

## Table of Contents

1	INTRODUCTION.....	2,3
2	OBJECTIVES.....	3
3	CSR COMMITTEE.....	4
4	FOCUS AREA.....	5
5	MODALITIEIS OF EXECUTION.....	6
6	MONITORING POLICY.....	6
7	CSR BUDGET / SPEND.....	6
8	POLICY REVIEW & FUTURE AMENDMENT.....	7
9	EFFECTIVE DATE.....	7
10	CONTACT.....	7

Authorized by: CSR Committee of FANUC India Private Limited

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## 1. INTRODUCTION

### 1. (1) About FANUC

The history of FANUC is recognized with history of Computer Numerical Controls (CNC) itself. FANUC's businesses were founded in 1956 when it started to develop numerical controls (NCs) and servo systems. In 1956, the first NC in Japanese private sector was developed successfully. Since then, FANUC have continued to develop new technology into their products.

Till 1972, FANUC was part of FUJITSU LIMITED. In 1972 FUJITSU FANUC LTD was founded by Dr. Seiemon Inaba. FANUC is headquartered in its own forest of 1.5 million square meters in area at the foot of Mt.Fuji. FANUC technology has contributed to a worldwide manufacturing revolution, which evolved from the automation of a single piece of machine to the automation of entire factory production lines.

FANUC contributes to its customers for their drive for automation with its three pillars of businesses, namely, FA Business based on its basic technologies of NC and SERVO as well as ROBOT Business and ROBOMACHINE Business that apply those basic technologies.

FANUC's worldwide network timely provides the state-of-the-art technologies and highly reliable products to our customers. In today's manufacturing world, FANUC is the most reliable and dependable brand on any shop-floor. Today FANUC CORPORATION is rated as one of the top most successful company in world and stands atop in stock market in Tokyo Stock Exchange.

FANUC India was established in 1992 as Joint Venture with local Companies in India, headquartered in Bangalore. Today FANUC India is 100% subsidiary of FANUC CORPORATION, Japan with presence at 22 locations across India.

Our main objective is to provide the Indian market with the entire range of top of the line FANUC products coupled with value added services thereby delivering the least cost of ownership to our customers. We partner with our customers through our extensive portfolio of services which include,

- ✓ Entire range of latest FANUC technologies
- ✓ Supply chain support through optimized inventory control
- ✓ Fixed Rupee selling prices for select products

- ✓ Application support - interfacing CNC with mechanicals & demonstrating features
- ✓ Turnkey shop floor automation solutions
- ✓ Extended support for tooling and fixturing

World-class after-sales service including,

- Extensive network for prompt on-site support and repair of faulty parts.
- 2-years comprehensive warranty for most products
- World's lowest cost maintenance contracts
- Product training at Bangalore, Pune and Gurgaon

## 1. (2) Corporate Social Responsibility in India

Corporate Social Responsibility (CSR) in India has traditionally been seen as a philanthropic activity. While the companies have been traditionally engaged in doing CSR activities voluntarily, the new CSR provisions as per new Companies Act has put formal and greater responsibility on companies to set out clear framework and process to ensure strict compliance.

The new Companies Act 2013 (hereinafter referred to as 'the Act'), has introduced the idea of CSR to the forefront and through its "Comply-or-Explain" mandate. It mandates qualifying companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities of the Company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as "CSR Rules") lays down the framework and modalities of carrying out CSR activities which are specified in Schedule VII of the Act.

## 2. OBJECTIVES

The main objective of the CSR Policy is to lay down guidelines for FANUC India Private Limited (hereinafter referred to as 'the Company') to make CSR as one of the key focus areas to make a positive contribution to society through high impact, sustainable programs for uplift of society.

This Policy covers current as well as proposed CSR activities to be undertaken by the Company and examining their alignment with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

### 3. CSR COMMITTEE

#### 3. (1) Constitution

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company which must consist of at least two or more Directors. Thereby any changes in the members of CSR Committee shall also be regulated by the Board of Directors of the Company. In pursuant of above CSR Policy, Company's CSR Committee is duly constituted. The Board also authorized the CSR committee to form a sub-committee for execution of CSR activities.

