

**POLICY ON CORPORATE SOCIAL RESPONSIBILITY (CSR)**

**Effective from 15th July, 2022**

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## 1 Objectives

As a Corporate Citizen, Expleo Solutions Limited (“EXPLEO” or “the Company”) is committed to contribute to the welfare of the Society through a comprehensive CSR framework. EXPLEO is committed to promote activities leading to a sustainable development and environment in the areas in and around the place in which it has its offices and operates.

The focus of EXPLEO’s policy is:

- To promote education for poor and/or children with disabilities
- To cement relationships with the local community
- To support the initiatives of not-for-profit agencies who are working for improvement in quality of life of the target communities and whose activities align with the vision of the EXPLEO’s CSR objectives
- To sensitize employees on their responsibilities towards society and encouraging them to take active part in various company initiatives
- To promote activities targeted at Green & Clean environment

## 2 Resources

Funding & Allocation: For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, EXPLEO will allocate at least 2% of the average net profits of the Company during the three immediately preceding financial years, calculated as prescribed under Companies Act, 2013 (“Act”), Schedule and the Rules made thereunder, as amended from time to time.

From the funds available under the CSR, EXPLEO shall allocate funds to provide support under the following heads, on a year on year basis:

- Education in Science, Technology and Maths for poor and/or children with disabilities including support for creation or upgrade of infrastructure in schools and other education centres
- Development of disabled persons through training, livelihood creation, etc.
- Activities promoting Ecological Awareness and betterment of living environment
- Disaster Relief Fund
- Prime Minister’s National Relief Fund
- Other heads as may be decided and approved by the Board of Directors, in line with Schedule VII of the Act, as amended from time to time.

While the main focus of the CSR activity of EXPLEO shall be education, including of education of differently abled, EXPLEO shall also support other activities as highlighted above.

Any unspent/unutilised CSR allocation of a particular year, will be spent in the manner as prescribed in the Companies Act, 2013 read with Rules made thereunder. Any amount spent in excess of CSR allocation of a particular year, will be set off in the manner as prescribed in the Companies Act, 2013.

The surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the Company and such surplus shall be dealt with in the manner deemed appropriate by the Board and as specified under Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time.

### **3 Constitution of Committee**

A Committee shall be formed by the Board of Directors called **Corporate Social Responsibility Committee** ("CSRC"). CSRC of the Board shall be constituted with three or more directors, out of which at least one director shall be an independent director. The details of the composition of the CSRC shall be hosted on the Company's website at [www.expleosolutions.com](http://www.expleosolutions.com).

A Committee called "**CSR Standing Committee**" be formed consisting of Members to be decided by the Managing Director & CEO, as per the Rules and Regulations of the said Committee framed therein, which shall consist of at least 8 executives from across the organisation.

### **4 Implementation**

- a) CSR activities as approved by the Board may be initiated/implemented/executed either:
- i) by the Company; or
  - ii) through a company established under Section 8 of the Act, or a registered public trust or a registered society registered under relevant state acts, and approved under Section 12A and 80 G of the Income Tax Act, 1961, either established by the company singly or along with any other company/companies
  - iii) a company registered under Section 8 of the Act, or a registered public trust or a registered society, registered under relevant state acts and approved under Section 12A and 80G of the Income Tax Act, 1961 and having an established track record of at least 3 (three) years in undertaking similar programs or projects
  - iv) The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR

committees of respective companies are in a position to report separately on such projects or programmes in accordance with the Act.

- b) The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of its own personnel for CSR.
- c) An annual action plan shall be formulated by the Committee and recommended to the Board for its approval, which shall include:
  - 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.

