

CORPORATE SOCIAL RESPONSIBILITY POLICY

Mahindra Susten Private Limited (“Susten” or “the Company”) was formed in September 2010 as a wholly owned subsidiary (“WOS”) of Mahindra Holdings Limited. Mahindra & Mahindra Limited (“M&M”) is the ultimate holding company. Susten is in the business of providing Engineering, Procurement and Construction services for setting up solar power plants. Susten has also recently diversified Green Factory Building and Automation services. SUSTEN is head quartered in Mumbai and has project sites across the country.

We as an organization are committed towards inclusive growth of our stakeholders namely customers, investors, suppliers, employees, environment and community. All our initiatives are planned based on the need assessment of the location and aimed with the approach of empowering communities. It is known that most of our solar utility sites are located in the remotest of locations deprived of any social, economic or educational support systems.

We have always believed in including the local community at multiple levels. Providing them job opportunities, training or imparting them right skill sets for their continued employability, restoring the environment and contributing towards community infrastructure are few of the initiatives championed by SUSTEN in the past.

- **Corporate Social Responsibility (“CSR”) Vision Statement and Objective:**

- a) The CSR vision of SUSTEN is to deliver maximum value to all our stakeholders working harmoniously with local and global communities.
- b) The **objective** of this policy is to -

The CSR Policy, formulated in alignment with the Mission and Vision of the Company, lays down guidelines and mechanisms to be adopted by the Company in order to carry out CSR Projects / Programs.

All CSR Projects / Programs will be conceived and implemented through a focused approach towards target beneficiaries for generating maximum impact.

CSR Projects / Programs of the Company may be carried out in partnership with credible implementing agencies.

- **Scope and Applicability**

This policy shall be applicable to all stakeholders and employees of SUSTEN.

- **Policy Statement**

a) **Core Ideology**

For SUSTEN, responsible business practices include being responsible for our business processes, services, engaging in responsible relations with employees, customers and the community. Hence for the Company, Corporate Social Responsibility goes beyond just adhering to statutory and legal compliances and creates social and environmental value.

This is clearly articulated in the redefined Core Purpose which reads as "we will challenge conventional thinking and innovatively use all our resources to drive positive change in the lives of our stakeholders and communities across the world, to enable them to Rise".

b) **Total Outlay**

From April 1, 2014 in line with the new Companies Act 2013 ("Act") and rules and schedules framed thereunder, SUSTEN pledges 2% average net profits (or such contribution as may be stipulated by law from time to time) made during the three (3) immediately preceding financial years specifically towards CSR initiatives. For this purpose, the net profit and average net profit shall be calculated in accordance with the provisions of Section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company may spend up to 5% of total CSR expenditure in one financial year towards administrative overheads which would mean the expenses incurred by the company for 'general management and administration' of CSR functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or programme.

In case there is any unspent CSR amount, the same would be transferred to a Fund specified under the law unless the same refers to an Ongoing Project.

"Ongoing Project" means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification. The unspent CSR towards an Ongoing Project will be treated in the manner prescribed by law from time to time.

The surplus arising out of the CSR activities, if any, will not be considered as a part of the business profits of the Company and shall be utilized in manner as specified in law.

c) **Approach and Direction towards CSR activities**

As per the approach and direction of the Board of Directors of the Company, the Company's CSR efforts continue are directed towards Community Welfare, Rural Development, Cleanliness drive, Education, Public Health and Safety and Environmental Conservation, Disaster Management.

A. SKILL DEVELOPMENT:

Education and Skill development in local communities is critical for the development of the nation. The Company would focus on promoting education including special education and employment enhancing vocational skills especially among girls, youth children, women, elderly and the differently abled and livelihood enhancement projects, and the like.

B. BUILDING COMMUNITIES:

Communities are the backbone of Indian economy. SUSTEN would continue its focus on Community development activities in pockets of rural, marginalized and unprivileged communities. Our activities would include:

- Providing facilities: Rest rooms & Sanitation, Drinking Water facility, Health and Medical Check-up camps and clinics, etc;
- Promoting Community Welfare: Providing educational materials, resolution of community challenges, family & community welfare, promotion of sports and wellness activities including yoga;
- Supporting rural development: Carrying out village development activities, infrastructure development, girl and youth education, women empowerment, teaching self-defense techniques to girls, health and sanitation, vocational trainings, festival celebration, recreational activities & sports, beautification of schools, building playgrounds, distribution of seeds and plants, clothes, stationary, food, support in implementation of government schemes and livelihood promotion.

