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DAH2 Corporate Social Responsibility (CSR) Policy

Group Strategic Marketing & Communications / Legal Compliance & Secretarial

Hyderabad, India

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**SIGN-OFF LIST**

	Version 1.0	Version 2.0
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REVISION HISTORY

Revision Date	Version	Updated by	Summary of changes
25 th May 2021	Version 2.0	Pardeep Gupta & Saranya Balaji	To ensure adherence to the new CSR Rules issued by the Ministry, following inclusions are proposed: <ol style="list-style-type: none">1. Treatment of excess/under spend of CSR expenditure2. Recommendation of Annual CSR Plan to the Board3. Recognising ongoing projects4. Dissolution of CSR Committee in case of non-applicability5. Permissibility of engagement with International Voluntary Welfare Organisations



1. Background

Corporate Social Responsibility (CSR) is a concept whereby organizations serve the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations.

CSR is a Company's commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders. CSR is, therefore, closely linked with the practice of Sustainable Development. CSR extends beyond philanthropic activities and reaches out to the integration of social and business goals.

DBS Asia Hub 2 Private Limited (DAH2) ('the Company') is a Private Limited Company, incorporated under Companies Act 2013. The Company, being a business citizen should go beyond having profit-making objective, to develop the society within its reach and accordingly, take initiative to contribute towards welfare of various segments of society by undertaking socially and economically useful programs for sustainable development of the community and society at large.

1.1 Companies Act Provisions on CSR Spending

As per the provisions of Companies Act 2013, the Company shall make an effort and endeavor to spend at least 2% of the average net profits of the Company made during the three immediately preceding financial years. In case of unspent amount, such amount shall be transferred to a fund included in Schedule VII of the Act and necessary explanation shall be given in the Board's Report. Any excess spend of CSR expenditure than the required amount as per provisions of the Act can be set off against the requirement to spend up to three (3) immediate succeeding financial years. A board resolution to that effect shall be passed to set off such excess spend.

Further the expenditure of the Company personnel/Agencies as finalised as per Companies (Corporate Social Responsibility Policy) Rules and having good track record in 3 financial years. The Administration overhead should not exceed 5 % of the Total CSR expenditure of the whole Financial Year.



The Annual CSR Budget will be approved by the Board of Directors of the Company upon recommendation by the CSR Committee.

Surplus arising out of the CSR activities and programmes shall not form a part of the business profits.

2. Guiding Principles

2.1 Objectives

1. Corporate Social Responsibility (CSR) activities undertaken by DAH2 involve a commitment of both financial and human resources and have an impact on the Company's reputation.
2. To take up programs that will benefit society & result in enhancing educational, economic, social and environmental well-being of public.
3. To comply with the CSR Obligations of the Companies Act 2013.

2.2 Scope

This document provides the list of CSR projects or programs which DAH2 plans to undertake falling within the purview of the Schedule VII of Companies Act ,2013 as notified under the **MCA Notification dated Feb 27, 2014**, specifying

1. DAH2 will provide a list of all CSR projects or programs which it plans to undertake, falling within the purview of the Schedule VII of the Act and as may be amended and supplemented by other notifications from time to time.
2. DAH2 CSR policy will specify the modalities of execution of all the project or programs and implementation schedules.
3. All projects undertaken will follow a procedure of assessment to check the suitability of each project/program and whether it falls in the list of activities covered in Schedule VII [Annexure 1, 2 and 3]
4. Project identification mechanism:-



- All projects shall be planned in a participatory manner, in consultation with the **CSR committee (wherever required)**.
- The **CSR committee shall**, ensure mapping process, prioritize the requirements, and ensure a project is born, implemented and is monitored by the **CSR committee on every critical** milestones and the other aspects.
- The **CSR committee** shall recommend an annual action plan to the Board of Directors of the Company in line with CSR policy which shall include the list of CSR projects or programmes that are to be undertaken, manner of execution of such projects, modalities of utilization of funds, implementation, monitoring and reporting mechanism.
- During the year, any project can be recognized as an ongoing project not exceeding the tenure of 3 years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year, upon due approval of the Board of Directors based on suitable justification.

DAH2 India shall follow the approval and record keeping, of the projects to ensure governance and oversight.

