



Go Further

FORD INDIA PRIVATE LIMITED

POLICY ON CORPORATE SOCIAL RESPONSIBILITY



Ford India

1. Background

Established in 1995, Ford India Private Limited (“Ford India”) is a subsidiary of Ford Motor Company (“Ford”), a global automotive industry leader. Ford India operates a modern, integrated manufacturing facility at Maraimalai Nagar near Chennai, which produces its award-winning range of products, including the Ford Figo, Ford Fiesta, Ford Classic, Ford Endeavour and Ford EcoSport. As part of its commitment to India, Ford India is building a state-of-the-art, integrated manufacturing facility in Sanand, Gujarat.

2. Title and Applicability

Ford India has developed its Corporate Social Responsibility Policy (“Policy”) in accordance with Section 135 of the Companies Act 2013, and implementing CSR Rules.

This policy is applicable to all employees of Ford India at all locations, including at the Chennai and Sanand Plants.

3. Objectives of the CSR Policy

The Policy applies to all CSR programme of Ford India to create a unified approach amongst all Ford India locations and to implement strategic, long-term initiatives under Operation Good Will/ Better World.

4. Policy Statement

4.1 Vision

In keeping with founder Henry Ford’s vision, Ford India’s aims to create a Better World for future generations through education and empowerment.

Corporate responsibility at Ford India is not limited to business processes and products alone, but also extends to engaging responsibly with employees, customers and other stakeholders.

Ford India’s CSR programmes are in accordance with Schedule VII of the Companies Act 2013, with special emphases on education, sustainability, auto safety and local priorities, such as health care and women’s empowerment.

4.2 Outlay

In line with the Companies Act 2013, Ford India will contribute towards CSR initiatives at least 2% of its average net profits of the three immediately preceding financial years. For this purpose, “net profit” and “average net profit” will be calculated in accordance with the provisions of Section 198 of the Companies Act 2013.

Any surplus resulting from Ford India’s CSR projects will not be counted as business profits. Ford India may collaborate or pool resources with other companies to perform CSR activities.

4.3 Focus Areas

In accordance with the guidelines of the Ford Motor Company Fund & Community Services, Ford India supports a broad range of CSR initiatives to improve the quality of life in the communities in India in which it operates. Ford India employees have been volunteering and actively participating in Ford's CSR initiatives since 2009 and have worked on issues relating to education, water/sustainability and local priorities, such as healthcare and women's empowerment.

On auto safety, Ford Driving Skills for Life ("DSFL") has trained more than 10,000 people in India since its launch. Special sessions have been provided for corporations, traffic police, defense personnel, Rotary Clubs, the Madras Cosmopolitan Round Table, fleet drivers and dealers.

Adding to various philanthropic initiatives and community development programs where Ford volunteers are active year round, Ford's biggest effort comes each September during Ford Global Week of Caring). During GWC in 2014 alone, more than 2,700 Ford India volunteers in Chennai, Sanand and Delhi/Gurgaon spent more than 10,000 man hours engaging in various community outreach initiatives addressing education, health, environment, women's empowerment and humanitarian support. In keeping with the true spirit of volunteerism, Ford India employees came together to mobilize relief for the victims of the Uttarakhand flood disaster in 2013. Besides the contributions from Ford India and its employees, Ford India dealers also made donations to aid the flood victims. Ford employees again came together to collect much needed relief materials, including clothes, shoes, blankets and linen, to help those affected by cyclone Phailin in 2013.

5 Governance Structure and Cadence

5.1 Board of Directors

The Board of Directors of Ford India is responsible for:

- a. approving Ford India's CSR Policy;
- b. disclosing the Ford India's CSR Policy on the Ford India's website as prescribed in Section 135 of the Companies Act 2013, read with the CSR Rules;
- c. ensuring that the projects included in Ford India's CSR Policy are undertaken by Ford India;
- d. ensuring that Ford India spends, in every financial year, at least 2% of its average net profits made during the three immediately preceding financial years as required by the Companies Act 2013;
- e. ensuring that Ford India gives preference to the local areas around its manufacturing and business operations; and
- f. ensuring that it explains in the Directors' Report reasons for not spending the earmarked amount if Ford India fails to spend the entire amount.

