

For Sonepar India Pvt Ltd
(Formerly known as ESK India Commerce and Trade Pvt. Ltd)

Corporate Social Responsibility Policy



FOR SONEPAR INDIA PVT LTD
(Formerly known as ESK India Commerce and Trade Pvt. Ltd)

Corporate Social Responsibility Policy

Corporate Social Responsibility Policy

I. **CONCEPT AND VISION**

The Company intends to make a positive difference to society and contribute its share towards the social cause of betterment of society and area in which companies operates. The Company also believes in the trusteeship concept. This entails transcending business interests and working towards making a meaningful difference to the society.

In this regard, the Company has made this policy which encompasses the Company's philosophy for delineating its responsibility as a **Corporate Citizen** and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large and titles as the "**Corporate Social Responsibility (CSR) Policy**" which is based as per the Companies Act, 2013 and rules made there under.

This policy has been formulated and recommended by the CSR Committee and adopted by the Board of Directors at its meeting held on 22nd March 2021. This policy overrides earlier version of same policy. The Board may, upon recommendation of the CSR Committee, amend or modify this CSR Policy as and when necessary.

The Company is a subsidiary of Sonepar Asia Pacific Limited ("SAPL") which in turn is a subsidiary of Sonepar SAS. Sonepar SAS has issued a new Code of Conduct effective from January 2020 ("Sonepar's CoC") and the Compliance Policies and Procedures Manual effective from June 2020 ("Compliance Manual"). Among others, the Compliance Manual contains Policy 315 on Political Contribution and Policy 316 on Charitable Donations and Sponsorships. SAPL has also issued the Asia-Pacific Policy on Political Contribution effective from 18 December 2020 and the Asia-Pacific Policy on Charitable Donations and Sponsorships effective from January 2021 (together the "Asia-Pacific Policies") Sonepar SAS and SAPL may subsequently issue updated policies and procedures including but not limited to those governing contribution to local communities, political contributions, lobbying, charitable donations and sponsorship (together "Updated Policies and Guidelines"). If this CSR Policy conflict with any part of the Sonepar's CoC, Asia-Pacific Policies, and the Updated Policies and Guidelines, such part of the Sonepar's CoC, Asia-Pacific Policies and the Updated Policies and Guidelines shall prevail and be incorporated into this Policy, unless this CSR Policy contains more stringent requirements in which event the more stringent requirements apply.

II. **Definitions**

- **Board** means Board of Directors of the Company.
- **CSR Committee** means Corporate Social Responsibility Committee constituted by the Board pursuant to section 135 of the Companies Act, 2013.
- **Company or OpCo** means Sonepar India Pvt Ltd (Formerly known as ESK India Commerce and Trade Pvt. Ltd)

Corporate Social Responsibility Policy

- **Net Profit** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013.

Words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013 shall have the same meanings respectively assigned to them.

III. CONSTITUTION, COMPOSITION AND SCOPE OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

(a) Constitution and composition of the CSR Committee

The CSR Committee shall comprise of the following member:

1.	Mr. Raja Sivaji Ghosh (DIN – 07450650)	Chairman
2.	Mr. Bharat Bhushan Nagpal (DIN -06741211)	Member
3.	Ms. Seema Ahluwalia	Member
4.	Mr. Rajnish Chahal	Secretary

(b) Scope of the CSR Committee

The CSR Committee has been set up :

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company in the area or subject specified in schedule VII of the Companies Act 2013
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company
- To Monitor the CSR Policy from time to time
- To handle any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

(c) Modalities of execution of the CSR Projects

The modalities of the execution of the CSR projects or programs and their implementation along with the monitoring process of such projects or programs shall be as decided by the CSR Committee.

(IV) DONATIONS & SPONSORSHIP APPROVAL PROCESS

Donations & Sponsorships < €*300

- Complete the Donation & Sponsorship Information Checklist (in Appendix A).
- Written pre - approval required from OpCo leader or his/her Delegatee (as defined below).

Donations & Sponsorships ≥ €*300

- Complete the Donation & Sponsorship Information Checklist (in Appendix A).
- Written pre - approval required from Country leader.

Donations & Sponsorships ≥ €*1000

- Complete the Donation & Sponsorship Information Checklist (in Appendix A).
 - Written pre - approval required from Country leader and Asia Pacific President.
-

*To determine the applicable approval process by reference to the equivalent Euro amount, the cost of the proposed donation or sponsorship in local currency shall be converted into Euro using the exchange rate quoted by the local HSBC (if none, a bank nominated by the OpCo's finance head) on a business day no earlier than 5 business days before the date of the application for approval.

“Delegatee” refers to an associate authorized by the OpCo leader to review and approve the application, whether by written authorization or pursuant to the latest matrix approved by the OpCo leader showing to whom s/he has delegated the authority to approve the making of the Charitable Donation on behalf of the OpCo.

(V) DUE DILIGENCE AND REQUEST FOR APPROVAL FORMS

When requesting for approval, please use the form attached as Appendix B below, to be submitted together with the Due Diligence Questionnaire for Charitable Donation or Sponsorship (in Appendix A) duly completed.

