

CAPRICORN IDENTITY SERVICES (P) LIMITED

“Corporate Social Responsibility Policy”

Corporate Social Responsibility Policy

This Corporate Social Responsibility (hereinafter referred to as '**CSR**') Policy is framed in terms of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as 'the CSR Rules'), as amended from time to time.

Philosophy

Recognising that business enterprises are economic organs of society and draw on societal resources, it is **CISPL's** belief that a company's performance must be measured by its Triple Bottom Line contribution towards building economic, social and environmental capital. **CISPL** believes that in the strategic context of business, enterprises possess - beyond mere financial resources - the transformational capacity to create game-changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity. In line with this belief, CISPL will continue crafting unique models which have a significant multiplier impact on sustainable livelihood creation and environmental replenishment. These initiatives are independent of the normal conduct of CISPL's businesses and are aligned to the activities listed in Schedule VII read with Section 135 of the Act and the CSR Rules.

Programmes, projects and activities (hereinafter collectively referred to as 'CSR Programmes') carried out in this regard are the subject matter of this Policy.

CSR Policy

It is CISPL's Policy to direct its CSR Programmes, inter alia, towards achieving one or more of the following - poverty alleviation; promoting education and skill development; promoting healthcare including preventive healthcare; providing sanitation and drinking water; ensuring environmental sustainability; enabling climate resilience; rural development projects; creating livelihoods for people, especially those from disadvantaged sections of society; protection of national heritage, art and culture; preserving and promoting music and sports; and providing relief and assistance to victims of disasters and calamities.

In pursuit of the above, CISPL has identified the following focus areas for its CSR Programmes based on comprehensive need assessment surveys of its stakeholders:

- Create **sustainable livelihoods and alleviate poverty** through promotion of, inter alia, afforestation, water stewardship, sustainable agriculture and climate smart practices, livestock development and women empowerment;
 - Build **capabilities for tomorrow** through interventions in, inter alia, education, vocational training, sanitation, school WASH (Water, Sanitation & Hygiene), safe drinking water and solid waste management;
 - **Promote healthcare, including preventive healthcare**, and improve critical nutritional & health status of at-risk population through interventions to strengthen mother & child health, nutritional content, delivery, outreach and outcomes;
 - Protect **national heritage, art & culture**, and preserving & promoting music and sports; and
 - Provide relief and assistance to victims of **disasters and calamities**.
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The Company aims:

- To develop the required capability and self-reliance of beneficiaries at the grass roots, especially of women, in the belief that these are pre-requisites for social and economic development;
 - To engage in affirmative action interventions such as skill building and vocational training;
 - To pursue CSR Programmes primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum developmental impact;
 - To enter into public-private-people partnerships to multiply the impact of the CSR Programmes;
 - To carry out CSR Programmes in relevant local areas to fulfil commitments arising from requests by government / regulatory authorities;
 - To provide equal opportunities to beneficiaries of the CSR Programmes;
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Implementation

The Company's CSR Programmes will be implemented through :

(i) Company personnel, or (ii) external implementing agencies, or (iii) NGOs (iv) such other Trusts, Societies, Foundations and Section 8 companies that may be established by the Company from time to time.

In case CSR Programmes are implemented through external agencies or CISPL Trusts, the programmes to be undertaken by those agencies or Trusts will be specified, and it will be ensured that such programmes are covered in the Objects laid down in the respective Trust Deeds / Memoranda and Articles of Association of the external agencies / CISPL Trusts.

Governance

- The CSR and Sustainability Committee will review, monitor and provide strategic direction to the Company's CSR and sustainability practices towards fulfilling its Triple Bottom Line objectives. The Committee will also guide the Company in crafting unique models to support creation of sustainable livelihoods together with environmental re-generation.
- Every year, the CSR and Sustainability Committee will place for the approval of the Board of Directors of the Company (hereinafter referred to as 'the Board'), an annual CSR Action Plan (hereinafter referred to as 'CSR Plan') delineating the CSR Programmes to be carried out during the financial year, including the budgets thereof, their manner of execution, implementation schedules, modalities of utilisation of funds, and monitoring & reporting mechanism for the CSR Programmes. The Board will consider and approve the CSR Plan with such modification that may be deemed necessary; the CSR Plan may also be modified by the Board during the financial year, on the recommendation of the CSR and Sustainability Committee.
- The Corporate Management Committee (hereinafter referred to as 'the CMC') will ensure that the Company's CSR Programmes address major development challenges of the country and are aligned with the priorities of the Government.

The CMC will also assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or bodies as it may deem fit, and ensure implementation thereof.

- The Management Committee of the Social Investment Programme (hereinafter referred to as 'MC-SIP') formed by the CMC, has been entrusted with the task of implementing and monitoring the approved CSR Programmes within the specified budgets and timeframes.

MC-SIP will provide report back to the CMC on the progress of the CSR Programmes at quarterly intervals, or at such other frequency as the CMC may direct.

The aforesaid report back will also include the following:

- summary of impact assessment report(s) for the CSR Programmes highlighting their impact and outcome against the goals and objectives; and
 - in case of ongoing CSR Programmes (having time schedule of three years or more), progress of their implementation with reference to approved timelines and year-wise allocation.
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- The CMC will review the report back stated under (d) above and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.
 - Once every six months, the CMC will provide a report back to the CSR and Sustainability Committee on the progress of implementation of the approved CSR Programmes carried out during the six month period, covering details of achievement against planned deliverables for each intervention.

The aforesaid report back will also include confirmation from the Chief Financial Officer that the funds disbursed for the CSR Programmes are being utilised for the stated purpose and in the specified manner.

- The CSR and Sustainability Committee will review the report back stated under (f) above and keep the Board apprised, once every six months, on the status of implementation of the CSR Programmes.
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- At the end of every financial year, the CSR and Sustainability Committee will consider an Annual Report on CSR activities and recommend the same for the approval of the Board. The said Report will be disclosed as

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part of the Report of the Board of Directors & Management Discussion and Analysis of the Company (hereinafter referred to as the 'Board's Report').

CSR Expenditure

- It will be the Company's endeavour to spend in every financial year, **two percent of its average net profits** during the three immediately preceding financial years (or such other limit as may be prescribed under the Act), on CSR Programmes in pursuance of this Policy.
 - The CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the CSR Plan.
 - Any surplus arising from the CSR Programmes will be used for CSR activities within six months from the end of the relevant financial year. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.
 - If CSR expenditure in a financial year exceeds the statutory limit, such excess may be set-off against CSR expenditure for the next three financial years with the approval of the Board, on the recommendation of the CSR and Sustainability Committee.
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