



STERLITE TECHNOLOGIES LIMITED
Corporate Social Responsibility Policy

OWNER:

Corporate Sustainability Department

ISSUE DATE:

May 26, 2016

REVISION DATE:

April 29 2021

VERSION:

CSR Policy – 1.3

OUR AMBITION

To contribute to our vision, as we build India's connectivity and grow as a business, we, Sterlite Technologies Limited ('STL'), will set the bar for what responsible, transparent, clean, and green business means in India. We will ensure that the newly connected India we create will benefit everyone, enabling truly inclusive development.

The UN's Sustainable Development Goals and 10 principles of the UN Global Compact Network have a strong influence on how we plan and implement our Corporate Social Responsibility ('CSR') and Sustainability initiatives. This approach has not only enabled us to operate responsibly, but also allowed us to focus on sustaining our triple bottom line impact through "green-clean-lean" technologies.

Our ambition is founded on four pillars that are most important to us and through which we deliver shared value.

- Our community – Delivering life-changing services and technologies, empowering our communities and creating a better future ;
- Our environment – Developing system-wide approaches that will reduce STL's eco-footprint with economic returns in the long-run;
- Our people – Ensuring that our people are healthy, safe, engaged and inspired to drive inclusive, equitable growth; and
- Our conduct – Creating sustainable practices, policies and business models that will support growth of our business and communities.

OBJECTIVE OF THIS POLICY

This Policy has been formulated pursuant to Section 135 of the Companies Act 2013 (the 'Act') and in accordance with the CSR Rules made thereunder, as amended from time to time (the Act & the CSR Rules together hereinafter referred to as 'CSR Laws') shall here. This Policy shall apply to all CSR projects/programs undertaken by us in accordance with the CSR Laws.

OUR FOCUS AREAS

We implement our CSR initiatives in accordance with the CSR Laws and ensure that we go beyond compliance to benefit our communities in the most sustainable manner. CSR is an essential part of our business plan and we consider it our responsibility to address the concerns of our communities. We leverage our expertise in connectivity to provide innovative and unique solutions to pressing social and environmental challenges in our focus areas.

Specific thematic areas as per Schedule VII of the Act have been selected for conducting our CSR work. Each of these are closely linked to India's development priorities as well as the United Nation's Sustainable Development Goals.

STL's four focus areas are –

- Education
- Healthcare
- Women Empowerment
- Environment Conservation

Illustrative list of programmes that may be undertaken

- 1) Promotion of quality education and at schools leveraging technology and digital platforms that not only improve students learning outcomes, but also teachers and school management's delivery of instruction, including children into the education ecosystem aligned with the UN SDGs
- 2) Digital empowerment programmes that help citizens use digital platforms to access livelihood and learning opportunities, learn how to do utility payments and other online services as well as equip them adequately to earn digitally.
- 3) Last mile access to quality healthcare through hybrid models that ensure free medicines, in-time detection of illnesses, prevention through awareness and behavioral change that ultimately reduce the morbidity rate in rural India.
- 4) Eradicating poverty & reducing inequalities faced by rural women through various means including skilling projects, formation of self-help groups, handicraft cluster development, market linkages, etc.
- 5) Conservation of the environment including afforestation, reforestation, water conservation, recycling, sustainable agriculture, bio-diversity restoration, etc.
- 6) Disaster relief & rehabilitation initiatives – support to communities affected by the same including the COVID-19 pandemic
- 7) Any other programme that aligns with the company's focus areas and UN SDGs as and when deemed fit.

IMPLEMENTATION AND MONITORING

We will spend, in every financial year, an aggregate amount of at least of 2% of our average net profits made during the three immediately preceding financial years, on our CSR programs.

Just as we strive for efficiency in our business operations, we also ensure that CSR at STL follows a well-defined and structured approach to make it effective, impactful and create maximum shared value for each of our stakeholders.

