



Corporate Social Responsibility (CSR) Policy of Rolls-Royce India Private Limited (RRIPL)

Rolls-Royce India Private Limited (“**RRIPL**”), a subsidiary of Rolls-Royce Overseas Holding Limited, operates in India primarily in the power generation and oil and gas markets, and provides Supply Chain management and Engineering services.

Scope and applicability

This policy sets out our approach and the procedures governing our corporate social responsibility activities in India.

This policy applies across our business in India. This includes any joint venture activities where we hold a majority share, and any contribution or donation made in conjunction with, or through, a third party (including an intermediary). This local policy applies in conjunction with the Rolls-Royce Group policies, including Global Gifts and Hospitality policy, Global Charitable Contributions and Social Sponsorships policy and our Global Sustainability policy.

This policy is implemented in accordance with the appropriate guidelines and procedures as may be prescribed by RRIPL from time to time and in compliance with the Indian Companies Act, 2013 and the rules made thereunder. In the event of a conflict between this policy and Indian Companies Act, 2013 or such other laws as may be applicable, the local laws shall prevail. In the event there is no conflict between the policy and applicable local laws but the policy imposes a higher standard and/or more onerous requirements than local laws, the higher standard and/or more onerous requirements of the policy shall prevail.

Approach to CSR

For the Rolls-Royce Group, sustainability is inherent to our company strategy. Our vision is to deliver better power for a changing world. We will deliver better power for our customers, use innovation to secure a better future, and build on today's achievements to develop a better business, ready for the opportunities ahead.

We are committed to building positive relationships that contribute to the economic development and social wellbeing of communities where we operate. Community investment is an intrinsic part of the way we do business, supporting our business strategy and future success.

We direct our support for charitable contributions and social sponsorships primarily to education and skills, particularly to increase interest and encourage diversity amongst those taking Science, Technology, Engineering and Mathematics (STEM) subjects. We recognise that talented engineers are the key to our future and have set ourselves a target to reach 6 million people globally through the Rolls-Royce STEM education programmes and activities by 2020.

As much as possible, our activities in India are aligned with the Indian Companies Act, 2013 (Schedule VII) and the rules made thereunder with key focus, but not limited to; the promotion of education, including special education and employment enhancing vocation skills, especially among children, women, elderly and the differently abled and livelihood enhancement projects.

CSR projects

We propose to undertake CSR projects through registered trusts or registered societies, and we have an experience of more than 2 years in undertaking similar programmes or projects. We may seek regular periodic report from these third party trusts and societies on the appropriate utilisation of funds on such projects and programmes.

In adherence to section 135 of the Companies Act, 2013 (notified with effect from April 1, 2014) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as may be amended from time to time, we set aside a percentage of our profits for CSR activities in India.

Funding is supervised by the India CSR Governance Committee, and allocated in accordance with our Global Charitable Contributions and Social Sponsorships Policy and Procedure. In accordance with our Global Code of Conduct we ensure that company charitable contributions are appropriate and proportionate. We do not make corporate contributions or donations to political parties or to any organisations, think-tanks, academic institutions or charities closely associated to a political party or cause.

Governance

RR IPL CSR activities are governed by the RR IPL Board of Directors (the Board). The India CSR Governance Committee reports to the Board on a regular basis. The Governance Committee shall include Board members.

The Board of Directors ('the Board') of RR IPL has responsibility for:

1. Defining the composition and tenure of the India CSR Governance Committee, and approving the Governance Committee charter through a Board resolution.
2. Approving the Corporate Social Responsibility Policy through a Board resolution.
3. Ensuring the appropriate allocation of funding to community investment activities in every financial year, and monitor spending and allocation of resources
4. Ensuring that the CSR activities carried out are in accordance with the Corporate Social Responsibility Policy and are related to the activities included in Schedule VII of the Act.
5. To include in the RR IPL Board's Report, an Annual Report on CSR and display the same on the Rolls-Royce Group website (www.rolls-royce.com) as per the particulars specified in the Annexure to Companies (Corporate Social Responsibility) Rules, 2014.

The India CSR Committee

The Charter of the India CSR Governance Committee shall be approved by the Board and the India CSR Governance Committee shall comprise of seven Members of the Board. Subject to the requirements of the Act, the Board may increase or decrease the size of the India CSR Governance Committee by passing a resolution.

The India CSR Governance Committee presently comprises of the following Directors as members of Committee and any change in the constitution of the Committee shall be recorded:

- Kishore Jayaraman, President – India & South Asia, Rolls-Royce India Private Limited
- Ravinder Singh Bedi, Vice President Finance and Company Secretary, Rolls-Royce India Private Limited
- Dr. Kurichi Kumar, Head of Engineering, Rolls-Royce India Private Limited
- Edmund Vaz, Managing Director, Rolls-Royce Marine India Private Limited
- Nithyanandh Dayalan, Country HR Manager – India & South Asia, Rolls-Royce India Private Limited
- Anuja Kadian, Head of Government Relations – India, Rolls-Royce India Private Limited
- Aparna Srivastava, Head of Communications – India, Rolls-Royce India Private Limited

The India CSR Governance Committee has responsibility for:

- Formulating and recommending to the RRIPL Board of Directors, a dynamic and sustainable CSR Policy and plan to be amended from time to time, which shall indicate the activities to be undertaken by the Company in alignment with our policy and Rolls-Royce Group approach, and also in the areas as specified in Schedule VII of the Act;
- To recommend activity wise expenditure on recommended CSR Activities; and
- To monitor the RRIPL CSR Policy from time to time in synchronisation with our Rolls-Royce Group approach and the then present circumstances of the country as well as local scenario.

Funding and budget

India CSR Governance Committee shall endeavour to the best of its efforts that the Company spends, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years.

Net Profit: means net profit as per its financial statements prepared in accordance with the provisions of Section 198 of the Companies Act, 2013 but shall not include:

Any profit arising from any overseas branch(es) of the Company whether operated as a separate company or otherwise; and

Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.

The Company will report reasons for under spending, if any, of the allocated CSR budget of the current financial year in the template prescribed by the Ministry of Corporate Affairs. This reporting will be done in Board Report under the signatures of the India CSR Governance Committee of the Company.

The Company may collaborate with other Companies for undertaking projects or programmes or CSR activities, if required.

Any surplus generated through community investment activities will be reinvested to support further development of such activities and projects in India.

Reporting and monitoring

The RRIPL CSR programs will be identified, implemented and if required be, modified as per the India CSR Governance Committee approved CSR policy. In compliance with the Indian Companies Act and to ensure whether funds spent on CSR programs are creating the desired impact on the ground, a comprehensive Monitoring and Reporting framework will be put in place.

An annual report of the activities undertaken under the CSR initiatives shall be prepared in the format as prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014 mentioning the brief outline of the RRIPL's CSR Policy, composition of CSR Committee, average net profit of last three financial years and including other prescribed details.

The annual report of the CSR shall form part of the RRIPL Board's Report.

- The CSR Committee shall review the implementation of the CSR Programs periodically and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programs in accordance with this Policy.
- Any or all provisions of the CSR Policy would be subject to revision/ amendment by the India CSR Governance Committee based on recommendations of the CSR Committee or in accordance with the guidelines on the subject, as may be issued from time to time.

Effective date

This policy is effective from 1st November 2014.

Further information

Further information can be accessed online at www.rolls-royce.com/sustainability

Related policies include:

- Global Code of Conduct
- Global Charitable Contributions and Social Sponsorships Policy and Procedure

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