

BMW TechWorks India



A **TATA TECHNOLOGIES** Joint Venture

BMW TechWorks India CSR Policy

2025-2026

Version 1.0

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Document Preparation

Version	Author	Function	Launch Date	Reviewed By	Approved By
1	Ishan Kulkarni	Legal & Compliance	—	Board of Management	Board of Directors

Revision List

Revision No:	Updated By	Revision Date	Revision Description	Change Type (Add / Modify / Delete)

Approved by Board of Directors on 19th March 2025



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1. BACKGROUND AND CONTEXT

At BMW TechWorks India, our CSR vision is to co-create sustainable value for our key stakeholders through engineering and technology innovations. Our mission is to make a positive impact on the communities where the Company does business, areas with relevant intervention needs, and on our internal and external stakeholders, thereby, making it better for the planet, better for people and better for progress, better now and better for the future, by leveraging our core competencies, resources, technology, and employee volunteers.

“Do good while doing well” is guiding philosophy that we seek to integrate into our business so we can create a better tomorrow for the future generation to come.

Pursuant to the requirements of Section 135 of the Companies Act, 2013 (hereinafter referred to as “the Act”) and Corporate Social Responsibilities Rules, 2014 as amended from time to time (hereinafter referred to as “the Rules”), BMW TechWorks India Private Limited (BTI) is outlining its processes and governance mechanism relating to Corporate Social Responsibility (CSR) programmes to be conducted in India.

2. ELIGIBILITY CRITERIA

A company satisfying any of the following criteria during the immediately preceding financial year is required to comply with CSR provisions specified under section 135(1) of the Companies Act, 2013 read with the Companies (CSR Policy) Rules, 2014 made thereunder:

- (a) net worth of rupees five hundred crore or more, or
- (b) turnover of rupees one thousand crore or more, or
- (c) net profit of rupees five crore or more

If the company has not completed three financial years since its incorporation, but it satisfies any of the criteria mentioned in section 135(1), the CSR provisions including spending of at least two per cent of the average net profits made during immediately preceding financial year(s) are applicable.

3. FOCUS AREAS

Supporting the vision of creating a cleaner safer and smarter world, the key thematic areas that drive BTI’s portfolio include:

- promotion of education including STEM education
- enhancing employability and entrepreneurship skills
- health
- promotion of gender equality and empowerment of women
- fostering innovation
- enriching environment
- rural development

In addition, the Company shall respond towards rehabilitation and recovery measures against any disasters, depending upon our ability to respond meaningfully. Apart from above-specified areas, the Company shall be open to other areas/funds mentioned under Schedule VII of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time based on needs identified, basis the approval of the Board/CSR Committee.

Exclusions:

The following activities shall not be considered as CSR activities.

- Activities undertaken in pursuance of normal course of business of the Company.
- Any activity undertaken by the company outside India
- Contribution of any amount directly or indirectly to any political party under section 182 of Companies Act;
- Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- Activities carried out for fulfilment of any other statutory obligations under any law in force in India;

4. GEOGRAPHICAL FOCUS

The geographical coverage of BTI's CSR activities will mainly be spread around local areas where the Company has its operations. However, depending on national interest and CSR programme objectives, coverage can extend to boundaries within India.

5. GOVERNANCE

The CSR activities shall be administered under a three-tiered governance structure.

A. Board of Directors

The Board of Directors of the Company form the apex body to review and approve the CSR Policy, Annual Action Plan and have oversight over the CSR activities of the Company. They shall have the overall responsibility to ensure that the funds disbursed towards CSR activities have been utilized for such purposes and in the manner as approved by the Board/CSR Committee.

B. CSR Committee [Mandatory to establish a committee if CSR obligation exceeds a threshold of INR 50 lakhs]

The Board of Directors shall constitute a CSR Committee of the Board as and when it becomes applicable. The CSR Committee of the Board will oversee the implementation and compliance of the CSR activities of the company. The CSR Committee will recommend the Annual Action Plan to the Board for its approval.

C. Chief Financial Officer

The Chief Financial Officer of the Company shall, on an annual basis, certify to the Board of Directors with respect to the utilization of funds earmarked towards CSR Activities.

Board's responsibilities

- To form a CSR Committee and disclose the composition of the CSR Committee in annual report
- Approve the CSR Policy after taking into account and disclose contents of such policy in the Directors' Report
- Place the CSR Policy on the Company's website in the prescribed manner and projects approved
- Ensure implementation of the activities under CSR Policy
- Ensure expenditure of requisite amount on CSR every year as per law
- Disclose reasons for not spending the amount (if applicable) in the Annual Report to the Shareholders of the Company
- Ensure that the administrative overheads are not more than 5% of the total CSR expenditure
- Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board /



CSR Committee and the Chief Financial Officer shall certify to the effect

- Approve transfer of unspent CSR Amount in accordance with the law

CSR Committee's responsibilities

- The CSR Committee shall formulate and recommend CSR Policy and Annual CSR Budget to the Board
- The CSR Committee shall decide on the 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
- In case of any doubt with regard to any provision of the Policy and also in respect of matters not covered herein, a reference shall be made to CSR Committee and their interpretation and decision shall be final
- CSR Committee will meet at least once in a year

6. ANNUAL ACTION PLAN

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of Companies (Corporate Social Responsibility) Amendment Rule 2021;
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes.
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company;

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

7. SELECTION, IMPLEMENTATION AND MONITORING PROCESS

A. SELECTION

For execution of identified programmes through an external agency, a due diligence of the external agency would be carried out to determine its existence, performance rating, beneficiaries, reputation and recognition, governance track record and compliance criterion and such other details as may be deemed necessary to ensure its capability and usefulness for execution of identified CSR activity.

B. IMPLEMENTATION

Approved CSR programs will be implemented through signed memorandum of understanding/ agreement with execution agency which will define all key clauses. The disbursement of funds will be in accordance with the Companies Act, 2013, the rules made thereunder, the Company's policies on procurement and payment, the terms agreed for execution of the project with valid documentations.

C. MONITORING

- To ensure effective implementation of the CSR programmes undertaken, a monitoring mechanism will be set up. The progress of CSR programmes under implementation and status of the work done will be shared with the CEO on a periodic basis.
- To ensure that the administrative overheads do not exceed 5% of total CSR expenditure of the company for the financial year.



- To ensure any surplus arising out of the CSR activities is ploughed back into the same project or transferred to the unspent CSR Account and spent in pursuance of CSR Policy and annual action plan of company or transfer such surplus amount to a fund specified in Schedule VII to the Act, within a period of 6 (six) months from the expiry of the financial year.

8. REPORTING AND DISCLOSURES

Annual CSR report and the annual action plan will be included in the Directors Report and placed before the Board by the CSR Committee for approval. The report will adhere to the specified requirements of section 135 of the Companies Act, 2013.

9. AMENDMENTS TO THE CSR POLICY

The Board of Directors of the Company shall have the powers to revise/modify/amend this Policy from time to time, as the Board may think fit, based on the recommendations to be made by the CSR Committee to confirm to the revision/amendment, if any, to be made to the CSR Rules by the Ministry of Corporate Affairs, under the Act. This Policy shall be reviewed on an annual basis.

10. PROCESS OF UNDERTAKING CSR ACTIVITIES

