

Document No. YIND-H-PR-23 Rev A	YASKAWA India Private Limited Corporate Social Responsibility (CSR) Policy	
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1.0 Preamble –

At YASKAWA Japan it all began in 1915, through promoting the prints created by Master Munakata a leading woodblock print artist, became the first Japanese artist ever to win the coveted top prize there. And by creating a YASKAWA Mirai (Future) Club, a philanthropic association, was established within the company, in the support of health and welfare, youth, environmental protection, and tree planting. Also YASKAWA Electric co-sponsors the annual Technical College Students' Robot contest, popularly known as "Kosen RoboCon", support this educational opportunity to encourage many young students to get involved in manufacturing and hope to foster the next generation of talent.

2.0 Corporate Social Responsibility policy

YIND is committed to ensuring the social wellbeing of the communities in the vicinity of its operations through Corporate Social Responsibility initiatives (CSR).

YIND shall engage with the community by undertaking activities of education, health and environment.

1. Augmenting primary **education** system with emphasis on physically challenged / disables
2. Promoting & strengthening **health** facility through awareness programs, encouraging sports & providing mid-day meals
3. To create safe & good **environment** though energy saving and human risk minimising products, proper waste management and improving surroundings through tree plantation

YIND thrust areas in line with the activities as suggested in the Schedule VII of the Companies Act

- Facilitate assistance during natural disasters, as appropriate
- Build and strengthen community institutions and stakeholder engagement
- Collaborate with Civil Society, NGO, Industry Associations and Government institutions etc.
- Encourage its employees for volunteering
- Undertake CSR initiatives (Annexure-I) with the aim that over time these become self-sustainable
- Engage with disadvantaged sections of the community
- The CSR team & Board will Monitor, Review and Evaluate (Annexure-II) CSR activities and expenses on a periodic basis as per the calculation of 2% of net profit based on financial statement (Annexure – III)
- Communicate the CSR activities to stakeholders as per the regulatory requirement

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Annexure I

YIND CSR initiatives			
YIND Thrust Area's	Activities	Outcome Indictors	Output
Education	1. Special Coaching 2. Learning Aids	1. Number of students covered 2. Number of students provided with Aids	<ul style="list-style-type: none"> ▪ Number of students able to use skill up ▪ Discernible improvement in results (Eg.: Pass %, writing & reading skills, etc.,)
Health	1. Behavior change communication 2. Promoting Sports & Events 3. Blood donation camp	1. Washing hands & having safe drinking water 2. Number of sports & events supported 3. Number of camps Organised	1. Number of Children <ul style="list-style-type: none"> ▪ access sanitation toilets ▪ Getting safe drinking water 2. Programs Organised & reported 3. Number of employee volunteered to participate and quantum of donation made
Environment	1. Waste management 2. Tree plantation	1. Number of beneficiaries, gained from funds obtained 2. Numbers of tree saplings distributed	1. Benefits provided thru funds raised by waste management 2. Programs Organised & reported

Donation - 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;

Note - The CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.

CSR Activity planner & budget proposal to be prepared on yearly basis and get it approved from BoD, before starting the activities and report to be submitted as required.

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Annexure II:

Monitoring, Review and Evaluation

There are three levels of monitoring and review undertaking for CSR initiative

Level 1: Local reviews by corporate social responsibility team

Level 2: Senior leaders BSC review on the progress, effectiveness, action plans and support required

Level 3: Board of Directors & CSR Committee on need basis

There are two kinds of evaluation undertaken:-

1. Internal Evaluation: CSR team using CSR program effectiveness index and other tools on annual basis to assess the outcome
2. External Evaluation: It is also undertaken with reputed academic institutions / industry association / consultant / market research agencies once in 3 years to assess the overall impact on community

Besides evaluation, the basis for engaging with community is undertaken through socio-economic baselines studies to assess the community needs and priorities and align the community development program to meet the objectives. All divisions have to undertake baseline studies prior to developing programs and implementing programs with a defined geography in vicinity of operations in a phased manner.

Note - CSR Committee from time to time will further apprise the Board of Directors

CSR POLICY needs to be reviewed, if there are any changes in the provisions of Companies Act, 2013.

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CSR Committee Composition:

A committee of Board of Directors has been formed in pursuance of the said section. YASKAWA India CSR Committee comprises (1) 3 Directors (2) Legal and Compliances (3) Corporate and Divisional employees group

Committee	Individual Names	Responsibility
Company Level	<ol style="list-style-type: none"> 1. Akinori Urakawa 2. Yasunori Matsumoto 3. Nobuaki Jinnouchi 	Board of Directors
Secretary, Legal and Compliances	Tripti Bhardwaj	Company Secretary
Corporate & Division Level	<ol style="list-style-type: none"> 1. Harish BS (HR & GA) 2. Kishore Kumar (F&A) 3. Lokesh Kumar Patel (R&D) 4. Sanjay Tiwari (F&A) 5. Sudhir Kumar V (HR & GA) 	Working Committee Leads

Contributors: All YIND Company employees across the division would be contributing at the capacity of volunteers on the programs & activities

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Reporting Framework:

1.	2.	3.	4.	5.	6.	7.	8.
S No.:	CSR Project / Activity	Location	Project / Programme	Amount Outlay (Budget)	Amount spent by Programme 1. Direct 2. Over - heads)	Cumulative spend up to reporting period	Amount spent direct / through implementing agencies*
1.							
2.							
3.							

