

Corporate Social Responsibility Policy

Husqvarna (India) Products Private Limited

1. Objective of the CSR Policy:

To promote a unified approach to CSR across Husqvarna (India) Products Private Limited ('the Company') by identifying select causes to work with, thereby ensuring a high social impact.

2. Scope and Applicability:

This policy is applicable across Husqvarna (India) Products Private Limited.

3. CSR Approach & Guiding Principles:

Driven by our Core purpose, our CSR vision has been to focus our efforts within the constituencies of :

- (a) 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.
- (b) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
- (c) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- (d) Other areas specified in Schedule VII of the Companies Act, 2013.

All CSR projects will be in line with the CSR vision, as well as areas listed in Schedule VII of the Companies Act, 2013. CSR projects will be undertaken in India. It will not include the activities undertaken in pursuance of normal course of business of the Company, projects benefitting the employees of the Company (as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019) and as amended from time to time), or contributions of any amount directly or indirectly to any political party.

All CSR activities will be in project mode and will not include activities supported on sponsorship basis for deriving marketing benefits for its products or services or activities carried out for fulfilment of any other statutory obligations under any law in force in India.

4. Total Outlay:

The Company falls under the CSR provisions as defined under the Companies Act, 2013 with effect from the Financial Year 2021-22.

In line with the Companies Act 2013 (the Act), Husqvarna (India) Products Private Limited pledges to contribute at least 2% of the average net profit 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 the total CSR expenditure in one financial year on administrative expenses relating to the general management and administration of CSR functions in the company.

The surplus arising out of the CSR activities will not be considered as a part of the business profit of the Company and shall be ploughed back into the same project, or shall be transferred to the Unspent CSR Account and it should be spent in pursuance of this CSR policy and annual action plan of the Company, or the Company may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Any unspent amount, other than unspent amount relating to ongoing projects will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the company in any scheduled bank called the "Unspent Corporate Social Responsibility Account". Such amount shall be spent by the company towards CSR within a period of 3 financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of the third financial year.

5. Implementation:

The CSR Committee shall ensure that majority of the budget is invested in long term and high impact projects.

CSR initiatives will be implemented directly by the Company or through implementing partners which include a company established under section 8 of the Act, or a registered public trust or a registered society having an established track record of at least 3 years in undertakings similar activities for which the grant is being given. These organizations would need to be registered under section 12A and 80 G of the Income Tax Act, 1961. The above entities shall register with the Central Government by filing the Form CSR-1 electronically with the Registrar, with effect from April 1, 2021.

The Company may also collaborate with other companies for undertaking CSR projects, programmes or activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with the requirements of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014.

6. Governance and Monitoring Process:

The Company shall have a well-defined and robust governance structure to oversee the implementation of the CSR Policy and monitoring of CSR projects as per the requirements of Section 135 of the Companies Act, 2013.

Board-level CSR Committee-

A Board level Corporate Social Responsibility Committee (CSR Committee) of the Company may be constituted from time to time and the terms of its reference shall be as specified by the Board which may include being responsible for formulating and recommending to the Board, the CSR policy and a CSR Annual action plan, provided that the Board may alter such plan at any time during the financial year as per the recommendation of its CSR Committee, based on reasonable justification to that effect. The CSR Committee wherever constituted shall report to the Company's Board of Directors.

The members of the Board Level CSR Committee shall comprise of at least three Directors of the Company as long as the Company has a minimum of three Directors. In case where the Company has only two Directors at any point in time, those two Directors will form the CSR Committee.

The CSR Committee may form and delegate authority to subcommittees when appropriate. Such delegation shall be authorised by a majority of the members of the CSR Committee.

The Board may also re-constitute or dissolve the CSR Committee as it deems fit from time to time and in the absence of the CSR committee, the Board shall directly discharge all functions of the CSR Committee as permitted under the Act.

The CSR Annual Action Plan shall inter alia include the following:-

- a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act,
- b) the manner of execution of such projects or programmes,
- c) the personnel responsible for execution of such programmes.
- d) the modalities of utilisation of funds and implementation schedules for the projects or programmes,
- e) monitoring and reporting mechanism for the projects or programmes and
- f) details of need and impact assessment, if any, for the projects undertaken by the company.

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