

WABCO INDIA LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

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WABCO India Limited (hereinafter referred as “WABCO” or “Company”) is a leading manufacturer and designer of conventional braking products, advanced braking systems and other related air assisted products and systems. WABCO is committed to social sustainability and this commitment carries right from our vision statement “Saving Lives and Protecting Environment”.

Applicability

Corporate Social Responsibility Policy (“CSR Policy”) lays down the Company’s philosophy / guidelines for evolving, implementing, monitoring and funding CSR activities in compliance with the applicable provisions of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 including any modifications, amendments made thereunder.

CSR Policy shall apply to the Company across its operations viz., units, plants, corporate office, administrative office or any other work centers or locations wherever the CSR activities are carried out / implemented by the Company and not just around the company’s plants and offices, but also in other geographies based on the needs of the communities.

CSR Activities

WABCO’s CSR activities shall lay emphasis on the following areas, with preference being given to the local areas where the Company operates.

| Sl.No | Description of Activities |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water: |
| 2. | Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects; |
| 3. | Promotion of Road Safety awareness in all facets of road usage, vehicle drivers’ safety and training. |
| 4. | 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 |
| 5. | 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; |
| 6. | 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. |
| 7. | Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports; |
| 8. | Measures for the benefit of armed forces veterans, war widows and their dependents |

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| 9. | 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, other backward classes, minorities and women |
| 10. | Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government |
| 11. | Rural development projects |
| 12. | Any other activity as may be prescribed by the Central Government for CSR Activities from time to time |

CSR Committee**Composition:**

The Corporate Social Responsibility Committee shall consist of minimum of three directors amongst whom one shall be an Independent Director.

Meetings:

The Committee shall hold meeting as and when required, to implement and monitor the CSR Policy of the Company.

Quorum

The quorum for a meeting of the Committee on CSR shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one), or two members, whichever is higher.

Sitting fee

The Sitting Fees for attending the meeting shall be determined from time to time by the Board of Directors

Role of CSR Committee:

1. To formulate and recommend to the Board, a CSR Policy, which shall include the activities specified in the Schedule VII of the Companies Act 2013.
2. To identify the areas for implementing the CSR activities of the Company
3. To recommend the amount of expenditure to be incurred on each CSR activities in a financial year
4. To recommend an Annual Action plan to the Board
5. To monitor the Corporate Social Responsibility Policy of the company from time to time
6. To do any other acts, deeds and things those are incidental and necessary, for the implementation of the CSR policy.

CSR Expenditure

CSR Committee will recommend to the Board, the amount of CSR spending in each financial year through Annual Action Plan. The Board of Directors will decide the amount of spending in each year for CSR activities based on the recommendation made by the CSR Committee. CSR expenditure includes all expenditure including contribution to corpus for projects or programs related to CSR activity.

Any surplus arising out of CSR spending shall not be part of business income and the same be utilized for CSR activities of the Company. Any amount spent by the Company for the activities specified herein above from 1st April, 2014 shall be part of CSR expenditure of the Company.

Annual Action Plan

The CSR Committee of the Company shall formulate and recommend to the Board, an annual action plan for every financial year (including revised annual action plan if any with reasonable justification) in line with the CSR objectives of the Company and shall include the following, namely:-

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programmes;
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken.

The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

SELECTION PROCESS

The following shall be certain parameters taken into consideration at the time of selecting programs/projects for CSR initiatives:

- *Alignment with this CSR Policy:* Does the program address at least one or more of the pre-determined focus areas i.e., objects of WABCO CSR policy.
- *Community Impact:* Does the program benefit a vulnerable community in a positive way and help the community move towards sustainable social or economic independence?
- *Financial Need:* Does the program proposal demonstrate that there exists a real need for financial assistance for the proposed project?
- *Management Capability:* Does the current organisational structure reflect integrity and capability in administering the proposed programme in a fair and transparent manner?
- *Alignment of Organisation:* Does the beneficiary organisation have religious or political objectives or affiliations? Is the organisation secular in serving the broader community?
- *Innovative Solutions:* Is the project promoting innovative ways to provide long-term benefits?
- *Volunteer Engagement Potential:* Can WABCO staff be involved in volunteering activities in the project? Does the project aim at encouraging proactive engagement of community stakeholders in all development processes of the project?

- *Measurable Results:* Does the project envisage producing measurable results which are quantifiable and have feasible monitoring and evaluation indicators with the ability to be tracked?
- *Sustainability:* Does the project showcase potential for replicability, scalability and sustainability?
- *Voluntary:* Is the activity carried out voluntary and not for fulfillment of any statutory obligation under any law in force in India?
- *Not a sponsorship:* Does the activity is not a mere sponsorship support for deriving marketing benefits for the products or services of the Company?
- *Not for employee benefits:* Does the activity is not for benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019)
- *Exit:* Does the project have a clear exit strategy

Modalities of Execution

The Company will undertake its CSR Activities either directly or through a Registered Trust or through a Registered Society or establish another company under Section 8 of the Companies Act, 2013 who have registered itself with the Central Government or even collaborate with other entities and the modalities of execution of CSR Activities shall be determined by the Board of Directors or the CSR Committee.

Implementation Schedule

1. The implementation Schedule will be dependent on the availability of eligible projects or programs or activities (either new or ongoing).
2. The expenditure on CSR will be based on the project having identified timelines. Such time lines will depend upon the nature of the project and the size of the project. Involvement in some of the projects may entail long-term commitments and hence such projects will be reviewed from time to time by CSR Committee

Delegation

CSR committee may constitute working groups consisting of company employees and delegate to it any of its powers, responsibilities to any such working groups or officers of the company. The committee may also involve external agencies, NGOs, Trusts or any other entity for proper implementation of CSR policy. But the final authority and responsibility for CSR activities shall remain with CSR committee.

Monitoring

The CSR projects or programs or activities undertaken under the CSR policy shall be monitored by the CSR Committee on a periodical basis.

Amendment of policy

This policy may be amended, altered or modified by the CSR Committee if deemed necessary subject to the approval/ ratification by Board of Directors.