

CNH INDUSTRIAL (INDIA) PRIVATE LIMITED
CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

**As approved by the Board vide Resolution No. 11 passed at its meeting held on
September 06th 2017 in supersession of CSR Policy dated June 06th 2014**



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CNH Industrial (India) Private Limited
(Formerly known as New Holland Fiat (India) Pvt. Ltd.)

Registered Office
Level- 4, Rectangle- 1,
D-4, District Center, Commercial Complex,
Saket , New Delhi – 110017
Tel.: 011-6654 4080
CIN : U29220DL1992PTC344615

Tractor Plant
Plot No. 03, Udyog Kendra, Greater Noida-201306
Distt. Gautam Budh Nagar, Uttar Pradesh, India
Tel. : +91-120-3056000, Fax :+91-120-3056989

Corporate Office
3rd Floor, Plot No.14A,Sector-18,
ATC Building,Maruti Industrial Complex ,
Gurugram-122015, Haryana (India)
Tel. : +91-124-6659100

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

1. PREAMBLE

India is one of the global emerging markets and stands at the middle of a strong growth path ahead. In order to have a sustainable growth ahead it is imperative for India to not only focus on economic growth in totality but also focus on inclusive development. A strong and prosperous social development sector is the answer to India's mission of inclusive and sustainable growth.

It is recognized world over that integrating social, environmental and ethical responsibilities into the governance of businesses ensure their long term success, competitiveness and sustainability. As defined by United Nations Industrial Development Organization, "CSR is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders."

Our parent company, CNH Industrial NV, globally is an environment focused and a socially responsible organization. It is committed to maintain the highest standards of CSR/Sustainability. It is also the Sector Leader in Dow Jones Sustainability World and Europe Indices for its excellent performance in economic, social and environmental sphere. CNH Industrial (India) Private Limited (herein after known as "CNH India") too shares a similar CSR / Sustainability focus.

We acknowledge that businesses are an integral part of society, and have a critical and active role to play in the sustenance and improvement of healthy ecosystems, in fostering social inclusiveness and equity, and in upholding the essentials of ethical practices and good governance.

For us, CSR means not only investment for social activity but also integration of business processes with social processes.

2. OBJECTIVES

CNH India's CSR initiative focuses on creating and adding economic, social environment value to the society. Through its CSR activities the Company intends to grow and create value by supplying innovative products and services for maximum customer satisfaction with due respect to the legitimate interests of all stakeholders (including directors, officers and employees, as well as shareholders, customers, suppliers and the communities in which the Company operates.

3. FOCUS AREA

In India, CNH India for its growth has preferred the path of sustainability. CNH India will focus on:

- To contribute and promote the Health care facilities.
- To Promote and support education.
- To focus on development of rural areas.
- To promote Women empowerment and gender equality.
- To focus on continuous Improvement of environmental sustainability.
- CNH India may also undertake any other project activity not specifically listed as an example here, including need-based projects in industrial clusters, provided it qualifies as per the provisions of Schedule VII referred to in the Section 135 of the Companies Act, 2013

4. COMPOSITION OF CSR COMMITTEE

The members of CSR Committee shall comprise of minimum three directors to be nominated by the Board of Directors ("Board") or minimum numbers as required by private company and company secretary (if any) of the company will also act as secretary to the CSR Committee.

The Committee will meet as and when deemed necessary to timely monitor the CSR Policy and recommend to the Board the CSR activities to be undertaken along with the amount of expenditure to be incurred on each CSR activity.

Quorum of two members is required to be present for the proceedings to take place.

5. ROLE OF CSR COMMITTEE:-

- The Committee shall ensure that company is taking the appropriate measures to undertake and implement CSR projects successfully.
- The Committee may form and delegate the authority to sub-committees when appropriate.
- The Committee shall identify the areas of CSR activities from time to time and recommend to the Board
- The Committee shall periodically review the CSR policy and make appropriate recommendations to the Board.
- The Committee will coordinate with Foundations or such other agency for implementing programs and executing initiatives as per CSR policy and shall review the performance of Foundation or such other agency periodically.
- The Committee may perform such other actions as covered under Section 135 of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

6. SCOPE

The CSR activities needs to be carried out in India, preference shall be given to local areas and around where it operates or in any other location as recommended by CSR Committee.

7. ESTIMATED EXPENDITURE FOR CSR ACTIVITIES :-

The CSR activities could be undertaken out of a part of net profit, as may be recommended by CSR Committee and approved by the Board for each project/activity. The yearly expenditure should not be less than 2% of Average Net profit of the Company for last three financial years. The investment in CSR shall be project based. The budgeted amount allocated for CSR activities/projects for each financial year shall be spent within that year. For any reason, if the budget of a year remains unutilized, the same would be carried forward to the next year for expenditure on CSR activities which were planned for implementation in the previous year, but could not be completed due to some reasons. However, the reasons for not being able to spend the entire budget on CSR activities as planned for that year shall be disclosed to the CSR Committee and Board of Directors periodically along with annual reporting in Board report.

8. LIST OF CSR PROJECTS OR PROGRAMS RECOMMENDED

CNH India can plan to undertake any of the following CSR activities in the respective sectors:

Health care and welfare activities

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set up by Central Government for the promotion of sanitation and making available safe drinking water;

Education sector and sustainable livelihood-

- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

Women and Child development and rehabilitation of disabled persons-

- 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;
- Measures for the benefit of armed forces veterans, war widows and their dependents;

Protection and safeguard of Environment -

- 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 set up by the Central Government for rejuvenation of river Ganga;

Social and Cultural Development-

- 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;
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- 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 developments or as may be prescribed by Companies Act 2013 and related rules.

Any Other

- Any other permissible activity under Schedule VII of the section 135 of the Companies Act, 2013 and Rules made there under and notified time to time by Ministry of Corporate Affairs.

9. CSR IMPLEMENTATION AND SCHEDULE FOR IMPLEMENTATION

CSR Projects shall be implemented by the specialized agencies and/or by various work-centers of CNH India in India as may be decided by the Board from time to time.

Further, the activities planned for the year shall also identify the period/time frame in which these are likely to be taken up and will be completed etc. and further, for carrying the CSR project/activities in a particular year estimated outlay for that year shall also be prepared.

10. MONITORING

The CSR Committee shall:

- a) Prepare and propose the CSR plan with the execution modalities and implementation schedules to the Board.
- b) periodically appraise the Board on the status of the CSR plan
- c) Institute a transparent monitoring mechanism for implementation of the CSR projects, programs or activities undertaken by the Company.

To fulfill the above responsibilities, the CSR Committee would be equipped with necessary resources. The CSR team has been setup to ensure effective implementation

of the CSR activities. The team would submit status reports of the projects/programmes to the CSR Committee on a periodic basis.

All disclosures, display and reporting requirement related to CSR shall be made in accordance with the provisions of the Act and Rules made thereunder.

11) REVIEW AND MODIFICATIONS

The Board shall have power to modify the Policy based on the review and recommendation of CSR Committee

Effective Date of the Policy - 06.06.2014

Revised Date of the Policy - 06.09.2017

In case of any clarification, please contact below –

CSR Head/Lead

E-mail - india.compliance@cnhind.com,

For & On Behalf of Board of Directors



Raunak Varma

Managing Director

DIN No. 07234008

