



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY: System and Procedures

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| Brief Description: | Provides guidelines on Corporate Social responsibility |
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| Owner Department: | India Controllershship & Tax (ICT) |
| Effective Date: | Ongoing |
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| Reviewed by: | Shruti, Financial Controller and Shefali Grover, Head HR  |
| 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: | 8 th October 2020. |
| Frequency of review: | 18 months |
| Applies to: | Clifford Chance Business Services Private Limited |

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. CSR committee approves and adopts the CSR policy and make 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 all the relevant approvals are taken and all exceptions highlighted to the Owner of 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:

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 organization, 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.

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 CSR programs, 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 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, 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. 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 programs or activities shall not form part of the business profit of the Company. Further, the Company may collaborate or pool resources with other organizations to plan, implement, monitor and report CSR activities.

5. **GOVERNANCE STRUCTURE**

5.1 **Constitution of CSR Committee**

The Board of Directors of the company has set up a CSR Committee comprising of three directors namely:

- 5.1.1 **Venugopal Yadavalli**
- 5.1.2 **Paul Greenwood**
- 5.1.3 **Caroline Bradshaw Firstbrook**

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 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.

A quorum of two members is required to be present for the proceedings of 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, programs 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 percent of the average net profits made during the three immediately preceding financial years.
- 5.2.6 Ensuring that reasons for non spend of earmarked amount are disclosed in the Board's report in case the company fails to spend such amount.

6. CSR PROGRAMS

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

- 6.1.1 Education
- 6.1.2 Environment

6.1.3 Any other activities allowed under the Companies Act 2013 and in line with the philosophy set out in this policy.

Details of CSR programs carried on by CCBS in the aforesaid thematic areas is enclosed as **Annexure I**.

7. **IMPLEMENTATION MECHANISM**

The mode of implementation of CSR programs will include a combination of direct and indirect implementation, depending upon the nature of the project i.e. execution of certain projects by the CSR Team (as identified in section 5) and the balance projects through a third party registered Trust/Society/Section 8 Company.

NGO partner(s) shall be selected after an adequate due diligence process is completed. The Company shall further ensure that the NGO partner(s) shall have an established track record of at least 3 years in undertaking project/programs in the focus areas identified by CCBS. CCBS may also use the services of expert agencies, consultancy firms etc., wherever required for carrying out base line surveys, guidance on CSR program 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 frequency of a minimum of once per year to the CSR Committee which shall monitor the progress on CSR activities and CSR spend. Post receipt of report from the CSR team, CSR Committee shall discuss and review the progress of 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 NGO's 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 CSR policy and activities undertaken during the year in its annual 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 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 organizing events at Literacy India centre |
| | | | | <ul style="list-style-type: none"> Employee engagement – fundraising and gifts collection from employees across CCBS and organizing 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 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 for creating 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 program | | women and imparting skills for creating 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 |

12. HISTORY

| Sr. No. | Version No. | Version Date | Section(s) affected | Page Number(s) | Approval |
|---------|-------------|------------------------------|--------------------------|----------------|--|
| 1 | V1 | 1 st April, 2014 | | | Board Meeting 4 th March 2015 |
| 2 | V2 | 8 th October 2020 | Overrides earlier policy | | |
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