

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Vestas Wind Technology India Private Limited as a responsible corporate citizen believes it has a role to play in sustainable and inclusive growth of the country. In India, our CSR policy, developed in conformity with the Section 135 of the Companies Act, 2013 and in conjunction with the Companies Corporate Social Responsibility Rules, 2014, will guide us to undertake CSR programme in a planned, participatory, transparent manner to maximise impact in communities we operate. Globally also Vestas has committed itself to adhering to recognized conventions, standards and goals by various international organisations and accordingly has formulated policies and guidelines pertaining to CSR and Sustainability including for India.

CSR Policy

The CSR Policy will serve as a guidance document for Vestas India CSR initiatives, describe core programmatic themes and intervention areas as per Schedule VII, and provide the framework for selection, implementation, governance, management, monitoring and reporting of CSR initiatives. The projects will be selected and developed with the objective of maximised positive impact on communities in rural, semi-urban or urban slum areas, wherever applicable. Vestas India will carry out programmes, projects or activities as stated in the Policy excluding activities undertaken in pursuance of its normal course of business. The Board of Directors of Vestas India shall constitute a "Corporate Social Responsibility (CSR) Committee" consisting of three or more members and may decide to undertake its CSR activities as recommended by the CSR Committee.

Programme:

The CSR Policy of Vestas India seeks to undertake programmes or projects in the areas of social development, economic empowerment and environmental sustainability and preferably in geographical areas surrounding its business activities. Under social theme, Vestas India may support programmes including holistic focus on education especially at primary level, water and sanitation, and any other local specific needs based projects for community development and social infrastructure. On economic empowerment, programme and projects to enhance income and livelihoods opportunities, skills development and vocation training projects may be undertaken. On environmental front, programme or projects in conservation of natural resources, sustainable habitat, clean and affordable energy and climate change among others may be considered.

Vestas India may also undertake any other project in the areas not described in the previous sections as per the needs and priorities of the target groups and communities in accordance with Schedule VII of the Companies Act, 2013.

Implementation

For on-ground implementation of CSR projects and activities, Vestas may enter into partnerships with credible Non-Government Organisations (NGOs), community organisations, and other similar entities. Vestas may also directly purchase goods or services for deployment in CSR programmes such as equipment for access social infrastructure for providing community solutions. Vestas India may also explore CSR collaborations with its customers and business partners, schemes and programmes of state and central government, and initiatives of other institutions such as academic and others.

Locations

Vestas India will undertake CSR projects preferably in the communities situated near its business operations such as manufacturing units or project sites, or service business sites or offices through prioritisation and relevance of issues, feasibility, accessibility, ease of implementation, and potential for acceptance and adoption of the initiative by local communities. Besides, Vestas India may also carry out a CSR programme with a national level scale covering multiple locations and states.

Expenditure

- A specific budget is allocated for CSR activities and spending on CSR activities shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy.
- If Vestas India for any reason does not spend the annual budget, the Board of Directors shall specify reasons for not doing so.
- Approving authority for any CSR programme related expenditure will be the majority of Directors of Vestas India after due recommendation of CSR Committee and approval of the Board of Directors of Vestas India.
- The CSR Policy mandates that possible revenue arising from CSR activities shall be reinvested in CSR projects and not form part of the profit of Vestas India.
- The CSR activities undertaken by Vestas India in India only shall amount to CSR expenditure.
- CSR expenditure shall include all expenditure including contribution to corpus, for projects or programmes relating to CSR activities approved by the Board on the recommendation of the CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013.
- Tax treatment of CSR spent will be in accordance with the Income Tax Act, 1961 as may be notified by Central Board of Direct Taxes.

Governance

The Board of Directors of Vestas Wind Technology India Private Limited shall constitute a "Corporate Social Responsibility (CSR) Committee" consisting of three or more directors. The Board of Directors of Vestas India shall, after considering the recommendations made by the CSR Committee, approve the policy and ensure that activities as per the Policy are duly undertaken. The CSR Manager and team of Vestas India will oversee the programme planning, budgeting, implementation partnership and expenditure management. He/she will also coordinate with the global CSR team and CSR Committee for review, monitoring, reporting, and communications of the CSR programme.

Monitoring and Disclosure

The planned outcomes will be regularly monitored by the CSR team through a combination of on-site visits, local stakeholder discussions for feedback and suitable reporting and documentation. Periodic reviews of CSR programme will be undertaken by the CSR Committee and CSR team. Vestas India's CSR programme as per this Policy will be disclosed on the website, annual reports, in-house journals, as deemed appropriate.
