

CSR CHARTER

Legal Scope:

TÜV Rheinland (India) Private limited

Business Scope:

Cross Business

Process Scope:

CSR- Corporate Social Responsibility (1.1.5)

1. Overview

The process CSR strategy is a sub-process of the main process Corporate Social Responsibility (CSR).

The CSR strategy is based on the corporate strategy, which is developed on group level, supporting the goal of being the world's best sustainable and independent service provider for testing, inspection, certification, consulting, and training. The CSR strategy, as all other service function strategies, is consolidated and aligned with the company goals and objectives on group level. The current CSR strategy comprises five dimensions with one or two fields of activity each. The dimensions and respective fields of activity are:

Governance	– Compliance
Employees	– Diversity; Health and Safety
Environment	– Energy consumption; CO2 Emissions
Society	– Charitable commitment
Service Responsibility	– Service Standards

The defined fields of activity of the CSR Strategy are the result of an extensive materiality analysis considering the expectations of external as well as internal stakeholders and potential impacts of TÜV Rheinland on society and environment. The materiality analysis shall be conducted on a regular basis and can lead to a change in the fields of activity.

2. Principles

The guideline regulates:

- Duties and responsibilities of involved actors at Committee Level and Global level,
- Scope and structure of the CSR strategy in line with Global Strategy

3. Objectives

TÜV Rheinland is a globally active company that is aware of the various impacts of its business operations on society and the environment. The aim of TÜV Rheinland (India) Private Limited's management system for corporate social responsibility (CSR) is to take responsibility for society and the environment beyond the mandatory legal framework in order to act in a socially responsible and sustainable manner, to stand out against competitors, to positively influence the company brand and to increase the identification of employees with their company.

It aims to

- support the alignment and integration of TÜV Rheinland's sustainability commitment and vision into the overall corporate strategy.
- identify issues and goals to determine what needs to happen to make business more sustainable.
- prioritize these issues from both a sustainability and commercial point of view, in order to recognize and better manage risks and realize opportunities.
- develop and deliver a robust sustainability strategy and program that includes prioritized initiatives, enablers, milestones, key performance indicators, and measurable targets.

