

Acuity Knowledge Services (India) Private Limited

Corporate Social Responsibility Policy

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1. Introduction

Acuity Knowledge Partners is a leading provider of high-value research, analytics, and business intelligence to the financial services sector. We support 350+ financial institutions and consulting companies with our team of 6,000+ subject-matter experts who work as an extension of client teams from our global delivery centers.

We EMPOWER our clients to drive revenue higher. We INNOVATE using our proprietary technology and automation solutions. We enable our clients to TRANSFORM their operating models and cost bases.

2. Applicability and Scope of Policy

- This Policy is made pursuant to and shall be subject to section 135 of the Companies Act, 2013 (“Act”).
- The CSR Policy shall be applicable only to Acuity Knowledge Services (India) Private Limited. (“Acuity” or “Acuity Knowledge Services” or “Company”)
- All the CSR programs and activities shall be conducted as per the CSR Policy in accordance with the Section 135 of the Act.

3. Definitions

- **CSR Committee** : CSR Committee shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of two or more directors.
- **CSR Projects** : CSR Projects or Projects means Corporate Social Responsibility projects/activities/ programs/ initiatives instituted in India, either new or ongoing, and include but not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company. Projects/activities/ programs/ initiatives undertaken in pursuance of normal course of business of the Company and projects which benefit only the employees of the Company and their families shall not be considered as CSR Projects.
- **Net Profit** : Net profit shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR Expenditure must be calculated.
- **CSR Expenditure** : CSR Expenditure means all CSR Expenditure of the Company as approved by the Board upon recommendation of the CSR Committee.

4. Social Responsibility Statement

Acuity Knowledge Services extends its responsibility towards the development of communities in which it operates. It understands that a business can grow through a healthy society and its educated workforce, and that businesses should contribute towards the empowerment of communities. Acuity Knowledge Services is a responsible corporate and believes that sustainability of its community is essential for ensuring business sustainability. Acuity Knowledge Services promotes ethical and sustainable practices to create thriving community and build social capital.

5. Aims and Objectives

We believe every human is entitled to a world of opportunity and access. We recognize the value and potential each life holds in shaping a thriving ecosystem. Our approach to corporate social responsibility reflects our effort to propel community growth by harnessing individual's strength and enhancing community's knowledge capacities. By integrating skills with resources and promoting cross-sector collaboration, we work towards enabling communities to realize their acuity. As a responsible corporate, we aim to collaborate and integrate for a sustainable tomorrow.

The CSR Policy of the Company vividly lays out its progressive developmental agenda. More than just a compliance document, it binds us to the highest standards of environmental sustainability, and reaffirms our commitment to holistic integrated development, fueled by sustainable business practices.

6. Composition of CSR Committee

CSR Committee shall comprise of minimum two directors the Company or such number as prescribed by the Act and applicable to the Company from time to time.

- The Committee shall comprise of minimum two members of Board of Directors / Executive Committee.
- The Chairperson of the Corporate Social Responsibility Committee shall be a member of the Board of Directors / Executive Committee.

7. Roles and Responsibilities of the CSR Committee

The CSR Committee shall be responsible for the following activities:

- To form, recommend, review and oversee the CSR Policy and CSR Annual Action Plan and give , a roadmap of the CSR activities to be undertaken by the Company and annual budget to carry out the CSR activities including amendments therein, from time to time and justify to the Board any failure to spend the CSR budget.
- To recommend the amount of expenditure to be incurred on the CSR activities from time to time as per the annual budget / CSR program approved by the Board of Directors / Executive Committee.
- To ensure that the CSR Policy, activities, annual action plans, and recommendations to the Board are in accordance with the applicable laws and rules;
- To ensure that there are adequate monitoring mechanisms and processes in place to enable effective implementation of the CSR activities and programs;
- To suggest amendments to CSR Policy as and when required after review and evaluation;
- To undertake all such other duties, assigned by the Board from time to time with regard to the CSR activities;
- To ensure that the CSR activities and programs are effectively implemented with the help of a specialized team and Corporate Social Responsibility Committee may at the expense of the Company secure external professional advice and attendance of third parties with relevant experience and expertise if it considers this necessary.
- To report on CSR initiatives undertaken during a financial year and justify to the Board any failure to spend the CSR budget.