*Give details of implanting agency

1. Outline of the company's CSR policy - overview of activities and weblink to policy and project's or programmes
2. Composition of CSR Committee
3. Avery net profit for the past 3 financial years
4. Prescribed CSR Expenditure i.e. 2% of 3 above
5. Financial year spend:
 - Total to be spent
 - Amount unspent if any
 - Details of spend in table
6. In case of underspend, reasons
7. Responsibility statement of CSR Committee that policy, implementation and monitoring complies with the CSR objectives in letter and spirit
8. Signature of Director

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Annexure III:

CSR Budget FY 15-16

FORMAT

YIND Thrust Area's	Activities	Amount (MINR)
Education	1. Special Coaching 2. Learning Aids	
Health	1. Behavior change communication 2. Promoting Sports & Events	
Environment	1. Waste management 2. Tree plantation	
Donation	1. Prime Ministers relief fund 2. Clean Ganga fund	
Total		

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Background Information Only:

What is CSR?

There may be no single universally accepted definition of CSR, each definition that currently exists underpins the impact that businesses have on society at large and the societal expectations of them. Although the roots of CSR lie in the philanthropic activities (such as donations, charity, relief work, etc.)

“Corporate social responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (Triple-Bottom-Line Approach), while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of a company and strengthen its brand, the concept of CSR clearly goes beyond that.”

From the above definitions, it is clear that:

- The CSR approach is holistic and integrated with the core business strategy for addressing social and environmental impacts of businesses
- CSR needs to address the well-being of all stakeholders and not just the company’s shareholders
- Philanthropic activities are only a part of CSR, which otherwise constitutes a much larger set of activities entailing strategic business benefits

Benefits of a robust CSR programme

As the business environment gets increasingly complex and stakeholders become vocal about their expectations, good CSR practices can only bring in greater benefits, some of which are as follows:

- **Attracting and retaining employees:** a company’s ability to attract, retain and motivate employees with their CSR commitments. Interventions that encourage and enable employees to participate are shown to increase employee morale and a sense of belonging to the company.
- **Enhancing corporate reputation:** The traditional benefit of generating goodwill, creating a positive image and branding benefits continue to exist for companies that operate effective CSR programmes. This allows companies to position themselves as responsible corporate citizens.
- **Community:** There are certain innovative CSR initiatives emerging, wherein companies have invested in enhancing community livelihood by incorporating them into their supply chain. This has benefitted communities and increased their income levels, while providing these companies with an additional and secure supply chain.

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The Companies Act, 2013

In India, the concept of CSR is governed by clause 135 of the Companies Act, 2013, which was passed by both Houses of the Parliament, and had received the assent of the President of India on 29 August 2013. The CSR provisions within the Act is applicable to companies with an annual turnover of 1,000 crore INR and more, or a net worth of 500 crore INR and more, or a net profit of five crore INR and more. The new rules, which will be applicable from the fiscal year 2014-15 onwards, also require companies to set-up a CSR committee consisting of their board members, including at least one independent director.

The Act encourages companies to spend at least 2% of their average net profit in the previous three years on CSR activities. The ministry's has issued notification dated 27th Companies (Corporate Social Responsibility Policy) Rules ,2014.

The (Corporate Social Responsibility Policy) Rules ,2014 lists out a set of activities eligible under CSR. Companies may implement these activities taking into account the local conditions after seeking board approval. The indicative activities which can be undertaken by a company under CSR have been specified under Schedule VII of the Act.

It may be noted that the CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.

Corporate Social Responsibility Policy Rules, 2014 provides following activities shall be undertaken by the Company:

1. The CSR activities shall be undertaken by the company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.
2. The Board of a company may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company under section 8 of the Act or otherwise:

Provided that -

- (i) If such trust, society or company is not established by the company or its or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;
- (ii) The company has specified the project or programs to be undertaken through these entities, the modalities of utilisation of funds on such projects and programs and the monitoring and reporting mechanism.

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3. A company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.
4. Subject to provisions of sub-section (5) of section 135 of the Act, the CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.
5. The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.
6. Companies may build CSR capacities of their own personnel as well as those of their implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the company in one financial year
7. Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.

Governance

Clause 135 of the Act lays down the guidelines to be followed by companies while developing their CSR programme.

The CSR committee will be responsible for preparing a detailed plan on CSR activities, including the expenditure, the type of activities, roles and responsibilities of various stakeholders and a monitoring mechanism for such activities. The CSR committee can also ensure that all the kinds of income accrued to the company by way of CSR activities should be credited back to the community or CSR corpus.

Reporting

The new Act requires that the board of the company shall, after taking into account the recommendations made by the CSR committee, approve the CSR policy for the company and disclose its contents in their report and also publish the details on the company's official website, if any, in such manner as may be prescribed. If the company fails to spend the prescribed amount, the board, in its report, shall specify the reasons.

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