



# ***CORPORATE SOCIAL RESPONSIBILITY POLICY***

***MOTHERSONSUMI INFOTECH & DESIGNS LIMITED***  
***("MIND")***

## Summary of Policy

<b><i>Policy Name</i></b>	<i>Corporate Social Responsibility Policy</i>
<b><i>Periodicity of review</i></b>	<i>Annual</i>
<b><i>Approver</i></b>	<i>Board of Directors</i>
<b><i>Annexures</i></b>	<i>NA</i>

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## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **ABOUT MOTHERSONSUMI INFOTECH & DESIGNS LIMITED**

*MotherSONSumi Infotech & Designs Limited (“MIND”) is part of Samvardhana MotherSON Group.*

#### **1. PREAMBLE**

At MIND, our Corporate Vision is to create a more inclusive and sustainable environment. Our commitment to CSR emanates from the business mission that guides us to **set new standards in good corporate citizenship**. Therefore, our CSR programs shall be structured to be made sustainable, measurable, replicable, and scalable which will enable us carve out a reputation for being one of the most socially and environmentally responsible companies. Our CSR initiatives will help in fulfilling aspirations of society to become sustainable and resilient.

#### **2. PURPOSE**

The purpose of our CSR Policy is to laydown guidelines and mechanisms for undertaking CSR programs in alignment with the Companies Act, 2013 and to make known to all stakeholders our approach to CSR. The Policy outlines our intentions to contribute to social development of local and national priorities. This Policy shall function as CSR Policy of the Company for the purpose of Section 135 of the Act and CSR Rules.

#### **3. STAKEHOLDER ENGAGEMENT**

The Policy applies to all relevant internal and external stakeholders of the Company for CSR. The Company shall engage with the following set of stakeholders to involve them in all stages of meeting its CSR commitments and discharging responsibilities, from policy formulation to practices.

Stakeholders	Role / function of the stakeholder
<b>Internal stakeholders</b>	
<b>Employees</b>	Volunteers, champions for certain causes
<b>Management and the Board</b>	Ensure compliance and adherence; encourage innovation and expansion
<b>External stakeholders</b>	
<b>Local Community</b>	Beneficiaries at the initial stage, owners and champions in later stage of the life cycle of projects
<b>NGOs</b>	Partner with NGOs for implementation of CSR programs/projects/activities
<b>Government</b>	Cooperate with the local government agencies, provide support to existing government schemes

#### 4. CSR @ MIND

We at MIND are committed to create long-term socio-economic values for communities in the geographies where we operate. Under our CSR commitments, we shall address those social issues and causes which are of local relevance and national importance by portraying deep symbiotic relationship with Schedule VII of the Companies Act 2013. Therefore our CSR will include specific programs for wellbeing of the vulnerable and underprivileged communities. Our CSR response therefore shall entail the following principles while addressing the large-scale societal problems:

- High performance standards
- Delivering on our promises
- Openness and flexibility
- Learning from others
- Mutual interdependence
- Sharing success

## 4.1 Thrust Areas

MIND, in alignment with Schedule VII of the CSR Rules, shall identify and undertake all its CSR programs/projects/activities under the following broader thrust areas of CSR:

- Skill Development and Vocation based education
- Livelihood enhancement
- Waste management and Sanitation
- Environmental sustainability
- Women and youth empowerment
- Disaster relief
- National Missions

Further, the CSR Activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company.

The CSR activities that benefit only the employees of the Company and their families will not be considered as CSR activities. Also, contribution to any political party under section 182 of the Companies Act, 2013 will not be considered as CSR activity.

In our approach to meeting CSR commitments, we shall avoid undertaking one-off activity and events based charitable contributions or donations, and therefore undertake only project based CSR programs/activities that inevitably comply with section 135 of the Act. We shall structure our approach in a way which will make CSR deliverables sustainable, measurable, replicable and scalable.

## 4.2 Geographies

The Company's intent is to make a positive contributions to the society in which the Company lives and operates. Therefore, for implementation of CSR activities, the Company shall focus primarily in and around its Plant locations in India. However, it does not limit the Company to undertake CSR projects anywhere in the country.