8. Roles and Responsibilities of the Board

- To constitute a CSR Committee comprising of minimum two Board of Directors;
- To ensure that the CSR activities are undertaken by the Company;
- To ensure that CSR activities undertaken by the Company shall exclude those activities undertaken during the normal course of business. All CSR activities shall be within the broader

framework of activities listed in Schedule VII of the Act;

- To approve the CSR Policy and disclose its contents in its report and on the Company website;
- To earmark at least 2 per cent of the average net profit of the preceding three years to CSR budget every financial year;
- To ensure that the Company spends, in every financial year, at least 2 per cent of the average net profits made over 3 preceding years;
- To ensure that the administrative overheads shall not exceed 5 percent of total CSR expenditure for the financial year;
- In the annual action plan, the CSR Committee of the company is required to provide for modalities of utilization of funds. The CSR Committee shall recommend to the Board on budget allocation for any CSR project including modalities of utilization of funds in every project. Further, as per rule 4(5) of the Companies (CSR Policy) Rules, 2014, the Board of a company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect;
- To monitor implementation of ongoing projects with respect to approved timelines and year-wise allocation;
- To ensure that the Company reports the CSR initiatives undertaken during a financial year;
- Section 135(5) of the Act provides that the company should give preference to local areas around where it operates. However, with the advent of IT and the emergence of new-age businesses like process-outsourcing companies, e-commerce companies, and aggregator companies, it becomes difficult to determine the local area for various activities. Thus, the preference to the local area mentioned in the Act is only directory and not mandatory, and companies need to balance local area preference with national priorities.
- To report the reasons for inability to spend the stipulated CSR Budget, in case such amount is not spent during a financial year;
- To ensure the CFO certifies CSR fund utilized for the purpose and manner approved by the Board; and

- If the company fails to spend at least two per cent of the average net profits of the company, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and transfer the unspent CSR amount. If the unspent amount relates to any ongoing project, then transfer such unspent amount to a Fund specified in Schedule VII of companies, within a period of six months of the expiry of the financial years. Any amount remaining unspent pursuant to any ongoing project, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

9. Annual Action Plan

The CSR Committee of the Board of Directors of the Company shall on an annual basis, recommend an Annual Action Plan to the Board for its approval. The Annual Action Plan shall include:

- the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- the manner of execution of such projects or programmes;
- the modalities of utilization of funds and implementation schedules for the projects or programmes;
- monitoring and reporting mechanism for the projects or programmes; and
- details of need and impact assessment, if any, for the projects undertaken by the company.

Further, the Board may during the year, at the recommendation of the CSR Committee alter such plans.

10. Utilization of CSR Funds

For achieving its CSR objectives, Acuity Knowledge Services shall allocate such amount of its average Net Profits as may be approved by the Board of Directors, and not less than 2% of the average net profits of the previous three financial years as prescribed by Section 135 of the Companies Act 2013, as its annual CSR budget in each Financial Year. CSR funds allocated during a financial year (April 01 – March 31) shall be utilized within the same financial year (April 01– March 31) to avoid carry forward of funds to next financial year. Any amount remaining unspent from the CSR Budget shall not form part of the business profit of the Company. The Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount [and, unless the unspent amount relates to any ongoing project referred to in sub-section

(6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial years].

Original budget as per applicable CSR Rules shall be approved by the CSR Committee and any modifications to the Budgeted/ required CSR Liability need to be proposed by the CSR committee to the board for approval.

11. Approach and Strategy

The Company approaches its CSR activities through a specific, measurable, achievable, realistic and time-bound manner. It believes in investing in development models that are sustainable and effective to address various social needs of communities. The Company shall engage the implementing agencies eligible under the Act for execution of CSR projects. The criteria for selection of such agencies will be based on their local connect, knowledge and experience in executing social projects in an effective manner. CSR Projects will be allocated to these agencies based on track record, expertise, strategic thinking and manpower to facilitate extensive social change. In addition, Company shall encourage its employees to contribute towards social causes through volunteering their time and skills.

