

Corporate Social Responsibility Policy

1) Introduction & Background

CORPORATE SOCIAL RESPONSIBILITY is a Company's commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders. This commitment is beyond statutory requirements. Corporate Social Responsibility is, therefore, closely linked with the practice of Sustainable Development. Corporate Social Responsibility extends beyond philanthropic activities and reaches out to the integration of social and business goals.

STUDDS is arguably the world's largest manufacturer of helmets. A state-of-the-art manufacturing plant churns out over 5 million helmets every year. The range of helmets and two-wheeler accessories is the largest in the segment, and it keeps evolving with every passing year. STUDDS has emerged as India's leading helmet and bike accessory brand that sets benchmarks in the industry, and leads the way with a network of dealerships across the country. In recent years, the company has launched an international brand SMK with focus on European & western market and it is doing very well.

STUDDS has been a socially responsible company since its incorporation. The company is looking forward to contribute to the Society by way of being leaders in socio economic activities. In the year 2015, Studds Accessories Limited has set up "**STUDDS FOUNDATION**" a trust of dedicated professionals to carry out CSR Activities.

2) CSR Vision, Objectives and applicability

2.1 CSR Vision

In alignment with the vision of the Government of India, SAL through its CSR initiatives is committed towards building a sustainable enterprise for the benefit of its present and future generations of stakeholders and will continue to enhance value creation in the society and in the community in which it operates as a Socially Responsible Corporate.

2.2 Objective of the Policy

- 1) Demonstrate commitment to the common good through responsible business practices and good governance;
- 2) Actively support and be part of the state's development agenda to ensure sustainable change;
- 3) Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models
- 4) Engender a sense of empathy and equity among employees of SAL to motivate

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them to give back to the society.

2.3 Applicability

- 1) In terms of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, this revised policy on Corporate Social Responsibility of the Company has been formulated by the Corporate Social Responsibility Committee of the Company and approved by the Board of Directors vide its resolution dated 29.03.2017.
- 2) This Policy shall act as a guideline for the Company for undertaking Corporate Social Responsibility ("CSR") activities specified under Schedule VII of the Companies Act, 2013 with the object to enable high impact of the same and to ensure visible and measurable outcomes of the funds deployed towards such activities.

3) CSR Committee

The CSR Committee comprises four (4) directors namely:-

1. Mr. Madhu Khurana
(Chairman, Executive Director)
2. Mr. Sidharth Bhushan Khurana
(Member, Executive Director)
3. Mr. Sanjay Leekha
(Member, Non Executive Director)
4. Mr. Shanker Dev Choudhry
(Member, Independent Director)

The CSR Committee of SAL will be responsible for:

- ✓ formulating the CSR policy in compliance to Sec.135 of the Companies Act 2013;
- ✓ Identifying activities to be undertaken as per Schedule VII of the Companies Act 2013 & CSR Policy;
- ✓ Recommending to Board the CSR expenditure to be incurred through 'Studds Foundation';
- ✓ Recommending to Board, modifications to the CSR policy as and when required;
- ✓ Regularly monitoring the implementation of the CSR policy.

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4) CSR Budget

SAL shall endeavor to allocate the following as its Annual CSR budget:

- ✚ 2% of average net profits made during the three immediately preceding financial years, as prescribed under the Companies Act, 2013 and the Rules; and assign the same to the 'Studds Foundation' created especially to carry out CSR Activities in methodical manner.

5) Areas of Activities to be undertaken

5.1 Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care, sanitation and making available safe drinking water.

- § Participating in the mid-day meal programs, providing financial assistance to orphanages, old age homes, child welfare organizations etc. for purchase of cereals, grocery, pulses etc. for providing nutritional food to the children and inmates.
- § To spread awareness about the life style to be followed to prevent disease like diabetes, cardiac and respiratory diseases and lifestyle disorders.
- § Promoting camps against use of alcohol, smoking, drug abuse etc.
- § Partnering with organizations which volunteer for detection and prevention of chronic diseases, by conducting medical camps and other activities.
- § To associate with schools, self-help groups, old age homes in setting up sanitation facilities and safe drinking water.
- § To assist in installation of water purifiers, pumps and digging / renovation of wells in villages, townships, rural areas etc.
- § To provide all assistance to poor people to prevent diseases.
- § To give medical and Legal aid treatment to road accident victims.
- § To provide aid and treatment to differently-able persons.
- § Any other projects related to the above.

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5.2 Promotion of Education, including special education and employment enhancing vocation skills, especially amongst children, women, elderly and differently abled and livelihood enhancement projects.

- § To provide Education Kit comprising study material, uniforms etc. to the poor students of Govt. Schools.
- § Adoption of Government Schools and/ or providing financial assistance to schools, colleges, libraries, reading rooms, universities, laboratories, research and institutions of the like nature in India for the use of the students and the staff and also for the development and advancement of education and diffusion of knowledge amongst the public in general.
- § To provide financial assistance to promote vocation skills among children, women, elderly and differently abled people.
- § To extend support /educational assistance to children from financially backward families and underprivileged community as part of the company's social responsibility.
- § To provide cash awards to students studying in School / Colleges and has secured high academic / professional records.
- § Consumer education and awareness including grievance Redressal mechanism.
- § Any other projects related to the above.

5.3 Promoting gender equality and 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

- § Activities to prevent discrimination of girl child and promote girl education and employment.
- § Activities for women empowerment and health care of pregnant women.
- § Support old age homes.
- § Support orphanages.
- § Any other project related to the above.

