

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY: System and Procedures

Brief Description:	Provides guidelines on Corporate Social Responsibility
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Owner Department:	Risk and Compliance
Effective Date:	Ongoing
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Recommended by:	CSR Committee [Paul Greenwood, Caroline Bradshaw Firstbrook and Venugopal Yadavalli]
Approved by:	Board of Directors
Execution Responsibility**:	CSR Committee and CSR Team
Last Reviewed/Updated:	May 28, 2021
Frequency of review:	18 months
Applies to:	Clifford Chance Business Services Private Limited (CCBS)

INTRODUCTION

Section 135 of the Companies Act, 2013 (the Act), read with Companies (Corporate Social Responsibility Policy) Rules, 2014 requires every company having the prescribed net worth, turnover or net profit to constitute a CSR committee. The CSR Committee approves and adopts the CSR Policy and makes the necessary amendments as and when required.

** **Owner:** Department who owns and enforces the policy and ensures that it is up-to date; any recommendations or queries should be directed to the Owner.*

*** **Execution Team:** Supports the implementation of this policy and makes sure that all relevant approvals are taken and all exceptions highlighted to the Owner of the policy.*

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1. CONTEXT

Section 135 of the Companies Act, 2013 (the Act), read with Companies (Corporate Social Responsibility Policy) Rules, 2014 requires every company having a:

1.1.1 net worth of Rs. 500 crore or more; or

1.1.2 turnover of Rs. 1,000 crore or more; or

1.1.3 net profit of Rs. 5 crore or more

in any of three (3) preceding Financial Years ('FY') i.e. FY 2011-12, FY 2012-13 and FY 2013-14 to constitute a Corporate Social Responsibility Committee (CSR Committee). Further, the CSR Committee so constituted shall formulate a CSR Policy and recommend the same to the Board of Directors of the Company (Board) for its approval.

In compliance with the above regulations, CCBS constituted its CSR Committee on 18th February 2015 and the Board vide its resolution dated 4th March 2015 approved and adopted the CSR Policy with immediate effect.

2. CSR PHILOSOPHY

CCBS has always endeavored to go beyond its business focus and contribute to the well-being of all stakeholders, including the community at large.

As an organisation, we believe that sustained economic growth cannot happen without social progress and the well-being of local communities. It is our responsibility to take care of those residing in the vicinity of our organisation.

Our CSR Philosophy is focused on four principal areas:

2.1.1 **Our people** are central to everything we do. We realise our potential by creating a safe, healthy and inclusive workplace, and by broadening our skills and experience.

2.1.2 **Our community**, where we live and make our living. We focus our efforts on three themes:

- widening access to justice,
- access to finance, and
- access to education.

Our community initiatives span from pro bono work and volunteering in the community to charitable donations. CCBS may also focus on other CSR activities, where necessary.

2.1.3 **Our environment** and contributing to a more sustainable world is important to how we advise our clients and manage our business.

2.1.4 **Doing Business** responsibly through market-shaping practices in relation to ethics, professional standards and risk management is a top priority.

3. CSR VISION AND OBJECTIVES

In alignment with its CSR Philosophy, the Company, through its various CSR programmes, intends to focus on the areas of education and environment.

CCBS intends to achieve its CSR objectives in the above focus areas by:

- 3.1.1 Establishing a guideline for compliance with the provisions of CSR Regulations to dedicate a percentage of the Company's profits for social projects,
- 3.1.2 Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting, and
- 3.1.3 Creating opportunities for employees to engage in socially responsible initiatives.

4. CSR BUDGET

The Board shall ensure that in each financial year, the Company spends at least 2 per cent of the average net profit made during the three immediately preceding financial years on CSR activities as per the Act and amendments made thereunder from time to time. The computation of average net profits will be carried out in accordance with the provisions of Section 198 of the Act.

Any surplus arising out of the CSR projects or programmes or activities shall not form part of the business profit of the Company. Further, the Company may collaborate or pool resources with other organisations to plan, implement, monitor and report CSR activities.

