

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2023-2024

### 1. Brief Outline of the Company's CSR Policy

The Company has framed the CSR Policy pursuant to the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended by the Companies (CSR Policy) Amendment Rules, 2021.

#### Our social responsibility initiatives

The Company is dedicated to upholding social responsibility alongside profitable growth and stakeholder satisfaction. The core values prioritize community well-being and sustainable development. Through the corporate social responsibility (CSR) policy, the Company continually seeks to create opportunities for the communities it serves, collaborating with specialized organizations for long-term positive impacts.

#### Empowering Through Education

##### *Sundram Matriculation Higher Secondary School*

Sundram Matriculation Higher Secondary School, established in 1993 and situated in Aviyur Village, Virudhunagar District is committed to deliver quality education to children residing in eight surrounding villages near the Company's Krishnapuram plant. Operated under the auspices of the Krishna Educational Society, the Company's CSR arm, the school fosters modern learning environments. The Company bears the entire cost of running the school and it ensures equal educational opportunities. Out of 467 total students, 223 are female students.

##### *Supporting Primary and Higher Education*

In addition to utilizing its own resources, the Company has partnered with special organizations to bolster its support for primary and higher education initiatives. This includes aiding government schools near its plants in Rudrapur, Kambikudi, and Aviyur by providing essential infrastructure such as benches, desks, and educational aids. Furthermore, the Company has contributed to the construction of a fully equipped high school and Pre-University, catering to students from economically disadvantaged backgrounds, predominantly from agricultural families.

The Company extends support to the Clarke School for the Deaf, an institution dedicated to educating and rehabilitating hearing-impaired and differently abled children. Through institutions like the Sugun Thomas Foundation, the Company assists deserving students in pursuing undergraduate education, thus removing financial barriers hindering their academic pursuits.

In collaboration with Banyan Academy for Leadership in Mental Health (BALM), the Company established the Sundram Fasteners Centre for Social Action and Research, aimed at addressing quality gaps in human resources and mental health services for marginalized communities. Through education and training, the center aims to address complex challenges faced by individuals with mental health issues, promoting collaborative care models grounded in social justice principles. By offering immersive educational programs, the center has empowered over 857 students, fostering a culture of applying acquired knowledge in practical settings to effect positive change.

Research conducted by the center informs social action and public policy initiatives, facilitating sustainable solutions supported by students, volunteers, and faculty members. Additionally, the Company has contributed to the establishment of a Mental Health Resource hub, serving as a repository for case studies and facilitating the creation of policies based on research findings, thereby enhancing mental health care coordination in diverse settings.

#### Healthcare

Given the prevalent deficiencies and disparities in rural regions, it is crucial to identify and evaluate the developmental requirements and initiatives necessary for consistently and effectively addressing the community's needs to ensure equitable progress. Within this framework, the Company has recognized rural healthcare as pivotal to rural development. Through its CSR arm, the Krishna Educational Society, the Company provides free of cost medical services to villages neighboring its Krishnapuram plant, benefiting approximately 2,500 families. The medical center serves a dual purpose of delivering healthcare and conducting educational programs on various health-related topics.

In partnership with the Vaastu foundation, the Company extends primary medical care to underprivileged communities across eight villages in the Nagapattinam district of Tamil Nadu.

Furthermore, the Company covers the treatment expenses for children with cancer in collaboration with the Ray of Light Foundation, India. It also finances the treatment of economically disadvantaged children with congenital and rheumatic heart diseases through the CHIME foundation (MIOT Hospital). Without this financial aid, these children would not have access to necessary treatment.

Additionally, the Company sponsors a program designed by Mithra Trust to engage in conversations around mental health being accessible, available and inviting those who may need it including the queer community and those who have faced gender-based violence.

In line with health and sanitation initiatives, the Company focuses on providing access to clean and hygienic toilets for all. It has contributed to the construction of 75 toilets in Kadamangulam village near its Krishnapuram plant.

This year, the Company has aided the Cancer Institute, Adyar, a non-profit organization serving disadvantaged cancer patients, in establishing a 3D live cell facility. This facility enables predictive testing of anti-cancer drugs on tumor tissue organoids, enhancing treatment planning accuracy for patients. Furthermore, the Company has aided the Vijayaganga Trust by providing heavy-duty battery-operated power systems, an AI-based mammogram facility, and a colonoscope. These contributions help to reduce overhead costs for the hospital and increase accessibility of services for the underprivileged, facilitating improved surgical precision and expanded patient reach.

### Environment & Wildlife

The Company has undertaken the production of a documentary film aimed at showcasing the abundant diversity of species and habitats within the state of Tamil Nadu. This film serves as a platform to address pertinent environmental concerns of the present era, illustrating instances where people continue to share space and co-exist with wildlife.

### Community Development

The Company has contributed to the rejuvenation of a pond in Thenmelpakkam Village, Kancheepuram district demonstrating its commitment to the well-being of the local community adjacent to its factory grounds. This effort involved the construction of a pathway around the pond, the installation of proper inlet and outlet systems, and the establishment of earthen embankments to facilitate optimal water retention. Additionally, to safeguard against encroachments, a protective fence has been erected around the perimeter of the pond.

### Heritage, Art and Culture

The Company has aided in the restoration of the Sathyamurthi Perumal Temple, Pudukottai district a significant cultural landmark managed by the Archaeological Survey of India as a preserved heritage site. This temple, believed to have originated in the 9th century under the patronage of the Pandyas, stands as a testament to the profound historical legacy of the nation.