5.4 Ensuring environmental sustainability, ecological balance, protection of

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flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water

- § In Association with various local authorities, as part of promotion of green environment, conduct awareness programs / distribute reusable recyclable carry Bags to various households.
 - § To provide all support for encouraging organic farming
 - § Any other projects related to the above.
 - § Product Life Cycle analysis from the soil conservation point of view
- Research on the field for ecological sustainable farm practices with focus on environment management.

5.5 Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art and setting up of public libraries

- § To provide financial assistance to local museums, heritage centers for upholding the heritage value.
- § To set up public libraries in association with local authorities in rural areas.
- § Any other projects related to the above.

5.6 Measure for the benefit of armed forces veterans, war widows and their dependents

- § To provide financial assistance to War widows and their dependants including their education and upbringing.
- § To organize motivational programmes for armed forces veterans including felicitation and award ceremonies.
- § Any other programmes and deeds related to above.

5.7 Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports

- § To provide financial assistance for promoting sports in rural areas.

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- § To provide assistance and organize sports competitions in different parts of the country.
- § Any other programmes and deeds related to above.

5.8 Contribution or funds provided to technology incubators located within academic institutions which are approved by the central government

- § To provide contributions financial assistance for promoting sports in rural areas.
- § To provide assistance and organize sports competitions in different parts of the country.
- § Any other programmes and deeds related to above.

5.10 Rural Development Projects including:

- § **Establishing a Conducive Environment**
- §

5.10 Slum Area development (shall mean any area declared as such by the central government or any state government or any other competent authority under any law for the time being in force) including:

- § Re-development projects and housing for Economically Weaker Sections (EWS).

6) Implementation

- a) CSR programs, projects and activities will be implemented through Studds Foundation, a trust especially created & registered to carry out CSR & related activities.
- b) The allocated CSR budget or Corpus will be utilized for CSR activities undertaken within India, which are not:
 - (i) Exclusively for the benefit of employees of the company or their family members; or
 - (ii) Undertaken in pursuance of normal course of business of the Company.

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7) Roles & responsibilities of the Board

The Board of SAL will be responsible for:

- ✓ approving the CSR policy and/or change therein as and when recommended by the CSR Committee.
- ✓ Ensuring that in each financial year the Company allocates at least 2% of the average net profit before taxation excluding profits arising from overseas branches made during the three immediate preceding financial years.
- ✓ Ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively and regularly monitoring implementation.
- ✓ Disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company website.
- ✓ Ensuring annual reporting of CSR policy to the Ministry of Corporate Affairs, Government of India, as per the prescribed format.

As per Section 135 the reasons for under spending of the allocated CSR budget shall be specified in the Board's Report.

8) Monitoring & Reporting

8.1 Planning

The planning for Corporate Social Responsibility shall start with the identification of the activities/projects to be undertaken. CSR projects/activities shall be undertaken in the periphery where the company carries out its commercial activities as far as possible. Where this is not possible, the Company may choose to locate CSR projects anywhere in the country.

Corporate Social Responsibility strategies shall be developed that mandate the design of Corporate Social Responsibility Action Plan (which may be Long-term, medium-term and short-term or Annual Plan), with project based accountability approach.

Selection of activities under CSR shall be made to ensure that the benefits reach the smallest unit i.e. village, Panchayats, block or district depending upon the operations and resource allocation.

Each of these plans shall clearly specify:

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- i) Requirements relating to baseline survey;
- ii) Activities to be undertaken;
- iii) Budgets allocated;
- iv) Time-lines prescribed;
- v) Responsibilities and authorities defined;
- vi) Major results expected.

Such plans shall also clearly specify the implementation guidelines and the involvement of the implementing agency. The procedures and methodologies prescribed for monitoring shall be highlighted as well as the modalities of the concurrent and final evaluation. Finally, there shall mandatory documentation of the experience.

8.2 Implementation

CSR initiatives of the Company taken through Studds Foundation shall consider the following parameters for identification/selection of schemes/projects:

1. Thrust shall be given wherever possible to areas related to the business of the Company as a natural corollary to the business.
2. CSR activities shall generate community goodwill, create social impact and visibility.
3. For every project, the time frame and periodic milestones shall be finalized at the outset.
4. CSR activities shall also involve the suppliers in order to ensure that the supply-chain also follows the CSR principles.
5. CSR activities shall help in building a positive image of the company in the public perception.
6. CSR activities may also be related to Programs on Environment.
7. CSR projects may be closely linked with the principles of Sustainable Development, based on the immediate and long-term social and environmental consequences of their activities.
8. The Company shall shoulder responsibility for restoring / compensating for any ecological damage that is taking place as a result of its operations.

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9. Care may be taken for fulfillment of the education and skill enhancement, empowerment and support, ensuring gender sensitivity, entrepreneurship development and employment generation by co-creating value with local institutions/people etc.

10. The Company shall generate awareness among all levels of their staff about CSR activities and the integration of social processes with business processes. Those involved with the undertaking of CSR activities shall be provided with adequate training and re-orientation.

While assigning CSR projects to specialized agencies, every possible effort shall be made to verify the reliability and clean track record of such agencies.

8.3 Display of the CSR Policy on the website of the Company

This policy shall be placed in the website of the Company.

8.4 Validity and authority for modification/ amendments

This revised CSR policy shall be effective with the commencement of the Financial Year from 1st April, 2017 and will be in force till such time it is modified or amended by the Board of Directors on recommendation of the CSR Committee.