2.3 CSR Committee

The Board of Directors shall constitute a CSR Committee of the Board of Directors (CSR Committee). The main functions of the CSR Committee shall be:

- (i) Recommend to the Board of Directors any modifications to this CSR Policy;
- (ii) Annually recommend to the Board of Directors, the amount of expenditure to be incurred;
- (iii) Institute a transparent monitoring mechanism for the implementation of the projects and activities.

2.4 Composition of CSR Committee

Companies Covered by CSR Rules are required to Constitution a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. If there is no independent director, then any 3 directors may be



members of CSR committee. However, in case if the constitution of CSR Committee as per CSR Amendment ceases to be applicable, the CSR Committee constituted, may be dissolved and the Board of Directors may take necessary steps towards the CSR policy, budget, projects etc.

The Board's report shall disclose the compositions of the CSR Committee if any.

2.5 CSR reporting and display of CSR activities on Company Website:

As per section 135(2) read with Rule 8, the Board's report of a company covered under CSR rules shall disclose the composition of the Corporate Social Responsibility Committee under sub-section (3) of section 134. As per Rule 9 company shall place its CSR Policy on its website, if any.

2.6 Monitoring

For an effective implementation of CSR activities and programmes, a **CSR Forum** as approved by the CSR Committee will be put into force.

The CSR Forum shall ensure the following:

- (i) Prior approval of the CSR Committee for each spending
- (ii) Define Process Owners for each Activity/ different levels within each activity
- (iii) Periodic reporting to CSR Committee on the amount spent and activity/ies undertaken
- (iv) Impact measurement
- (v) Report consolidation and communication to the Board of Directors.

Annual review of CSR activities by the Board of Directors/ the CSR Committee.

Guideline for CSR Initiatives :

CSR initiatives should fall within the **DBS Regional CSR framework and purview** of schedule VII of the Companies Act, 2013 as may be amended and supplemented by other notifications from time to time. In addition, to fulfil its role as a responsible corporate citizen, DAH2 also collaborates with other players in the social sector such as charities and voluntary welfare organisations (VWOs) both Indian and International for designing, monitoring and evaluating CSR projects or programmes as per the CSR policy to bring about social impact and transformation and as well as for capacity building of DAH2 employees.



Activities

CSR efforts/activities/programs of DAH2 will focus on activities which qualify as CSR initiative as per the Schedule VII of the Companies Act, 2013 and as notified under the MCA vide Notifications and amendments supplemented from time to time thereafter.

The activities listed as under Schedule VII below is indicative and are to be liberally interpreted so as to capture the essence. Further the list will include all the activities those are notified vide notifications and amendments supplemented from time to time by the authority.

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
 - I. Provisions for aids and appliances to the differently- able persons - 'Request for inclusion
 - II. Trauma care around highways in case of road accidents.
 - III. Supplementing of Govt. schemes like mid-day meal through additional nutrition
2. Promoting education including special education and employment enhancing vocation skills especially among children women elderly and the differently abled and livelihood enhancement projects;
 - I. Providing effective consumer grievance redressal mechanism.
 - II. Protecting consumer's health and safety, sustainable consumption, consumer service, support and complaint resolution.
 - III. Consumer protection activities.
 - IV. Consumer Rights to be mandated.
 - V. all consumer protection programs and activities" on the same lines as Rural Development, Education etc.
 - VI. Promotion of Road Safety through CSR
 - VII. Conservation and renovation of school buildings and classrooms
 - VIII. Research and Studies in areas specified under Schedule VII



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3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centre and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil air and water.
5. Protection of national heritage, art culture, including restoration of buildings and sites of historical importance and works of art: setting up public libraries; promotion and development of traditional arts and handicrafts.
6. Measures for the benefit of armed forces veterans war widows and their dependants;
7. Training to promote rural sports nationally recognized sports Paralympics sports and Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the scheduled caste the Scheduled Tribes, other backward classes minorities and women.
9. Contributions or funds provided to technology incubators allocated within academic institutions which are approved by the Central Government;
10. Rural development projects.
11. Slum area development
12. Disaster Relief
 - I. medical aid can be covered under 'promoting health care including preventive health care.'
 - II. food supply can be covered under eradicating hunger, poverty and malnutrition.
 - III. supply of clean water can be covered under 'sanitation and making available safe drinking water'.