## 5. GOVERNANCE

The Board of Directors shall set up a Board level CSR committee to ensure the deployment of the Policy. Towards ensuring the effective execution of the CSR commitments, the Board and the CSR Committee shall respectively assume specific roles and responsibilities as per following:

### Board of Directors

- ❖ Constitute a CSR Committee at Board level
- ❖ Approve CSR policy and bring amendments in the policy as & when required;
- ❖ Approve thrust areas under CSR that the company proposes to support, annual action plan, modalities of operations;
- ❖ Ensure that activities included by the company in its Corporate Social Responsibility Policy are in accordance with the activities listed in Schedule VII of the Act;
- ❖ Make certain that the activities included in Corporate Social Responsibility Policy of the company are undertaken by the company;
- ❖ Ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three preceding financial years, in pursuance of this policy;
- ❖ If the company fails to spend such amount, then it will disclose the reasons for not spending the amount in its annual report mentioned above.
- ❖ The Board's Report issued under clause (o) of sub-section (3) of section 134 shall include an annual report on CSR containing particulars specified in Annexure to the CSR Rules;
- ❖ The Board of Directors on its own and/or as per the recommendations of the CSR Committee can amend this policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Regulations on the subject as may be issued from the relevant statutory authorities, from time to time

### Board Level CSR Committee:

- ❖ Develop CSR Policy for the company and recommend the same to the Board of Directors for approval;
- ❖ Develop and approve a CSR Action Plan for the year;

- ❖ Recommend the Budget to the Board of Directors for approval, in pursuance of the Act;
- ❖ Be accountable for the spend of the allocated CSR budget;
- ❖ Accord approval for undertaking CSR activities in partnership/collaboration with other companies/institutions/NGOs etc.;
- ❖ Create transparent monitoring mechanisms for implementation of CSR initiatives;
- ❖ Submit reports to the Board in respect of CSR initiatives undertaken by the Company,
- ❖ Nominate executives of the Company to attend the internal Committee Meetings and CSR workshops/seminars/events being held externally.
- ❖ Monitor the CSR Policy from time to time and recommend for the amendments in the Policy, when required;
- ❖ Monitor charter of MoUs of the partnerships and implementation of activities under partnerships

## **6. CSR PLANNING AND PROCESSES**

### **6.1 Annual CSR plan**

As per section 135 of the Companies Act, we shall develop a list of CSR programs/projects/ activities to be undertaken during the year. The CSR Committee shall send the list of CSR programs/projects/ activities with its recommendations to the Board of Directors of the Company for approval.

### **6.2 Budget**

CSR Activities will be funded during the financial year with an aim to contribute to CSR commitments. The total amount ("CSR Fund") allocated for the expenditure on CSR programs/projects/activities for each financial year shall include the following:

- ❖ 2% (two percent) of the average net profits of three immediately preceding financial years;
- ❖ any surplus arising and/or additional revenue generated out of CSR activities undertaken by the Company

Up to 5% (five percent) of the CSR commitment shall be spent towards capacity building, administrative costs, personnel costs and other CSR costs.

### **6.3 Implementation and monitoring**



The CSR team will undertake execution of the selected projects either directly or in alliance with NGOs as recommended by the CSR committee and subsequently approved by the Board. The following may be considered in finalizing the modalities of project execution:

- ❖ the Company may establish a legal entity registered as a Trust, Society or Section 8 Company to manage the CSR programmes and channelize resources from group companies.
- ❖ the CSR Committee may decide to engage NGOs for implementation of identified CSR programs/projects/activities. The Company shall ensure that such implementing partner has an established three year track record in undertaking similar CSR projects.
- ❖ the CSR team shall conduct due diligence on the NGO's and thereafter make appropriate recommendations to the Committee and the Board for consideration of the concerned NGO's
- ❖ for undertaking CSR Projects. The due diligence can also be undertaken by consultants, social enterprises and academic institutions.
- ❖ the Company shall enter into a Memorandum of Understanding (MoU) with the identified implementing partner(s), the MoU shall address the terms of the funding and disbursement.

The CSR Committee shall establish a transparent monitoring mechanism for implementation of the CSR activities or programs undertaken by the Company. Routine reviews shall be undertaken by the Corporate CSR Team and NGO partners by using the MIS as an integral tool for monitoring. The CSR Team shall also review the progress every three month and place a progress report before the CSR Committee. The report should cover the following:

- ❖ Progress of each program vis-à-vis the timeline and budget
- ❖ Beneficiaries covered
- ❖ Performance of the external partners
- ❖ Problems encountered and solutions, if implemented
- ❖ Estimated amount that will be spent till the end of the year

The CSR committee will review the progress with regard to implementation and results of CSR initiatives. The Board shall take a final review and

accordingly pass advisories.

## **7. ANNUAL CSR REPORT**

MIND shall develop and publish an annual report on CSR containing required particulars specified in the prescribed format for the annual report in the Companies Act 2013. Reporting will constitute an integral part of our CSR initiative as we remain committed to be transparent and accountable to our stakeholders. CSR program details will be widely communicated and displayed on the Company's website.

## **8. REVIEW AND AMENDMENTS TO THE POLICY**

The CSR Policy may/shall be amended by the CSR Committee, as and when required, only with the approval of the Board of the Company.