

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Article 1 Short Title

- 1.1. Corporate Social Responsibility (CSR) is a regulating statutory requirement that expects a company to be accountable to itself, its stakeholder(s), the public, and society at large. By practicing CSR, companies can be conscious of the impact they may have on society including economic, social, and environmental respectively.
- 1.2. With this objective in the backdrop, Toyota Tsusho India Private Limited (“TTIPL”) primarily recognizes that the company being a corporate citizen to the extent practicable should go beyond just having a profit-making objective. TTIPL seeks to contribute to society through CSR activities and take such initiatives, which may contribute towards social and economic welfare for sustainable development.

Article 2 Objective of Policy:

- 2.1. This Policy is called as “**CSR Policy**”. This CSR Policy is made in compliance with the provisions of the Companies Act, 2013, and, Rules made thereafter as applicable, including the amendments, alterations, and modifications as may be effective from time to time.
- 2.2. In case of any repugnancy between this policy and the provisions of the Companies Act, 2013, the provisions of the Act as applicable or amended from time to time, shall prevail.
- 2.3. The CSR Policy lays down the guidelines for undertaking programs geared towards social welfare activities and initiatives in line with **Schedule – VII** of the Companies Act, 2013.
- 2.4. Through this CSR Policy the company aims to adopt CSR programs or activities. This CSR Policy has been framed in accordance to the applicable provisions of the Companies Act, 2013, and applicable rules issued thereunder (“**Act**”).

ARTICLE 3 DEFINITIONS AND INTERPRETATION

- 3.1. “**Board**” shall mean and include the Board of Directors of TTIPL;
- 3.2. “**Company**” shall mean Toyota Tsusho India Private Limited (“TTIPL”)
- 3.3. “**CSR Activities**” for the purpose of this CSR Policy shall mean and include the projects and programs as approved by the Board.
- 3.4. “**CSR Committee**” shall mean and include the committee established under the provisions of the Act.
- 3.5. “**CSR Rules**” shall mean and include the Companies (Corporate Social Responsibility Policy) Rules 2014;
- 3.6. “**CSR Expenditure**” shall mean the amount recommended by the CSR Committee to be incurred on the CSR activities in India on the terms of the Act and the CSR Rules as approved by the Board from time to time.
- 3.7. “**Implementing Agency**” shall mean and include the implementation agency appointed by TTIPL with the prior approval of the Board, including and not limited to:
 - (a) Companies established under section 8 of the Act or a registered society or registered public trust under Section 12 A and 80G respectively of the Income Tax Act 1961, established by the company themselves or along with any other company.
 - (b) A registered trust or a society established by the central government.
 - (c) Entity established under the State legislature or an act of parliament;

- 3.8. “**Net Profit**” shall mean the net profit of the company as per its financial statement prepared in accordance with the provisions of law but shall not include (i) *any profit* arising from the overseas branch or branches of the company (whether operate as a separate company or otherwise) and (ii) *any dividend* received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.
- 3.7. “**Society**” shall mean and include a society registered under the Societies Registration Act 1860 and any other applicable laws in India
- 3.8. “**Trust**” shall mean a trust registered under the Indian Trusts Act 1882 or any other applicable laws in India.

Article 4- CSR OBJECTIVES

- 4.1. The CSR Activities are broadly classified as per TTC’s global vision as follows:

(a) Mobility & Sustainability:

Focuses on environmental changes as business opportunities and undertakes initiatives such as improving traffic infrastructure to reduce the number of road accidents and achieve zero traffic casualties and injuries by using material innovation, autonomous driving and advanced safe driving support technologies, and other means.

(b) Life and Community: Carbon-Free Society:

Focuses to contribute towards a carbon-free society by reducing automotive, manufacturing, and energy plant construction CO2 emissions through the use of clean energy and innovative technologies.

(c) Resources and Environment:

Reusing Resources: Focuses to reduce the impact on the environment by efficiently using and reusing the available resources. To efficiently use the limited resources and develop recycling businesses including recovery and processing from scrap generated from end-of-life vehicles (ELV’s) and at plants, secure resources through urban mining, and turn waste into resources such as by reusing used vehicles and parts, thereby contributing to a recycling society that promote a circular economy by recycling wastes.

- 4.2. An inclusive list of CSR activities which can be undertaken by the Company are enlisted as follows:

- (a) Eradicating hunger, poverty, and malnutrition by promoting healthcare, including preventive healthcare and promoting sanitation by contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water;
- (b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, the elderly, and the differently abled, and livelihood enhancement projects;
- (c) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, daycare centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups

- (d) 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 including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;
- (e) 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;
- (f) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces(CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (g) Training to promote rural sports, nationally recognized sports, Paralympic sports, and Olympic sports;
- (h) Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situation Fund (PM CARES 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, other backward classes, minorities and women;
- (i) Contributions 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 the state Government
- (j.) 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 Homeopathy (AYUSH); Ministry of Electronics and Information Technology and other Bodies, namely Defence, 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);
- (k.) rural development projects;
- (l) slum area development;

Explanation- For the purposes of this item, the term '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;

- (m) Disaster Management, including relief, rehabilitation and reconstruction activities.
 - (n) Any other activity as specified in Schedule –VII of the Companies Act, 2013, as amended from time to time.
- 4.3. In case of the CSR Activities to be undertaken are anticipated to be long-term, a detailed estimate of the implementation schedule along with milestones shall be submitted by the CSR Committee.

- 4.4. Based on the recommendation of the CSR Committee, the board shall approve the followings:
 - a. Specific CSR activities to be undertaken by the company from time to time;
 - b. Amount to be allocated towards the CSR Activity
 - c. Whether CSR Activities shall be taken by the company or through Implementation Agency and record a valid reason for the same.