(VI). CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

The Company shall upon the recommendation of its CSR Committee and subject to compliance with this policy , undertake any of the following activities, as part of its corporate social responsibility initiatives, which are defined in Schedule VII of the Companies Act 2013;

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and 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 and economically backward groups;
4. 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;
5. 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 arts and handicrafts:
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. Contribution to fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

9. Rural development projects

10. 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 contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories; 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 ; 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. Slum area development.

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.

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

Also, the CSR activities undertaken in India only will be taken into consideration, in order to satisfy the requirement of section 135 of the Companies Act 2013.

V. IMPLEMENTATION AND RESOURCES FOR THE CSR ACTIVITIES

- For achieving its CSR Initiatives and Activities through implementation of meaningful & sustainable CSR programs, the Company needs to allocate, in every financial year, at least 2%(two per cent) of the average net profit made by the Company during the three immediately preceding financial years.

The average net profit of the Company shall be calculated in accordance with section 198 of the Companies Act 2013.

- If in case the Company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the prescribed amount.
- The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

Corporate Social Responsibility Policy

- CSR expenditure shall include all expenses including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of CSR Committee, but should not include any expenditure on an item not in conformity or not in line with the activities which fall within the purview of Schedule VII of the Act or that violate with this Policy.

VII. CSR Reporting & Display of CSR Policy

The report of the Board of Directors of the Company shall include an annual report on CSR activities in the prescribed format and the Company shall also display the CSR policy on its official website.

APPENDIX A

DUE DILIGENCE QUESTIONNAIRE FOR CHARITABLE DONATION OR SPONSORSHIP

The following questionnaire shall be used as a basis for determining whether a Charitable Donation or Sponsorship is appropriate. Please complete this questionnaire to the best of your knowledge.

1. How did you become aware of this Charitable Donation or Sponsorship opportunity?
 - ⇒ If the idea originates internally, what is the name of the associate, his/her position and is he/she connected with the recipient.
 - ⇒ If the idea originates externally, please highlight the context and attach any document you may have received.
2. What is the full name of the recipient?
3. Is the beneficiary of the Charitable Donation connected directly or indirectly with any of our business partners or its employees? Please detail.
4. What is the amount of the proposed Charitable Donation or Sponsorship?
5. What does the charity or Sponsorship recipient do? Please detail.
6. Will Sonepar be providing any in-kind support to the recipient?
7. Will the Charitable Donation or Sponsorship be used for a specific purpose? Please detail.
8. Why chose to donate to this charity or make this Sponsorship?
9. What is the local reputation of the recipient?
 - ⇒ Please provide relevant information on the Internet or from local sources (to be named).
10. Would the proposed Charitable Donation or Sponsorship be inappropriate or unusual in this country or culture?

Corporate Social Responsibility Policy

- 11. To the best of your knowledge, is the Charitable Donation or Sponsorship compliant with local laws and regulations?
 - ⇒ Attach all relevant documentation to support the answer. Examples include the entity's charter or evidence of its non-profit status.

- 12. To the best of your knowledge, did Sonepar or the operating company already make any contribution in cash or in-kind to this recipient?
 - ⇒ If yes, when, what, value?
 - ⇒ Did Sonepar receive any benefit in counterpart?

- 13. Does the recipient or anyone connected to the recipient have current or potential influence on Sonepar's business?

- 14. Is there a business purpose for the Charitable Donation or Sponsorship? Please describe.

- 15. Will any Public Official personally benefit from the proposed Charitable Donation or Sponsorship in any way?

Signature of requestor:

Name:

Title:

Date:

I, the undersigned, from the Control/Finance department, has been tasked to conduct independent search of the local media or other relevant database and have not found any data that contradicts the responses provided to questions 9 to 12 above, except:

But I do not see that as a material obstacle for this application to proceed to seek approval because:

Signature:

Name:

Title:

Date:

APPENDIX B

REQUEST FOR APPROVAL OF CHARITABLE DONATION OR SPONSORSHIP

To be submitted with Appendix A duly filled in

To the attention of: *[Name of the Approver(s)]*

- Name of requestor:
- Function:
- Name of the operating company:
- Country:
- Region:

The operating company I am working for would like to make the following *[charitable donation / sponsorship]*:

- Name of recipient:
- Value:
- If in-kind, detail + equivalent in value:
- Country:
- Date / period:

I hereby certify that, to the best of my knowledge, this *[charitable donation / sponsorship]* does not contravene any applicable laws and regulations, do not constitute an actual or potential Conflict of Interest and that it is not a way for obtaining an advantage in any existing or potential business transactions.

I hereby request your prior written authorization and attached hereto the requested due diligence duly filled in, documented and signed.

For Sonepar India Pvt Ltd
(Formerly known as ESK India Commerce and Trade Pvt. Ltd)

Corporate Social Responsibility Policy

I thank you in advance for considering the above and am looking forward to your answer.

Place:

Date:

Signature of Requestor:

Name of Approver:

Title:

Date:

Name of Approver:

Title:

Date: