

**Bosch Limited**

**Corporate Social Responsibility  
(CSR) Policy  
Effective 01/04/2025**

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The Corporate Social Responsibility (CSR) Policy of Bosch Limited will govern the execution of social engagement interventions undertaken by the company. It shall also include any amendments or modifications as required or as indicated by the Ministry of Corporate affairs under Section 135 of the Companies Act 2013.

Robert Bosch, our Founder, remains the predominant source of inspiration for meaningful and impactful Corporate Social Responsibility (CSR) at Bosch Limited (Bosch). Entrepreneur-par-excellence and distinguished philanthropist, Robert Bosch played a significant role in uplifting people and improving their social condition. He envisioned a company that generated social capital beyond products, services, and profits.

***"Be Human and Respect Human Dignity" Robert Bosch, 1920***

## **VISION**

Bosch Limited is part of a global company "Bosch" with over a century of existence in India. It has been providing innovative and beneficial mobility solutions and is the preferred partner for its customers. The company strives for sustained economic success and leading market position with motivated and dedicated associates, aiming for excellence while living the Bosch values and believing in its responsibility towards the society at large.

*Our CSR vision is to focus on social development for uplifting communities through sustained interventions, continued engagement and using Bosch's capability, leading to empowering, inspiring and unlocking their full potential.*

## **OBJECTIVE**

To support underprivileged and underserved communities through interventions on:

- Skill Development
- Sustainable Mobility
- Integrated Community Development

## **GUIDING PRINCIPLES**

- Creating a storyline as per the need of the society for long-lasting impact on lives touched.
- Focus on sustainability of the impact created through a short-term or long-term projects/interventions.
- Identify and invest in social development projects that have high potential to be scaled and/or replicated.
- Promote volunteering wherever possible, to add value and enhance quality of CSR projects/interventions by contribution of volunteers' knowledge, expertise, time and skills.

## **SCOPE**

CSR Projects/Programs of Bosch Limited, will be in line with the below mentioned focus areas and/or mentioned under the Schedule VII of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time.

## CSR FOCUS AREAS

To optimize impact of social engagement interventions through CSR projects/ programs, Bosch will focus on supporting specific causes and areas of interventions which will also have the option of utilizing Bosch's core competence. These focus areas are in alignment of the Sustainable Development Goals defined by United Nations and Schedule VII of the Companies Act, 2013 and would include:

1. Skill Development
2. Sustainable Mobility
3. Integrated Community Development

Apart from above-mentioned focus areas, need based projects/programs mentioned under Schedule VII of the Companies Act, 2013 and the Rules made thereunder (including any amendments made) will also be considered. These will be recommended by the CSR Steering Committee for approval of the Board CSR Committee and subsequently by the Board of Directors.

## SELECTION OF CSR PROJECTS/PROGRAMS

### 1. Skill Development

Making the underprivileged youth employable through multiple skill development programs (including BRIDGE, Automotive, Technical Skills, etc.) including those who have dropped out of the education system by imparting industry-relevant short-term skills. The aim is for them to access suitable employment and join the active workforce.

### 2. Sustainable Mobility

Through the focus on sustainable mobility, Bosch would support initiatives and interventions focusing on Road Safety, Sustainable Urban Transportation, Research and Innovation in a manner that is efficient and creates solution for the mass.

### 3. Integrated Community Development

Relevant local level social development projects promoting environment sustainability, water conservation, education, healthcare, and livelihood, etc., especially around Bosch Limited's business and manufacturing locations. The primary aim of this initiative is to engage with the local community in a socially meaningful manner and addressing local needs.

- Environment: Focus on preserving the environment through rejuvenating and maintaining natural resources like water bodies (Lakes, Ponds, Percolation Tanks, Check Dams, Farm Ponds, etc.) and increasing green cover (Afforestation and Tree Plantation) thus contributing to reduction of pollution, emissions and providing a conducive biodiversity for the flora and fauna.
- Healthcare: Provide basic healthcare including interventions on promoting Reproductive, Maternal, Newborn, Child Health and Adolescents (RMNCH+A) health and improving health parameters of the community especially women and children.

- Education: Improving quality of education through need based basic infra support to Government Schools and Anganwadis, Teachers Training on relevant experiential teaching and learning methodology, etc.
- Community Development Centers: Facilitate adoption of government schemes meant for local and rural communities, create awareness on multiple topics for different stakeholders and also providing skills for enhancing livelihood opportunities, especially for the women.

## **GOVERNANCE STRUCTURE FOR CSR MANAGEMENT**

The CSR in Bosch Limited follows a three-level governance system, which includes the **Board of Directors** at the top followed by **Board CSR Committee** and the **CSR Steering Committee** which is assigned the responsibility of regular oversight of CSR interventions, submitting the Annual Plan, providing progress on projects and utilization of approved Budget. A full-time CSR Head, appointed by the company also serves as the Member Secretary of the CSR Steering Committee reporting to the Board CSR Committee.

These are responsible for implementing and administering the CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013.

### **Responsibilities:**

#### **A. Board of Directors**

- Approve the CSR Policy (or any modifications therein), Annual Plan and Budget presented by the Board CSR Committee.
- Ensure CSR activities are in line with Section 135 of the Companies Act 2013.
- Ensure CSR Budget allocated is equivalent or in excess of the minimum annual CSR obligation stipulated.
- Seek periodic progress report on CSR projects, from the Board CSR Committee.
- Ensure disclosure of the composition of the Board CSR Committee, CSR Policy and details of the approved projects are available on Company's website.

**B. Board CSR Committee**: is constituted by the Board of Directors comprising three or more directors and chaired by one of the Independent Directors. The Committee is entrusted with the following responsibilities:

- Formulate the CSR Policy and recommend its revision (whenever necessary) to the Board of Directors.
- Recommend to the Board, the Annual Action Plan and Budget allocation in line with Section 135 of the Companies Act 2013.
- Monitor the status of implementation of CSR programs/projects based on approved timelines, year-wise allocation and allowing modifications (if any), for smooth/quality implementation of the project and provide progress report of the same to the Board of Directors.
- Ensure impact assessment of eligible CSR projects is carried out as prescribed under CSR law and place the reports for Board of Director's perusal.
- Provide compliance oversight on CSR and ensure adoption of best practices and standards for social engagement.

- Ensure transparency in reporting and communication with relevant internal and external stakeholders on CSR projects and initiatives.

**C. CSR Steering Committee:** comprising of select members of senior management of Bosch Limited including the CSR Head as the member secretary of the Committee, it is responsible for the following:

- Conceptualize, identify, deliberate and recommend CSR projects/programs and the budget forming part of the Annual Action Plan to the Board CSR Committee
- Detail the scope, target beneficiaries and key performance indicators of the expected outcome and impact of the project/programs.
- Recommend need based revisions (if required) of the Annual Action Plan and Budget utilization.
- Define a process for selection of suitable partner organizations for implementation of the projects/programs as per the approved Annual Action Plan.
- Monitor progress of CSR projects against deliverables, quality of the project interventions and agreed timelines and appraise the Board CSR Committee.
- Ensure receipt and review of the progress reports and fund utilization reports of approved project/programs.
- Conduct regular programmatic and financial review of implementing agencies for increased transparency and accountability.
- Identify suitable third-party agencies for impact assessments of applicable projects/programs.
- Provide the mandatory CSR report (as per the MCA format) for inclusion in Bosch Limited's annual report forming part of Board's Report.
- Ensure continued engagement of employee volunteers in adding value and quality of specific projects/programs.
- Any other activity necessary for ensuring achievement of CSR objectives and compliance to the CSR law.

## **ANNUAL ACTION PLAN**

CSR projects/programs identified under the Annual Action Plan shall be submitted in the prescribed format by MCA and must be:

- Aligned with the company's principles.
- Based on need assessment.
- Having majority of projects located in proximity of Bosch Offices/Plants.
- Related to focus areas identified for CSR.
- Based on organizational capability.

Support to CSR projects/programs shall be prioritized in the following order:

- Ongoing projects of Bosch CSR.
- New projects on similar focus areas having potential of creating higher impact.
- Support programs of other corporates/NGOs having similar focus areas.

The CSR Steering Committee may recommend revision to the Board CSR Committee, for approval of the Annual Action Plan at any time during the financial year, based on project health and any need-based requirement requiring precedence to be considered for support however, it would be based on submission of reasonable justification.

## **EXCLUSIONS**

In order to count towards CSR Expenditure, CSR Activities must be undertaken in compliance with the applicable laws and shall not include the following:

- Activities undertaken in pursuance of normal course of business of the company and any activity undertaken by the company outside India.
- Contribution of any amount directly or indirectly to any political party.
- Activities benefitting only the employees of the company or their families.
- Sponsorship initiatives for deriving marketing benefits for its products or services.
- Activities carried out for fulfilment of any other statutory obligations under any other law in force in India.
- Projects/activities not falling within Schedule VII. (i.e. activities not mentioned under CSR initiatives and programs)

## **IMPLEMENTATION**

CSR activities/initiatives shall be broad-based and undertaken directly by Bosch Limited or through eligible implementing agencies, who have the CSR Registration number as prescribed by MCA, including a Section 8 Company, Trust or Society, registered under Section 12A and 80G of the Income Tax Act 1961, having an established track record of at least three years in undertaking similar activities OR any entity established under an Act of Parliament or a State Legislature.