#### 3. (2) Powers of the Committee

Following are the Powers of the CSR Committee,

- 1) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII.
- 2) This committee shall also monitor the CSR Policy of the company from time to time.
- 3) CSR committee is empowered to form its sub-committee within or outside the company to execute CSR activities as applicable.
- 4) Recommend the CSR Budget or the amount of expenditure to be incurred.
- 5) Create transparent monitoring mechanism for implementation of CSR activities.
- 6) Formulate the modalities of execution of CSR activities.
- 7) Monitor CSR policy from time to time.
- 8) Submit the Reports to the Board in respect of the CSR activities undertaken by the Company.

#### 3. (3) CSR Committee Meeting

The CSR Committee shall meet atleast once a year. Members of the CSR Committee can agree upon mutually regarding time and place for the meeting. Quorum for the meeting should be two. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the provisions of the Companies Act, 2013 and rules made thereunder from time to time. Members of the committee shall be the Permanent Invitees to the said Meeting. Members of sub-committee and Senior Management may attend the CSR Committee Meetings as may be appropriate, subject to the approval of the CSR Committee. Minutes of the CSR Committee shall be placed before the Board for noting.

#### 4. FOCUS AREA

FANUC India's CSR Policy intends to make a positive contribution to society through high impact, sustainable programs, which intends to:

- Strive for economic development that positively impacts the society at large with an optimal resource.
- Embrace responsibility for FANUC India's actions and encourage a positive impact through its activities on Education, Poverty, Malnutrition, Environment, Communities and Society in general.

In accordance with the requirements under the Companies Act, 2013, FANUC India would contribute in following areas,

- Eradicating extreme hunger and poverty
- Drinking water
- Sanitation
- Healthcare including medical aid
- Education
- Rural Development
- Vocational Skills
- Rural Development Projects
- Entrepreneurship Skills
- Employment Opportunities
- Environment Protection
- Conservation of Natural Resources
- Protection of National Heritage
- Promoting and Development of Art and Culture
- Public Libraries
- Welfare and Empowerment of Women
- Facilities for Senior Citizens and Old Aged
- Human Rights
- Animal Welfare
- Contribution to technology incubators located within academic institutions
- Measures for armed forced veterans, war widows and their dependents
- Contribution to Natural Calamities and Disaster
- Contribution to welfare of Scheduled Castes, Scheduled Tribes and Minorities
- Any other area as may be prescribed by Schedule VII amended from time to time
- Any other area that may specifically be notified under CSR from time to time

The company will review the sectors from time to time and make additions / deletions / clarifications to the above sectors.

## 5. MODALITIES OF EXECUTION

In line with Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its CSR Plan, as recommended by the CSR Committee. The committee is authorized to approve any modification to the existing CSR Plan or to propose any new program at any time.

The Board of Directors of the Company will be appraised about the CSR activities that the Company has undertaken or will be undertaken based on recommendation of its CSR Committee which outlines the CSR activities of the Company. The company may choose to undertake its CSR activities through any entity/organization as approved by CSR Committee. The company may undertake its CSR activities anywhere in India.

## 6. MONITORING POLICY

A CSR sub-committee comprising of employees of the Company other than CSR Committee members will be created to ensure effective implementation and monitoring of the projects approved by the CSR Committee. The sub-committee will submit periodic reports to the CSR Committee of the Company on the progress of the various projects approved by the Committee and entrusted the implementation and monitoring.

## 7. CSR BUDGET / SPEND

The Act mandates companies to allocate certain portion of its annual net profits during the three immediately preceding financial years to be spent on CSR Activities that fall under purview of Schedule VII of the Act.

The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

The Company may build CSR capabilities of their own personnel as well as of their Implementing Agencies and such expenditure shall not exceed 5% of the total CSR spend of the Company as stated in the Rules from time to time. Determination of whether a particular expenses fall within this 5% cap can be decided in consultation of the Board of Directors of the Company based on the clarification available from time to time in this regard.

Any surplus arising out of the CSR initiatives or projects or programs shall not form part of the business profits of the Company.

In case the Company fails to spend the targeted amount in that particular financial year, the Committee shall submit a report in writing to the Board of Directors specifying the reasons for not spending the amount which in turn shall be reported by the Board of Directors in their Directors' Report for that particular Financial Year.

## 8. POLICY REVIEW & FUTURE AMENDMENT

The Committee shall review its CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board.

## 9. EFFECTIVE DATE

This CSR Policy is effective from Financial Year 2014~15.

## 10. CONTACT

For queries related to our CSR Policy, you may please contact,

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