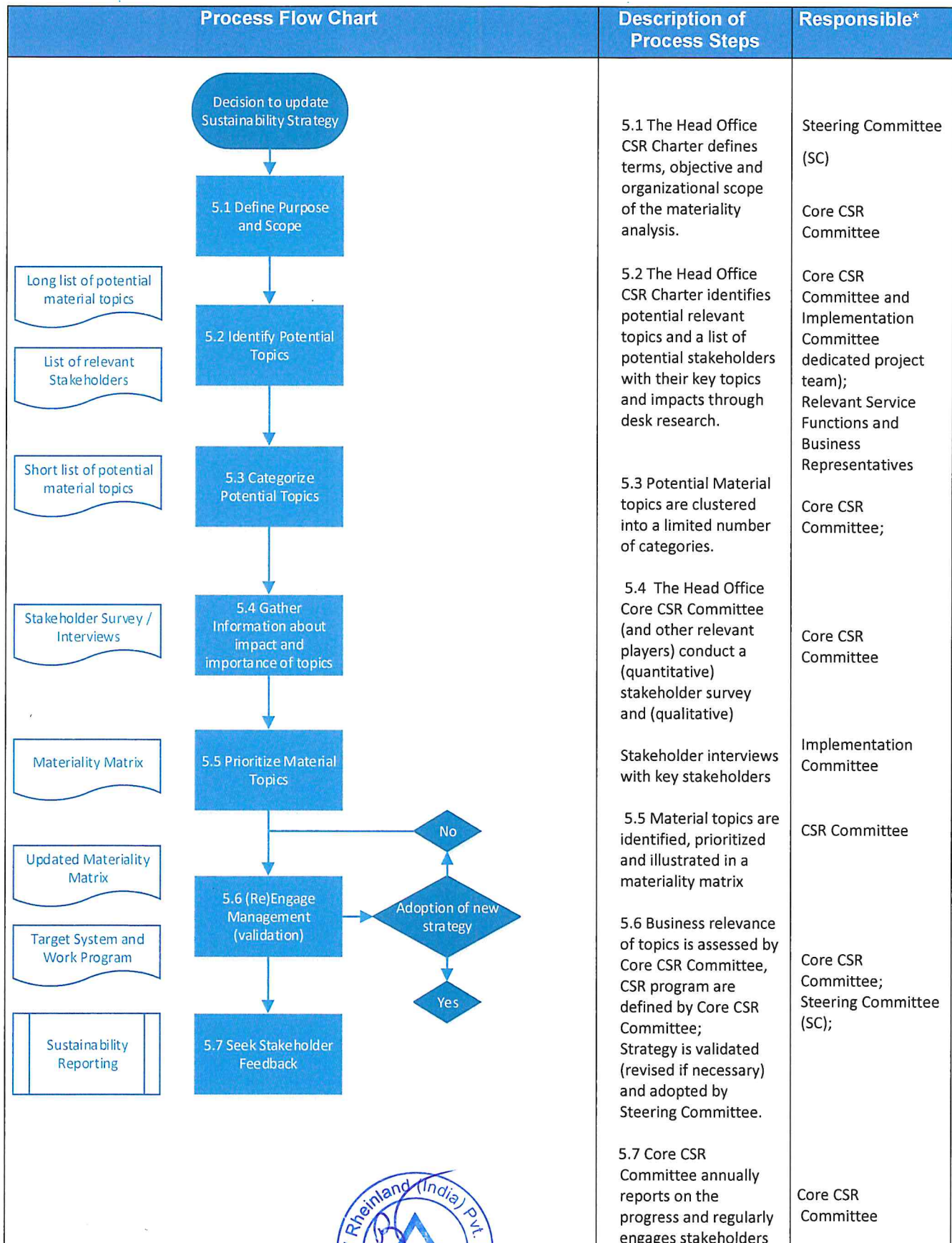
The purpose of this guideline is to provide and control the organizational structure for accomplishing the above mentioned objectives.

4. Scope of Application

This guideline is applicable to TÜV Rheinland (India) Private Limited.



5. Process Flow



*Responsible for the process step

6. Terms and Abbreviations

Compliance is the accordance of company behaviour, represented by the behaviour of the management and employees of TÜV Rheinland (India) Private Limited, with statutory and company internal rules and behavioural intentions. See also: Compliance Guideline.

CSR (Corporate Social Responsibility) describes the long term integration of social and ecological responsibility into the business activities to an extent that is above what is required by law. Furthermore, CSR involves the strategic management of stakeholder relations, i.e. identifying, assessing and managing stakeholder expectations.

Sustainability, in the sense of the guideline, is the harmonization of social, ecological and economical aspects in a development and innovation process. This process is targeted at ensuring TÜV Rheinland (India) Private Limited's economical capacity to act in the medium and long term and at ensuring the company's future viability by among others offering future-oriented services and conducting business in a sustainable way.

Core CSR Committee is a committee framed as per section 135 of the Companies Act 2013 India read with Companies (Corporate Social Responsibility Policy) Rules, 2014. Members of the Committee to be selected by the Steering Committee.

Steering Committee shall consist of team under the Chairmanship of Managing Director and any other one Director.

Implementation Committee will be formed by inviting self-nominations from the employees. The selection of the members will be finalised by the Steering Committee with consultation with the core CSR Committee and the members shall include a mix of all locations. The number of members for each locations will be minimum 3 for successful implementation.

Net profit means the net profit of the Company as per its Financial Statement prepared in accordance with the applicable provisions of the act but does not include, any profit arising from the overseas branch/es of the company, whether operated as a separate Company or not; any dividend received from other Companies, which are covered under and complying with the provisions of section 135 of the Act.