ARTICLE 5- IMPLEMENTATION

- 5.1 The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and applicable rules;
- 5.2 In case the Company fails to ensure spending the minimum CSR expenditure, the reasons for not spending the amount shall be given by the Board in its report made under clause (o) of sub-section (3) of Section 134.
 - (i) **Areas for undertaking CSR**
For undertaking CSR activities and programs, the Company shall give preference to the local areas and the periphery around which it is operating. The Company may also choose to undertake CSR activities and programs at other places in India.
 - (ii) **Long-term, medium-term and short-term activities**
The Company may, depending on the programs, activities and needs, decide and undertake long-term, medium-term and short-term CSR activities and accordingly plan the implementation.
- 5.3. The Company shall spend such percentage of profits, as prescribed by the Companies Act, 2013, or as amended from time to time.

ARTICLE 6 CSR COMMITTEE

- 6.1. The Board of Directors shall constitute a CSR Committee of the Board of Directors (CSR Committee) through Board approval. The CSR committee should establish the following members:

Serial No	Name	Designation/ Department
01	Member	Mr. Nobuaki Yahiro
02	Member	Mr. Taisuke Aoyama
03	Member	Mr. Jun Shiratori

- 6.2. The CSR Committee shall formulate an action plan, and enter into required legal arrangements including but not limited to finalizing, approving, and executing various contracts, deeds, letters, undertakings, and confirmation under the common seal of the company for the activities suggested under the schedule VII of the Act and the list enlisted in clause 4.2. herein above;
- 6.3. The CSR Committee shall be responsible for providing periodical/ annual recommendations to the board with respect to the Activities that can be taken up in accordance with CSR Policy and applicable rules.
- 6.4. The CSR Committee shall consist of at least two directors of the company. The CSR committee constitution, power, and functions can be specified, varied, altered, or modified from time to time by the board, subject to the provisions of applicable laws.
- 6.5. The meeting of the CSR Committee shall be conducted in line with the statutory requirement, as and when required.

- 6.6. All questions and discrepancies that may arise, if any, as a result of, pursuant to, or in connection with the implementation of the CSR policy or any initiative or activities undertaken by the company in pursuance of the CSR policy, rules, or laws, shall be referred to the CSR committee for their inputs and final decision/ interpretation shall rest with the Board.
- 6.7. No member of the CSR committee shall be held liable personally for the decision or action taken by the committee *bonafide* with respect to the CSR Policy.

ARTICLE 7 - CSR Expenditure

- 7.1. CSR committee shall recommend the amount of CSR Expenditure, which must be of at least minimum cap/ percentage as prescribed under applicable laws, rules, and amendment(s) (if any) to be incurred in a year.
- 7.2. The Board shall be responsible for sanctioning the CSR expenditure and take requisite steps, as may be required to ensure the CSR expenditure amount be exclusively reserved for the underlined purpose and the amount is reserved for disbursal in case of any requirement, as may arise or mandated as per the statutory requirements.
- 7.3. The Board shall approve the expenditure, excess amount, treatment of unspent amount and failure to spend the allocated fund (if any), and transfer of any unspent CSR amount to the dedicated unspent CSR account in accordance with the requirement of the Act.
- 7.4. The CSR Expenditure shall be made by TTIPL only for the CSR activities. Such allocation shall not be for the personal benefit of employees of the company and their families unless allowed by the laws;
- 7.5. Any contribution made either directly or indirectly towards the political parties under the Section 182 of the act shall not be considered as CSR Activity;
- 7.6. Any surplus arising out of the CSR Activities or program shall not form part of the business profit.

ARTICLE 8 MONITORING

- 8.1. For effective implementation of CSR activities and programs, the utilization of the amount sanctioned towards CSR Activities should be reported by the CSR Committee to the Board on a periodic basis or in such a manner the Board may direct.
- 8.2. In case the company deploys any of the Implementing Agency to perform the CSR Activities, the Implementation Group shall do periodical monitoring, collect and report relevant information on the progress, implementation and completion of the projects undertaken by these Implementing Agencies to the CSR Committee and the Board on a periodic basis.
- 8.3. Upon receiving the report from the CSR Committee with amendment(s) (if any), the Board shall consider, recommend or take required steps as may be appropriate, in the opinion of the Board. Any amendments made thereto shall be duly communicated to the stakeholders of the company.

Article 9- Reporting and Keeping of Records

- 9.1. The CSR Committee shall at all times maintain proper minutes of the meetings;
- 9.2. The Board report of the company shall include an annual report of CSR containing such particulars as may be prescribed from time to time under the Act and the CSR Rules and any amendments thereof;
- 9.3. The Board shall be responsible to ensure that
 - (a) The funds disbursed for CSR purposes or CSR activities have been utilized for the said purposes and activities and in the manner, as approved by the Board and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
 - (b) The report of the Board includes the annual report on the CSR Activities of the Company and sets out the requisite information in terms of the Act and the Rules;
 - (c) The contents of the latest and updated version of the CSR Policy is included in the Report of the Board;
 - (d) The contents of the Policy are duly published on the Website (if any) of the company.
 - (e) In case of the failure to ensure the minimum CSR expenditure, a detailed reason shall be attached and adequately reported in the Board's Report.

Article 10 EFFECTIVENESS OF THIS POLICY

This policy shall supersede all previous CSR Policies and shall come into force with effect from 1st April 2023. This Policy may subject to compliance with the applicable laws or other such practicable conditions, at any time may be amended, rescinded, or modified by the CSR Committee subject to the approval of the Board of Directors of the Company.

Policy No:
Custodian:
Original policy passed by:
Revised on (Rev Vol)
Board Resolution Dated: 14/06/2024

