

SANKALP SEMICONDUCTOR PRIVATE LIMITED CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Objective

The objective of Corporate Social Responsibility (CSR) policy of Sankalp Semiconductor Private Limited (“Sankalp” or “Company”) is to lay down guidelines for proper functioning of CSR activities to attain sustainable development of the society.

2. CSR activities, projects and programmes

The Company’s CSR agenda is also aligned with Schedule VII of the Companies Act, 2013. All CSR initiatives are inclusive, gender transformative, with special attention to the ultra-poor, people with disabilities and environment conservation.

The CSR activities that will be undertaken by the Company shall be such activities as may be approved by the CSR Committee that will be constituted / reconstituted by the Board of Directors of the Company. The CSR Committee will approve for undertaking the following activities, projects and programs relating to the areas stated under Schedule VII of the Companies Act, 2013:

- a. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.
- b. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- c. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- d. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- e. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts.
- f. 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.
- g. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
- h. Contribution to the prime minister's national relief fund or Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.

i. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

j. Rural development projects

k. Slum area development.

l. Disaster management, including relief, rehabilitation and reconstruction activities.

m. All such other activities and programmes/projects as may be added in Schedule VII of the Act or otherwise allowed by the Ministry of Corporate Affairs from time to time.

In accordance with Ministry of Corporate Affairs Circular dated 18.06.2014, the entries in the said Schedule VII above shall be interpreted liberally so as to capture the essence of the subjects enumerated in the said Schedule.

3. Qualifications and Exclusion

i. Activities undertaken in pursuance of normal course of business of the Company shall not be considered as CSR activity.

ii. Contributions of any amount directly or indirectly to any political party shall not be considered as CSR activity.

iii. Only those CSR activities, programmes or projects that are undertaken in India shall qualify as CSR activities except activities undertaken for training of Indian sports personnel representing any State or Union Territory at National level or representing India at International level.

iv. Activities, programmes or projects that benefit only the employees of the Company shall not be considered as CSR activity.

v. One-off events such as marathons/ awards/ charitable contributions/advertisements/ sponsorships of TV programmes etc., shall not be considered as CSR activity.

vi. Expenses incurred for fulfilling the requirements of any other statute under any law in force shall not be counted as CSR expenditure.

vii. Activities on sponsorship basis for marketing purpose shall not be considered as CSR activities.

4. Modalities of execution of CSR activities, projects and programmes

The aforesaid activities shall be carried out in any of the following ways as the CSR Committee in its absolute discretion may decide. The CSR Committee may decide to use any one or all or a combination of any of the following ways to undertake the CSR activities, projects and programmes:

a. By the Company directly

b. Through HCL Technologies Foundation, a Trust that has been established by the Joint Venture partner Company

c. Through any other registered trust / any registered society / any other company that are qualified for undertaking CSR activities in terms of the provisions of the Companies Act, 2013. In the event the CSR activities are undertaken by the entities listed in (b) and/or (c) above, the Company shall have specified the project or programs to be undertaken through such entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

The Company shall take up CSR activities in India primarily through HCL Foundation, which may implement the CSR programmes/projects of the Company either on its own or it may engage other registered Public Trust(s)/ registered Society(ies) / Company(ies) incorporated under Section 8 of the Act/ Government Departments / Schemes or any other suitable implementing organization/agency eligible to undertake CSR activities in compliance with the Act, and the Rules made thereunder.

The Company may also take up any direct CSR activity(ies) as may be decided by the Company's Board of Directors.

Programmes/projects shall be identified, and budgets shall be allocated for such activities through a process incorporating identification of suitable implementation agencies, need assessment (where required) and clear outlining of desired outcomes

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5. Implementation Schedule and Monitoring process of such projects or programmes

HCL Foundation shall report progress of all programmes and projects to the CSR Committee.

The implementation schedule for each CSR activity shall be approved by the CSR Committee and all such activities and programmes will be monitored by the CSR Committee.

A report on a periodic basis, as may be desired by the Board, shall be provided to the Board.

The CSR activities are taken up PAN India as part of the CSR obligations of the Company. The Release of CSR funds only against verified utilizations.

The monitoring system devised by the Company will include:

- a. Regular field visits to programme/project sites by designated staff/teams.
- b. Comprehensive documentation /compilation of field reports, including picture and video-based monitoring. E-monitoring systems will also be in place.
- c. Regular interaction with beneficiary communities to obtain feedback.
- d. Monitoring of timely fund utilization to ensure that programmes/projects as budgeted are being carried out, and
- e. Any other activity that the CSR Committee may deem necessary in the larger interest of its CSR initiatives.
- f. Concurrent and final evaluation of CSR programmes and projects shall be undertaken by the Company

6. CSR Annual Action Plan and Location of CSR efforts

The CSR Committee shall decide on the locations for CSR activities and formulate and recommend to the Board for approval a CSR annual action plan, which shall contain all matters which are required under Applicable Law and any other matters as the CSR Committee may

deem fit from time to time. The Board may modify the annual action plan as per the recommendations of the CSR Committee at any time during the financial year, based on reasonable justification.

