



Mahindra
Rise.

Corporate Social Responsibility Policy

Mahindra & Mahindra Ltd.



Name of Document	Corporate Social Responsibility Policy	
Version	3.0	
State whether Policy/Code/ Manual/ Guideline	Policy	
Company Level	Company Level	
Issuing Authority	Rajeev Dubey Chairman (Group CSR Council) & Group President (HR & Corporate Services) & CEO (After-Market Sector) Member of the Group Executive Board	
Owner of the document	Sheetal Mehta / Sushil Singh	
Effective date of document	1st April 2016	
Release Date	1st April 2016	
Date of last review	March 2016	
Next review date	March 2017	
Version History		
VERSION	PREPARED BY	CHANGES & REASONS FOR CHANGE
3.0	Sheetal Mehta	Updating of CSR projects undertaken, and inclusion of notification by the Ministry of Corporate Affairs via circular dated 12 th January 2016.

1. Introduction and Background

Since its inception Mahindra & Mahindra Ltd. has been a socially responsible corporate going beyond the legal & statutory requirements to make responsible investments in the community. Evidence of this is the setting up of the K C Mahindra Education Trust in 1954, followed by Mahindra Foundation in 1969, and the more recent 60th year celebrations in 2005 when the Company redefined Corporate Social Responsibility (CSR) and pledged to commit 1% PAT for its CSR initiatives specifically to benefit the economically and socially disadvantaged communities. With the belief that Education is the main route to address India's social challenges, the Company selected Education as its main thrust area for CSR. As a responsible corporate citizen M&M Ltd. also invested in the areas of public health and environment. More specifically the major CSR programs that the Company has been investing in are as follows –

- **Scholarships & Grants** – have been provided to enable students to overcome their financial challenges and fulfill their educational dreams. Some of the scholarships have provided students an opportunity to pursue their post graduate studies in reputed educational institutions overseas while others have provided students from low income group families an opportunity to earn their vocational diploma after completing their courses at government polytechnic institutes. The scholarships have also allowed deserving students an opportunity to study at the Mahindra United World College in Pune.
- **Project Nanhi Kali** – Founded in 1996, this is a sponsorship program that supports the education of under privileged girls from poor urban, remote rural and conflict afflicted tribal communities by providing them comprehensive academic and material support. Since 2005 the Project is jointly managed by the K C Mahindra Education Trust and Naandi Foundation.



- **Mahindra Pride Schools** – Since 2007, these schools have been providing livelihood training to youth from socially and economically disadvantaged communities to enable them to get lucrative jobs based on the skills learnt. Training is provided in Hospitality Craft, Sales and IT. The 5 Mahindra Pride Schools are located in Pune, Chennai, Chandigarh, Patna and Srinagar.
- **Lifeline Express** – The Company has regularly partnered with Impact India Foundation to sponsor the Lifeline Express which provides communities in remote rural areas access to health care. It conducts free surgeries for cataract removal, cleft lip and deafness correction and provides medical treatment for dental and epilepsy treatment. Breast and cervical cancer screening is also part of the services offered.
- **Project Hariyali** – Since 2007 the Company has committed to increase green cover by planting a million trees every year on an ongoing basis.
- **Watershed Management** - The Company has partnered with the Government of Madhya Pradesh to implement a watershed management project which includes water conservation, soil conservation and increasing availability of water for irrigation with the objective of increasing agricultural productivity, enhancing livelihood and increasing green cover.
- **Swachh Bharat Swachh Vidyalaya program** – In support of the Prime Minister’s appeal for “Clean India”, the Mahindra Group contributed to the Government’s “Swachh Bharat Swachh Vidyalaya” program by constructing 4340 toilets primarily for girls in government schools. Further, a large number of public toilets were also constructed for the community. Besides maintaining the toilets for 12 months the Mahindra Group is also carrying out training programs to bring about behavioral changes in the girls, parents and school authorities towards more hygienic practices.

- **Wardha Farmer Family & Krishi Mitr Project** - The project supports small and marginal farmers by training them in effective farming practices including soil health, crop planning, and creating model farms for increased crop productivity.
- **ESOPs** - Mahindra employees have been encouraged to volunteer for various CSR projects in the areas of education, health and environment through the Employee Social options program (ESOPs). Some of the projects to which the employees have extended their volunteering efforts are skill development of youth, HIV/AIDS awareness, and health camps for expectant mothers, donations to orphanages and homes for the senior citizens etc.
- **Disaster Relief and Rehabilitation** - The Company has provided consistent and timely support to relief and rehabilitation initiatives in those parts of India which are effected by natural calamities by either contributing to the Prime Minister's or Chief Minister's Relief Fund or by directly engaging in rebuilding villages e.g. the construction of 45 houses and associated infrastructure in the villages of Pattori Gram Panchayat affected by the Kosi floods, as well as planting of trees in J&K after the floods.

In keeping with the RISE philosophy the Company will continue to drive positive change to enable people and communities to RISE above their limiting circumstances.



2. Objective of the CSR Policy

The **objective** of this policy is to -

- Promote a unified and strategic approach to CSR across the Company by incorporating under one 'Rise for Good' umbrella the diverse range of its philanthropic giving, identifying select constituencies and causes to work with, thereby ensuring a high social impact.
- Ensure an increased commitment at all levels in the organisation, by encouraging employees to participate in the Company's CSR and give back to society in an organised manner through the employee volunteering programme called ESOPs.

