

Policy on Corporate Social Responsibility

ProConnect's approach to CSR

Corporate Social Responsibility (CSR) is a public spirited cause that has been well introduced by the new Companies Act 2013. Through the CSR there is a formation of a dynamic relationship between a company on one hand and the society and environment on the other. CSR is traditionally driven by a moral obligation and philanthropic spirit.

Objective of policy

This policy on Corporate Social Responsibility (hereby referred to as the CSR Policy) has been developed with an aim to lay down approach and direction including guidelines for the Company to select, implement and monitor various initiatives and activities that ensures sustainable development of the community within which it exists, and also for formulation of annual action plans required for undertaking those activities.

Applicability

The Company's CSR policy has been developed in consonance with Section 135 of the Companies Act, 2013 (referred to as the Act in this policy) on CSR read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India. Further this Policy is revised to conform with the amendments in the Act and the Rules.

The Policy shall apply to all CSR initiatives and activities undertaken by the Company in India as per Schedule VII of the Act.

CSR committee

The Board of Directors of the Company has formed a Corporate Social Responsibility Committee. The Committee, as mandated under Section 135 (3) of the Companies Act, 2013, shall:

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company covered under Schedule VII of the Act;
- (b) Recommend the amount of expenditure to be incurred on the activities referred to in Section (a) in a financial year; and
- (c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

(d) Formulate and recommend to the Board, an annual action plan for a financial year in pursuance of its CSR policy, which shall include the following, namely:-

1. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
2. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
3. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
4. monitoring and reporting mechanism for the projects or programmes; and
5. details of need and impact assessment, if any, for the projects undertaken by the company

(e) Recommend any alteration to Annual action plan to the Board at any time during the financial year.

(f) Review the implementation of the CSR activities and issue necessary direction, from time to time, to ensure orderly and efficient execution of the CSR activities in accordance with CSR Policy.

(g) Periodically apprise the Board of the status of the implementation of CSR activities.

(h) Any other matter as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company.

CSR activities

The Company shall upon the recommendation of its CSR Committee and with necessary approval of the Board, can undertake any activities which are defined in Schedule VII of the Companies Act 2013 as part of its corporate social responsibility initiatives.

Core Activities

Education : Category : Companies Act, 2013 – Schedule VII (ii) Promoting

Education

- ¾ To bridge the digital divide between the 'haves' and 'have not's in educational infrastructure and facilities, by donating High end Lab equipment, Projector, Laptop, etc.
- ¾ To teach moral education through technical means
- ¾ To eradicate poverty as a hindrance for education, by providing free education and donation of books to Public Libraries
- ¾ To hone the Employability skills through organizing for skill development Programmes and employee motivation programmes

Health : Category : Companies Act, 2013 – Schedule VII (i) promoting preventive health care

- ¾ To provide health care facilities at remote places
- ¾ To enhance the health care facilities in existing hospitals
- ¾ To encourage Employees to advocate the benefits of organ donation and its positive impact on the society as the whole
- ¾ To organize and participate in blood donation campaigns every year across its divisions and offices through tie – up with hospitals.
- ¾ To conduct events and expos to make awareness of Health care.

Environment: Category: Companies Act, 2013 – Schedule VII (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

- ¾ To advocate usage of alternate energy and promote energy saving initiatives, by installing solar Panels and replacing existing electronic appliances with energy efficient ones.
- ¾ To preserve and conserve water bodies and to improve water table by promoting rain water harvesting and cleaning of river, ponds, lakes, streams

Art & Culture: Category: Companies Act, 2013 – Schedule VII (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 arts and handicrafts

- ¾ To conduct yoga classes for the diseased patients for mental relief
- ¾ To conduct classic dance and music classes for the students from rural areas
- ¾ To donate to institutions promoting art and culture
- ¾ To conduct drawing and painting classes for destitute children

Resources & Allocation of Funds

For carrying out the CSR activities through implementation of various project and programmes, the Company shall allocate an Annual Budget.

The Committee shall annually decide the expenditure to be incurred on identified Areas, for undertaking CSR activities. The expenditure towards CSR activities includes all expenditure including contribution to corpus for projects and programmes relating to CSR on the recommendation of Committee.

On the recommendation of the Committee, from the CSR Corpus, the Company can spend on training and building CSR capacities of its personnel as well as those of their implementing agencies through institutions with established track records at least three financial years but such expenditure shall not exceed 5 % of the total CSR expenditure of the Company in one financial year.

Any income arising out of the CSR projects/ programmes/activities shall be ploughed back for further CSR activities.

Identification and Implementation of CSR projects / programmes

The CSR Activities may be undertaken by the Company directly or through “Implementation Agency” being duly registered with the Central Government and having a unique CSR Registration Number (with effect from April 1, 2021):

- a. a company established under section 8 of the Act, or a registered public trust or a registered society, 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
- 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, 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.

The Company can implement the recommended CSR projects in partnership / collaboration with its Indian Subsidiaries. It shall also explore the possibility of collaboration with similar corporate organisations/companies for undertaking CSR projects, programs or activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs or activities.

The Committee can form a steering committee which shall

- (i) Create decision packages for choosing the projects
- (ii) Identify the projects (covered within the scope approved by the Board/Committee in which money can be spent)
- (iii) Assess the cost and benefits arise out of the projects
- (iv) Rank the projects based on their benefits

The CSR committee would assess further on the viability of the project and its relative benefits to the society and recommend the same to the Board for its approval for implementation. While identifying and recommending the projects, the Committee must define:

- (i) Objective of each project – The objectives should be within the scope of the policy.
- (ii) Costs and Expenses – Should be within the allocated budget
- (iii) Implementation schedules- Timelines for milestones of the Project will need to be prescribed
- (iv) Responsibility Structure – The Roles, Responsibilities and authorities of the stakeholders involved in the project

The Company will encourage and recognize its employees for volunteering with the spirit of serving and sharing with the community.

The Company shall endeavor to increase employee participation at all levels in the Organization, by encouraging employees to participate in the Company’s CSR activities.

Monitoring

Monitoring and evaluation is an essential part of any CSR initiative, which help businesses in enhancing their CSR programs.

1. The utilisation of the amount sanctioned towards CSR Activities should be reported to the Board as well the CSR Committee periodically in such manner as the CSR Committee may direct. 2. In the event any of the CSR Activities are undertaken through an Implementing Agency, relevant information to be obtained from the Implementing Agency and the progress on such CSR Activity is submitted to the Board as well the CSR Committee on a quarterly basis in such manner as the CSR Committee may direct. 3. For the purposes of monitoring, the Implementation Group may visit the Implementation Agency site to review CSR project and carry out inspections as recommended by the CSR Committee from time to time. 4. Upon receipt of such progress report by the Implementation Group, the CSR Committee may review and deliberate upon such reports and provide such inputs or recommendations, as it may deem necessary, to the Board. 5. Notwithstanding anything to the contrary, the Board shall not be obliged to comply with the recommendations of the CSR Committee.

The committee shall periodically review the progress of the Projects. It can require the Company to prepare separate income and expenditure for the projects undertaken and review the same.