### Disaster Relief

The Company's disaster relief efforts align CSR endeavors with providing prompt and effective aid to communities impacted by calamities such as the Covid pandemic, Chennai floods of 2015, and the more recent floods in 2023. Through collaboration with Helpage India, the Company extended assistance to the elderly community residing in old age homes or living independently, who were adversely affected by the floods in Chennai in December 2023.

### Skill Development

The Company has facilitated skill-oriented training through engagement of apprentices under the National Apprenticeship Training Scheme (NAPS). The engagement of apprentices under the National Apprenticeship Training Scheme and the payment of stipend are governed by the Apprentices Act 1961 ('Apprentices Act'). In terms of the said Act, establishments having an employee strength exceeding thirty are required to engage a minimum of 2.5% of the total work force and a maximum of 15% of the total work force as apprentices.

The Company has been engaging apprentices in its establishment with a minimum of 2.5% and a maximum of 15% of the total workforce as per the requirements under the Apprentices Act.

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## Employee-Led Social Development Initiatives

The Company actively encourages its employees to dedicate their time and efforts to CSR initiatives aimed at aiding the underprivileged and effecting positive change. Employees are urged to volunteer at least one working day annually towards a social cause of their choice. They actively participate in various CSR activities focusing on education, healthcare, and community outreach programs, either initiated by the Company or in collaboration with other organizations and NGOs.

Since its inception in 2013, employees have wholeheartedly embraced the CSR volunteering movement, guided by the ethos “SFL and You can make a difference.” Each year witnesses full employee engagement in both monetary donation programs addressing societal needs and the employee-volunteering program.

The Company remains steadfast in its commitment to social responsibility, striving to provide avenues for employees to channel their volunteering efforts in ways that are meaningful and impactful.

## 2. Composition of CSR Committee

S. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Ms Arathi Krishna	Managing Director / Chairperson of the Committee	1	1
2	Ms Arundathi Krishna	Joint Managing Director / Member of the Committee	1	1
3	Dr Nirmala Lakshman	Independent and Non-Executive Director / Member of the Committee	1	1

## 3. The Web-Link

The Company has framed a CSR Policy pursuant to the Companies Act, 2013. The Corporate Social Responsibility Policy, composition of CSR Committee and the CSR projects approved by the Board can be accessed at <http://www.sundram.com/investors.php>

4. Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 if applicable: The impact assessment study is not required to be carried out by the Company during the financial year 2023-24. The Company is working with an external agency to carry out an impact assessment for 3 projects completed in March 2023. The impact assessment report will be published as part of the annual report for the Financial Year 2024-2025.
  5.
    - a) Average Net Profit of the Company as per Section 135(5): ₹ **540.56 crores**
    - b) Two percent of average net profit of the Company as per Section 135 (5): ₹ **10.81 crores**
    - c) Surplus arising out of the CSR projects/programmes of the previous financial year: Nil
    - d) Amount required to be set off for the financial year, if any: Nil
    - e) Total CSR obligation for the financial year (5b+5c-5d): ₹ **10.81 crores**
  6.
    - a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ **0.92 crores (includes ₹ 0.56 crores out of the current year budget and ₹ 0.36 crores out of Unspent CSR account) towards ‘ongoing projects’ and ₹ 10.25 crores towards ‘other than ongoing projects’.**
    - b) Amount spent in Administrative Overheads: Nil
    - c) Amount spent on Impact Assessment, if applicable: Nil
    - d) Total amount spent for the Financial Year [6a+6b+6c]. ₹ **10.81 crores**
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e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹ in crores)	Amount unspent (₹ in Crores)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 10.81	NIL				

(f) Excess amount for set off, if any

S No	Particulars	Amount (₹ in crores)
(i)	Two percent of average net profit of the Company as per Section 135(5)	₹ 10.81
(ii)	Total Amount spent for the Financial Year	₹ 10.81
(iii)	Excess amount spent for the Financial Year [(ii) – (i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial year, if any.	Nil
(v)	Amount available for set off in succeeding years [(iii) – (iv)]	Nil

7. Details of Unspent CSR amount for the preceding three financial years:

1	2	3	4	5	6	7	8
S No	Preceding Financial Year	Amount transferred to unspent CSR Account under Section 135(6) (₹ in Crores)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (₹ in Crores)	Amount Spent in the Financial Year (₹ in Crores)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any.	Amount remaining to be spent in succeeding financial years (₹ in Crores)	Deficiency, if any
					Amount (₹ in Crores)	Date of transfer	
1	2021-2022	₹ 0.70	₹ 0.36	₹ 0.36	Not Applicable	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Nil**

If yes, enter the number of Capital assets created / acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	CSR Registration Number, if applicable	Name	Registered address
NIL							

9. Specify the reasons, if the company has failed to spend two per cent of the average net profit as per Section 135(5): **Nil**

May 22, 2024  
Chennai

**Dr Nirmala Lakshman**  
Non-Executive Independent Director  
Member of the CSR Committee  
DIN: 00141632

**Arathi Krishna**  
Managing Director  
Chairperson of the CSR Committee  
DIN: 00517456

**Arundathi Krishna**  
Joint Managing Director  
Member of the CSR Committee  
DIN: 00270935