

CORPORATE SOCIAL RESPONSIBILITY POLICY

CONTEXT

42Gears Mobility Systems Private Limited (“42Gears” or “the Company”) has been compliant with corporate social responsibility (“CSR”) initiatives pursuant to the Companies Act and its regulations. The Company’s focus has always been to contribute toward the sustainable development of society and the environment and to make our planet more livable for future generations. 42Gears believes in adopting sustainable measures and creating value for the nation by actively contributing to the Social, Economic, and Environmental Development of the community in which we operate.

APPLICABILITY

This CSR Policy is applicable to 42Gears Mobility Systems Private Limited and its Indian subsidiaries (collectively referred to as “42Gears”) which are mandated with the CSR expenditure obligations as per Section 135 of the Companies Act, 2013 (‘the Act’) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

OBJECTIVES

42Gears’ CSR Policy intends:

- To formulate and recommend to the Board, the specified activities to be undertaken as enshrined in Schedule VII of the Act.
- To recommend the amount of expenditure to be incurred on the activities of CSR.
- To fulfill the directive of the Act to develop and implement the CSR Policy from time to time.
- To strive for economic development that positively impacts society at large with minimal resource footprint.
- To embrace responsibility for the Company’s actions and encourage a positive impact through its activities to alleviate hunger, poverty, and malnutrition; protect the environment; and support communities, stakeholders, and society.

FOCUS AREAS AND MODES OF IMPLEMENTATION

Focus areas

In accordance with the requirements under the Companies Act, 2013 its rules / regulations and circulars / clarifications issued thereunder (collectively, “**Applicable Law**”), 42Gears CSR activities, amongst others, will focus on:

- **HUNGER, POVERTY, MALNUTRITION, AND HEALTH:** Eradicating extreme hunger, poverty, and malnutrition, promoting preventive healthcare and sanitation, and spreading awareness and

health-seeking behavior

- **EDUCATION:** Improvement in education including special education and employment-enhancing vocational skills especially among children, women, the elderly, and the differently-abled, and livelihood enhancement projects such as supplying books to the libraries, increasing digital training in education, etc
- **ENVIRONMENTAL SUSTAINABILITY:** Safeguarding environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry (waste management), conservation of natural resources and maintaining a quality of soil, air, and water.
- **DISASTER RESPONSE:** shall provide relief, support, rehabilitation, reconstruction activities, etc. for disaster management in case of natural calamities or emergencies, etc.
- **CONTRIBUTIONS:** To various Government and public initiatives like
 1. Prime Minister’s National Relief Fund, Contribution to the Prime Minister’s National Relief Fund (PM-CARES), or any other fund set up by the Central Government for socio-economic development.
 2. Public funded universities, IITs, National Laboratories, and autonomous bodies established under DAE, DBT, DST, Department of Pharmaceuticals, Ministry of AYUSH, Ministry of Electronics and Information Technology, and other bodies.
 3. R&D projects in the field of science, technology, medicine, and engineering funded by Central/State Govt, PSU, or agency of Central/State Govt.

In addition to the Areas to Emphasize specified above, the Company may select any area/ sector/ activity or head of activities, as may be specified in Schedule VII to the Companies Act, 2013 including any amendments or modifications as may be introduced from time to time.

MODES OF IMPLEMENTATION

| Sl. No | Focus area | Implementation strategy |
|--------|---|--|
| 1 | Hunger, poverty, malnutrition, and healthcare | Work directly or with non-profit organizations at the infrastructure and/or operational level to support meal or nutrition-related programs in schools and other institutions across India. Work with medical and health-related organizations for projects in preventive healthcare, short term and long-term care, and treatments. |

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| 2 | Education | Partner directly or with non-profit organizations, primary, secondary, and higher educational institutions including schools, colleges, and universities to encourage efforts in a wide range of areas including training, provision of funding for continued education, skilling and re-skilling initiatives, offline and online education, research, infrastructure development, and capacity building. |
| 3 | Environmental sustainability | <p>a) Work with NGOs on safeguarding the environment, including protection of flora and fauna, promoting climate action, renewable energy, natural resource conservation as well as promoting resource efficiencies across energy, water, and waste management.</p> <p>b) Projects can include interventions in the areas of water and wastewater management (watershed management, lake rejuvenation, etc.), rural electrification, waste to energy (household biogas), avoidance or replacement of firewood for cooking with efficient alternatives, forestry, amongst others.</p> |
| 4 | Contributions | Allocating a certain percentage of CSR amount towards public and government initiatives for socio-economic upliftment and towards certain R&D projects for the advancement of science, technology, medicine, and engineering by collaborating with the State/Central Government for these projects. By contributing to public-funded institutions like IITs, National Laboratories, etc. |
| 5 | Disaster Response | Partnerships for emergency relief help increase preparedness and provide immediate assistance to the most vulnerable in the wake of natural disasters. We multiply our effect through strategic partnerships with select humanitarian organizations |

UNDERTAKING CSR ACTIVITIES

42Gears will undertake its CSR activities (being projects/programs/ other permitted activities), approved by the CSR Committee either directly or through such other eligible entities/organizations as approved by the CSR Committee.