CSR Policy relates to activities undertaken by the company as specified in schedule VII to the act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a company.

7. Roles & Responsibilities

The Core CSR Committee shall,

- Formulate and recommend to the Steering Committee, a CSR Charter/ Policy which shall indicate activities to be undertaken by the Company as per the Act;
- Reviewing and recommending the amount of expenditure to be incurred on the activities to be undertaken by the Company under the CSR Charter/ Policy;
- Monitoring the CSR Charter/ Policy of the Company from time to time;
- Adherence to applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modifications, amendments or re-enactments thereto for the time being in force);
- Performance of some other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time;

The governance responsibility for the service function CSR and the CSR management system is managed by Steering Committee and Core CSR Committee and persons appointed by the Steering Committee for specific tasks.

The Steering Committee shall,

- Formulate and monitor the implementation of the CSR annual action plan, in accordance with the Company's CSR Charter/ Policy and provisions of applicable laws from time to time.
- Review various proposals of CSR programmes / projects as submitted by the Implementation committee and if thought fit, approval thereof, provided that the same is within the framework of CSR Charter/ Policy.
- Identification and appointment of various Eligible agencies / entities for execution of Corporate Social programmes or projects.
- Liaising with management on the Company's corporate social responsibility program, including significant sustainable development, community relations and procedures.
- Identify the key areas of risks and impacts relating to corporate social responsibility and ensuring that sufficient resources are allocated to address these liabilities.
- The Committee may delegate authority to Implementation committee when appropriate.
- Develop and institutionalize a CSR reporting mechanism in light with Section 135, Rule 8 of the Companies Act 2013.
- Review and approve annual budgets with respect to CSR programs.

The Implementation Committee shall,

- a. Fix the schedule of implementation of CSR projects and programmes and supervise the same.
- b. Review reports from partnered agencies or entities on the Company's corporate social responsibility performance to assess the effectiveness of the corporate social responsibility program.
- c. Monitor the administrative overheads in pursuance of CSR activities or projects or programs so that they do not exceed the prescribed thresholds.
- d. Oversee the process of joint CSR efforts in case of collaboration with other company to ensure that the Company can meet its reporting obligations in this regard.
- e. Ensure transparency across all levels of corporate social responsibility, from the monitoring mechanism, the CSR department within the company, implementing partners outside, and the various programmes for responsible citizenship.
- f. Responsible for selecting the volunteers for the different projects, and then monitor their work on regular basis.

Reporting to Board. The Committee may report to the Board following meetings of the Committee with respect to such matters as are relevant to the Committee's discharge of its responsibility.

8. Interested Parties

- Customers (internal or external),
- Employees
- Business Partners and Suppliers
- Government
- Media
- Non-Governmental Organizations
- Science and Research
- Society, local communities

9. Committee Meetings

Meeting Schedule:

- Steering Committee - The committee shall meet at least once Half Yearly. The Managing Director and any one other Director shall form the quorum for the meeting. The meeting can be held virtually.
- Core CSR Committee – The committee shall meet at least once Half Yearly. Minimum 50% members as approved by the Steering Committee shall form the quorum for the meeting. The meeting can be held virtually.
- Implementation Committee - The committee shall meet at least once in every quarter. 50% members present shall form the quorum for the meeting of the Committee. The meeting can be held virtually.

Additional meetings may be called upon proper notice at any time to address specific needs of the Company. The Committee may also take action from time to time through circular resolutions. A Committee meeting may be called by the Committee Chair or any Committee member.

Meeting Agenda:

The agenda will be distributed to Committee members in advance of each Committee meeting to allow Committee members sufficient time to review and consider the matters to be discussed. Each Committee member is free to request the inclusion of other agenda items, request the presence of, or a report by, any member of senior management and/or request the consideration of matters that are not on the agenda for that meeting, although voting on matters so raised may be deferred to another meeting to permit proper preparation for a vote on an unscheduled matter.

