## Corporate Social Responsibility Policy of Siemens Limited (SL)

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<th>Corporate Social Responsibility Committee of Siemens Ltd</th>
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Corporate Social Responsibility Policy of Siemens Limited

1. Preamble/ Philosophy

Siemens has always endeavored to be an integral part of the India's society for more than 5 decades – as an employer, customer, investor, vendor and corporate citizen. Siemens considers it as its economic, environmental and social responsibility to foster sustainable local development as well as add value to the local economy in which it operates. The initiatives in the social sphere, generally known as Corporate Social Responsibility (CSR), are referred to as Corporate Citizenship in Siemens. Corporate Citizenship is the Company’s contribution to sustainable communities and is built on the Company Values of being Responsible, Excellent and Innovative.

2. Corporate Citizenship Strategy

One of Siemens’ goals is to sustainably improve living conditions for as many people as possible. We work towards this goal by addressing challenges such as demographic change, urbanization, climate change and globalization. We derive our company-wide sustainability initiatives from these strategic directions. The Corporate Citizenship strategy is in line with the Company’s goal to address the three dimensions of Sustainability i.e. Economic, Environment and Social. Hence, the strategy focuses on: Education & Science, Social, and Environment. The strategy aims to address the challenges and needs that communities face by leveraging the Company’s competencies and solutions. It is oriented towards the Country’s development agenda, UN Millennium Goals and UN Global Compact principles. This strategy is applicable for Siemens Limited and all Siemens Group companies in India.

To identify Siemens India’s focus areas with respect to Corporate Citizenship, an extensive stakeholder survey was conducted in 2011 across various locations. The stakeholders consisted of NGOs, Government Departments, Academic and Training Institutes, Media, Vendors and Employees. The survey results were analyzed and the inputs were considered in depth to identify areas of importance for Siemens and for the Society.

The focus topics for Corporate Citizenship are:

2.1 Support to Universities and promotion of technical and science education.

Skills and knowledge are the driving forces of economic growth and development for any country. Currently, a huge gap exists between the need of the industry for an employable work force and the capacity of the skill development programs. Siemens employs its competencies to promote science and technical education so as to produce ‘Industry ready’ engineers and technicians in India. The key initiatives that have rolled out to address the focus areas are:
• **2.1.1: Siemens Scholarship Program**

The scholarships are aimed at supporting deserving meritorious engineering students from economically-backward families to pursue their education and launch a sustainable career in engineering.

*Reference to Companies Act 2013 Schedule VII (ii) of promoting education and enhancing employment and (iii) of promoting gender equality and empowering women*

• **2.1.2: Upgradation of Government Industrial Training Institutes (ITIs)**

Siemens supports by providing know-how on various modern technologies so as to produce ‘Industry ready’ technicians. This involves upgrading the training infrastructure of government ITIs, support training of the faculties and improvement in the skills of the students.

*Reference to Companies Act 2013 Schedule VII (ii) of promoting education and employment enhancing vocation skills.*

• **2.1.3: Skills Development Centre**

Siemens also promotes science and technical education to youth in and around our locations from economically-backward families by providing Sector skills approved by National Skill Development Corporation of India.

*Reference to Companies Act 2013 Schedule VII (ii) of promoting education and employment enhancing vocation skills.*

• **2.1.4: Educational scholarship to Destitute Children**

Support to The Welfare Society for Destitute Children, Mumbai (also known as St. Catherin’s Home) in addressing one of the most pressing issues facing urban India – homeless, destitute children through educational scholarships, career guidance, mentoring and imparting life skills.

*Reference to Companies Act 2013 Schedule VII (i) Promoting education and employment enhancing vocation skills*

• **2.1.5: Employee Volunteering**

Siemens encourages employee’s engagement in the communities to address the needs of communities on education and holistic development.
2.1.6: Ethics Education

Siemens as part of its ‘Collective Action’ program aims to promote ethics education in the communities especially students to be ethical in all walks of life.

2.2 Enhancing living conditions through provision of water, healthcare, energy, livelihood, etc

A majority of India’s rural population continue to live with inadequate physical and social infrastructure and poor access to basic services. Siemens aims to design and deploy scalable, replicable and sustainable models that would deliver social impact.

- **2.2.1: Project Asha**
  It is an initiative to enhance living conditions through integrated rural development using sustainable and inclusive technology which can be replicated.

