LKQ India
Standard SOP Template-V1.2

LKQ India Corporate Social Responsibility (CSR) Policy

Version :1.4

Status: Completed

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Corporate Social Responsibility (CSR) Policy

1.1 Document Version History

Version No:	Stakeholder's Approval Date	Summary of changes	Last Revised by:	PEX's Approval	Stakeholder's Approval	R&IC's Approval
1.0	08-01-2018	Document Created	Sweety Karnel HR Specialist	NA	Kishore Kumar Leader - Global Competency Center	NA
1.1	05-01-2022	Annexure updated (removed left member names)	Sweety Karnel HR Specialist	NA	Prashanth C Practice Leader	NA
1.2	03-01-2023	Annexure updated (removed Left member names)	Kavitha E Lead- Employee Experience	NNA	Prashanth C Practice Leader	NA
1.3	04-08-2023	Updated POCs contact details	Jaishree Dewangan Lead- Employee Experience	NA	Prashanth C Practice Leader	NA
1.4	03-25-2025	Updated POCs, contact details, Added new annexure	Aparna M.S Associate- Member experience	NA	Prashanth C Practice Leader	NA

1.1 Introduction:

LKQ India Private Limited (Formerly known as Keystone Automotive Operations (India) Private Limited) (hereafter referred as 'LKQ India' or 'the Company') intend to make a positive difference to society, which means contribution to sustainable development by practicing its corporate values through commitment to grow in a socially, economically and environmentally responsible way, while meeting the interests of its patrons.

The term "**Corporate Social Responsibility" ('CSR')** refers to companies' initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare. The essence of CSR comprises philanthropic, corporate, ethical, environmental, legal and economic responsibilities. In other words, pillars of CSR are people, planet and profit.

CSR policy at LKQ India is framed in accordance with the Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 issued by the Ministry of Corporate Affairs.

1.2 Objective:
- To be the societal change makers
- Creating opportunities for members to participate in socially responsible initiatives

1.3 CSR Committee:

"CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

LKQ India has constituted **CSR Committee ("the Committee")** – Refer annexure 1

Responsibilities of the Committee:

The responsibility of the committee includes
- To formulate and recommend to the management and indicate activities to be undertaken by the Company
- Recommend the amount of expenditure to be incurred on the CSR activities

- Monitoring CSR activities from time to time

1.4   Focus Area

LKQ India recognizes that CSR is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014. Decisions on undertaking any CSR activities shall be taken by the CSR committee.

- Eradicating extreme hunger, poverty and malnutrition
- Promoting preventive healthcare and sanitation, ensuring the availability of safe drinking water, and extending basic healthcare to all
- Reducing child mortality and improving maternal health
- Promoting education at all levels, including primary, secondary, and higher secondary education, as well as special education and awareness programs. Providing monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, and other resources with the objective of assisting students in their studies
- Enhancing employment-oriented vocational skills, especially among children, women, the elderly, and the differently abled, along with implementing livelihood enhancement projects
- Environmental Sustainability: Projects, activities, programs related to conservation of natural resources including renewable energy sources, ecological balance and maintenance of the quality of soil, air, and water
- Promoting gender equality and empowerment of women; setting up homes, hostels and day care centers for women, orphans, old age adults and such other facilities for senior citizens; and adopting measures to reduce inequalities faced by socially and economically backward groups
- Rural Development: Need based quality infrastructure to improve quality of life. Sustainable livelihood projects – Holding hands of all marginalized group to improve livelihood opportunity, thus improving their quality of life
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development, relief efforts, and the funds for the welfare of Scheduled Castes, Scheduled Tribes, other backward classes, minorities, and women

1.5   **Budget:**

As per the regulations LKQ India will set aside, for annual CSR activities, an amount equal to 2% of the average net profits of the Company made during the three immediately preceding financial years. Any unutilized CSR allocation fund of a particular year will be carried forward to the next financial year i.e. the CSR budget will be non-lapsable in nature.

LKQ India management and CSR Committee shall ensure that in each financial year the Company spends at least 2% of the average net Profit made during the three immediately preceding financial years.

Net Profit means the net profit of the Company as per its financial statement prepared in accordance with applicable provisions of the Companies Act, 2013 (Section 198), but shall not include the following

- Any profit arising from any overseas branch or branches 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.
- Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956 shall not be required to be re-calculated in accordance with the provisions of the Act.
- Any surplus arising out of the CSR Projects or programs or activities shall not form part of
- the business profit of the company.

As per section 135 of the Companies Act, the Company will report reasons for under spending of the allocated CSR budget for the current financial year.

1.6 Identification of Activities/Projects:

Out of approved CSR activities, the Committee shall decide which activity/project should be given priority for the respective financial year. While arriving at the decision of the activity to be undertaken for the respective year, the Committee shall analyze the basic needs of the community/ area in which the Organization operates or at the place where its registered office is situated. The Committee shall record its findings and prioritize the CSR activities.

1.7 Implementation Process:

After prioritizing the activity, the Committee shall finalize the detailed implementation project/program, including planning for expenses against the total budget allocated for CSR activities.

1.8 CSR Monitoring and Reporting Framework:

In compliance with the Act and to ensure funds spent on CSR Activities are creating the desired impact on the ground, a comprehensive Monitoring and Reporting framework has been put in place. The CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the CSR activities.

CSR Committee shall present on a periodic basis along with the list of CSR activities conducted by the Company to the management together with the progress made from time to time as a part of the evaluation process under the monitoring mechanism.

1.9 Frequency of Meetings:

The meetings of the Committee could be held at such periodic intervals as may be required.

1.10 Geographical Area for CSR Activities:

The CSR Committee shall decide on the locations for CSR activities.

1.11 Conclusion:

Any or all provisions of CSR Policy would be subjected to revision/amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time.

1.12 Annexure 1:

CSR Committee Members:

Sl no	Name	Contact number
1	Kishore Kumar	9845327987
2	Avinash Gowda	9980294028
3	Prashanth Chandrashekar	9980011254
4	Sanjeeva S	9886135515
5	Anoop Kumar	9743289273
6	Sucheth S	9986132508
7	Sushma Sanil	9449999517
8	Karthik Raj G	8904767746

1.13 Annexure 2:

Branding Board & Branding Badge Standardization

To maintain consistency and brand integrity across all projects, the attached Branding Board Design /Branding Badge Design are established as the standard templates. These designs must be used uniformly in all official branding efforts to ensure coherence, professionalism, and alignment with our brand identity.

Any modifications or deviations from these standard designs require prior approval from the designated branding team or management. This policy applies to all projects, ensuring a cohesive and recognizable brand presence.

CSR_Badging_Design-Editable.pdf   CSR_Branding_Design-Editable.pdf

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