

TOYOTA TSUSHO INDIA PRIVATE LIMITED
HO & Regd. Office : Toyota Tsusho Auto Park,
Plot No. 33 & 34, Bidadi Industrial Area
Ramanagara Taluk & District - 562 109.
Ph # 080-40823100; CIN - U27105KA1999PTC025012

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. PREFACE

Corporate Social Responsibility (CSR) is a concept whereby organizations serve the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations.

CSR is a company's commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders. CSR is, therefore, closely linked with the practice of sustainable development. CSR extends beyond philanthropic activities and reaches out to the integration of social and business goals.

Toyota Tsusho India Private Limited (“the Company”) primarily recognizes that, a company, being a business citizen should go beyond having profit-making objective, to develop the society within its reach and accordingly, take initiative to contribute towards welfare of various segments of society by undertaking socially and economically useful programs for sustainable development of the community and society at large.

2. PHILOSOPHY AND VISION

The Company shall follow the Philosophy and Vision of Toyota Tsusho Corporation, Japan and align its Vision with that of the society and integrate sustainable development of the community and society into the company’s business model.

The Company is a company, where people are committed to enriching society through their products, services and operations. That includes working through our business to tackle issues of broad social concern, including national development needs.

Toyota Tsusho Corporation has formulated its corporate philosophy, which describes the significance of Toyota Tsusho Group’s existence and its ideal image, and which clarifies the

intention of management initiatives. The behavioural guidelines have been established to stipulate the behaviour expected of all officers and employees.

The Code of Conduct & Ethics (COCE) gives concrete form to the content of the behavioural guidelines, which underpins the corporate philosophy.

FUNDAMENTAL PHILOSOPHY

Corporate Philosophy

Living and prospering together with people, society and the Earth, we aim to be a value generating corporation that contributes to the creation of a prosperous society.

Behavioural Guidelines

As a good corporate citizen, we will :

- Implement open and fair corporate activities
- Fulfill our social responsibilities and conserve the global environment
- Offer creativity and provide added value
- Respect people and create a responsive workplace striving to achieve job satisfaction.

Global Code of Conduct & Ethics (10 creeds)

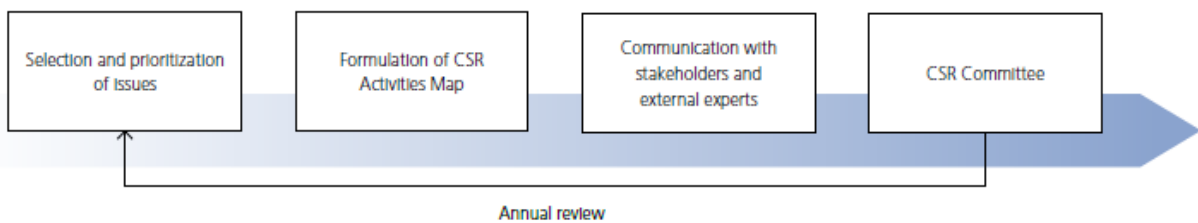
Toyota Tsusho Corporation formulated the Global Code of Conduct & Ethics to provide more specific guidelines to support the Corporate Philosophy and announced it on July 1, 2016. The Global Code of Conduct & Ethics is a set of regulations for ethical conduct to be shared, firmly understood, and practiced throughout the world by every executive and employee of the Toyota Tsusho Group for the purpose of realizing the Corporate Philosophy and Global Vision.

1. We are committed to "ANZEN" to create a safe and healthy work environment.
2. We will comply with all applicable laws and regulations; including anti-corruption, anti-trust and competition law, and trade laws and regulations.
3. We are committed to accurate financial reporting.
4. We are accountable for compliance with all company rules.
5. We will act with integrity, honesty and transparency, and protect and develop trust among all stakeholders.
6. We will contribute to the sustainable development of society.
7. We will promote and pursue environmentally friendly corporate activities.

8. We will add value through innovation and "Kaizen" (continuous improvement).
9. We will respect human rights.
10. We will embrace diversity and inclusion within our company and society.

3. CSR OBJECTIVES

Currently, we have selected important issues in three domains of CSR initiatives based upon the Global Vision, considering stakeholder expectations and interest, and Toyota Tsusho's impact upon the economy, environment, and society. We drive sustainable business activities centered upon these. Furthermore, we also undertake CSR activities with an awareness of our contribution to the society.



Three Domains of CSR Initiatives and Contribution toward Social Issues



4. CSR ACTIVITIES

To attain its CSR objectives in a professional and integrated manner, the company shall undertake the following in the above stated 3 domains, as prescribed under section 135 of the Companies Act, 2013 and Rules framed thereunder or of any law in force notified from time to time. :

- (i) Eradicating hunger, poverty and malnutrition promoting healthcare including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) 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;
- (iv) 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 setup by the Central Government for rejuvenation of river Ganga;
- (v) 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;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- (viii) 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;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) rural development projects;
- (xi) slum area development

The CSR activities shall not include activities undertaken by the Company during the normal course of its business.

5. IMPLEMENTATION

i. Areas for undertaking CSR

For undertaking CSR activities and programmes, the Company shall give preference to the local areas and the periphery around which it is operating. The Company may also choose to undertake CSR activities and programmes at other places in India.

ii. Long-term, medium-term and short-term activities

The Company may, depending on the programmes, activities and needs, decide and undertake long-term, medium-term and short-term CSR activities and accordingly plan the implementation.

iii. Executing agency

The Company will identify suitable activities and programmes for implementation in line with aforesaid CSR activities of the Company.

These activities and programmes may be implemented by one or more of the following modes:

- (i) through a registered trust or society or a company under section 8 of the Companies Act, 2013 (Companies with charitable objects) having an established track record of three years in undertaking similar programs or projects; or
- (ii) through associate companies in India of the Company; or
- (iii) by collaborating with other companies for undertaking projects or programs or CSR activities; or
- (iv) directly undertake CSR activities by building CSR capacities of the Company's personnel.

6. QUANTUM OF SPENDING TOWARDS CSR

In a financial year, the Company shall spend at least 2% of the average net profits of the company made during the three immediately preceding financial years or at such rates and other terms as prescribed from time to time under section 135 of the Companies Act, 2013 and the Rules framed thereunder or under any other law in force relating to this.

The Annual CSR Budget will be approved by the Board of Directors of the Company upon recommendation by the CSR Committee.

Surplus arising out of the CSR activities and programmes shall not form part of the business profits.

7. CSR COMMITTEE

The Board of Directors shall constitute a CSR Committee of the Board of Directors (CSR Committee). The main functions of the CSR Committee shall be:

- (i) Recommend to the Board of Directors any modifications to this CSR Policy;
- (ii) Annually recommend to the Board of Directors, the amount of expenditure to be incurred;
- (iii) Institute a transparent monitoring mechanism for the implementation of the projects and activities.

8. MONITORING

For an effective implementation of CSR activities and programmes, an internal monitoring mechanism as approved by the CSR Committee will be put into force.

Internal monitoring mechanism shall ensure the following:

- (i) Prior approval of the CSR Committee for each spending
- (ii) Define Process Owners for each activity/ different levels within each activity
- (iii) Periodic reporting to CSR Committee on the amount spent and activity/ies undertaken
- (iv) Impact measurement
- (v) Report consolidation and communication to the Board of Directors
- (vi) Annual review of CSR activities by the Board of Directors/ the CSR Committee.

9. EFFECTIVENESS OF THIS POLICY

This policy shall supersede all previous CSR Policy and shall come into force with effect from April 1, 2018. This Policy can be amended, rescinded or modified by the Board of Directors of the Company.
