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## CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

### A. INTRODUCTION:

- This Corporate Social Responsibility (CSR) Policy reflects the commitment of Sigachi Industries Limited ("the Company" or "Sigachi") to ethical practices, community welfare, and sustainable development.
  - The policy provides guidelines for implementing programs that foster the holistic development of underserved communities and align with the CSR provisions outlined in the Companies Act 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014, and any subsequent amendments.
  - We operate under the Triple P framework, which prioritizes a deep respect for people and the planet. Our commitment to societal change reflects our core values and drives impactful action. We will continue to catalyze replicable, sustainable, and innovative actions for social change.
- **Sigachi Vision:** *Towards Creating a Healthier, Happier and Joyful World.*
  - **Sigachi Mission:** *To ensure all our stakeholders i.e., Customers, Suppliers, Employees, Shareholders and the Planet Earth "Experience Excellence" with everything we do.*
  - **Sigachi's CSR Commitment:** *Empowering Communities*

We aim to empower women and communities by driving impactful initiatives that promote inclusive development and foster meaningful progress.

### B. GUIDING PRINCIPLES:

- At Sigachi we believe in contributing to sustainable community development and creating shared value through our efforts.

#### Registered Office

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- b. Our commitment to contribute to United Nations Sustainable Development Goals (“UN SDGs”) through our corporate citizenship objectives.
- c. Our approach to CSR involves the following guidelines for selecting, implementing, and monitoring activities, as well as for formulating our annual action plan:
  - **Identify Community Needs:** Assess and prioritize the needs of the community to implement relevant social programs through a structured Social Engagement Plan.
  - **Pursue Impactful Social Initiatives:**
    - i. **Empower women and communities** by creating urban and rural livelihoods, with a focus on enhancing skills and employability.
    - ii. **Support targeted projects** based on need and relevance, including irrigation and water conservation, sustainable agriculture, environmental practices, community empowerment, education, and health aiming integrated development.
    - iii. **Encourage skill development** and community strengthening and promote sustainable livelihoods for tribal women.
    - iv. **Promote environmental protection** and sustainability.
    - v. **Distinguish Our Programs:** Emphasize volunteering to harness and mobilize the potential, passion, and talent of our employees.
    - vi. **Strategic Partnerships:** Collaborate with like-minded organizations to deliver socially relevant solutions driven by innovation and ingenuity.
    - vii. **Adhere to Guidelines:** Ensure CSR projects and programs comply with CSR Provisions, particularly Schedule VII of the Companies Act, 2013 and align with UN SDG focus areas.

## C. GOVERNANCE STRUCTURE:

- a. **Board-Level CSR Committee:** The Board-level CSR Committee will oversee and monitor the CSR Policy regularly. It is responsible for approving and recommending projects or programs to the Board, including their execution methods and implementation schedules. Additionally, the Committee will recommend and approve budgets and establish monitoring mechanisms to track the progress of each project. The members of the Board Level CSR Committee are : - Mr. Rabindra Prasad Sinha, Mr. Amit Raj Sinha, Mr. Chidambaranathan Shanmuganathan & Mr. Sarveswar Reddy Sanivarapu.

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## D. CSR PROJECTS AND PROGRAMMES

The Company may undertake the following projects or programs towards CSR:

- a. **Eradicate Hunger and Malnutrition:** Promote health care, preventive care, sanitation, and safe drinking water, including contributions to the 'Swachh Bharat Kosh'.
- b. **Enhance Education and Vocational Skills:** Support special education, vocational training, and livelihood projects for children, women, the elderly, and differently abled individuals.
- c. **Promote Gender Equality and Empowerment:** Establish homes and facilities for women, orphans, and senior citizens; address inequalities faced by marginalized groups.
- d. **Ensure Environmental Sustainability:** Protect natural resources, flora, fauna, and contribute to the 'Clean Ganga Fund' for river rejuvenation.
- e. **Preserve National Heritage and Culture:** Support the restoration of historical sites, public libraries, and traditional arts.
- f. **Support Armed Forces Veterans:** Provide assistance to veterans, war widows, and their dependents.
- g. **Promote Sports:** Train in rural, national, paralympic, and Olympic sports.
- h. **Contribute to National Relief Funds:** Support socio-economic development and welfare through government funds.
- i. **Fund Technology Incubators:** Contribute to government-approved incubators within academic institutions.
- j. **Support Rural and Slum Development:** Engage in rural and slum area development projects.
- k. **Manage Disasters:** Assist with relief, rehabilitation, and reconstruction efforts.
- l. Any additional activities or subjects specified in Schedule VII of the Companies Act, 2013, and its amendments, as well as relevant circulars and notifications issued by statutory authorities, will also be considered.

