

CORPORATE SOCIAL RESPONSIBILITY POLICY

OF

KPMG GLOBAL DELIVERY CENTER PRIVATE LIMITED (“KGDC”)

ABSTRACT

The document outlines the Vision and Policy of KGDC towards Corporate Social Responsibility in accordance with Section 135 of the Companies Act 2013 and the Rules thereunder.

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Introduction

This policy comprises a set of rules adopted by the KGDC Board of Directors which applies to all the officers and employees of KGDC. These rules set the standards for the way we interact with society at large and the environment around us. The policy may be supplemented from time to time.

Corporate Social Responsibility (CSR) of KGDC stems from our commitment to our communities and uses the framework provided by the Millennium Development Goals to focus on the areas of development, education and environment. KGDC's actions are consistent with the interests of society and its sustainable development.

KGDC strives to develop, implement and manage a wide range of CSR programmes covering a broad spectrum of complex issues. Our CSR initiatives focus on holistic development of communities and create social, environmental and economic value to society.

Employee engagement is a very important part of our programme. Our employees voluntarily put in their time and effort to support the projects undertaken through our CSR initiatives.

CSR Vision and Objectives

Vision

One of our core values is Commitment to our Communities. As part of our CSR vision we:

- understand and respond effectively to the needs of our local communities
- manage our environmental impact responsibly

Objective of the Policy

The objective of this KGDC CSR policy (“the Policy”) is to provide a framework to ensure that KGDC operates in a manner for the good of society and the environment.

This policy will act as a guideline for KGDC and its staff to be good Corporate Citizens.

Applicability

The KGDC CSR policy has been developed in consonance with Section 135 of the Companies Act, 2013 on CSR and in accordance with the CSR Rules notified by the Ministry of Corporate Affairs, Government of India in 2014

The Policy shall apply to all the CSR projects/activities/programmes undertaken by KGDC in India as per Schedule VII of the Companies Act, 2013.

Budget

- The CSR Committee of KGDC will recommend the project-wise expenditure to the Board of Directors of KGDC for its consideration and approval.
- The total expenditure will be in line with the applicable provisions of the Companies Act, 2013.
- In each financial year the Company will spend the amount as specified in the Companies Act, 2013 and rules made there under.
- CSR expenditure may include expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee.
- Staff specific to projects and programmes and paid for from project /programme funds will be part of the CSR spend. “On duty hours” spent by other employees on CSR projects may be accounted for in rupee terms and will need to be reported by the CSR Committee to the Board for approval.
- The surplus arising out of CSR activities, if any, will not be considered as a part of the business profits of the Company.
- As per Section 135 of the Companies Act, 2013 and rules made thereunder, the reasons for under spending of the allocated CSR budget shall be specified in the Board’s Report

Focus areas

KGDC's CSR initiatives will focus on the areas of:

1. Eradicating poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water;
2. Promotion of education, especially among children, women, elderly and the differently abled, and livelihood enhancement projects;
3. Promoting gender equality and empowering women, contributing towards homes and hostels for women and orphans, contributing towards old age homes and day care centres;
4. Working towards environmental sustainability;
5. Training to promote rural sports, nationally recognised sports, and para-Olympic sports and Olympic sports;

Implementation of Projects

(a) Project activities identified under CSR shall be implemented by specialised agencies who shall obtain prior approval from the Central Government to receive such foreign contribution or who have a valid FCRA registration number. The Specialised agencies could work either singly or in tandem with other agencies provided they fulfill the aforesaid requirements.

(b) ***Such specialised agencies would include:***

- (i) An NGO that is registered a society/public charitable trust/section 25 Not for Profit. The NGO should have a valid Income Tax Exemption Certificate.
- (ii) Community based organisations
- (iii) Institutes / Academic organisations
- (iv) Government, Semi Government and autonomous organisations
- (v) Professional Consultancy organisations

The agency would need to submit a detailed budget for the project which will be approved by the CSR committee.

KGDC Governance Structure

Roles and Responsibilities

Board

The KGDC Board of Directors will be responsible for:

- Approving the CSR Policy as formulated and amended by the CSR Committee
- Ensuring that in each financial year the Company spends at least 2% of the average net profit before taxation excluding profits arising from overseas branches made during the three immediately preceding financial years
- Ensuring that every financial year funds committed by the Company for CSR activities are utilised effectively and regularly monitoring implementation
- Disclosing the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company website
- Ensuring annual reporting of CSR policy to the Ministry of Corporate Affairs, Government of India, as per the prescribed format. As per Section 135 of the Companies Act, 2013 and rules made thereunder, the reasons for under spending of the allocated CSR budget shall be specified in the Board's Report.

CSR Committee

Composition of the CSR Committee: The Committee consists of three Directors of the Board

The CSR Committee will be responsible for:

- Formulating the CSR policy in compliance with Section 135 of the Companies Act, 2013 and rules made thereunder
- Identifying activities to be undertaken as per Schedule VII of the Companies Act, 2013
- Recommending to the Board CSR expenditure to be incurred
- Recommending to the Board, modifications to the CSR policy as and when required
- Regularly monitoring the implementation of the CSR Policy

Monitoring and Reporting Framework

The KGDC CSR initiative shall be monitored by the CSR Committee of KGDC. The Committee shall approve the scope and implementation of the project within the allocated funds. An annual report of the Committee shall be submitted to the Board of Directors for their perusal and consideration.

In compliance with the Companies Act, 2013 and to ensure that the funds spent on CSR programmes are creating the desired impact, a Monitoring and Reporting framework will be put in place. The monitoring and reporting mechanism will be divided into three distinct areas:

- I. Programme Monitoring
- II. Evaluation
- III. Reporting and Documentation

Deviation from policy

In general, no deviation from this Policy is allowed. In case any deviation is sought, a detailed reasoning is to be submitted by the CSR Committee to the Board. Upon perusal, the Board may allow the deviation.

Disclaimer

“The material in this policy has been prepared by KPMG Global Delivery Center Private Limited (“the Company”) and is general background information about the Company’s activities as at the date of this policy. The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. This information is given in summary form and does not purport to be complete. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. Information in this policy should not be considered as an advice or a recommendation to the general public and does not take into account any particular financial situation or needs of any society or community. Any person acting on the information mentioned in the policy shall be on his own risk and peril”