Colleagues who need assistance in their volunteerism activities may contact your local GSMC CSR contact, or email at DAH2CorporateSocialResponsibilityTeam@dbs.com



Appropriate CSR Partners

Working with reliable and reputable CSR partners allow the building of strong community relationships, create positive impact for the community, and protects the Company's reputation while our colleagues are meeting community needs. Hence, it is important to conduct due diligence on the CSR partner to mitigate potential risks. To do so, you should ensure that the CSR partner organisation:

1. Does NOT have a religious or political agenda;
2. Is NOT on the Company's watch list or black list;
3. Does NOT have any adverse findings in background or publicity checks, unless screening is exempted for specific reasons;
4. Has signed relevant legal agreements; or other forms of documentation as the activity may need is obtained.
5. Has obtained registration as per the CSR Rules; if any.

Any questions or concerns should be escalated to local CSR representative, or email at DAH2CorporateSocialResponsibilityTeam@dbs.com at the earliest opportunity.

Documentation and Reporting

It is important to ensure that CSR arrangements have the appropriate documentation so that the roles, responsibilities and rights for all parties are clear and protected. Typically, these documents may be needed on a case by case basis:

1. Sponsorship agreement (with associated entitlements)
2. Gift agreement
3. Letter of acknowledgement / Letter of Receipt
4. Tax Deductable Receipt for donations
5. Indemnity letter (for certain volunteering activities)



Any non-DBS-drafted legal agreements must first be reviewed with CSR Forum and Legal before execution.

Not all CSR arrangements will have the same documentation, please consult your local GSMC CSR representative, or email at DAH2CorporateSocialResponsibilityTeam@dbs.com if there are concerns about the documentation needs.

CSR activities planned by BU/SU on their own accord should also be reported to CSR Forum within 14 days of activity completion for aggregation of our community activities at a Companywide level.

CSR Initiative Due Diligence

Before engaging in a CSR Initiative, please ensure CSR Partners are screened by completing the prescribed due-diligence process.

This mitigates any reputational risks arising from association of organisations with undesirable standing. Please use the DBS CSR Due Diligence Checklist enclosed in the Annexure 1. Intelligence team (intelligence@dbs.com), will screen organisations through checks outlined in Annexure 2 upon user request. Please refer to Annexure 1 for a walkthrough of the steps required to fully comply with the due diligence process. Further Donee entity need to have be registered as per FCRA Act.

Screening by Intelligence team may be exempted if any of the following exceptional conditions apply:

- i. Sponsorship Amounts, in kind and/or cash, not exceeding INR 50,000 (as under the PMLA Act).
- ii. Government or statutory boards
- iii. Social enterprise initiatives



iv. Organisations that DAH2 has sponsored / supported in CSR activities within the last 12 months, where screening was already conducted for that time. (please contact your local CSR representative / CSR Forum to find out if your CSR activity partner is such an organisation). Organisations that had been sponsored/supported by DAH2 in CSR activities more than 12 months ago should undergo a new screening process.

v. Existing DAH2 customers - In this case an approval from the India CSR committee would be required. (email circulation is permissible)

3. Key Responsibilities

Key responsibilities for the parties involved are outlined below:

Party	Key responsibility
DAH2 Employee	Responsible and active execution and participation in CSR activity
CSR activity lead	Initiation of CSR activity Interaction/communication/planning with CSR partner Compliance with CSR policy
Relevant manager	Ensure compliance with CSR policy Encourage participation by team members
DBS Foundation	Resource for programmes and activities related to social enterprises
GSMC (local and regional)	Resource for any questions related to CSR activities Design and lead for Companywide CSR activities Receive CSR initiative reports and updates from BU/SU

4. Governance

4.1 Ownership and Approving Authority

This Policy shall be owned by Issuer and approved by the Board of Directors, as the case may be. Any changes that are not substantive, but incidental or administrative in nature, do not require a sign-off by the approving authority.






4.2 Deviations

Any deviations, including any addenda, if any, shall be on an exceptional basis and must be documented by Issuer and approved by the Board of Directors. Any changes that are not substantive, but incidental or administrative in nature, do not require a sign-off by the approving authority.

4.3 Review

The Policy should be reviewed on a bi-annual basis, unless otherwise required.

<u>Annexure</u>	<u>Description</u>	<u>Attachments</u>
Annexure 1	DBS CSR Initiative Due Diligence Checklist	 DBS CSR Initiative Due Diligence Checkli
Annexure 2	Group Compliance Screen Request Template	 Screening request template.doc
Annexure 3	DBS CSR Initiative Log Form*	 DBS CSR Initiative Log Form.doc