12. Selecting Implementing Agency

Criteria for selection of implementation agencies maybe clearly defined as :-

- A company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- A company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- Any entity established under an Act of Parliament or a State legislature; or
- A company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Submission of grant proposal shall not imply that the proposal will be approved. Only the proposals submitted by nonprofits registered with the Central Government and received OFAC clearance shall be shortlisted. Proposals that are innovative in its approach and align with Acuity's CSR strategy shall hold priority over others.

After the proposals are shortlisted, respective nonprofits will be assessed. This will include a field visit and meeting with the nonprofit heads, board members and staff. The CSR team shall assess the following aspects of the nonprofit and proposed project:

- Community impact: Will the intervention benefit the broad community in a positive way and help them move towards sustainable economic independence?
- Financial need: Does the proposal demonstrate that there is a real need for financial assistance for the project being proposed?
- Management capability: Is the organization capable in administering the proposed program in a fair and transparent manner?
- Innovative solutions: Is the organization and the proposed project innovative in its strategy in delivering the intervention?
- Results: Will the organization monitor and evaluate the progress of the intervention with specific outcome indicators? Are the results measurable?
- Sustainability: Does the organization have a sustainability plan for the intervention?
- Exit: Does the organization have a clear exit strategy?

13. Exclusions

- Activities undertaken in pursuance of normal course of business of the Company shall not be considered as CSR activity.
- Contributions of any amount directly or indirectly to any political party shall not be considered as CSR activity.
- Only those CSR activities, programmes or projects that are undertaken in India shall qualify as CSR activities except activities undertaken for training of Indian sports.
- Activities, programmes or projects that benefit only the employees of the Company shall not be considered as CSR activity.
- One-off events such as marathons/ awards/ charitable contributions/advertisements/ sponsorships of TV programmes etc., shall not be considered as CSR activity.

- Expenses incurred for fulfilling the requirements of any other statute under any law in force shall not be counted as CSR expenditure.
- Activities on sponsorship basis for marketing purpose shall not be considered as CSR activities.

14. Implementation and Monitoring

- A separate CSR team at Acuity or at any of its associate companies shall be responsible for effective execution of all CSR activities;
- The CSR team shall assess eligibility of the activities, consolidate action plans and CSR proposals;
- The CSR team shall administer the CSR budget in compliance with the Act and with appropriate approvals from the CSR Committee and the Board.
- The CSR team shall conduct impact assessment by reviewing and monitoring the project by visiting the project area, as and when required. It may, at its sole discretion, also appoint an external agency to monitor and evaluate the project's progress;
- The CSR team shall update the CSR committee regularly on the progress of the CSR projects and activities; and
- The CSR team shall prepare the annual CSR Report and placing it before the CSR Committee.
- The CSR team shall also ensure the following:
 - Periodic reporting to leadership on the amount spent and activity undertaken.
 - Impact measurement, including social upliftment and benefits to the community.
 - Report consolidation and communication to the CSR Committee of the Board.
 - Annual review of CSR programs by the duly constituted CSR Committee of the Board.

15. Priority Areas

Acuity shall undertake CSR activities under the following areas as per Schedule VII of the Act:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
- Contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defense Research and Development Organization (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

- Rural development projects.
- Slum area development.
- Disaster management, including relief, rehabilitation and reconstruction activities.
- Any other falls within the broader framework of activities listed in Schedule VII of the Act.

16. Review Periodicity and Amendment

- CSR Plan may be revised/modified/amended by the CSR Committee at such intervals as it may deem fit.
- The policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments. CSR Committee members may review the policy from time to time
- Impact assessment needs to be conducted by independent agencies if the conditions mention in Rule 8(3) of CSR Rules 2014 are met.
- The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

17. Disclosure

As per rule 9, the Board of Directors of the company shall mandatorily disclose the following on their website, if any, for public access:

- Composition of the CSR Committee;
- CSR Policy; and
- Projects approved by the Board.