Reference to Companies Act 2013 Schedule VII (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water,(iii) Promoting gender equality and empowering women (iv) Ensuring environmental sustainability, conservation of natural resources and maintaining quality of soil, air and water and (x) Rural development projects.

2.3 Primary Healthcare and Health Education

Siemens focuses on creating a model for accessible and affordable quality healthcare to the underserved population.

- **2.3.1: “Sanjeevan” the mobile healthcare clinic**

  The project addresses primary healthcare to underserved communities by rendering primary healthcare services, improve health-seeking behavior, facilitating linkages and referral services to public health delivery system. The program covers maternal & child health, addressing seasonal diseases, promotion of health and hygiene, strengthening community health workers etc.

Reference to Companies Act 2013 Schedule VII (i) Promoting preventive health care and sanitation and (iii) Promoting gender equality and empowering women
2.4 Disaster Relief

Siemens’ disaster relief activities span three areas: emergency aid on safe drinking water and healthcare following a disaster, assistance with rehabilitation and community-based disaster preparedness (CBDP).

- **2.4.1 Drought mitigation project**

  Siemens aims at implementing sustainable initiatives at drought affected villages like water conservation, irrigation and ongoing capacity building of the community so as to drought proof the villages

  *Reference to Companies Act 2013 Schedule VII (iv) Ensuring environmental sustainability, ecological balance, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.*

3. Corporate Social Responsibility Committee

As per the requirements of recently enacted Companies Act, 2013 and rules framed thereunder, the Board of Directors at their meeting held on April 25, 2014 constituted CSR Committee consisting of the following directors:-

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<tr>
<th>S.no</th>
<th>Name</th>
<th>Role in the Committee</th>
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<tbody>
<tr>
<td>1</td>
<td>Mr. Deepak Parekh</td>
<td>Chairman</td>
</tr>
<tr>
<td>2</td>
<td>Mr. Sunil Mathur</td>
<td>Member</td>
</tr>
<tr>
<td>3</td>
<td>Mr. Christian Rummel</td>
<td>Member</td>
</tr>
<tr>
<td>4</td>
<td>Ms. Mariel von Drathen</td>
<td>Member</td>
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The mandate of the CSR Committee is essentially to:

a. Formulate and recommend to the Board of Directors, the
   i. CSR policy
   ii. Expenditure on CSR activities

b. Monitoring of CSR policy from time to time
c. recommend CSR projects, which are in line with the activities specified in Schedule VII, to be undertaken by the Company

d. recommend the amount of expenditure to be incurred on CSR projects

e. Monitoring Mechanism for the implementation of the CSR Projects or programmes or activities undertaken by the Company

The CSR Committee shall, on an annual basis, furnish a statement that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of Siemens Limited (“the Company”).

4. Corporate Citizenship Department of Siemens Limited

At Siemens, the Corporate Citizenship activities of Siemens Limited and all Siemens Group companies / subsidiaries in India are planned, monitored and evaluated by the Corporate Citizenship Department. It prepares reports at regular intervals to be presented to the CSR Committee of the Company and applicable Group companies / subsidiaries in India.

5. Project cycle of Corporate Citizenship Project

5.1 Corporate Citizenship projects / CSR activities

The Company shall endeavor to spend on the CSR activities as prescribed under the Companies Act, 2013 and rules framed there under, as may be amended from time to time (“the Act”).

The CSR projects and programs to be undertaken by the Company shall include activities falling within the preview of schedule VII of the Act, as may be amended from time to time. These programs will be executed by Siemens and where appropriate in partnership with local government, various NGO partners, service providers and others. The list and implementation modalities may be modified from time to time, as per recommendations of the CSR Committee of the Company.

5.2 Project Planning and Implementation

All projects of Corporate Citizenship will be conducted in line with the following framework:

5.2.1 Baseline study / Needs assessment:

A needs assessment or baseline study along with the Company’s competencies and solutions will be conducted for initiating any project/program.

5.2.2 Selection of the implementing partner:

For the purpose of achieving its CSR objectives, the Company may partner with organizations like NGOs, Academic and Training Institutions, companies, the Government and other stakeholders for project implementation and facilitation.
5.2.3 Mandatory Requirements while selecting an implementing partner:
The selection of implementing partner and the due diligence parameters shall be conducted as per the internal policies of the Company as also as per the applicable regulatory requirements from time to time.