5. GOVERNANCE STRUCTURE

5.1 Constitution of the CSR Committee

The Board of Directors of the company has constituted a CSR Committee which currently comprises of three directors namely:

5.1.1 Venugopal Yadavalli

5.1.2 Paul Greenwood

5.1.3 Caroline Bradshaw Firstbrook

The Board of Directors of the company shall be responsible for ensuring that the composition of the CSR Committee complies at all times with the requirements of the Act as amended from time to time.

Responsibility of the above Committee shall be as follows:

- (a) To formulate and recommend to the Board, a CSR Policy for approval specifying activities to be undertaken as per the Companies Act, 2013 and amendments made thereunder from time to time.

- (b) To recommend the amount of expenditure to be incurred on CSR activities.
- (c) To monitor the implementation of the CSR Policy of the Company from time to time.
- (d) To constitute a transparent monitoring mechanism for ensuring implementation of CSR projects.
- (e) To be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations or required by the Board.
- (f) To obtain professional advice from external sources and have full access to information contained in the records of Company. As well as the powers to call any employee / external consultant or such other person(s) and for such purpose as may be deemed expedient for the purpose of accomplishments of overall CSR objectives laid down under the Act.
- (g) To formulate and recommend to the Board, an annual action plan in pursuance of the CSR Policy, which shall include the following, namely:
 - i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - ii. the manner of execution of such projects or programmes;
 - iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - iv. monitoring and reporting mechanism for the projects or programmes; and
 - v. details of need and impact assessment, if any, for the projects undertaken by the company;

A quorum of two members is required to be present for the proceedings of the CSR Committee to take place. The Committee members may attend the meeting physically or via such audio-visual means as permitted under the Act. Meetings of the Committee can be convened as and when deemed appropriate.

The CSR Committee may form a CSR team of volunteers for assistance and execution of identified CSR projects, programmes and activities listed by the CSR Committee.

5.2 Responsibilities of the Board

The responsibilities of the Board shall be as follows:

- 5.2.1 Approving CSR Policy of the Company.
- 5.2.2 Disclosing the content of the policy in its report and placing the policy on the Company's website in the manner prescribed under 135 of the Act read with CSR Rules.

- 5.2.3 Ensuring that the CSR activities are related to the activities mentioned in the Companies Act, 2013 and amendments made thereunder from time to time.
- 5.2.4 Ensuring that CSR projects included in the policy are undertaken by the company.
- 5.2.5 Ensuring that the Company spends, in every financial year, at least 2 per cent of the average net profits made during the three immediately preceding financial years.
- 5.2.6 Ensure that the funds disbursed for CSR activities and/or projects have been utilised for the purposes and in the manner as approved by Board / CSR Committee and the Chief Financial Officer or the person responsible for financial management shall certify to that effect.
- 5.2.7 Ensure that the annual action plan, as recommended by the CSR Committee, is approved with such further conditions as deemed fit and to further alter such plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.
- 5.2.8 In case the Company fails to spend the prescribed amount on CSR activities, to approve authorisation for the transfer of the unspent CSR amount, either to a prescribed fund or to a special account, as the case may be, in accordance with the law and also to ensure that the reasons for not spending the prescribed amount are disclosed in the Board's report in accordance with the requirements of the law.

6. CSR PROGRAMMES

CCBS shall focus its CSR activities in the following thematic areas:

- 6.1.1 Promotion of Education, including special education and vocational skills.
- 6.1.2 Environment.
- 6.1.3 Eradicating hunger, economic poverty and malnutrition, promoting healthcare (including preventive healthcare).
- 6.1.4 Disaster management, including relief, rehabilitation and reconstruction activities.
- 6.1.5 Any other activities as specified under Schedule VII of the Companies Act 2013.

An illustrative list of the CSR programmes carried out by CCBS in the aforesaid thematic areas is enclosed as **Annexure I**.

7. SELECTION AND IMPLEMENTATION OF PROGRAMMES AND ACTIVITIES

The programmes would be selected based on the requirements of the community.