3. Scope and Applicability

This policy shall be applicable to all sectors and employees of Mahindra & Mahindra Ltd.

4. Policy Statement

4.1 CSR Vision Statement & Ideology

Our redefined 'Core Purpose' is to "challenge conventional thinking and innovatively use all our resources to drive positive change in the lives of our stakeholders and communities across the world, to enable them to RISE". In line with our Core purpose, our CSR vision is to focus our efforts within the constituencies of girls, youth & farmers by innovatively supporting them through programs designed in the domains of education, health and environment while harnessing the power of technology. By investing our CSR efforts in these critical constituencies who contribute to nation building and the economy, we will enable our stakeholders and communities to RISE.



For Mahindra & Mahindra Ltd., 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 compliances, and creates social and environmental value for our key stakeholders.

4.2. Total Outlay

From April 1st, 2014 in line with the new Companies Act 2013 (the Act), Mahindra & Mahindra Ltd. pledges to contribute at least 2% of the average net profits of the Company made during the 3 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 the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company may spend up to 5% of total CSR expenditure in one financial year on building CSR capabilities.

In case there is any unspent amount from out of the 2% average net profits of the Company made during the 3 immediately preceding financial years, the Board of the Company may decide to carry this forward to the next financial year.

4.3 CSR Thrust Areas

The Company will focus its efforts within the constituencies of girls, youth & farmers through programs designed in the domains of education, health and environment.



However our commitment to CSR will be manifested by investing resources in any of the following areas -

1. Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation including contributions to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation & making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, woman, elderly & the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women & orphans; setting up old age homes, day care centres, and such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agroforestry, conservation of natural resources & maintaining quality of soil, air & water, including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of the river Ganga;
5. Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up of public libraries; promotion & development of traditional arts & handicrafts;
6. Measures for the benefit of armed forces veterans, war widows & their dependents;
7. Training to promote rural sports, nationally recognized sports, paralympic sports & Olympic sports;



8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. Rural development projects
11. Slum Area Development.

The Company may also make contributions to its Corporate Foundations/Trusts i.e. K C Mahindra Education Trust and Mahindra Foundation, towards its corpus for projects approved by the Board. The Company may also make contributions to 'think tanks' for projects permitted under Schedule VII of the Companies Act 2013.

The surplus arising out of the CSR activities will not be considered as a part of the business profits of the company.

4.4 Implementation

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 approve and recommend to the Board, the projects or programs to be undertaken, the modalities of execution and implementation schedule from time to time.



Further the company has set up a CSR Council chaired by the President Group HR, Corporate Services & After Market, and Member of the Group Executive Board and comprises of senior management executives from all sectors, senior CSR executives and a CSR advisor who are responsible for the implementation of the CSR activities which have been approved by the CSR Committee at the board level. The CSR Council has a formal process of evaluating and approving CSR projects.

While CSR programs may be identified by the CSR Department, Corporate Foundations (KCMET, Mahindra Foundation) or Sectors, the CSR Council will also evaluate projects submitted directly by reputed not for profit organisations having an established track record of at least 3 years in carrying on the specific activity. To ensure that there is focus and maximum impact the CSR Council will endeavor to work on fewer projects over a longer period of time so as to ensure that the outcomes of the projects can be measured.

4.5 Monitoring process of CSR activities

The CSR Council will convene quarterly to review the progress of varied CSR projects in terms of both outcome assessment and financial monitoring. The council will review the strategy from time to time and may choose new focus areas and projects as and when required. In addition the CSR Council will mandate the effective and timely monitoring and evaluation of varied CSR projects by directing its CSR department or a third party independent agency to carry out situational analysis, need assessment surveys, project visits, or impact studies, etc if and as required especially for the strategic and high value CSR programmes. In order to ensure



transparency and communication with all stakeholders, the CSR Policy will be uploaded on the Company website so that it is available in the public domain.

4.6 Executing Agency / Partners

CSR initiatives will be implemented either directly by the company through its ESOPs structure where the Mahindra employees will directly implement the CSR programs or through implementing partners which include NGO's having an established track record of at least 3 years in carrying on the specific activity. The main implementation partners the company will continuously work with are the company's Corporate Foundations namely the Mahindra Foundation, The K C Mahindra Education Trust, Tech Mahindra Foundation and Naandi Foundation.

The following minimum criteria will be ensured while selecting NGO's / voluntary organizations for program execution

- a) The NGO is a registered Society / Public Charitable Trust / Section 25 Not for Profit Organisations / company established under section 8 of the Act etc
- b) The NGO has a permanent office / address in India
- c) The NGO has a valid Income Tax Exemption Certificate
- d) The NGO has submitted a detailed project proposal and budget which has been approved by the CSR Council.



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 programs.

For CSR activities undertaken through other Executing Agency, the Company will specify the projects or programs to be undertaken through these agencies, the modalities of utilization of funds on such projects or programs.

Rajeev Dubey

Chairman (Group CSR Council)

&

Group President (HR & Corporate Services)

& CEO (After-Market Sector)

Member of the Group Executive Board



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