

CORPORATE SOCIAL RESPONSIBILITY POLICY

This Corporate Social Responsibility (hereinafter referred to as 'CSR') Policy is framed in terms of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as 'the CSR Rules'), as amended from time to time.



Philosophy

Recognising that business enterprises are economic organs of society and draw on societal resources, it is SOURCEFUSE's belief that adopting a comprehensive CSR Philosophy and implementing it into the company's culture can benefit society, the environment and the company itself.

These initiatives are independent of the normal conduct of SOURCEFUSE's business and are aligned to the activities listed in Schedule VII read with Section 135 of the Act and the CSR Rules.

Programmes, projects and activities (hereinafter collectively referred to as 'CSR Programmes') carried out in this regard are the subject matter of this Policy.

Scope and Applicability

This policy shall be applicable to all CSR initiatives and activities undertaken by SOURCEFUSE (Sourcefuse Technologies India Pvt Ltd) either directly or through entities as mentioned in rule 4 of the Companies (Corporate Social Responsibility) Amendment Rules, 2019 for the benefit of different segments of the society.

CSR Policy

It is SOURCEFUSE's Policy to direct its CSR Programmes, inter alia, towards achieving one or more of the following:

- Poverty alleviation;
- Promoting education and skill development;
- Promoting healthcare including preventive healthcare;
- Ensuring environmental sustainability;
- Enabling climate resilience;
- Creating livelihoods for people, especially those from disadvantaged sections of society;
- Protection of national heritage, art and culture; preserving and promoting music and sports; and providing relief and assistance to victims of disasters and calamities.
- 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.
- Rural development projects;

In pursuit of the above, SOURCEFUSE has identified the following focus areas for its CSR Programmes based on comprehensive need assessment surveys of its stakeholders:

- Create **sustainable livelihoods and alleviate poverty** through promotion of, inter alia, afforestation, water stewardship, sustainable agriculture and climate smart practices, livestock development and women empowerment;
- Build **capabilities for tomorrow** through interventions in, inter alia, education, vocational training, sanitation, school WASH (Water, Sanitation & Hygiene), safe drinking water and solid waste management;

- **Promote healthcare, including preventive healthcare**, and improve critical nutritional & health status of at-risk population through interventions to strengthen mother & child health, nutritional content, delivery, outreach and outcomes;
- Protect **national heritage, art & culture**, and preserving & promoting music and sports; and
- Provide relief and assistance to victims of **disasters and calamities**.
- Contribution to incubators or research and development projects in the field of **science, technology, engineering and medicine**.

The Company Aims:

- To pursue CSR Programmes primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum developmental impact;
- To develop the required capability and self-reliance of beneficiaries at the grass roots, especially of women, in the belief that these are prerequisites for social and economic development;
- To provide equal opportunities to beneficiaries of the CSR Programmes;
- To promote sustainability in partnership with industry associations, like the Confederation of Indian Industry (CII), etc.

Implementation

The Company's CSR Programmes will be implemented through (i) Company personnel, or (ii) external implementing agencies.

In case CSR Programmes are implemented through external agencies, the programmes to be undertaken by those agencies will be specified, and it will be ensured that such programmes are covered in the Objects laid down in the respective Memorandum and Articles of Association of the external agencies.

Governance

Companies with Annual Profit of Rs 5 Crore or Annual Turnover of Rs 1000 Crore or Net Worth of Rs 500 Crore must spend on CSR activities 2% of their average profit over the last three years.

Section 135 of Companies Act makes provision for formation of CSR Committee for the companies who need to mandatorily spend on CSR. However, the company with prescribed CSR budget of Rs 50 lakh or less do not necessarily need to form such a committee.

Further, the Section 135 also specifies that every company must have a CSR policy which shall indicate in which it includes the projects and programmes which is to be undertaken, prepare a list of projects and programmes which a company plans to undertake during the implementation year and also focus on integrating business models with social and environmental priorities and process in order to create shared value. It also need recommend the amount of expenditure to be incurred on the activities and monitor the CSR Policy of the company.

The Board of SOURCEFUSE shall satisfy itself/ or be satisfied that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management, in the absence of the Chief Financial Officer shall certify to the effect.

The Board shall approve the CSR Policy of the company.

CSR Expenditure

- It will be the Company's endeavour to spend in every financial year, two percent of its average net profits during the three immediately preceding financial years (or such other limit as may be prescribed under the Act), on CSR Programmes in pursuance of this Policy.

- The CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the CSR Plan.
- Any surplus arising from the CSR Programmes will be used for CSR activities within six months from the end of the relevant financial year. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.
- If CSR expenditure in a financial year exceeds the statutory limit, such excess may be set-off against CSR expenditure for the next three financial years with the approval of the Board, on the recommendation of the CSR and Sustainability Committee.

Annual Action Plan

The Annual action plan will be formulated by the CSR Committee and/or be recommended to the Board. The annual action plan in pursuance of its CSR policy, shall include the following, namely:

- the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
- the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- monitoring and reporting mechanism for the projects or programmes;
- details of need and impact assessment, if any, for the projects undertaken by the company.

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

This Policy will be reviewed by the Board, on the recommendation of the CSR and Sustainability Committee, as and when deemed necessary.

Effective Date

The policy shall be effective from 1st April 2023 as amended on 8th October 2024.

