Corporate Social Responsibility Policy

VERSION 4.4|6th September 2024

Date	Version No.	Prepared By	Reviewed By	Approved By	Summary of Changes
20-Apr-23	4.3	Logabiraman Sekar, Sr. Manager-CSR	Ramya Kannan, VP, Finance	Vikash Kumar Jain, CFO	Modified the list of Steering Committee Included CSR SOP in section 13 associated documents
06-Sep-24	4.4	Logabiraman Sekar, Sr. Manager-CSR	Ramya Kannan, VP, Finance	Vikash Kumar Jain, CFO	Modified the list of Board Committee & Steering Committee members.

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About Hexaware

Hexaware Technologies Limited (hereinafter referred to as "Hexaware" or "the company") is engaged in information technology, business process outsourcing and consulting services to over 200 clients globally. The company is listed amongst the Top 20 Indian IT Services organization per NASSCOM industry rankings. The company provides multiple service offerings to its clients across various industries comprising travel, transportation, hospitality, logistics, banking, financial services, insurance, healthcare, manufacturing, and consumer services. Founded in 1990, Hexaware today maintains state-of-the-art development centers – 16 in APAC, 15 in Europe and 12 in America and employs more than 24000+ professionals globally.

1. Policy Statement

The vision of Hexaware encapsulate its Corporate Social Responsibility (CSR) ethos and places its stakeholders at the centre of its operations across all Global offices.

In pursuance of its vision of inculcating good corporate citizenship, Hexaware will engage in strategic philanthropic programs to improve the quality of life of under-served and marginalized communities, Support Research activities and Education across all regions

The company will comply with Section 135 of the Companies Act, 2013 for CSR activities.As part of Hexaware's obligations towards CSR, it will implement impact-driven projects that address critical social, environmental and economic needs of the sections of the society.

Hexaware will endeavor to build and maintain transparent and lasting relationships with its stakeholders through timely and transparent communication.

Hexaware's CSR vision

- *We ensure customer satisfaction by adding value and honoring commitments at all times.*
- *We build transparent lasting relationships and stand for integrity and mutual trust.*
- *We encourage an entrepreneurial attitude and instill in our employees the desire to excel through opportunities for employee volunteering across all Global offices.*
- *We embrace and respect diversity while working together as One Hexaware.*
- *We foster a learning environment and nurture innovative thinking.*
- *We are committed to building shareholder value and maintaining high standards of corporate governance.*
- *We strive to be an eco-friendly organization and inculcate good corporate citizenship.*
- *We emphasize on governance through digital means which aligns with Digital Corporate Governance guidelines.*

> **Hexaware seeks to be the preferred IT partner to its customers through excellence in service and demonstrating leadership in Sustainability and CSR.**

2. Mission

Our mission is to engage in strategic philanthropic initiatives to improve the quality of life of disadvantaged and marginalized communities.

3. Philosophy

- Increasingly contribute to activities that are beneficial to society at large.
- Emphasize undertaking of CSR projects, which gives more scope for employee volunteering.
- Engage with the Company's key stakeholders in matters related to CSR projects.
- Align the CSR projects undertaken by the Company with the applicable laws.
- Not to spread thin but make relationships with partners deep and meaningful.

4. Objectives of the Policy

The objectives of this policy are:

a) To set forth the company's Corporate Social Responsibility Policy for its India operations as stipulated in the Section 135 of the Companies Act, 2013 and the rules thereof.
b) To identify and formulate the broad social cause areas the company shall pursue towards fulfilling its CSR obligations.
c) To serve as a guiding document to plan, identify, implement, and monitor CSR initiatives.

5. Scope of the Policy

This policy is applicable to all regular employees and trainees across business units at all Hexaware operating locations PAN India and in terms of volunteering activities across all regions and countries.

