

## CORPORATE SOCIAL RESPONSIBILITY POLICY

### POLICY

XCHANGING SOLUTIONS LIMITED (Xchanging) policy to practice Corporate Social Responsibility (CSR) fully supports DXC's global Corporate 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.

### PURPOSE

The purpose of this attachment is to define local guidance in addition to the global policy to provide clarity and support for Indian cultural and legislative requirements.

The primary purpose of our CSR philosophy is to make a meaningful and measurable impact in the lives of marginalised communities of the country by supporting initiatives aimed at creating conditions suitable for sustainable growth. The purpose of these efforts is not limited to help people by providing basic facilities, but also to create employment enhancement opportunities to improve quality and dignity of life through skill development and education.

### DEFINITIONS

Globally DXC refers to Corporate Responsibility (CR) as a term used to describe ethical, economic, environmental and social impacts and issues in our business environment. CR involves a continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families, as well as of the local community and society at large. It also covers everything referred to as sustainability, corporate citizenship, or ESG (environmental, social and governance). To support local terminology in India, the term Corporate Social Responsibility (CSR) will be used.

- (a) **“Act”** means Companies Act, 2013 including any Statutory modification or re- enactment thereof;
- (b) **“Board”** means the Board of Directors of Xchanging who have the authority to approve any changes to the Policy and also have the authority to approve the CSR Spend for Xchanging.
- (c) **“Corporate Social Responsibility”** means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the CSR Rules, but shall not include the following, namely:
  - (i) activities undertaken in pursuance of normal course of business of the Company;
  - (ii) any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
  - (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
  - (iv) activities benefitting employees of the Company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019);
  - (v) activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services;
  - (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- (d) **“CSR Rules”** means the Companies (Corporate Social Responsibility Policy) Rules, 2014
- (e) **“CSR Committee”** means the Corporate Social Responsibility Committee of the Board referred in Section 135 of the Companies Act, 2013 comprising of three or more directors, out of which at least one director shall be an Independent Director.

- (f) **“CSR Subcommittee”** means employees from Human resources department and from other functions who volunteer and / or nominated leaders responsible for the execution of the Xchanging’s Corporate Social Responsibility strategy and programs. The subcommittee members may also be from various departments and functions of Xchanging organization, its subsidiaries and group companies.
- (g) **“CSR Activities”** means the activities to be undertaken by Xchanging in areas or subject specified in Schedule VII to the Act and specified under this Policy;
- (h) **“Employee”** means employee of Xchanging whether employed in India or outside India;
- (i) **“Ongoing Project”** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three 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 by the board based on reasonable justification.

Words and expressions used and not defined in this Policy but defined in the Act and CSR Rules shall have the same meanings respectively assigned to them in the Act and the CSR Rules.

## SCOPE

Pursuant to Section 135 of the Companies Act, 2013, the preference for CSR activities shall be given to the local areas where the company operates and Xchanging CSR activities shall include the following areas of activities to be in line with the Schedule VII of the Companies Act, 2013:

- I. 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.
- II. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- III. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- IV. 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.
- V. 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;
- VI. measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- VII. training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports
- VIII. contribution to the prime minister's national relief fund or Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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;
- IX. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

- (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- X. rural development projects
  - XI. slum area development.
  - XII. disaster management, including relief, rehabilitation and reconstruction activities.
  - XIII. Any other CSR activities to be undertaken by the Company in the areas as specified in Schedule VII of the Act and amended from time to time.

### **GUIDING PRINCIPLES FOR SELECTION OF CSR ACTIVITIES**

- i. Sustainable and holistic community development in respect of underprivileged and marginalized communities;
- ii. Focus on community welfare in Healthcare, Education and Sports based services by making facilities accessible to the needy and the weaker section of the society;
- iii. Special focus on women, youth and children;
- iv. Focus on Environment Preservation and awareness;
- v. The project will be developed defining the goals, objectives, project interventions, time lines and resources;
- vi. Preference to work with the most underprivileged section of the society; and
- vii. Compliance with applicable laws.

### **GUIDING PRINCIPLES FOR IMPLEMENTATION OF CSR ACTIVITIES**

- i. The Board shall ensure that the CSR Activities are undertaken by the Company itself or through any of the following implementing agencies –
  - (a) 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 approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
  - (b) 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
  - (c) any entity established under an Act of Parliament or a State legislature; or
  - (d) 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 approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Explanation.- For the purpose of clause (c), the term “entity” shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.
- ii. The CSR committee shall recommend the amount of expenditure to be undertaken for the CSR projects/programmes. The CSR committee may recommend any such activity and projects to the Board in addition to the above mentioned activities.
- iii. The implementation modalities may be modified from time to time, as per recommendations of the CSR Committee of the Company;
- iv. The Company may also engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per this CSR policy as well as for capacity building of its own personnel for CSR;
- v. The Company may endeavour to partner with the NGOs or the government or enterprises in social business or such other institutions to make a larger development impact. The programmes may be implemented directly by the Company under the supervision of the CSR

- committee by forming sub committees, internal working groups or through Registered Trust or Foundation; and
- vi. The annual action plan of the Company would include the manner of execution of CSR projects or programmes to be undertaken by the Company and the modalities of utilisation of funds and implementation schedules for the projects or programmes.

## **RESPONSIBILITY AND MONITORING**

- The Board is the primary custodian of Xchanging CSR Programme and therefore it shall satisfy itself that the funds so disbursed have been utilised 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;
- In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period;
- The Annual Action Plan of the Company would include the monitoring and reporting mechanism for the projects or programmes; and
- The key responsibility area of the CSR subcommittee will be to manage and implement all programs and or projects approved by the Board. This committee will also be responsible to track and report CSR spend.

## **ANNUAL ACTION PLAN**

The CSR Committee shall formulate and recommend to the Board for its approval, an Annual Action Plan in pursuance of this CSR policy, which shall include the following, namely:-

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

The Board may alter such plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

## **ROLE OF THE CSR COMMITTEE WITH RESPECT TO UNDERTAKING THE CSR ACTIVITIES**

- The CSR Committee shall be responsible for its overall implementation, monitoring and review.
- Regular performance reviews will be undertaken by the CSR Committee with the subcommittee. The Board would be required to mandatorily report on CSR in the Board's Report.
- Monthly/Quarterly reports on expenditures against budgets and review thereof including progress review against milestones if any in accordance with applicable processes will be undertaken in respect of activities executed by the Company.
- Every year, the CSR 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 Committee.
- At the end of every financial year, the CSR 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 part of 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.
- 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 Committee.
- Unspent CSR amount will be transferred to separate bank account and/or funds specified in Schedule VII of the Companies Act 2013 and in accordance with provisions of the Companies Act, 2013.

**This Policy will be posted on the Company's website and web link thereto will be disclosed in the Board's Report of the Company.**

**This Policy will be reviewed and amended by the Board, on the recommendation of the CSR Committee, as and when deemed necessary.**

**Initial dated November 07, 2014**

**2<sup>nd</sup> modified dated April 04, 2016**

**3<sup>rd</sup> modified dated May 31, 2022**

**4<sup>th</sup> Modification on November 10, 2022**

**5<sup>th</sup> current reviewed on November 2, 2023**