

# Corporate Social Responsibility Policy

Lufthansa Technik Services India's CSR Policy (March 2020)



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“It is our collective and individual responsibility to preseve and tend to the environment in which we all live.”

## 1. Introduction

As a conscientious corporate citizen, Lufthansa Technik Services India (LTSI) firmly believes that business is largely dependent on ‘Society’ for its growth and prosperity. LTSI recognizes that Corporate Social Responsibility (“CSR”) projects are far more scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and environmental replenishment.

LTSI is determined to follow all norms as far as sustainability reporting is concerned and is marching towards achieving that milestone. People’s participation is encouraged.

### **CSR at Lufthansa Group**

LTSI was founded in India in 2005 and is one of the subsidiary part of the Lufthansa Group.

In 2002, Lufthansa Group was the first aviation company to sign the UN Global Compact for sustainable and responsible corporate governance, holding its “participant” status continuously since then. Therewith, Lufthansa Group is strongly committed to this alliance between United Nations and businesses, the goal of which is to shape globalization in socially and environmentally compatible ways. The airline group thus again confirms its voluntary commitment to align its business strategy with the ten globally recognized principles covering the areas of human rights, labor standards, environmental protection and anti-corruption measures.

## 2. LTSI CSR Policy Objective

The objective of the policy is to outline Lufthansa Technik Services India Corporate Social Responsibility (CSR) approach in alignment with Section 135 of the Companies Act, 2013 read with applicable rules. Lufthansa Technik Services India shall actively participate in the development of its community and society. The policy outlines guidelines for the undertaking programs geared towards social welfare activities. Our CSR efforts shall focus on the following areas which are aligned to Schedule VII to the Indian Companies Act 2013 (“Act”):

- Education and Skill

## 3. Role of LTSI in Social Sector

1. To encourage and stimulate community participation, promoting education, medical and residential care, creating livelihoods for people, especially for those from disadvantaged sections of society, in rural and urban India.
2. To create an enabling environment that promotes mutual trust and benefit for the community and industry.
3. To provide equal opportunities to beneficiaries of the Company’s CSR Programs.
4. To engage in affirmative action interventions such as skill building and vocational training, to enhance employability.

## 4. CSR Policy: Governance

### **Board of Directors**

In line with the provisions of Section 135 of the Act, Lufthansa Technik Services India's Board of Directors will be responsible for the following:

1. Constitute a CSR committee and approve the CSR policy;
2. Make sure the company spends, in every financial year, at least 2% of its average net profit during the three preceding financial years, in pursuance of this policy
3. Approve the CSR action plan and budget as proposed by the CSR committee in accordance with Schedule VII of the Companies Act, 2013
4. Make disclosures in the Board report as per clause (o) of sub-section (3) of section 134 including particulars specified in Annexes to the CSR rules. If the company fails to spend the amount, reasons for not spending to be specified in the above report.

### **LTSI CSR Committee**

The CSR Committee has been constituted in accordance with the provisions of the Act comprising of the 3 (three) Directors. The Company Secretary shall be the secretary to the Committee. The CSR Committee may invite other experts/ invitees as per its requirements.

The CSR Committee shall be responsible for:

1. Formulating the CSR Policy, including the CSR Activities and their budgets as well as recommendation of any subsequent change/ modification to the CSR Policy;
2. Institute an implementation and monitoring mechanism for CSR Activities;
3. Periodically updating the Board on the progress being made in the planned CSR Activities;
4. Providing a responsibility statement in the Board's report.

## 5. LTSI's Corporate Social Responsibility Activities, Projects and Programs.

Lufthansa Technik Services India has identified the following focus areas of intervention in an Education and skill development at two schools in rural/semi-urban areas in India:

- I. Shanti Bhavan Educational Trust
- II. Education Project Sunshine
- III. Various Skilling Program (Veterans from Indian Air Force and others).

## 6. Measurement of CSR performance

### Reporting

1. The CSR Committee shall maintain proper minutes of all its meetings.
2. The CSR Committee shall prepare an annual report on CSR with such information and particulars as may be required by the Act and such report shall be included in the Board's report annexed to the financial statements.
3. The Board's report shall include an annual report on CSR containing such details as may be prescribed from time to time under the Act and the CSR Rules.
4. The Board will be responsible to ensure that the statutory requirements as may be prescribed from time to time under the Act and the CSR Rules are complied with.

## 7. LTSI CSR Expenditure

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan. Moreover, any surplus arising from any CSR Programmes shall be used for CSR. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

### Amendments to the policy

The Board of Directors on its own and/or as per the recommendations of the CSR committee can amend this policy, as and when deemed fit. Any or all provisions of this CSR policy are subject to the applicable provisions of the Companies Act, 2013 and any subsequent amendments thereof from time to time.

### Compliance statement

The CSR policy of the company was originally approved by the company's Board of Directors on 27th March 2019 for adoption as the company's CSR policy. The contents of this policy shall be appropriately disclosed in the Board report in accordance with the requirements of the Companies Act, 2013, and rules framed thereunder.

In compliance with the requirements of the Companies Act, 2013 it is confirmed that:

- A copy of this policy will be placed on the Company's website / internal portal, and
- any surplus arising out of the CSR projects, programmes or activities shall not form part of the business profit of the company.

### Further Reading and Information

For more information about LTSI CSR activity please visit: <https://www.lufthansa-technik.com/lht-services-india>

For more information about Lufthansa Group CSR activity please visit: <https://www.lufthansagroup.com/en/responsibility/corporate-responsibility.html>