C. SUSTAINABILITY:

Sustainability is a key focus area for the Mahindra group, and the Company. SUSTEN Group being a producer of renewable energy would consistently support the promotion of sustainable practices in communities through programs for increased usage of renewable energy, waste management, renewal of natural water bodies, enhancement of green cover and bio-diversity etc.

D. DISASTER RELIEF AND REHABILITATION:

SUSTEN would continue to provide consistent and timely support to relief and rehabilitation initiatives in those parts of India which are affected by natural calamities or a pandemic by either contributing to the Prime Minister's or Chief Minister's Relief Fund or by directly engaging in disaster relief and rehabilitation activities and rebuilding communities.

Our commitment to CSR will be manifested by investing resources in any of the areas as stated in Schedule VII of the Act and given in **Annexure I**.

The surplus arising out of the CSR activities will not be considered as a part of the business profits of the company.

d) **Implementation Agency / Partners**

The CSR initiatives will be undertaken by the Company itself or through any eligible/qualifying implementing partners/ agencies.

The Company may also implement its CSR activities through Corporate Foundations/Trusts namely the Mahindra Foundation, The K C Mahindra Education Trust, Tech Mahindra Foundation, Naandi Foundation, any other eligible entity established by the Company or by the Mahindra group singly or along with any other Company.

The Company may also collaborate with other companies to undertake CSR projects or programs, provided the CSR Committees of the respective companies are in a position to report separately on such projects or programs. For CSR activities undertaken through other Executing Agency, the Company will specify the projects or programs to be undertaken through these agencies, the modalities of utilization of funds on such projects or programmes and the monitoring and reporting mechanism.

e) **Implementation and Monitoring Mechanism**

SUSTEN has instituted a robust and transparent monitoring mechanism to oversee and track the implementation of its CSR projects. All CSR projects will be evaluated against the milestones defined in the implementation plan of the project.

SUSTEN's CSR Committee: The Committee has been constituted in line with provisions of Section 135 of the Companies Act, 2013 and rules made thereunder. The CSR Committee will monitor the implementation of the policy at regular intervals.

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-

- (a) The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) The manner of execution of such projects or programmes
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company.

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

CSR Council:- The Company's CSR Council comprising of senior management executives will be responsible for ensuring that all CSR projects are monitored in a systematic manner. The CSR Executive Council will support the CSR Committee in undertaking strategic decisions with respect to CSR for SUSTEN. The CSR Executive Council will be supported by the CSR Working Group, whose key responsibility is to monitor the CSR projects undertaken by SUSTEN and ensure their smooth implementation. There will location champions to assist the working group at ground level.

The CSR Council will convene quarterly to review to update the CSR Committee about

- implement the Annual Action Plan as laid down by CSR Committee
- The progress of the project with respect to its targets and outputs
- The manner in which the funds allocated for the project are being utilized

The CSR Council may also conduct needs analysis, situational analysis, social audits and impact studies of projects through the implementing agency or an independent third party agency if required. The CSR Council may by directly or through a third-party agency carry out situational analysis, need assessment surveys, project visits, or impact assessment, social audits etc. if and as required especially for the strategic and high value CSR programmes. The CSR Council will review the CSR strategy from time to time and may recommend new focus areas and projects to the CSR Committee.

