

CNH INDUSTRIAL CAPITAL (INDIA) PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

[The CSR Policy is in compliance with Section 135 of the Companies Act, 2013 read along with the applicable rules thereto.]

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Introduction:

India is one of the global emerging markets and stands at the middle of a strong growth path ahead. In order to have a sustainable growth ahead it is imperative for India to not only focus on economic growth in totality but also focus on inclusive development. A strong and prosperous social development sector is the answer to India's mission of inclusive and sustainable growth.

It is recognized world over that integrating social, environmental and ethical responsibilities into the governance of businesses ensure their long term success, competitiveness and sustainability. As defined by United Nations Industrial Development Organization, "CSR is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders."

Our ultimate holding company, CNH Industrial NV, globally is an environment focused and a socially responsible organization. It is committed to maintain the highest standards of CSR/Sustainability. It is also the Sector Leader in Dow Jones Sustainability World and Europe Indices for its excellent performance in economic, social and environmental sphere. CNH Industrial (India) Private Limited our holding Company and our Company CNH Industrial Capital (India) Private Limited (herein after known as "CNH Industrial Capital") too shares a similar CSR / Sustainability focus.

We acknowledge that businesses are an integral part of society and have a critical and active role to play in the sustenance and improvement of healthy ecosystems, in fostering social inclusiveness and equity, and in upholding the essentials of ethical practices and good governance.

For us, CSR means not only investment for social activity but also integration of business processes with social processes.

In pursuance of the requirements laid down under Section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as the "CSR Rules") issued by the Ministry of Corporate Affairs ("MCA"), Government of India, the CSR Policy is subject to approval of the Board of Directors.

Unless the context otherwise requires, words and expressions used in this policy shall have the same meaning defined in the Companies Act, 2013 (as may be amended from time to time) respectively assigned to them therein.

The following policy has been formulated and adopted by the Board of Directors at its meeting held on March 12, 2022.

Objective and Purpose of the Policy:

CNH Industrial Capital's CSR initiative focuses on creating and adding economic, social environment value to the society. Through its CSR activities the Company intends to grow and create value by supplying innovative products and services for maximum customer satisfaction with due respect to the legitimate interests of all stakeholders (including directors, officers and employees, as well as shareholders, customers, suppliers and the communities in which the Company operates.

The CSR Policy relates to the activities to be undertaken by the Company as specified in the Schedule VII of the Companies Act 2013 and the expenditure thereon, excluding activities undertaken in pursuance of normal course of action of business of the Company. Detailed Objectives as below:

- To lay down criteria and terms and conditions with regard to identifying CSR Projects or Programs or activities which fall under the purview of the Schedule VII of the Companies Act 2013, specifying the modalities of execution of such project, programs and activities and implementation schedule of the same;
- To ensure that the surplus arising out of the CSR Projects or programs or activities do not form part of the business profit of the Company and that it is used for CSR Activities only.
- To devise a monitoring process to review overall such projects or programs or activities undertaken by the Company.

Effective Date:

This policy shall be effective from date of the Board meeting (as mentioned above) on which it was approved.

Constitution of the CSR Committee:

The Company exempt from the requirement of constitution a separate CSR Committee since the CSR amount to be spent by a company does not exceed fifty lakh rupees and the functions of such Committee shall be discharged by the Board of Directors of such company., however the Company may constitute a committee as a Corporate Governance measure.

The Board has the power to constitute/reconstitute the Committee consistent with the Company’s policy and applicable statutory requirement.

1. SCOPE:

The CSR activities needs to be carried out in India, preference shall be given to local areas and around where it operates or in any other location as recommended by Board/CSR Committee.

Activities which are over and above normal course of business at CNH Industrial Capital are CSR Activities. This policy applies to all our CSR projects. On a periodic basis this policy will be reviewed and updated in line with relevant codes of corporate governance, international standards and best practices. Furthermore, the policy also fulfils the requirements of the CSR rules as per the Section 135 of the Companies Act, 2013.