Our approach can be summarised in the following points:

- a) All major CSR initiatives (eg. programs) for STL will be implemented through Sterlite Tech Foundation (STF), a non-profit trust, either directly, through a third party or a combination of the two modalities. It will be ensured that the implementing meet the requirement provided under the CSR Laws.
- b) STL will identify projects within the core focus areas that address the needs of communities and provide quality interventions that are efficient, cost effective, scalable, and sustainable.

We believe that good CSR is that which can be effectively measured. We will measure the outcomes and impact of all our CSR initiatives by putting in place a robust monitoring and evaluation mechanism that will focus on collecting information on a regular basis and will allow us to assess if the initiatives are providing intended outcomes.

Our role will be that of a proactive enabler and partner, which entails mapping the needs of the community and acting upon it in collaboration with the community, state government and NGOs.

We believe that we can only be socially responsible as a company if our employees are responsible at an individual level. We will therefore ensure that our employees experience our CSR initiatives through meaningful engagement.

GOVERNANCE

Board of Directors and CSR Committee - A Sustainability and CSR Committee (the 'Committee') has been constituted in accordance with the Act. It shall comprise of three or more Directors, amongst whom at least one shall be an Independent Director or such number of members as is mandatorily required by the CSR Laws.

The committee shall accountable to the Board of Directors ('Board') of STL and shall discharge such roles and responsibilities as prescribed under the CSR Laws. The Board may also assign additional functions and responsibilities to the Committee from time to time. In the course of discharging its responsibility, the Committee will be assisted by the Executive Committee (ExCo) of STL on a regular basis. The ExCo comprises of executives from all internal functions in STL (finance, human resources, legal, operations etc.) and shall advise the Sustainability and CSR Committee on making key decisions related to the function.

The Board shall perform all the functions as detailed under the CSR Laws.

Annual Action Plan

The Committee shall formulate and recommend to the Board, an Annual Action Plan ('AAP') in pursuance of this Policy and in accordance with the CSR Laws, which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilization, monitoring mechanism and details of impact assessment, if any. The Board of Directors may approve the AAP with such conditions as it deems fit and further alter AAP at any time during the financial year, as per the recommendation of the Committee, based on the reasonable justification to that effect.

Impact Assessment

The CSR Committee, may also undertake a study to assess the impact caused by the CSR activities of the Company. For the said purpose, the CSR Committee may designate special executives or avail the services of specialized agencies. It shall mandatorily to undertake impact assessment, through an independent agency, for CSR projects or activities having outlays of such amount as may be prescribed by the CSR Laws.

Utilization of funds

The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer shall certify to the effect. It shall be ensured that the administrative overheads are not more than 5% of the total CSR Expenditure.

Any surplus arising out of the CSR activities shall not form part of the business profit of the company. Such surplus, any unspent CSR amount and any spend in excess CSR obligations in a financial year, shall be dealt with in accordance with the CSR Laws.

In case of ongoing project, the Board shall monitor its implementation with reference to the approved timelines and year-wise allocation and shall make modifications, if any, for its smooth implementation within the overall permissible time period

CSR Head

STL's CSR Head shall have the overall responsibility of managing STL's CSR and reporting to the Committee and the ExCo. S/he will oversee the implementation of CSR projects through Sterlite Tech Foundation, and ensure compliance and management as per the Policy.

DISCLOSURES

Appropriate disclosures of the CSR Policy, CSR Committee, annual CSR activities, executing partners, and CSR expenditure entailed shall be made available on the website in accordance with the CSR Laws. CSR initiatives shall also be reported in the Annual Report of the Company in the prescribed format. It shall be the responsibility of the CSR team to ensure the information disseminated is accurate.

REVIEW AND AMENDMENT OF THE POLICY

The Board may, either on its own or as per the recommendations of CSR Committee, amend this Policy, as and when required.

Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, the CSR Rules made thereunder or in any amendment thereto.

In case of any amendment(s), clarification(s), circular(s), FAQs, etc. are issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), FAQs, etc.