The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it.

f) **Reporting and Communication**

In order to ensure transparency and communication with all stakeholders, the CSR Council

will document the details of the Company's CSR initiatives and CSR expenditure and ensure that the same are available in the public domain i.e. the Directors' Report of the Company's Annual report and/or on the company's website.

g) Treatment of Surplus

Any surplus generated from CSR projects undertaken by SUSTEN will be tracked and channelized into the company's CSR corpus. These funds will be further used in development of the CSR projects and will not be added to the company's business profits.

h) Policy Guidelines

- All CSR Projects must be aligned as prescribed in Schedule VII of the Act, as amended from time to time;
- CSR projects or programmes or activities must be undertaken in India alone;
- Preference shall be given to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities;
- CSR activities must not include the activities undertaken in pursuance of normal course of business of the Company, or activities carried out for fulfilment of any other statutory obligations under any law in force in India;
- Projects or programmes or activities that benefit only the employees of the Company and their families shall not be considered as CSR;
- CSR activities should be in project/programme mode. One-off events such as marathons/awards/charitable contribution/advertisements/sponsorship/charges for TV programmes etc. will not qualify as part of CSR expenditure;
- Contribution of any amount directly or indirectly to any political party and religious activities shall not be considered as CSR;
- Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services shall not be considered as CSR.

i) Approval and Amendments

- The Board of Directors are authorised to amend this Policy on recommendation of the CSR Committee as may be required from time to time, subject to applicable laws.
- Any amendment(s) in the statutory/regulatory requirements shall be binding even if not incorporated in this Policy.

j) Scope and Limitation

Provisions of Section 135 of the Act, the Companies (Corporate Social Responsibility) Rules, 2014 and other applicable provisions, as amended from time to time shall be applicable to

the Company.

In the event of any conflict between the provisions of this Policy and the Companies Act, 2013 and rules framed thereunder or any other regulatory/statutory enactments, rules, the provisions of Companies Act, 2013 or other regulatory/statutory enactments, rules shall prevail over this Policy.

Annexure I – CSR Focus Areas (as per CSR Rules)

1. Eradicating hunger, poverty and malnutrition, promoting healthcare 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;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, woman, elderly & the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially & economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, tree plantation, afforestation, gardening & maintenance, animal welfare, agroforestry, conservation of natural resources & maintaining quality of soil, air & water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
5. Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up of public libraries; promotion & development of traditional arts & handicrafts;
6. 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;
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. 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 Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;
9. Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by Central Government or State Government or Public Sector Undertaking or agency of Central Government or State Government; and
10. 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);

11. Rural development projects;

12. Slum Area Development;

13. Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

14. Disaster management, including relief, rehabilitation and reconstruction activities; and

15. Any other activities/projects prescribed by the Ministry of Corporate Affairs or any other regulatory authorities under Schedule VII of the Act.

To fulfil above activities, the Company may expense for infrastructural development work, health and medicines, school and educational assistance, women and child welfare.

ANNEXURE 2 - Key CSR projects of Mahindra Susten Private Limited (FY 2021-22)

Sl. No.	CSR Project Name	Category under Schedule VII	Implementation / Execution Modality (Directly or through Implementing Agency)	Project Implementation Schedule during FY 2021-22			
				Q1	Q2	Q3	Q4
1.	Disaster Management (COVID relief and awareness)	(i) promoting health care including preventive health care and sanitation xii) disaster management, including relief, rehabilitation and reconstruction activities	Directly	Completed	Completed	Planned	Planned
2.	Gyandeeep: building playscapes, developing school infrastructure	2a-Promotion of Education 2b- Special education 2c- Education of the girl child	Directly	-	-	Planned	Planned
3	Gram Vikas	10a- Rural Development	Directly	Completed	-	Planned	Planned
4	Swachh Bharat: construction and renovation of toilet	1e- Sanitation & contribution to Swachh Bharat Kosh	Directly	-	-	Planned	Planned
5	Hariyali	(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna	Directly	-	-	Planned	Planned
6	Sehat: medical and veterinary camps	1d- Healthcare including preventive health care	Directly	-	-	Planned	Planned
7	Street Smart: promoting awareness on road safety	i)2a-Promotion of education ii)1d- Healthcare including preventive health care	Directly	-	-	-	Planned
8	Nanhi Kali	(iii) promoting gender equality, empowering women,	KC Mahindra Education Trust	-	-	Planned	Planned
9	Samantar: empowering school girls	3a- Promoting gender equality 3b- Empowering women 3c- Homes/hostels for orphans/women 3d- Setting old age homes/day care Centres and similar facilities for senior citizens 3e- Reducing inequalities faced by socially/backward groups	Directly	-	-	Planned	Planned