

DAIKIN AIRCONDITIONING INDIA PRIVATE LIMITED	POLICY No.: DAIPL/GEN/03
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POLICY ON CORPORATE SOCIAL RESPONSIBILITY

ORIGINAL / REVISION: **REVISION**
DATE: 18th July, 2023

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Distribution: All departments

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Version	Issue date	Effective Date	Drafted by	Reviewed by	Approved by
1	1-Dec-2014	1-Dec-2014	Mr. Roopesh Jain (Company Secretary)	Mr. Lingaraj Pattnaik (VP- Finance & CCO)	Mr. Kanwal Jeet Jawa (Managing Director) Mr.Hitoshi Tanaka (DMD)
2	18-Jul-2023	18-Jul-2023	Mr. Anurag Misra (GM – Company Secretary and Compliance Officer)	Mr. Toshihide Takeda (Director & CFO) Mr. Rajnish Bhardwaj (VP - Corporate Planning & Strategy)	Mr. Kanwal Jeet Jawa (Chairman & Managing Director) Mr.Toshiharu Tsurumaru (Deputy Managing Director)

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1. OBJECTIVE/ PURPOSE

- 1.1. The need to engage in responsible practices is led by an intense desire to contribute positively towards the three pillars of sustainability and CSR –Social, Economic and Environmental. These three pillars are integral to the way Daikin Airconditioning India Private Limited (hereinafter referred to as “DAIPL”) runs its business and design its policies.
- 1.2. The mission, vision and values of the organization clearly reflect its commitment, not only to the direct stakeholders but also to the society, in which it operates.
- 1.3. Daikin remains committed to act responsibly and ethically to maintain the trust of its customers, its employees and other stakeholders.

2. VALIDITY / APPLICABILITY/ SCOPE

This policy will apply to all projects/programs undertaken as part of the DAIPL’s Corporate Social Responsibility activities and will be developed, reviewed and will be updated in reference to relevant codes of corporate governance and international standards or the best practices. This policy is also in accordance with the Section 135 & Schedule VII of Companies Act, 2013 read with relevant rules as amended from time to time.

3. EXCLUSIONS

Any amount spent by the company itself or in partnership with the employees of the company for the activities other than the activities mentioned in Annexure I or amount spent for outside India or for the exclusive welfare of the employees of the company,

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shall be treated as additional spend and shall not be considered in the amount calculated as per clause V (i) below and shall not need Board approval.

4. POLICY DETAILS / PROCESS / GUIDELINES

4.1 PREAMBLE

CSR covers the entire process by which an organization approaches, defines and develops its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate strategies and projects. Thus, CSR is not charity or mere donation but a way of going beyond business as usual, creating shared value and contributing to social and environmental good.

4.2 POLICY

- a. By ensuring implementation of Our Group Philosophy, the DA IPL will execute its social responsibilities in relations with all its stakeholders, and thereby raise its corporate value and contribute to the sustainable development of society.
- b. Based upon thorough observance of legal compliance and corporate ethics, DA IPL will carry out its CSR initiatives with priority on contributing to society through our business activities.
- c. Instead of simply giving consideration to CSR, DA IPL will proactively incorporate CSR initiatives in all its business activities, and fuse and integrate such initiatives with these activities in order to ensure truly ongoing CSR initiatives and lead to the improvement of its business performance.
- d. DA IPL will pursue CSR not only on the basis of rules and guidelines of Indian Law but also in its unique way by riding on our strengths, such as its atmosphere of freedom and boldness, thorough customer-oriented management, and warm hospitality and other valued traditions and culture, as well as world-leading technologies.
- e. DA IPL will fulfill its CSR by promoting interactive communications widely with society, achieving accountability, and maintaining high transparency.

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4.3 CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Keeping in line with section 135 of the Companies Act, 2013 the Board of Directors of the company shall form a Corporate Social Responsibility Committee (hereinafter referred to as "CSR Committee") headed by Managing Director

Members: Chairman & Managing Director of Daikin India, Deputy Managing Director of Daikin India, Director on Board of DA IPL (as decided by Board of Directors of DA IPL)

Functions: The committee shall carry out the following functions:

- a. To formulate and recommend to the Board activities to be undertaken from time to time as specified in Annexure I;
- b. To recommend the amount of expenditure to be incurred on the activities referred to in Annexure-I
- c. To ensure legal and regulatory compliance from a CSR point of view

Meeting: The committee will meet as and when required

Monitoring: To monitor the CSR activities from time to time for ensuring effective implementation of the projects/ programs/ activities proposed to be undertaken by the DA IPL. Monitoring mechanism will include visits, meetings and project/status reporting by project teams.

Reporting: Significant CSR activities and achievements will be reported as a part of Directors' Report in the DA IPL Annual Report and as per any other regulatory and statutory reporting requirements.

4.4 GUIDELINES

a. **CSR Expenditure:**

CSR Expenditure will include all expenditure, direct and indirect, incurred by the company on CSR activities undertaken in accordance with the approved CSR plan. Accordingly, any income arising from CSR activity will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

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2% of the average net profit of the company made during three immediately preceding financial years shall be spent every financial year on this policy. The expenditure shall be started from the financial year 2014-15. The said expenditure on the CSR activities shall be made within India.

b. Areas of CSR Expenditure/ CSR Activity:

The activities described in Annexure-I appended hereto which are also covered under Schedule VII (as amended from time to time) of the Companies Act, 2013 that lists down permitted activities shall constitute such activities. The activities undertaken by

the Company are not expected to lead to any additional surplus beyond what would accrue to the company in the course of normal operations.

The policy issued pursuant to the Corporate Social Responsibility Rules, 2013 has been recommended by the CSR Committee of the board and adopted by the Board of Directors of the Company.

c. How to Spend:

The company can either undertake the CSR activity by its own or can contribute to a corpus of Trust/ Society/ Companies defined under section 8 of the Companies Act, 2013, which is created exclusively for undertaking CSR activities. The CSR committee shall monitor the expenditure being made towards this policy. The CSR amount cannot be spend for company's internal use or exclusively for the benefit for the employees of DA IPL.

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Annexure - I

DAIPL may undertake any of the activities which are covered under Schedule VII of the Companies Act, 2013 and any other activity which the Govt. may from time to time include in the ambit scope of CSR.

Sr. No.	THRUST AREAS	EXAMPLE OF CSR ACTIVITIES TO BE UNDERTAKEN
1	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.	Giving medical and Legal aid, treatment or such other activities as may be prescribed.
2	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Educating the Masses by organising the various educational programmes and creating awareness in various fields through print, audio and visual media. Training to enforcement personnel in this regard.
3	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	Making contribution to the NGO's who are indulged/ engaged in such activities

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	measures for reducing inequalities faced by socially and economically backward groups.	
4	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 4[including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	Making contribution to the NGO's who are indulged/ engaged in such activities
5	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 art and handicrafts;	Making contribution to the NGO's who are indulged/ engaged in such activities
6	Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows	Making contribution to the NGO's who are indulged/ engaged in such activities
7	Training to promote rural sports, nationally recognized sports, Paralympic sports and olympic sports	Making contribution to the NGO's who are indulged/ engaged in such activities
8	contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women	As may be undertaken by DA IPL

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9	<p>(a) 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</p> <p>(b) 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).]</p>	As may be undertaken by DA IPL
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10	Rural development projects	As may be undertaken by DAIPL
11	Slum area Development	As may be undertaken by DAIPL
12	Disaster management, including relief, rehabilitation and reconstruction activities	As may be undertaken by DAIPL