

MAHINDRA LOGISTICS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

Introduction and Background

Mahindra Logistics Limited (“MLL” or “the Company”) is fully aligned to the vision of the Mahindra Group of contributing to our communities, through both our Environment, Health and Safety policies, as also our active Corporate Social Responsibility (“CSR”) initiatives and Employee Social Option Programmes (“ESOPs”).

Our CSR vision is to serve the communities where we operate as a responsible corporate citizen. The Company’s CSR efforts continue to be directed towards upliftment of the driver community, community welfare, rural development, education, livelihood and vocational skills training, public health and environmental conservation etc.–

A. BUILDING COMMUNITIES:

Communities are the backbone of Indian economy. Community development activities are conducted in pockets of villages and slums in backward areas. Our activities will comprise of:

- **Provide Facilities:** Rest rooms & Sanitation, Drinking Water facility, Health, Eye & Dental Checkup camps, HIV/AIDS Health Clinic, etc.
- **Provide Dignity and Respect:** Birthdays & festival celebration, Children’s Scholarship and Grants, Chai Pe Charcha, Resolution of community challenges, Family welfare, Friendly games, Yoga training & meditation and Reward & Recognition
- **Skill Development:** Skill development through Pradhan Mantri Kaushal Vikas Yojana, Safety & Defensive driving training, Importance of fastening of Seat belts

B. VILLAGE ADOPTION:

MLL supports rural development activities by adopting villages. We undertake village development activities like infrastructure development, children’s education, women empowerment, health and sanitation, vocational trainings, festival celebration & sports, distribution of seeds and plants, clothes, stationary, support in implementation of government schemes and livelihood promotion.

C. EMPLOYEES SOCIAL OPTION PROGRAMMES (ESOPS):

MLL employees have been encouraged to volunteer for various CSR projects in the areas of education, health and environment through the Employee Social Options Program (ESOPS). Some of the projects to which the employees have extended their volunteering efforts are Blood Donation Camps, Tree Plantation, Swachh Bharat Abhiyan, Implementing Road Safety under Nashik-Bhiwandi Zero Accident Zone Project. Through ESOP activities MLL employees are expected to serve minimum 1 day in a financial year.

D. DISASTER RELIEF AND REHABILITATION:

MLL provides consistent and timely support to relief and rehabilitation initiatives in those parts of India which are affected by natural calamities by either contributing to the Prime Minister's or Chief Minister's Relief Fund or by directly engaging in rebuilding communities.

In keeping with the RISE philosophy, the Company will continue to drive positive change to enable people and communities to RISE above their limiting circumstances.

2. CSR Vision Statement and Objective

2.1 The CSR vision of MLL is to serve and give back to the communities within which it works with integrity and responsibility.

2.2 The **objective** of this policy is to –

- Encourage employees to participate actively in the Company's CSR initiatives and give back to the society in an organised manner through the employee volunteering programme called ESOPs (Employee Social Option Programs). Every MLL employee will contribute time and effort towards community building.
- Contribute to the development of communities by providing support to education, health & infrastructure.
- Contribute to the employability of the communities which we work by providing support to education, vocational training and job opportunities.

3. Scope and Applicability

This policy shall be applicable to all stakeholders and employees of MLL.

4. Policy Statement

4.1. OUR PURPOSE

Accelerating Commerce, Empowering Communities to Rise Logistics is an invisible thread that binds everyone. People, companies, countries can specialise in what they are good at and reach the world through us. In every parcel, we move and in every trip we make, each of us strives to make a difference. This brings in prosperity for everyone. We accelerate the wheel of the economy. and we do more than this. We transform the lives we touch. Whether it's our business partners, drive, their families or communities at large, we spread smiles with every mile.

OUR PURPOSE PRINCIPLES:

1. Shaping Industry
2. Transforming lives
3. Reimagining Solutions
4. Earning Trust
5. Sustaining Our Environment

4.2. Core Ideology

For MLL, responsible business practices include being responsible for our business processes, services, engaging in responsible relations with employees, customers and the community. Hence for the Company, Corporate Social Responsibility goes beyond just adhering to statutory and legal compliances and creates social and environmental value.

This is clearly articulated in the redefined Core Purpose which reads as “we will challenge conventional thinking and innovatively use all our resources to drive positive change in the lives of our stakeholders and communities across the world, to enable them to **Rise for Good**”.

4.3. Total Outlay

From April 1st, 2014 in line with the Companies Act, 2013 (“Act”) and rules and schedules framed thereunder, the Company pledges 2% of its average net profits (or such contribution as

may be stipulated by law from time to time) made during the past three immediately preceding financial years specifically towards its 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 total CSR expenditure in one financial year on building CSR capabilities.

In case there is any unspent amount from out of the 2% average net profits of the Company made during the three immediately preceding financial years, the Board of the Company on recommendation of the CSR Committee may decide to carry this forward to the next financial year or transfer the balance unspent amount to a Bank account or a Fund specified under the Law within such period and in such manner as specified by law from time to time.

The surplus arising out of the CSR activities will not be considered as a part of the business profits of the Company.

4.3 Allocation of Resources & Thrust Areas

The MLL CSR Council will manage to spend 2% of the average net profits made during the three immediately preceding financial years to undertake CSR initiatives which meet the needs of the local communities where we operate.

In addition to stipulated CSR spend by the Company, the MLL CSR Council may also take voluntary contributions from MLL Employees, Business Partners and its stakeholders either towards its corpus or directly for its projects some of which are scholarships and grants, education for the under privileged children, vocational and livelihood training of youth, relief to the poor, community welfare initiatives, education and encouragement of healthy sports and physical fitness, medical relief and family planning and disaster relief and rehabilitation, or both and infrastructure projects.