Voting and Approval:

Each Committee member is entitled to one vote and decisions shall be taken by a majority of votes. In case of an equality of votes, the Chair of the meeting has a casting vote.

10. Focus areas

In accordance with the requirements under section 135 of the Companies Act 2013, Corporate Social responsibility Rules, 2014 and any other applicable provisions of the Act, CSR activities, amongst others will focus on:

Hunger, Poverty, Malnutrition and Health:

Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of the sanitation and making available safe drinking water.

Education:

Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.



Gender equality and women empowerment:

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 and economically backward groups.

Environmental sustainability:

Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

Protection of National Heritage:

Protection of National Heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of public libraries; promotion and development of traditional arts and handicrafts.

Armed forces:

Measures of benefit of armed forces veterans, war widows and their dependents.

Promotion of sports:

Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.

Contribution to Government Funds:

Contribution to the Prime Ministers National Relief fund or any other fund set-up by the Central Government for socio-economic development and relief and welfare of scheduled castes, scheduled tribes, other backward classes, minorities and women.

Technology incubators:

Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

Rural Development Projects:

Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.

11. Undertaking of CSR activities

The CSR activities shall be undertaken by the approval of the CSR Committee and surplus, if any, arising out of CSR activities, programs or projects shall not form part of the business profit of the Company.

12. Location of CSR activities

The Core CSR Committee will decide on the location for the CSR activities. However, the activities/ programs shall be undertaken in India only.

13. Composition of Committee in line with Companies Act 2013.

At TUV Rheinland (India) Private Limited the responsibility of CSR is at the level of the board of Directors of the Company. The Board of Directors shall constitute a Steering Committee consisting of the following board members and additional members, if required:

- Chairperson (Managing Director/ Independent Director/ Executive Director/ Non-Executive Director)
- Member (Independent Director/ Executive Director/ Non-Executive Director)

14. Funding, Selection and Monitoring process

The Steering Committee of TUV Rheinland (India) Private Limited to ensure that at least 2% of the average net profit during the immediately three preceding financial year is spent on CSR initiatives undertaken.

All expenditure towards the programs to be diligently documented. In case at least 2% of the average net profit of the last 3 years is not spent in a financial year, reasons for the same to be specified in the CSR report.

The surplus from the allocated CSR budget will not be utilized for business or form part of the business.

Regular and transparent monitoring will be a key part of implementation to assess if the project progress is on expected lines in terms of timeliness.

Budgetary expenditure and achievement of targets, monitoring will be done with the help of identified key qualitative and quantitative performance indicators, with a continuous feedback mechanism, and recourse for mid-course correction in implementation, if needed, to ensure efficacy.

Assessment of utilisation of funds will also be done on a quarterly basis, and the yearly consolidated report will include a rationale for shortfall or surplus of funds.



Identification of projects and the executing agency/NGO will be made, by assessing the following:

- a. Project Objectives
- b. Baseline survey – As-is and To-be state basis, accordingly the outcome of the project will be measured.
- c. Implementation schedules – Timelines for milestones of the project will need to be prescribed and agreed upon
- d. Responsibilities and authorities
- e. Major results expected and measurable outcome including the expenses/charges ratio as against the actual CSR spend.

The company may conduct / implement CSR programs by itself and/or through registered trusts, societies or NGOs with an established track record of at least three years in carrying on activities in the related area/s or as suggested by Ministry of Corporate Affairs vide circulars/notifications.

15. Conditions and restrictions

The CSR Committee and the Board of Directors shall be governed by the following conditions and restrictions while undertaking any CSR projects/ programmes/ activities:

- The CSR projects/ programmes/ activities undertaken by the Company, as per this policy shall exclude activities undertaken in pursuance of its normal business.
- The CSR projects/ programmes/ activities shall be undertaken in India only.
- The CSR projects/ programmes/ activities that benefit only the employees of the Company and their families, shall not be considered and not qualify as CSR expenditure.
- Contribution of any amount directly or indirectly to any political party under section 182, shall not be considered and not qualify as CSR expenditure.
- The surplus, if any, arising out of the CSR projects/ programmes/ activities shall not form part of the business profit of the Company.

