during quarter two & three of FY 2016-17
15. Various developmental activities / overall improvement in facilities in schools in nearby villages and children home (such as Vasantrao Balakashram) during FY 2016-17
16. Contribution to UNICEF –at the discretion of the CSR Committee.