5.2 CSR Committee of Board of Directors of Ford India

The CSR Committee of the Board of Directors of Ford India:

Mr Nigel Charles Harris	Managing Director	Chairman
Mr Tom Scaria Chackalackal	Whole-Time Director	Member
Mr David Allan Schock	Whole-Time Director	Member

The CSR Committee will be assisted and supported by Heads of Manufacturing, Communications, External Affairs, Human Resources, Legal and Finance. The primary responsibility of the Governance Committee is to hold quarterly meetings to assess and evaluate ongoing initiatives, as well as ensuring overall alignment with objectives. A quorum of two members is required to be present for the proceedings to take place. Such other meetings of the Committee can be convened as and when deemed appropriate.

5.3 Responsibilities of the CSR Committee of Board of Directors of Ford India

- a. Formulating and recommending the CSR Policy to the Board for approval
- b. Describing the projects to be undertaken by Ford India as specified in Schedule VII of the Companies Act 2013
- c. Monitoring the CSR Policy from time to time and recommending changes to the Board
- d. Recommending the amounts to be spent on each CSR project
- e. Instituting a transparent monitoring mechanism for ensuring implementation of the social projects undertaken by Ford India

5.4 CSR Working Committee

The 14-member CSR Working Committee of Ford India identifies the activities and programmes to be undertaken, recommends the amount to be spent on each, and monitors Ford India's CSR Policy.

The Committee is led by the Vice President – Vehicle Operations, Chennai Vehicle Assembly & Engine Plant, and includes representatives from the Chennai Vehicle Assembly & Engine Plant, the Sanand Vehicle Assembly & Engine Plant and Manufacturing, HR, Finance, Legal and IT.

The CSR Working Committee will report to CSR Committee of the Board of Directors of Ford India.

5.5.1 Functions of the CSR Working Committee

- a. Weekly reviews and updates on ongoing projects
- b. Supervision and liaison with volunteers and NGO partners
- c. Performance and project assessment
- d. New project evaluation, approvals and recommendation to the CSR Committee

The CSR Working Committee evaluates proposals based on select criteria, including the scope of the programme; activities listed in Schedule VII of the Companies Act 2013; alignment with Ford Fund guidelines (referred to above); uniqueness of the program; alignment of the programme with overall CSR objectives and other ongoing initiatives; opportunity to involve Ford India volunteers; sustainability of the initiative; proposed budget; and the potential of the programme to enhance the corporate reputation of Ford India amongst the media and other stakeholders. The short-listed proposals are presented to the CSR Committee of Board of Directors for approval.

5.6 Monitoring and Reporting Framework

Ford India has instituted a well-defined monitoring and evaluation mechanism to ensure that each social project has

- a. clear objectives based on societal needs as determined through baseline studies and research;
- b. clear targets, time lines and measureable outcomes where possible; and
- c. a framework for monitoring and reporting on progress aligned with the requirements of the Section 135 of the Companies Act 2013 and its CSR Rules.

CSR Progress Review and Monitoring Authority	Frequency of Review
Board of Directors	Half Yearly
CSR Committee of Board of Directors	Quarterly
CSR Working Committee	Weekly

5.7 Budget Monitoring

Ford India will establish an accounting system to ensure accounting of CSR spend for each project.

5.8 Reporting Framework

Ford India will monitor progress on CSR projects and CSR spending and report to the CSR Committee on a quarterly basis and Board of Directors on a half yearly basis.

Ford India will report CSR performance in its annual report in the structure and format prescribed in the CSR Rules implementing Section 135 of the Companies Act 2013.