## E. CSR EXPENDITURE

- a. **Commitment to Spending:** The Company is committed to investing at least two percent of its average net profits from the past three financial years (or as specified by the Act) annually in CSR activities, as outlined in the approved Annual CSR Action Plan.
- b. **Handling Excess Spending:** Should CSR expenditures exceed the statutory limit in any financial year, the excess amount can be carried forward to offset CSR spending in the following three financial years (or as directed), with Board approval based on CSR Committee recommendations.
- c. **Managing Unspent Funds:** Any CSR funds not utilized by the end of the financial year, other than those for ongoing projects, must be transferred to a designated fund under Schedule VII within six months of the year-end (or as required).

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- d. **Funds for Ongoing Projects:** For ongoing projects, any unspent funds must be moved within 30 days after the financial year's end to a special 'Unspent Corporate Social Responsibility Account' in a scheduled bank. These funds must be spent within three years; otherwise, they will be transferred to the Schedule VII fund within 30 days after the third financial year's end (or as specified).
- e. **Handling Surplus:** Any surplus generated from CSR activities cannot be included in the Company's business profits. It should be reinvested into the same project, placed in the Unspent CSR Account, or transferred to a Schedule VII fund within six months of the financial year's end.

## F. THE COMMITTEE'S ROLE INCLUDES:

- a. To formulate and recommend to the Board, a CSR policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013.
- b. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company.
- c. To monitor the CSR policy of the Company from time to time.
- d. Any other matter that the CSR Committee may deem appropriate after the approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

## G. IMPLEMENTATION OF CSR ACTIVITIES

- a. **Execution Channels:** The Company will carry out CSR activities either directly, with Sigachi's employees or through registered public trusts, societies, or Section 8 companies under the Companies Act, 2013, as well as other implementing agencies specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014, and its amendments. When selecting NGOs or voluntary organizations for program execution, the following criteria must be fulfilled:
  - i. **Registration:**

The NGO must be a registered Society, registered Public Charitable Trust, or not-for-profit organization under Section 8 of the Companies Act established by the company/ Central Government or State Government/ having an established track record of at least three years in undertaking similar activities.

The NGO who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 01st day of April 2021
  - ii. **Local Presence:** The NGO should have a permanent office or address in India.
  - iii. **Tax Exemption:** The NGO must hold a valid Income Tax Exemption Certificate.
  - iv. **Geographic Focus:** CSR projects, programs, or activities must be undertaken solely within India.
  - v. **Project Proposal:** The NGO must submit a detailed project proposal and budget, which requires approval from the CSR Council.

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- vi. **Business Activities:** CSR activities must not include those undertaken as part of the normal course of business of the Company.
  - vii. **Employee Benefit Exclusion:** Projects or programs that benefit only the employees of the Company and their families will not be considered as CSR.
  - viii. **Project Mode:** CSR activities should be in project or program mode. One-off events such as marathons, awards, charitable contributions, advertisements, or sponsorship of TV programs will not qualify as CSR expenditure.
  - ix. **Political Contributions:** Contributions of any amount, directly or indirectly, to any political party shall not be considered as CSR.
- b. **Engagement with External Organizations:** The Company may collaborate with international organizations for the design, monitoring, and evaluation of CSR projects or programs. Additionally, it may partner with other companies to undertake joint CSR projects in accordance with the Act and related rules.
- c. **Approval of CSR Activities:** The CSR activities will be approved through the Annual CSR Action Plan ('CSR Plan') by the Board, based on recommendations from the CSR Committee.

## H. COMPONENTS OF CSR PLAN:

- a. **List of Projects:** Approved CSR projects or programs in areas specified in Schedule VII of the Act.
- b. **Execution Details:** Methods for executing the projects or programs.
- c. **Fund Utilization and Schedule:** Modalities for fund use and project timelines.
- d. **Monitoring and Reporting:** Mechanisms for overseeing and reporting on projects.
- e. **Need and Impact Assessment:** Details of any assessments conducted, if applicable.
- f. **Additional Requirements:** Any other matters required under the Act and related rules.

## I. MONITORING OF CSR ACTIVITIES

- a. **Monitoring Tools:** CSR activities will be monitored effectively and objectively using appropriate tools, which may include third-party audits or certifications, impact assessments, self-assessment reports, field visits, periodic reviews, or other suitable mechanisms.
- b. **CSR Committee Review:** The CSR Council will convene quarterly to review the progress of CSR projects, including outcome assessments and financial monitoring submitted by the CSR Department.
- c. **Board Review:** The Board will review the implementation status and fund utilization of CSR projects and programs in accordance with the approved CSR Plan at least annually.
- d. **Plan Updates:** The Board may update, alter, modify, or amend the CSR Plan during the financial year based on recommendations from the CSR Committee and the CSR Council and Department.

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## J. DISCLOSURES

- The annual report shall feature a report on CSR activities, as a dedicated section of the Company's Annual Report.
- The composition of the CSR Committee, and CSR Policy and Projects approved by the Board shall be communicated via the Annual Report.

Authored by	Reviewed by		Approved by
Ms. Sakshi Yenkar	Ms. Swati Sinha	Mr. Vivek Kumar	Mr. Amit Raj Sinha
Executive ESG, DE&I	VP ESG, DE&I	Company Secretary	MD & CEO

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