Depending upon the nature of the project, CSR activities and/or programmes may be undertaken either directly by the CSR team (as identified in Section 5) or through a third party registered Trust/Society/Section 8 Company ("Implementation Agencies") which shall at minimum meet the following requirements:

- i. must be registered with the Central Government and must have obtained a unique CSR Registration Number in accordance with the Companies Act, 2013;
- ii. should have all the requisite registrations including registration under Section 12A and Section 80G of the Income Tax Act, 1961; and
- iii. should have an established track record of at least three years in undertaking similar activities.

Implementation Agencies shall be selected after an adequate due diligence process has been completed to ensure that the proposed Implementation Agencies are eligible to be appointed as such. CCBS may also use the services of expert agencies, consultancy firms etc., wherever required for carrying out base line surveys, guidance on CSR programme design and implementation, due diligence of implementation partners, impact assessment surveys, etc.

8. MONITORING & REVIEW MECHANISM

The CSR team shall submit its report at the minimum frequency of once per year to the CSR Committee which shall monitor the progress on CSR activities and CSR spend. Post receipt of the report from the CSR team, the CSR Committee shall discuss and review the progress of the CSR activities and apprise the Board to enable them to monitor the progress of CSR activities undertaken by the Company as per the CSR Policy.

The Company may choose to engage the services of an external agency to identify appropriate projects and Implementation Agencies and to verify progress of the projects.

9. REPORTING FRAMEWORK

The Board shall ensure reporting of CSR activities on the Company's website. Further, the Board shall also include details of the CSR Policy and activities undertaken during the year in its Board Report as per the format prescribed in the CSR Rules notified.

10. AMENDMENT TO THE POLICY

The Board on its own and/ or as per the recommendations of the CSR Committee can amend this Policy, as and when required, as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time.

11. ANNEXURE I

S.No.	Thematic area which the project covers	CSR Project or activity identified	Geographical Coverage	Implementation mechanism
1	Education	Project Padho Aur Badho – encouraging and enabling underprivileged children to go to school.	Delhi – NCR	<ul style="list-style-type: none"> Partnering with Literacy India or any other NGO selected through the internal process, by involving CCBS CSR team to assess the requirements and supporting the cause through donations or participatory schemes, for example.
				<ul style="list-style-type: none"> Creating awareness and motivating non-school going children by organising events at Literacy India centres.
				<ul style="list-style-type: none"> Employee engagement – fundraising and gifts collection from employees across CCBS and organising events for employee interactions with these underprivileged children from Literacy.
			Purulia – West Bengal	<ul style="list-style-type: none"> Supporting tribal children and children from marginal communities in the academic discourse. Aimed at Children who have limited access to mainstream quality education.
		Project Digital Literacy	Delhi -NCR	<ul style="list-style-type: none"> Through Employee engagement & partnering with Literacy India – to provide training and impart knowledge of MS office applications to young adults at Literacy India's centres.
		Project Karigari Janani – supporting Literacy India's women	Delhi – NCR	The project aims at pioneering future skills to create employment by partnering with Literacy India. Includes advanced vocational training of rural

S.No.	Thematic area which the project covers	CSR Project or activity identified	Geographical Coverage	Implementation mechanism
		empowerment programme.		women and imparting skills to create employment.
2	Environment	World Environment Day – creating awareness about environmental issues.	Delhi – NCR & Neighbouring states	Awareness campaign through contests and communication about ongoing environmental issues like sea level rise, global warming.
		Project Green Scene – reducing carbon footprint, e waste management and tree plantation	Delhi – NCR & Neighbouring states	Through NGOs – by participating in an approved project to be shortlisted and approved by CSR Committee.

Note: The CSR Committee may recommend, and the Board may approve any other programme in accordance with the requirements of the Companies Act, 2013

12. HISTORY

Sr. No.	Version No.	Version Date	Section(s) affected	Page Number(s)	Approval
1	V1	1 st April, 2014			Board Meeting 4th March 2015
2	V2	8 th October 2020	Overrides earlier policy		Board Meeting 18th November 2020
3	V3	28 th May, 2021	Overrides earlier policy		RBC passed on 28 th May 2021