



HERO MOTOCORP LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

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Corporate Social Responsibility Policy

1. INTRODUCTION

The Corporate Social Responsibility Policy ("the Policy") has been formulated in accordance with the provisions of Section 135 of the Companies Act, 2013 (hereinafter referred to as "Act") and rules framed thereunder, as amended from time to time.

Hero MotoCorp Limited. ("the Company" or "HMCL") firmly recognizes the fact that a business derives various benefits from the society, and therefore it must, in return, create value for all stakeholders and create a positive impact for a sustainable future.

This Policy will provide the guiding principles for selection, implementation and monitoring of Corporate Social Responsibility ("CSR") activities of the Company along with the framework to carry out/undertake the identified activities.

2. POLICY OBJECTIVE AND VISION

Business enterprises are integral parts of society, utilizing its resources *to create value and drive socio-economic growth*. At HMCL, we understand that the company's success should be evaluated based on its contributions to economic, social, and environmental capital, along with governance. We recognize that businesses have the potential to drive transformative development through entrepreneurial energy, innovation, and creativity. Therefore, HMCL is committed to developing unique models that generate livelihoods and improve society. Our CSR projects aim to be replicable, scalable, and sustainable, significantly impacting sustainable livelihood creation and benefiting humanity. The overarching principle of creating a greener, safer and equitable society are key focus areas of the Company for its CSR programmes.

3. DEFINITIONS

"Administrative Overheads" means the expenses incurred by the Company for general management and administration of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

"Board of Directors" or "Board" means the collective body of the directors of the Company.

"CSR Activities" means programmes, projects and/or activities carried out by the Company as per the provisions of the Act, rules framed thereunder, Schedule VII of the Act and this Policy.

"Ongoing Project" means a multi-year project undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three financial years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one financial year by the Board based on reasonable justification.

"Stakeholders" shall inter-alia mean local communities, government agencies, non-government organizations, under privileged groups, employees, customers, suppliers, members etc.

"SCSR Committee" or "Committee" means the Sustainability and Corporate Social Responsibility Committee as constituted by the Board of Directors of the Company, from time to time. The composition of the SCSR Committee shall consist of three or more directors, out of which at least one director shall be an independent director.

Any other term not defined herein shall have the same meaning as defined in the Act, or rules framed thereunder.

4. GUIDING PRINCIPLES

4.1 Thematic areas of CSR Activities

The Company will work towards implementing CSR activities aimed at creating a greener, safer and equitable society.

Greener:

- 1. Sustainable Resource Management:** Engage with communities through various water conservation initiatives to foster sustainable water use and preservation.
- 2. Environmental Conservation:** Support projects aimed at preserving natural habitats, biodiversity, and promoting tree plantation/reforestation.

Safer:

- 1. Road Safety:** We aim to raise awareness about road safety through various initiatives including traffic training parks, safe driving schools and behavioral change campaigns
- 2. Community Safety:** Educate riders on safe two-wheeler driving practices, enhance the skills of current riders, and raise awareness through both theoretical and practical training sessions.

Equitable:

- 1. Inclusive Growth:** Promote diversity and inclusion within the communities, ensuring equal opportunities for all, regardless of gender, race, background or disabilities.
- 2. Community Development:** Invest in local communities through education, healthcare, skill development and economic development programs to uplift underprivileged and needy sections of society.
- 3. Support to Armed Forces:** Measures for the benefit of armed forces veterans, war widows and their dependents by partnering with all the three wings of the Indian armed forces and paramilitary forces.

These thematic areas aim to create a balanced approach to CSR, ensuring that the Company contributes positively to the environment, enhances safety, and promotes equity in the society.

Although the aforementioned programs are the primary focus areas of the Company, the SCSR Committee and the Board will, if necessary, identify additional CSR initiatives from activities listed in Schedule VII of the Act or any other permissible areas from time to time.