The Company is authorised to spend CSR funds in the following activities as stated in Schedule VII of the Act:

1. Eradicating hunger, poverty and malnutrition, promoting healthcare 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;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, woman, elderly & the differently abled and livelihood enhancement projects;
3. Promoting gender equality, 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 & economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, tree plantation, afforestation, gardening & maintenance, animal welfare, agroforestry, conservation of natural resources & maintaining quality of soil, air & water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
5. Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up of public libraries; promotion & development of traditional arts & handicrafts;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;

7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;
9. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
10. Rural development projects;
11. Slum Area Development;
Explanation.- For the purposes of this item, the term `slum area' 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.
12. Disaster management, including relief, rehabilitation and reconstruction activities; and
13. Any other activities/projects prescribed by the Ministry of Corporate Affairs or any other regulatory authorities under Schedule VII of the Act.

To fulfil above activities, the Company may expense for infrastructural development work, health and medicines, school and educational assistance, women and child welfare activities.

Currently the CSR thrust areas for MLL are community welfare through project Samantar, rural development through project Gram Vikas, education, livelihood training and vocational skills, public health and environmental conservation.

4.4. Implementation and Monitoring

MLL has a well-defined and multi-tiered governance mechanism to oversee implementation of and monitor the CSR Policy in compliance with the section 135 of the Act and rules framed thereunder.

The MLL CSR Committee has been constituted in line with provisions of Section 135 of the Companies Act, 2013 and rules made thereunder. MLL CSR Committee will monitor the implementation of this Policy through MLL CSR Executive Council, specified by MD & CEO of the Company from time to time. While CSR programmes as approved by the CSR Committee at Board level may be identified by the CSR Council, it will also evaluate projects submitted directly by reputed NGOs in carrying on the specific activity.

To ensure that there is focus and maximum impact the CSR Council will endeavour to work on fewer projects over a longer period of time so as to ensure that the outcomes of the projects can be measured.

The CSR Council will convene half yearly to review the progress of varied CSR projects in terms of both outcome assessment and financial monitoring. The council will review the strategy from time to time and may choose new focus areas and projects as and when required. In addition, the CSR Council will mandate the effective and timely monitoring and evaluation of varied CSR projects by directing its CSR committee or a third-party independent agency to carry out

situational analysis, need assessment surveys, project visits, or impact studies, social audits etc. if and as required especially for the strategic and high value CSR programmes.

In order to ensure transparency and communication with all stakeholders, the CSR Council will document the details of the Company's CSR initiatives and CSR expenditure and ensure that the same are available in the public domain i.e. the Directors' Report of the Company's Annual report and/or on the Company's website.

Further employee participation in CSR projects will be encouraged and supported through the Employee Social Options (ESOPs) platform.

4.5 Executing Agency / Partners

CSR initiatives will be undertaken either through the Company's own CSR Council or consultants with the active involvement of employees under ESOPs (Employee Social Option Programmes) which is the employees volunteering program having Location CSR Champions at every locations which are under the scope of the CSR as well as having Projects Related Executive Committees of the employees (e.g. Village Adoption Committee, Driver's Welfare Committee etc.) or through partnerships with our Corporate Foundations namely the Mahindra Foundation, The K C Mahindra Education Trust or through partnerships with other eligible NGOs having an established track record of three years in undertaking similar programmes or projects or fulfilling such other eligibility criteria as may be specified by law from time to time.

The following minimum criteria will be ensured while selecting NGO's / voluntary organizations for programme execution

- a) The NGO is a registered Society / Public Charitable Trust / Company established under section 8 of the Act;
- b) The NGO has a permanent office / address in India;
- c) The NGO has a valid Income Tax Exemption Certificate;
- d) The NGO has submitted a detailed project proposal and budget which has been approved by the CSR Council.

The Company may also collaborate with other companies to undertake CSR projects or programmes, provided the CSR Committees of the respective companies are in a position to report separately on such projects or programmes in accordance with the Act and rules framed thereunder.

For CSR activities undertaken through other Executing Agency, the Company will specify the projects or programmes to be undertaken through these agencies, the modalities of utilization of funds on such projects or programmes and the monitoring and reporting mechanism.

4.6 Policy Guideline

- All CSR Projects must be aligned as prescribed in Schedule VII of the Act, as amended from time to time;
- CSR projects or programmes or activities must be undertaken in India alone;
- Preference shall be given to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities;
- CSR activities must not include the activities undertaken in pursuance of normal course of business of the Company;
- Projects or programmes or activities that benefit only the employees of the Company and their families shall not be considered as CSR;

- CSR activities should be in project/programme mode. One-off events such as marathons/awards/charitable contribution/advertisements/sponsorship/charges for TV programmes etc. will not qualify as part of CSR expenditure;
- Contribution of any amount directly or indirectly to any political party and religious activities shall not be considered as CSR;

4.7 Approval and Amendments

- The Board of Directors are authorised to amend this Policy on recommendation of the CSR Committee as may be required from time to time, subject to applicable laws;
- Any amendment(s) in the statutory/regulatory requirements shall be deemed to included in the CSR Policy and binding even if statutory amendments are not specifically incorporated in this Policy.

4.8 Scope and Limitation

In the event of any conflict between the provisions of this Policy and the Act and rules framed thereunder or any other regulatory/statutory enactments including amendments thereto, rules, the provisions of Act or other regulatory/statutory enactments, rules shall prevail over this Policy.