5.2.4 Project definition:
Based on the findings of the baseline / needs assessment, the project is developed defining the goals, objectives, project interventions, time lines, resources, indicators and roles and responsibilities of the community and the implementing partner(s). The Corporate Citizenship Department will leverage, analyze and plan Siemens’ competencies and solutions to add value and address the project interventions.

5.2.5 Key Performance Indicators (KPIs)
All projects will have Key Performance Indicators (KPIs) to measure progress toward those goals and objectives set at the time of project definition. Based on the nature of the project, the KPIs will be defined and measured across various stages such as Inputs, Outputs, Outcome and Impact. A prime focus shall be to ensure self-sustainability of the initiative even after Siemens exits the specific project.

5.2.6 Beneficiaries
The project will define the beneficiary group as per the goal and the needs assessment / baseline study.

5.2.7 Project Funding
The Company can co-partner with other Siemens Group companies, subsidiaries in India and other Corporates for funding of Corporate Citizenship projects. Reporting of the contribution(s) by the respective companies will be prepared separately.

In cases where the project generates surplus funds, the same will be carried forward by the implementing partner as part of the opening balance of the project for the subsequent / following year. In a situation where there is a surplus fund available at the end of the final year of the project, the same amount will remain as a corpus with the beneficiaries for the purpose of sustainability.

The surplus, if any, arising out of the CSR Projects or programs or activities shall not form part of the business profit of the Company.
6. Monitoring and Evaluation

The Corporate Citizenship Department will perform a periodic assessment of the relevance, performance, efficiency and impact of the projects / programs. The Company/Committee shall from time to time determine criteria of evaluation of performance of implementing partner.

6.1.1 Implementing partner reporting

The implementing partner will report on the program(s) and the expenditure on a regular basis in addition to a yearly report which will include programs undertaken along with the expenditure incurred on it, future plan of action for the subsequent financial year and balance carried forward, if any. In cases where there is co–funding in the project or multiple partners, the implementing partner will report to all the stakeholders.

7. Corporate Social Responsibility Committee / Board reporting

7.1 Periodic Report - Program and Finance

The Corporate Citizenship Department will from such time to time as may be determined by the CSR Committee, prepare and present to it, for its review, Program and Finance Report of all projects as mentioned in the Corporate Citizenship Policy. The Committee can suggest changes in the project to meet the project objectives.

7.2 Annual Report - Program and Finance

The Corporate Citizenship Department will prepare a detailed report of all projects and necessary reporting / disclosure requirements would be adhered to.
### Annexure – List of Corporate Citizenship projects

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Project Implementation</th>
<th>Area</th>
<th>Impact group</th>
<th>Project duration</th>
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<tbody>
<tr>
<td>Up-gradation of Industrial Training Institutes</td>
<td>Directorates of Employment and Training and ITIs</td>
<td>Maharashtra, Gujarat, Karnataka</td>
<td>Students and Instructors of Government ITIs</td>
<td>2014-2019</td>
</tr>
<tr>
<td>Project Asha</td>
<td>AROEHAN, field action project of Nirmala Niketan, college of social work</td>
<td>Mokhada, Thane, Maharashtra</td>
<td>13 Villages of Mokhada block</td>
<td>2012-2015</td>
</tr>
<tr>
<td>Siemens Scholarship Program</td>
<td>Growth Centre, Smile Foundation</td>
<td>All India</td>
<td>Meritorious engineering students from economically backward families</td>
<td>2013-2017</td>
</tr>
<tr>
<td>Drought mitigation project</td>
<td>Action Aid Association</td>
<td>Aurangabad Division</td>
<td>Villagers of Nandkheda, Sirasgaon</td>
<td>2013-2015</td>
</tr>
<tr>
<td>Skills Development Centre</td>
<td>TBD</td>
<td>Kalwa, Nashik, Vadodara</td>
<td>Youth from economically backward families</td>
<td>2014-2017</td>
</tr>
<tr>
<td>Employee Volunteering</td>
<td>Katalyst, Aide-et-action, The Welfare Society for Destitute Children, Children Aid Society, AID, Smile Foundation</td>
<td>Mumbai, Thane, Pune, Bangalore, Chennai, Hyderabad, Delhi, Gurgaon and Kolkata</td>
<td>Children, youth, underprivileged girls</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Ethics Education</td>
<td>Children’s Movement for Civic Awareness (CMCA)</td>
<td>Maharashtra</td>
<td>School and Junior college students</td>
<td>2014-2016</td>
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