42Gears employees can voluntarily participate in such CSR activities and suggest similar projects or initiatives aligning 42Gears' CSR initiatives. The CSR committee shall be responsible for forming such a group of volunteers and assigning certain responsibilities and/or activities in accordance with our organizational CSR vision.

Requirement

- Team members and/or volunteers would be responsible for ensuring the legitimacy of third-party organizations, ensuring the funds are utilized for intended purposes only, and obtaining utilization certificates for the funds sponsored. The utilization shall be in accordance with the rules and regulations of the ACT
- Team members shall closely monitor the initiatives and provide a periodic report (quarterly report) with details on how our support is helping at the ground level. The report can include messages from the recipients, photographs, etc

The surplus arising out of the CSR activities shall not form part of the business profit of the Company. Such surplus shall be spent on its CSR activities in accordance with this policy.

Identification and implementation of multi-year CSR projects/programs ("**Ongoing Projects**") will be monitored by the CSR Committee and the Board of Directors of the Company ("**the Board**"), as required under Applicable Law.

CSR ANNUAL ACTION PLAN AND ALLOCATION OF CSR EFFORT

The CSR Committee shall decide on the locations for CSR activities and formulate and recommend to the Board for approval a CSR annual action plan, which shall contain all matters which are required under Applicable Law and any other matters as the CSR Committee may deem fit from time to time. The Board may modify the annual action plan as per the recommendations of the CSR Committee at any time during the financial year, based on reasonable justification.

COMPOSITION OF CSR COMMITTEE

The Board of Directors of 42Gears Mobility Systems Private Limited ("42Gears") has formed a Corporate Social Responsibility Committee ("The CSR Committee") in line with Section 135 of the Companies Act, 2013 ("The Act").

- Mr. Onkar Singh Parhar, Director
- Mr. Prakash Gupta, Director
- Mr. Ashok Poojari, CFO

CSR COMMITTEE AND DISCLOSURES

This CSR Policy, details of the composition of the CSR Committee and projects approved by the Board shall be hosted on the company's website <https://www.42gears.com/>

GOVERNANCE

The Company can undertake CSR activities either by itself or through other entities eligible to undertake CSR activities under Applicable Law. The CSR Committee will identify such areas of the CSR activities as per Schedule VII and other applicable rules and regulations as per the Act and execute such initiatives as per defined guidelines. The CSR committee will assist the Board in reporting the progress of deployed initiatives and in making appropriate disclosures (internal/ external) on a periodic basis.

FUNDING, SELECTION, AND MONITORING PROCESS

FUNDING PROCESS

The funds for the purpose of carrying on the aforesaid activities would include the following:

- The CSR expenditure will include all the expenditures, direct and indirect, incurred as per the provisions of the Companies Act, 2013.
- Surplus arising out of CSR activities carried out by the Company and such surplus will not be part of the business profit of the Company.
- The CSR Committee will allocate the budget as per the Policy and ensure programs and projects are aligned with Schedule VII and Section 135 of the Companies Act, 2013.

In furtherance of the aforesaid, The Company shall undertake all the funding activities (direct or indirect) in accordance and within the scope of the legal provisions of the Companies Act, 2013 along with the applicable Schedule and Notes.

SELECTION PROCESS

The CSR Committee or such other entity will receive requests for funding of projects throughout the calendar year. Its panel of experts will evaluate proposals received under the CSR Committees' or such other entity's focus areas and projects will be prioritized by assessing their potential impact. The CSR Committee or such other entity will then forward its recommendations to the Board of Directors. The Board of Directors at the recommendations of the CSR Committee will deliberate on the proposals and approve proposals for implementation at its discretion.

42Gears' representatives and/or CSR Committee or such other entities will collaborate with stakeholders to monitor the status of each project and will report its findings to the CSR Committee periodically to enable the Board and the Management of the Company to meet their reporting, monitoring, and other legal obligations.

In any year, where the Company has spent in excess of its CSR obligation, such excess spending shall be available for set-off against the Company's CSR obligations for up to the next three financial years

in accordance with Applicable Law, and the Board shall be competent to pass a resolution in this regard.

MONITORING PROCESS

The CSR Committee along with any such authorized entity(ies)/committee or any group shall formulate and recommend to the Board of Directors, an annual action plan in pursuance of its CSR policy which includes:

- i. list of CSR projects to be undertaken
- ii. the manner of execution of such projects,
- iii. utilization of funds,
- iv. monitoring and reporting mechanism for the projects or programs; and
- v. details of need and impact assessment, if any, for the projects undertaken by the Company

The Board of Directors may alter the plan, any time during the financial year, as per the recommendation of its CSR Committee.

The CSR Committee allocates the budgets to programs and projects in domains that are aligned with the CSR policy. A significant proportion of our programs comprise ongoing, long-term projects, and these are deemed to be approved till the end of the period specified in their contracts/agreements.

Along with the approval of the annual plan, the CSR committee shall review the progress of all key programs vis-à-vis its broad objectives for the previous year including effective utilization of the funds and a formal assessment of outcomes and impacts as considered relevant by the Board and the Committee.

All decisions on outcome/impact evaluation are required to be presented to the CSR Committee /Board once a year.