7. Surplus arising out of CSR projects, programmes and activities

Any surplus that may arise out of CSR projects, programmes and activities shall not form part of business profits of the Company.

8. Memberships

The CSR Committee of the Company has been constituted in accordance with the Act read with the Rules made thereunder.

Responsibilities of the CSR Committee:

- i. Formulate / amend and recommend to the Board of Directors of the Company:
 - a) The CSR Policy of the Company.
 - b) The Annual Action Plan in pursuance of the CSR Policy, which shall include:
 - The list of CSR programmes or projects approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
 - The manner of execution of such programmes or projects.
 - The modalities of utilization of funds and implementation schedules for the programmes or projects.
 - Monitoring & Reporting mechanism for the programmes or projects; and
 - Details of Need and Impact Assessment if any, for the programmes or projects.
- ii. Recommend the amount of expenditure to be incurred on CSR activities.
- iii. If the amount spent in a financial year is less than the statutory obligation, take note of the reasons for not spending the entire mandatory amount, and recommend to the Board on treatment of unspent amount as per the provisions of the Act and the Rules made thereunder.,
- iv. In any financial year, if the CSR spend is in excess of the amount obligated in terms of the Act, recommend to the Board set-off of excess spent as per the provisions of the Act and the Rules made thereunder.
- v. Monitor the CSR Policy and the Annual Action Plan for the CSR activities of the Company from time to time.
- vi. Institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.
- vii. Review the need for Impact Assessment, if any, for the projects or programmes.

Responsibilities of the Board:

- i. Approve the CSR Policy and any amendments thereof and the Annual Action Plan, on the basis of the recommendation of the CSR Committee.
- ii. Disclose the CSR Policy as per the requirements specified in the Act and the Rules framed thereunder.
- iii. Ensure that the CSR activities are undertaken by the Company as per the CSR Policy.
- iv. Ensure that the Company spends the amount indicated in the Act and the Rules framed thereunder in every financial year in pursuance of its CSR Policy.
- v. If the amount spent in a financial year is less than the statutory obligation, take note of the reasons for not spending the entire mandatory amount, and ensure that the unspent amount is treated as per the provisions of the Act and the Rules made thereunder.
- vi. In any financial year, if the CSR spend is in excess of the amount obligated in terms of the Act, set-off of excess spent as per the provisions of the Act and the Rules made thereunder.
- vii. Ensure that the CSR funds disbursed have been utilized for the purposes and in the manner as approved and obtain a certificate from the Chief Financial Officer of the Company to its effect.
- viii. Alter the Annual Action Plan at any time, if required, during the financial year based on reasonable justification and on the recommendation of the CSR Committee
- ix. Monitor the implementation of projects with reference to the approved timelines and year-wise allocation as per the provisions of the Act and the Rules.
- x. Ensure that the Company undertakes impact assessment of the programmes or projects as per the provisions of the Act read with the Rules made thereunder and take note of the impact assessment reports, if any, undertaken by the Company.

9. Quorum

A quorum of the CSR Committee shall be either two members or 1/3rd of the members of the Committee whichever is greater. Subject to the foregoing, members of the Committee may attend through video conferencing or other audio visual means as permitted by the Companies Act 2013 and rules framed there under and as mentioned in point 4 below.

The CSR Committee may regulate its own procedure, in particular in the conduct of the Committee meetings, including attendance at a meeting by being present in person or through video conferencing or other audio visual means as may be prescribed, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meeting's along with date and time.

10. CSR Expenditure

CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee and shall not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of the items listed in Paragraph 2 hereinabove. Contribution to the corpus of a Trust/ society/ Section 8 company will qualify as CSR expenditure as long as (a) the Trust/ society/ Section 8 company is created exclusively for undertaking CSR activities or (b) where the corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII of the Act. Salaries paid to regular CSR staff and to volunteers of the Company (in proportion to time/hours spent specifically on CSR) can be factored into CSR project cost as part of the CSR expenditure.

11. Impact Assessment

The Company shall if required by law perform Impact Assessments of its CSR projects as provided in the Act read with the Rules made thereunder, by one or more independent agencies identified through a transparent, accountable process.

12. Documentation

The Company shall undertake comprehensive compilation of programmes and projects in Digital Formats, Audio / Video Recording, Social Media, Printed Material etc.

13. Accounting And Audit

Programmatic and Financial Accounting of all programmes and projects shall be undertaken. Accounting and Audit guidelines shall be followed as mandated/approved by the Ministry of Corporate Affairs, Government of India or as may be prescribed by the concerned Competent Authority in Government of India.

14. Disclosure

Disclosure on CSR shall be in accordance with the Act read with the Rules made thereunder and as applicable from time to time.

15. Reporting

The Company shall take up Mandatory Reporting as per the Act read with the Rules made thereunder.

16. Effective Date And Amendments

Any Amendment in the Act and/or Rules issued by the Government from time to time shall be deemed to be suitably incorporated from the date these are applicable on the Company.