

SPEL Semiconductor Limited (SPEL) has traditional trait of caring the needy, “to improve the quality of life of the communities it serve through long term value creation for all Stakeholders”, which is in alignment with the Company’s core purpose.

The Company shall allocate at least 2% of its average net profits before taxes of the preceding three years, towards CSR activities to sustain and improve a healthy and prosperous environment and to improve the quality of life of the communities it serves. The Company shall positively impact and influence its Employees and Partners in fostering a sense of social commitment for their Stakeholders.

Focused Geographic Spread

SPEL’s focus areas for developmental activities will be in urban as well as rural areas in the states in which it is located. The Company may also support initiatives in other geographies, as approved by the CSR Committee of the Board, from time to time.

While we will ensure that all communities benefit from our CSR activities, we would focus on those groups that are socially and economically marginalized.

CSR Focus Areas

SPEL will focus on four thrust areas – Education, Health, Livelihoods and Rural and Urban infrastructure. Besides, it will also undertake Interventions in the areas of sports, disaster relief, environment and ethnicity etc., (**Refer Annexure A**), all aimed at improving the quality of life of the communities.

Approach

The Company’s CSR will revolve around six guiding principles – Impact, Partnerships, Affirmative Action, Volunteerism, Communication and Innovation. (**Refer Annexure B**)

Delivery Mechanism

Whilst a large part of the CSR efforts of SPEL will be implemented by an in-house CSR department and through several Societies promoted by the Company, the Company will also partner with credible organizations – individually or as a consortium – to design, fund, implement and review projects. Partner agencies will be selected based on well-defined selection criteria.

Governance Mechanism

SPEL ’s CSR will have a multi-tiered governance mechanism.

- ♣ The CSR Committee of the Board will govern and review the CSR of the Company from time to time. The CSR Committee will recommend the Annual Business Plan for CSR to the Board for its approval. The plan will include resource requirements and allocation across interventions and locations. The composition of the CSR Committee of the Board is as below :

Mr. K. Ravikumar - Non-Executive, Independent - Chairman
Mr. M. Jayasankar - Non-Executive, Independent - Member
Mr. D. Balakrishnan - Executive, Non-Independent – Member

- ♣ An Apex CSR Steering Committee chaired by the Whole Time Director and comprising the Senior Management Team of SPEL will do a quarterly review of the activities and monitor achievements against targets set at the beginning of the year.

Review of Policy

This CSR policy document will be reviewed from time to time and any changes, if necessary, will be approved by the CSR Committee of the Board.

Annexure A : CSR Interventions

CSR Programs CSR Initiatives Ref. Sr.No of Sch VII of Companies Act

- Education**
- Health**
- Sports**
- Ethnicity**
- Environment**
- Disaster Relief**

Different activities will be categorized differently

The CSR Committee could, from time to time, recommend donating or making grants to the PM's fund or funds set up the State Governments or to non-profit organizations and other institutions whose activities are aligned with the Company's CSR.

Annexure B : Guiding Principles for CSR

- Impact – All CSR initiatives will have well-defined KPIs to measure impacts on target groups. For high impact projects, there will be independent, third-party assessments and feedback will be a key input for redesign and / or rollout of further initiatives.
- Partnerships – The Company will forge collaborations with business partners, other SPEL Group companies and like-minded corporate organizations, funding agencies, non-government organizations, and community based organizations, Governments and Government organizations, based on well-defined selection criteria. Partners will bring in complementary resources, expertise and influence which would be leveraged to force-multiply the company's CSR initiatives.

SPEL will engage closely with The Arun Public Charitable Trust (TAPCT) and work jointly on projects which are aligned to SPEL's CSR strategy and in its operational areas.

- Affirmative Action – The Company will design targeted interventions for Scheduled Castes and Scheduled Tribes to promote Education, Employability, Employment and Entrepreneurship. The Company will also work on promoting Ethnicity to preserve the cultural fabric of these communities.
- Volunteerism – SPEL is committed to providing opportunities to its employees, their families to engage in volunteering activities that will benefit the communities in which they live and work, and at the same time, support SPEL's own CSR efforts. This will not only deepen local community connect but will also leverage in-house skills in addressing social challenges, thereby creating both social and business impacts.
- Communication – The Company will have a two-way communication channel, so that the Stakeholders' needs, expectations and aspirations can be mapped and their feedback and satisfaction levels can be obtained and assessed for the purpose of design and improvement of initiatives.
- Innovation – SPEL will endeavor to develop innovative solutions to solve seemingly intractable social problems. These will encompass technology, as well as models for sourcing, partnering and delivery of initiatives.
