

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **1. PHILOSOPHY**

**HYOSUNG T & D INDIA PRIVATE LIMITED (HYOSUNG T & D INDIA)** is a subsidiary of **HYOSUNG HEAVY INDUSTRIES CORPORATION (HYOSUNG)**, one of the world's largest conglomerates. While the term "Corporate Social Responsibility" is widely used today, the concept behind it is not new to the HYOSUNG Group of Companies. With HYOSUNG's slogan "**We will be with you through sharing / Be together through sharing**", HYOSUNG group of companies endeavors to fulfill their duty as social enterprise and ***support beneficiaries to explore their future on their own through education and sharing***. HYOSUNG Group believes in going beyond fulfilling corporate social responsibilities to create a new social ecosystem supporting the idea of "***sharing and caring***".

Accordingly, HYOSUNG T & D INDIA's Corporate Social Responsibility ("CSR") policy is rooted in the HYOSUNG Group's core values of integrity and trust guided by international standards and best practices, and driven by our aspiration for excellence in the overall performance of our business. HYOSUNG T & D INDIA wishes to actively participate in social contribution activities to share profits with the community and consequently enrich society.

### **2. PURPOSE**

The key purpose of this policy is to:

- Define what CSR means to us and the approach adopted to achieve our CSR goals
- Identify broad areas of intervention in which the company will undertake projects
- Serve as a guiding document to help execute and monitor CSR projects
- Explain the manner in which the surplus from CSR projects will be treated

### **3. POLICY STATEMENT**

The CSR Policy focuses on **addressing critical social, environmental and economic needs of the marginalized/underprivileged sections of the society**. Through this policy, we align our CSR strategy with the HYOSUNG group's CSR vision and goals. We adopt an approach to manage our business with integrity, building trust and participating in ecological business to protect the Earth's environment and expand social outreach to return profits back to the community.

### **4. CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The Board of Directors of HYOSUNG T & D INDIA (the "Board") have formed a Corporate Social Responsibility Committee (the "CSR Committee") in line with section 135 of the Companies Act, 2013 (the "Act") which consists of the following Directors :

- Mr. Nagesh Tilwani
- Mr. Sohyun Seo

The Board will have the power to reconstitute CSR Committee as and when required from time to time.

The CSR Committee will carry out the following functions :

- Formulate and update our CSR Policy, which will be approved by the Board of HYOSUNG T & D INDIA.
- Approve projects that are in line with the CSR policy.
- Put monitoring mechanisms in place to track the progress of each project.
- Recommend the CSR expenditure to the Board of HYOSUNG T & D INDIA who will approve it.
- Assist the Board in making disclosures as required by the Act.
- Perform all functions as may be delegated by Board from time to time.

## **5. CSR PROJECTS, PROGRAMS AND ACTIVITIES**

***Believing that education can be a good contribution to society***, HYOSUNG T & D INDIA's CSR activities lays emphasis on **promoting education**, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects. Apart from that, HYOSUNG T & D INDIA's CSR policy contributes to the Group-wide goals of HYOSUNG by adopting projects in the following areas of intervention defined in Schedule VII.

- eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water
- promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- 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;
- 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 and handicrafts;
- measures for the benefit of armed forces veterans, war widows and their dependents;
- training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- 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;

- contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- rural development projects
- slum area development

## **6. THE GEOGRAPHIC REACH**

The CSR Committee shall identify the geographical areas in which the CSR activities are to be undertaken by the Company based on the detailed study & research. The study encompasses various parameters such as – health indicators, literacy levels, sustainable livelihood processes, population data – below the poverty line and above the poverty line, state of infrastructure, environment, among others. However, firstly, HYOSUNG T & D INDIA will give preference to the local areas in which it has / will have its operations.

## **7. OUR APPROACH TO IMPLEMENTATION**

We will strive to implement the aforesaid CSR activities on our own to the extent possible. However, we recognize need to work in partnership with other players also in accordance with the applicable provisions of the Act.

## **8. CSR FUNDS**

The corpus for the purpose of carrying on the aforesaid activities would include the following :

- 2% of the average Net Profit made by the Company during immediately preceding three Financial Years.
- any income arising there from
- surplus arising out of CSR activities carried out by the company and such surplus will not be part of business profit of the company.

**9. IMPLEMENTATION, MONITORING AND REVIEW MECHANISM**

The CSR Committee, along with the CSR activities to be undertaken, present a detailed proposal before the Board containing :

- Geographical areas wherein such CSR activities are to be undertaken.
- Defined objectives (developed out of existing societal needs determined through baselines / studies / research).
- Defined expected timelines, outcomes, outputs and inputs.
- Budget.
- Implementation source, either directly or through some trust, society, company or otherwise.
- Monitoring system.

The CSR activities will be driven by a dedicated project team under the guidance and support of the CSR Committee and the Board. The CSR Committee will play a significant role in ensuring that the CSR policy is embedded across HYOSUNG T & D INDIA's operations and the CSR initiatives are in line with this policy.

The CSR Committee will be responsible for monitoring approved projects and fund disbursements for such projects. The CSR Committee will put in place a transparent monitoring and reporting mechanism for ensuring effective implementation of the projects, programs and activities proposed to be undertaken by HYOSUNG T & D INDIA. Such monitoring mechanisms will include visits, meetings and progress/status reporting by the project teams.

**10. POWER TO REMOVE DIFFICULTIES**

If any difficulties arise in giving effect to the provisions of the CSR Policy, the Board, in consultation with the CSRC, may make such provisions as it appears to be necessary or expedient for removing the difficulty, by suitably amending / modifying, such provisions. This is always provided that such amendment / modifications shall in no way be inconsistent with the provision of the Act.

**11. AMENDMENTS TO THE POLICY**

The Board of Directors on its own, may, based on its assessment of the Company's needs, financial soundness, legal and regulatory developments, or on the recommendation of CSR committee, at any time, modify, change, vary, alter, amend, this CSR Policy. Any or all provisions of CSR Policy would be subjected to revision / amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time.

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the focus areas as notified under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.