



Sigma Electric Manufacturing Corporation Private Limited

Corporate Social Responsibility (CSR) Policy

Amended on December 26, 2022

I. CSR POLICY

This CSR Policy encompasses Sigma's philosophy for social responsibilities and lays down the guidelines and mechanism for undertaking projects, programs and activities towards such responsibilities.

II. VISION STATEMENT AND OBJECTIVE

1. The CSR Policy sets out Sigma's commitment towards ensuring that our activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The CSR Policy lays down guidelines for undertaking programmes geared towards social welfare activities or initiatives. Through this CSR Policy, we propose to adopt the CSR Activities as mentioned below.
2. In alignment with the above vision, Sigma India, through the CSR Activities, will strive to enhance value creation in the society and in the community by promoting science education, so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate.
3. This CSR Policy has been framed in accordance with the applicable provisions of the Companies Act 2013 and the rules issued thereunder.
4. The objective of this CSR Policy is to:
 - (i) Outline projects, programs and activities to be undertaken by Sigma Electric Manufacturing Corporation Pvt. Ltd. India
 - (ii) Specify the modalities of execution of such projects, programs and activities;
 - (iii) Monitor the process to be followed for such projects, programs and activities;
 - (iv) Take up programs that benefit the communities in and around its work centers and results, over a period of time, in enhancing the quality of life and economic well-being of the local community members and;
 - (v) Generate community goodwill for Sigma and help reinforce a positive and socially responsible image, through our CSR Activities.

III. CSR COMMITTEE

1. The CSR Committee has been constituted in accordance with the provisions of the Act. The CSR Committee may invite other experts/ invitees as per its requirements.
2. The CSR Committee shall be responsible for:
 - (i) Formulating the CSR Policy, including the CSR Activities and their budgets as well as recommendation of any subsequent change/ modification to the CSR Policy;
 - (ii) Institute an implementation and monitoring mechanism for CSR Activities;

- (iii) Periodically updating the Board on the progress being made in the planned CSR Activities;
- (iv) Providing a responsibility statement in the Board's report.

IV. CSR Support Team

The CSR Support team has been constituted to assist the CSR Committee with the implementation and impact assessment of the CSR initiatives. The CSR Support Team comprises of the following:

General Manager – HR
Head – Business
Excellence Head –
Finance (VP)

Role of the CSR Support Team

The CSR Support Team shall be responsible for:

- (i) Identifying CSR Activities at the directions of the Board and the CSR Committee;
- (ii) Undertaking impact assessment of the CSR Activities;
- (iii) Determining the modalities of execution including targets and timelines in consultation with the CSR Committee;
- (iv) Timely implementation of the CSR Activities approved by the Board in compliance with the applicable provisions of the Act and CSR Rules;
- (v) Providing periodic reports to the CSR Committee on implementation as well as assessment carried out through field visits and feedback sessions; and
- (vi) Any other assistance as may be required by the Board and the CSR Committee in relation to implementation of the CSR Activities.

V. PROJECTS, PROGRAMS AND ACTIVITIES

Corporate social responsibility is a key element of the Company's overall mission. Sigma will support science programs in various locations across India, by partnering with a leading non-governmental organization focused on learning.

Sigma's program reaches out to >10,000 children across 72 schools in rural and urban areas. This program will help children understand scientific concepts through innovative hands on modeling and experiments.

The program aims to identify children with a special interest in science.

The Company may undertake any one or more of the following activities, as mentioned in Schedule VII of Companies Act, 2013 (as amended), as may be decided by the Board of Directors or CSR Committee of the Board from time to time depending on the suitable opportunities available and need of the area concerned:

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

2. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining the quality of soil, air, and water.
3. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
4. Contribution to Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM Cares Fund).

The CSR Committee shall undertake sufficient due diligence of each of the CSR Activity before it is implemented.

Based on the recommendations of the CSR Committee, the Board shall approve the following:

- (i) The specific CSR Activities that should be undertaken from time to time;
- (ii) The amount of the CSR Expenditure on each of the CSR Activity; and
- (iii) Whether the CSR Activities will be undertaken directly or through an implementing agency or in collaboration with any other companies, including by availing services of any NGOs and record reasons for the same.

VI. CSR EXPENDITURE AND ALLOCATION

The CSR spend by qualifying Sigma entities for them shall be as per the requirements of the Companies Act 2013. The entities may in compliance with the provisions of the Act and the CSR Rules, including notifications and clarifications issued thereunder received funds from its parent company for the CSR Expenditure.

The Board shall approve the allocation of the CSR Expenditure on the CSR Activities and, to the extent possible, shall give priority to the local areas wherever Sigma India has its operations.

VII IMPLEMENTATION

1. Identification and Partnering with Competent NGO's.
2. The Board along with the CSR Committee and the CSR Cell shall be responsible for implementation of this CSR Policy.

Sigma believes, 'To build a strong and competitive nation, education is the key'. With a mission to improve the quality of education for the needy students in rural region, Sigma decided to partner with one of the largest NGO's in the country which is an innovative learning organization created to improve the quality of education.

VIII MONITORING MECHANISM

1. To ensure effective implementation of the CSR projects, programmes and activities undertaken in terms of this CSR Policy, the progress of each such project, programme and activity will be reported to the CSR Committee on a monthly/quarterly basis, with all requisite documentation.
2. A quarterly report on implementation shall be submitted to the Board by the CSR Committee.
3. The CSR Committee shall also try to obtain feedback from the beneficiaries of the CSR projects, programmes and activities. If considered necessary, the effectiveness of the various programs/ activities undertaken under the CSR Policy may be got evaluated through external agencies for providing the required feedback and inputs to formulate and improve the programs in future.

IX. IMPACT ASSESSMENT

1. Regular and interactive feedback sessions shall be conducted at all levels including NGO's through which CSR Activities are being undertaken as well as the respective beneficiaries of all the CSR Activities undertaken.
2. Field visits shall be conducted at regular intervals to ensure effective implementation.
3. If deemed necessary by the CSR Committee, the effectiveness of the various programs/ activities undertaken under the CSR Policy may be evaluated through external agencies and reports shall be prepared pursuant to such evaluation.

X. 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.

XI. GENERAL

1. Any surplus arising out of the CSR projects/programs or activities shall not form part of the business profits.
2. All administrative expenses, including expenditure on wages and salaries, tours and travels, and training and development of personnel deputed on CSR Activities would be borne from CSR funds. However, the expenditure in a financial year for building CSR capacities of the personnel as well as the implementing agencies shall not exceed 5% (five per cent.) of total CSR Expenditure in such financial year.

3. If it is observed that any CSR Activity taken up for implementation is found not properly implemented, the CSR Committee may, with approval of the Board, may discontinue funding the project at any time during the course of implementation and use such funds for any other project.
4. The CSR Committee shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this CSR Policy.

XII AMENDMENT

The CSR Committee is empowered to amend or modify the CSR Policy and such changes shall be placed before the Board for its approval. The Board may subject to compliance with applicable law, at any time approve or alter, amend or modify the CSR Policy, as it deems fit to comply with the statutory obligation to undertake the CSR Activities.