

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

CSR Vision: “Creating a Sustainable and Responsible business”

Sterling and Wilson Solar Limited (“SWSL” or “the Company”) is committed to enriching people’s lives. We take pride in being socially and environmentally responsible to our employees, stakeholders, vendors, and the world at large. Every precious resource utilized by us is accounted for and used optimally keeping in mind the greater good of society. For us, business is as much about integrating societal, economic, and environmental obligations as it is about creating value for our esteemed customers. In our own humble way, we strive to be the change we want to see.

CSR Objectives:

This Policy sets out the framework that would guide all CSR initiatives and activities undertaken by the Company. This Policy is framed in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the relevant rules made thereunder. Any project or program that is exclusively for the benefit of SWSL’s employees would not be considered as CSR initiative, program, project or activity. The surplus arising out of the CSR projects, initiatives or programs or activities shall not form part of the business profit of SWSL.

The Policy is guided by SWSL’s vision to create a sustainable and responsible business.

Scope & Focus Area:

The Company may carry out any one or more of the CSR activities, notified under the Section 135 of the Companies Act, 2013 read with Schedule VII, inter-alia the following:

- **Improve Quality of Life:** Providing Safe Drinking Water, Sanitation, & Overall Health
- **Environmental Preservation:** Reducing Our Carbon Footprint, Increasing Green Cover, & Promote Bio-Diversity
- **Education and Skills Training:** Facilitating Underprivileged Children and Young Adults from Tribal Communities with Education and Skills Training
- **Inclusion:** Training and Earning Opportunity to Differently Challenged Youth, Alleviation of Poverty, Financial Inclusion For Migrant Labour Force

Further, the Company will review the sectors/activities from time to time and make additions/deletions/ modifications to the above sectors/activities.

CSR Operational Framework:

CSR Committee

The Board of Directors of the Company has constituted a CSR Committee in accordance with the requirements of the Companies Act, 2013 and the Rules made thereunder. The details of the composition are available on the Company's website at www.sterlingandwilsonsolar.com.

This Committee will be responsible for the following:

- (a) To formulate and recommend to the Board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
- (b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (c) To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (d) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (e) To review and monitor the implementation of the corporate social responsibility policy, corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- (f) To formulate and recommend to the Board (including any revisions thereto), an annual action plan in pursuance of the CSR policy and have an oversight over its implementation;
- (g) To review the impact assessment carried out for the projects of the Company, if applicable, as per the requirements of the law.
- (h) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013.

Modalities:

The CSR Committee will screen, vet and shortlist various projects and proposals and recommend the same and the amount of expenditure to the Board for approval. The CSR activities can be undertaken either directly or through an implementing agency. The implementing agency should meet the statutory eligibility criteria laid down under the Companies Act, 2013.

Implementation, Monitoring & Documentation:

To the extent possible, funding for CSR projects/activities will be for such period as approved by the Board, with potential for future funding contingent on programming and outputs assessed from the interim and final reports provided by CSR Committee as per applicable laws.

The Company will institute a robust monitoring mechanism for all CSR programs and would generate progress reports. These reports will be reviewed by the CSR Committee with an aim to assess the impact of CSR interventions (either new or ongoing) undertaken by the Company, including but not limited to the modalities of utilization of funds on such projects or programs or activities and the monitoring and reporting mechanism, etc. These reports will also form the basis of any external reporting that is required under the Companies Act, 2013.

Governance:

Every year, the CSR Committee will place for the approval of the Board of Directors of the Company, an annual action plan giving the CSR Programmes to be carried out during the financial year, including the budgets thereof, their manner of execution, implementation schedules, modalities of utilisation of funds, and monitoring & reporting mechanism for the CSR Programmes. The Board will consider and approve the annual action plan with such modification that may be deemed necessary; the CSR Plan may also be modified by the Board, on the recommendation of the CSR Committee.

CSR Spend:

The Company shall endeavour to spend not less than 2% of its average annual net profits (calculated as per Section 198) during the three immediately preceding financial years (or such other limit as may be prescribed under the Act) on its CSR Activities that fall under the categories specified under Schedule VII of the Act.

The CSR Committee may, at its discretion, recommend to spend more than 2% of its average annual net profits. If SWSL spends any amount over and above the statutory limit, such excess amount may be set-off against the CSR expenditure budget for the immediate succeeding three financial years, on the recommendation of the CSR Committee and subsequent approval by the Board, subject to the conditions as prescribed under the Act.

Any surplus arising out of the CSR activities will not form part of the business profits of the Company and shall be ploughed back into the same project/activity or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or such surplus amount shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. The CSR Committee shall ensure that any contribution made by the Company to any Foundation, trust, NGO or other entities is used for specified projects or programmes.

Reporting and publication of **CSR Policy**

- a. An annual CSR report will be included in the Directors’ Report as per the format prescribed under the Companies Act, 2013;
- b. The CSR Policy shall be displayed on the Company’s website.

Policy **review and amendment**

The Board of Directors may review, revise/ amend / modify this CSR Policy based on the recommendations of the CSR committee from time to time, as may be required under the Companies Act, 2013 or the Rules framed thereunder.

In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail.

Version	Particulars	Date of Adoption/Amendment
1	Corporate Social Responsibility Policy adopted by the Board of Directors	August 21, 2018
1.1 (1st amendment)	Pursuant to Companies (Corporate Social Responsibility Policy) Amendment Rules 2021	January 22, 2021