Due diligence shall be carried out using appropriate methodology, when partnering with an implementing agency for project execution.

The CSR Team will also formulate implementation plans for the projects by clearly defining the:

- Activities to be undertaken.
- Budgets proposed.
- Time frame for implementation.
- Responsibilities and authorities for implementation.
- Impact expected to be achieved post-implementation.

## **MONITORING**

- The CSR Steering Committee will follow a monitoring mechanism to ensure effective implementation of the project activities.
- The terms, conditions of the fund disbursement schedule will be based on satisfactory progress of the project and milestones achieved.
- The Committee will be responsible to periodically monitor implementation of these projects, which would include status updates, visits to the identified project locations, analyzing project reports (programmatic and financial) received from the implementing partners, etc.
- Periodic evaluation of the approved projects will be conducted by the member of the Board CSR Committee to assess the outcome of the implemented projects.

## **TREATMENT OF CSR FUNDS**

- The CSR Steering Committee must ensure full utilization (minimum 93% of the total CSR Annual allocation) of approved CSR Budget in a given financial year.

- It must also ensure expenditure incurred on impact assessment in a given financial year, does not exceed 2% of the total CSR expenditure for that financial year or 5 MINR, whichever is higher. It will follow any further government (from MCA under section 135 of the Companies Act 2013) directives in this matter.
- It would ensure administrative overheads do not exceed 5% of total CSR expenditure of the company for the financial year.

### **TREATMENT OF UNSPENT CSR FUNDS**

If CSR funds allocated in a given financial year are not spent due to any unavoidable circumstances, the CSR Steering Committee will report the same to the Board CSR Committee, specifying the reasons for not spending the amount.

The Board CSR Committee shall accordingly report this to the Board of Directors and duly include such explanation in their annual board of directors' report.

The following needs to be approved by the CSR Steering Committee followed by the approval of the Board CSR Committee:

- Unspent CSR amounts related to any/few ongoing project/s, are transferred to the “Unspent Corporate Social Responsibility Account” specified for this purpose, within a period of 30 days of the expiry of the financial year.
- Surplus arising out of the CSR activities:
  - shall not form part of the business profit of a company; and
  - shall be ploughed back into the same project; or
  - shall be transferred to the Unspent CSR Account and spent as per the prescribed timeline; or
  - transfer such surplus amount to a Fund specified for this purpose in the Companies Act 2013, within a period of six months of the expiry of the financial year
- Setting-off excess CSR expenditure against the requirement for spending up to immediate succeeding three financial years and is subject to the following conditions:
  - the excess amount available for set off shall not include the surplus arising out of the CSR activities.
  - the Board of the company shall pass a resolution to that effect.
- CSR funds spent by the Company for creation or acquisition of a capital asset, shall be held by:
  - a company established under Section 8 of the Act, or a Registered Public Trust or Society, having charitable objectives and CSR Registration Number assigned by the MCA; or
  - beneficiaries of the said CSR project, in the form of self-help group, collective, entities; or
  - an eligible public authority

### **REPORTING**

A summary of CSR projects, programs and activities will be included in the Board's Report in Bosch Limited's Annual Report in the prescribed format as per the Companies Act 2013 or any revision prescribed by MCA from time to time. The composition of the Board CSR Committee, CSR Steering Committee, CSR Policy and approved projects shall be disclosed on company website (<https://www.bosch.in/our-company/our-responsibility/corporate-social-responsibility/>) which is available for public access.

**REVISION HISTORY**

<b>Revision No.</b>	<b>Date</b>	<b>Changes</b>
0	01.04.2014	Roll out of the First CSR Policy of Bosch Limited
1	20.05.2021	Revised version 1, incorporates amended provisions of Section 135 of the Companies Act, 2013 and rules thereto, notified vide the Companies (Amendment) Act, 2020, dated 28 <sup>th</sup> September 2020 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dated 22 <sup>nd</sup> January 2021; Amendments effective from 22 <sup>nd</sup> January 2021
2	27.01.2025	Revised version 2, incorporates amendments in the focus area as per the redefined CSR Strategy of Bosch Limited, which was approved by the Board CSR Committee on 23 <sup>rd</sup> May 2024 <b>(Revised policy effective from 01<sup>st</sup> April 2025)</b>