16. Monitoring of CSR Programs

- a. All projects undertaken by the company shall be monitored on half-yearly basis. On-site monitoring would also be undertaken, as appropriate to ensure on-track implementation.
- b. The CSR Implementation committee shall be responsible for day-to-day management of CSR related activities of the company and to monitor and evaluate the performance of the Projects whenever the CSR activities are undertaken.
- c. The implementation committee shall periodically report to the Steering committee regarding the financial and operational progress of CSR projects.
- d. The Core CSR Committee shall discuss and review CSR activities from time to time, during the scheduled meetings or as appropriate.
- e. Based on analysis of projects, the CSR Steering Committee on recommendation of Core CSR Committee may carry out roadmap planning for allocation of budget and selection of projects.
- f. Core CSR Committee and Implementation committee shall report progress to the Steering Committee. The progress on CSR programs undertaken by the Company will be reported in the Annual Report in the format prescribed by the CSR Rules 2014.

17. Carrying out CSR Projects through External Agencies

When the Company decides to execute a CSR Projects through an external agency, would execute the projects at the grass root level, such as a trust, society or NGO ("Agency"), at a minimum, the Agency need to meet the following criteria:

- a. The Agency should be a company established under section 8 of the Act, or a registered public trust or a registered society or registered under section 12 A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or,
- b. A company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or,
- c. Any entity established under an Act of Parliament or a State legislature; or,
- d. A company established under section 8 of the Act, or a registered public trust or a registered society registered under section 12A and 80G of the Income Tax Act, 1961,
- e. The Agency should have a permanent office/address in India; and the antecedents of the CSR Partner should be verifiable.
- f. The agency must be eligible for carrying the CSR Project, and must have track record in carrying similar project for a period to the satisfaction of the Committee.
- g. The Agency should possess a valid income-tax Exemption Certificate.
- h. The Agency should maintain a required level of auditable records on the CSR initiatives conducted in conjunction with the Company as agreed mutually.
- i. The Core CSR Committee shall provide specific Project agenda, targets, target spending, accomplishments, manner of execution etc., to the Agency, subject to discussions with the Agency.
- j. The disbursement of funds to the Agency must be done on a progressive basis so as to align with the funding needs to the Project, and to permit the evaluation to the activity carried so far. The Agency must provide periodically reports, to the satisfaction of the Committee, about execution of the Project.
- k. All Implementing Partners will have to furnish the relevant information pertaining to the eligibility criteria as above and this will be in addition to the information already required to be furnished as per existing CSR Checklist.
- l. Agencies not fulfilling the criteria as mentioned above will not be considered as Implementing Agencies for CSR Projects.



18. Contact Personnel

For queries related to CSR projects/ programmes/ activities, please write to us at:

Netravathi.BR@ind.tuv.com / Ritu.Mishra@ind.tuv.com

19. Limitation and amendment



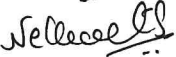

The Steering Committee may in their discretion and on recommendation of the Core CSR committee, may make changes/ modifications and/ or amendments to this policy from time to time.

Requirements with respect to quorum, notice of meeting, documentation, etc. shall be in conformity with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government, unless expressly stated otherwise.



In the event of any conflict between the provisions of this policy and of the Act or any other statutory enactments, rules, the provisions of such Act or statutory enactments, rules shall prevail over and automatically be applicable to this policy and the relevant provisions of the policy would be amended/ modified in due course to make it consistent with the law.

Acknowledgement with date:

Core CSR Committee Members

1. 
RITU MISHRA
2.  RAKESH NAIR
3.  NETRAVATHI.
4.  Murali. B
5.  (SRIPATHAN)

Steering Committee Members

1. 
2.  B. H. Murali
3. 