4.2 Implementation of CSR Activities

The implementation of the identified CSR activities shall be carried out either directly by the Company and/or through an implementing agency. The implementing agency shall be required to fulfill the criteria as specified under the Act and the rules made thereunder. The Company will clearly define the objectives along with the desired timelines to effectively implement the activities within the given time frame and work towards active engagement of all employees to achieve maximum benefits. The modalities of execution will be defined with every identified project. There will also be a check on the available resources, milestones, measurements and accountability so as to effectively implement the activities.

4.3 Monitoring of CSR Activities

The Company will work closely with relevant agencies to track the progress of each project. There shall be a robust monitoring system to ensure that the identified CSR activities are carried out to reap optimal benefits for the targeted Stakeholders/communities. Regular reports on these findings will be submitted to the Committee. The Committee may suggest modifications in the planned activities considering the existing scenario/circumstances. This process will ensure that the Board and Company Management fulfill their legal obligations related to reporting and monitoring.

4.4 Annual Action Plan

The Committee shall formulate and recommend an annual action plan to the Board for its approval. This annual action plan shall include the following details:

- the list of CSR projects or programmes that are proposed to be undertaken in areas or subjects specified in Schedule VII of the Act;
- the manner of execution of such projects or programmes as specified in the rules;
- the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- monitoring and reporting mechanism for the projects or programmes; and
- details of need and impact assessment, if any, for the projects undertaken by the Company.

Every year, the Committee will place for the Board's approval, an annual action plan delineating the CSR Programmes to be carried out during the financial year and the succeeding years in the case of Ongoing Projects along with the specified budgets thereof.

In case of an Ongoing Project, the Board, on the recommendation of the Committee, shall approve the implementation of the project with timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period. It shall also monitor the implementation of Ongoing Projects.

5. CSR EXPENDITURE

The Board will establish overall limits for CSR activities undertaken by the Company as per the applicable provisions of the Act. Within these approved limits, the Committee will approve individual projects or programmes, including contributions to the corpus fund if applicable. The Company's project or programme choices must align with its CSR Policy and annual action plan, which may be amended periodically. Any excess expenditure on CSR projects, programs, or activities can be offset against the spending requirement in subsequent financial years, in accordance with applicable provisions of the Act.

6. IMPACT ASSESSMENT

The Board of the Company shall ensure that impact assessment to be undertaken through an independent agency for the CSR projects having outlays of minimum one crore rupees and which have been completed not less than one year before undertaking the impact assessment. If required, the Impact assessment may also be undertaken by the recipient or by the implementing agency as required by and

in the manner set out under the Act, Impact assessment reports shall be placed before the Board and shall be annexed to the report on CSR.

For undertaking impact assessment, the Company may incur expenditure upto 2% of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

7. REPORTING AND DISCLOSURES

The Company shall from time to time report and provide adequate disclosures as may be required pertaining to CSR activities and programs carried by it in accordance with the Act.

8. REVIEW

This Policy shall be reviewed by the Committee and approved by the Board of Directors as and when required or at least once in three years and updated accordingly.

9. SCOPE AND LIMITATIONS

This policy is applicable to the Company for its CSR activities in India except as provided under the Act. The following activities shall not form part of the CSR activities of the Company:

1. The activities undertaken in pursuance of normal course of business of the Company.
2. CSR projects/ programmes or activities that benefit only the employees of the Company and their families.
3. Any contribution directly/ indirectly to a political party or any funds directed towards political parties or political causes.
4. Such other activities not permitted under the Act for the time being in force.

10. AMENDMENTS

In the event of any conflict between any of the provision of this Policy and the Act or rules framed thereunder or any other statutory enactments, the provisions of such Act or rules or statutory enactments shall prevail over this Policy.

In case of any amendment(s), clarification(s), circular(s), notification(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), notification(s) etc. shall prevail upon the relevant provisions of this Policy and the Policy shall stand amended accordingly from the effective date of such amendment(s), clarification(s), circular(s) etc.