1.1 Normal Course of Business:

CNH Industrial Capital is registered with the Reserve Bank of India as an Non-Banking Financial Company (NBFC) and has a significant presence in agricultural and construction equipment financing under Financial Services domain. It is a wholly owned subsidiary of CNH Industrial (India) Private Limited which is a manufacturer of agricultural and construction equipment.

2. FOCUS AREAS FOR CSR:

In India, CNH Capital for its growth has preferred the path of sustainability. CNH Capital will focus on:

- To contribute and promote the Health care facilities.
- To promote and support education.
- To focus on development of rural areas.
- To promote Women empowerment and gender equality.
- To focus on continuous Improvement of environmental sustainability.

Over and above the focused goals, the Company may from time to time undertake additional CSR activities under Schedule VII referred to in the Section 135 of the Companies Act 2013, such detailed below:

2.1 ACTIVITIES THAT THE COMPANY IS AUTHORISED TO UNDERTAKE AS CSR ACTIVITIES IN ACCORDANCE WITH SCHEDULE VII OF THE COMPANIES ACT 2013:-

Health care and welfare activities

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set up by Central Government for the promotion of sanitation and making available safe drinking water;

Education sector and sustainable livelihood-

- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

Women and Child development and rehabilitation of disabled persons-

- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Measures for the benefit of armed forces veterans, war widows and their dependents;

Protection and safeguard of Environment -

- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;

Social and Cultural Development-

- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the central government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contributions or Funds provided to technology incubators located within academic institutions which are approved by the Central Government.

Rural development projects

- Slum area developments or as may be prescribed by Companies Act 2013 and related rules.

Any Other

- Any other permissible activity under Schedule VII of the section 135 of the Companies Act, 2013 and Rules made there under and notified time to time by Ministry of Corporate Affairs.

3. GOVERNANCE STRUCTURE

We have constituted a robust and transparent governance structure to oversee the implementation of our CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013.

The CSR governance structure of CNH INDUSTRIAL CAPITAL will be headed by the Board.

Responsibilities of the Board with respect to CSR

- Formulate, approve, revise the Company's CSR Policy;
- Suggest areas of intervention;
- Approve projects that are in line with the CSR Policy;
- Put monitoring mechanism in place to track the progress of each project;
- Approve the CSR budget and expenditures of CNH Industrial Capital and;
- To review the progress made as per CSR Plan.
- Ensure the Annual Report is as per prescribed format.

4. CSR BUDGET

The Board will recommend the annual budget in accordance with Section 135 of the Companies Act 2013.

5. IMPLEMENTATION

The Company's CSR programmes will be identified and implemented according to the Board's approved CSR policy. The Company will design a monitoring and evaluation mechanism so as to ensure every programme has:

- I. clearly defined objectives (developed out of existing societal needs determined through baselines/studies/research), targets and time lines.
- II. a robust progress monitoring system
- III. impact assessments
- IV. a reporting framework and system in alignment with the Act and Rules.

CSR Projects shall be implemented by the specialized agencies and/or by various work-centers of CNH Industrial Capital in India as may be decided by the Board from time to time.

Further, the activities planned for the year shall also identify the period/time frame in which these are likely to be taken up and will be completed etc. and further, for carrying the CSR project/activities in a particular year estimated outlay for that year shall also be prepared.

6. REPORTING

The Board, based on reports presented by the Implementing Committee/concerned department, will annually publish report on the CSR projects as a part of the Director's report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act, 2013.

7. PARTNER QUALIFICATIONS

If a third party is employed to carry out the implementation of our CSR projects, the Board of CNH Industrial Capital will ensure that they have a clearly explained mission/vision and an established track record of three years in undertaking similar projects or programmes. The implementation agencies should be able to produce their registration forms according to 80G/12A and other documents as may be required.

8. TREATMENT OF SURPLUSES

Any surplus generated from CSR projects undertaken by us will be tracked and channelized into our CSR corpus. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.

9. REVIEW AND AMENDMENTS TO THE POLICY

The Board of Directors on its own can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Effective date of Policy	March 12, 2022
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In case of any clarification, please contact below –

CSR Head/Lead
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For & On Behalf of Board of Directors
CNH Industrial Capital (India) Pvt Ltd

Sd/-
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Company Secretary
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