The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

- d) The investment in CSR shall be project based and for every project, the objectives, action plan, execution time frame, periodic milestones and budget, funds release plan should be agreed between the executing not-for-profit organisation and the Company. This shall be presented to the CSR committee of the Company and the approval of the Board shall be obtained.
- e) Project activities identified under the CSR may be implemented either by the Company, or through not- for- profit organisations, by complying with the registration requirements specified by the Act/Rules from time to time. In addition, the CSR funds may also be used to provide grants to an on-going activity of a not-for-profit organisation, if such donation or grants are recommended by the CSR Committee and approved by the Board.
- f) Project proposal for any CSR activity shall be examined by the Standing Committee consisting of 8 executives from across the organisation and submit report / recommendations to the CSR Committee.
- g) The CSR Committee shall analyse the same and make out a proposal to the Board for approval.
- h) The CSR initiatives of the Company can be pursued in the district in which its offices and workplace of employees are located and the revenue districts surrounding these districts or any other location as may be decided and approved by Board.

The Standing Committee's responsibility shall be as follows:

- 1) Each member would understand the CSR initiatives for the year, support in its implementation and also evangelize CSR as a way of life within Expleo Solutions Limited.
- 2) Individual Committee members would prepare a detailed implementation plan for each of the focus areas and the same shall be discussed by the standing Committee before submitting the report to the CSR Committee.
- 3) Shall coordinate with external entities / NGO's / social organisations for collation of information required for the initiative.
- 4) Shall enlist the support of volunteers for each of the activities under the implementation plan.
- 5) Shall ensure that the planned activities are executed as per the agreed schedule, else escalate reasons for delay.
- 6) Shall obtain Utilisation certificate with statement of expenditure duly certified by an authorised auditor to the CSR Committee where the expenditure is through any other organisation or institution.
- 7) Report monthly on the progress on the initiatives under the focus area to the CSR Committee highlighting the cumulative outlays and outcomes of the programme in specific details.
- 8) Provide a monthly update on the CSR initiatives for the year to the CSR Committee.
- 9) Meticulous documentation of the CSR approaches, programmes, expenditures, procurement, etc., should be available and made available to the CSR Committee in their meetings.

The CSR Committee shall:

- 1) Formulate and recommend CSR Policy, for approval of the Board of Directors of EXPLEO. The Committee shall further monitor the CSR activities of the Company from time to time.
- 2) Take up the relevant proposals for the approval of the Board. The proposal should carry cost benefit and justification including the amount of financial involvement and a detailed project report.
- 3) Shall monitor and review the progress of activities undertaken/completed in accordance with the annual action plan.
- 4) All expenses for project proposals needs to be recommended by the CSR Committee.
- 5) Review the Report on CSR activities submitted by the Standing Committee.

The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer shall certify to this effect.

The Board of Directors shall periodically review the CSR activities and take note of all the updates periodically given by the CSR Committee and advise the Committee as appropriate.

## **5 Modalities of execution of Projects**

Each of the projects identified for support as part of this policy would undergo the following steps:

1. Ensure approval is in place obtained from the Board as recommended by the CSR Committee.
2. Official communication confirming the mandate in the event an external entity is engaged for execution of the project.
3. In the event of direct execution – project plan with each area of activity assigned to people to be submitted.
4. Periodic tracker to be maintained & circulated.
5. Status / closure report as required to be submitted.

## **6 Approval**

This CSR policy shall be approved by the Board of Directors of the Company. The implementation of the CSR policy shall be the responsibility of the CSR committee through the Standing Committee.

## **7 Tracking & Review Mechanism**

Each focus area would be tracked by the Standing Committee to monitor progress. Once the initiatives are finalised and approved, the Standing Committee member responsible for the respective initiative would work on the plan and place before the Standing committee and the CSR Committee, an update on the progress of the project undertaken.

The Standing Committee would convene periodical meetings to review the progress of each initiative covering the following:

- Progress of each initiative from the last review meeting
- Overall status of the initiative
- Any concern areas/ issues / support required for progressing
- Once the initiative is launched reporting on the effectiveness and benefits derived by the target group
- Have the overall objectives been met and reasons for any variance.
- Budget vs. actual spend
- Utilization of unspent amount, if any.

The CSR Committee shall meet periodically and as and when required. This Policy along with Projects approved by the Board shall also be made available in the website of the Company.