6. Thrust areas of CSR

The company has adopted a structured approach to manage its CSR obligations. The company's CSR will be aligned to Schedule VII of the Companies Act 2013 with a focus on *education, environment, health and sanitation, sports, art and culture, disaster relief and rural development*.

- ◆ **Educational Initiatives:** Hexaware aims to promote education and vocational training through its CSR initiatives. The company is dedicated to fostering societal progress, with a primary focus on facilitating education for the underprivileged and improving the employability of marginalized individuals.

- ♦ **Skill Development:** Our efforts in skill development enable us to fulfil our commitment to training young individuals by equipping them with essential skills through our NGO partnerships, aiming to boost their prospects for employment or self-employment.
- ♦ **Women's Empowerment:** These initiatives aim to give women the platform to educate and prepare themselves for opportunities. They ensure a level playing field that empowers women to step up to their full potential and become leaders of the future the world needs.
- ♦ **Environmental Stewardship:** Hexaware's core values prioritize environmental preservation and awareness. This commitment is reflected in our initiatives to minimize our ecological impact, raise awareness, and support eco-friendly endeavors. **Healthcare Initiatives:** Hexaware's CSR projects aim to promote health and sanitation by providing medical supplies for children with cancer, early childhood interventions, improving school sanitation, and organizing blood donation drives.
- ♦ **Sports Initiatives:** Our focus is empowering talented individuals to excel in their chosen sports. We support gifted athletes across competitive sports and provide financial aid to Olympic and Paralympic competitors. Additionally, we organize marathons to champion social causes.
- ♦ **Rural Development:** The company aims to promote and support projects focusing on holistic community development. We have undertaken an integrated village development initiative to address challenges in agriculture, livelihood, water, health, and education.

Projects that are over and above the normal course of business, that do not benefit only the company's employees and their families, not related to Political or Religious activities and are within the realm of Schedule VII of Section 135 of the Companies Act 2013; considered as CSR projects.

7. Volunteering Initiatives

The policy aims to promote volunteering activities and provide opportunities in social projects that the company engages in and aligned with Corporate Social Responsibility initiatives. Hexaware's volunteering efforts is another step towards engaging its most important stakeholder and asset – its people.

Code of Conduct for Volunteers
1. Employees participating in CSR volunteering are expected to conduct themselves as responsible corporate citizen and in a manner so as to not bring disrepute to Hexaware Group in any manner.
2. No employee is authorized to make/give any statement to the media. Any queries from the media should be directed to our Corporate Communications Department.
3. An employee should not show any kind of affiliation to any religious or political institution.
4. In case of receiving any sensitive or personal information during volunteering hours, it should be treated as confidential and should be brought to the notice of the CSR / HR Head.
5. Employees will continue to be governed by Hexaware Code of Conduct during the Volunteering period.
6. Employee volunteers are expected to act responsibly and in accordance with the safety norms laid down by the company or the project as the case may be.
7. Employees should not accept any gifts/materials from NGOs, if happened it should be declared.

8. Governance Structure

The company has constituted a robust and transparent governance structure to oversee the implementation of the CSR Policy. The structure and responsibilities have been described below.

A. CSR Committee of the Board

Hexaware has constituted a CSR Committee of the Board to oversee the implementation of CSR in the company as per requirements of Section 135 of the Companies Act, 2013. The Committee is composed of three Directors, consisting of two non-Executive Directors and one Independent Director. The Committee will be ultimately responsible for the implementation of this policy. The Committee will report to the Board of Directors.

The CSR Board Committee comprised of the following members:

1. Mr. Larry Quinlan, Independent Director – Chairman
2. Mr. Neeraj Bharadwaj, Director
3. Mr. Julius Genachowski, Director

Responsibilities of the CSR Committee of the Board

- Formulate Hexaware's CSR Policy and recommend to the Board, which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013, and the notifications thereof.
- Recommend the CSR expenditure to the Board of Hexaware, for approval; entitled to recommend a higher amount than that specified in the Companies Act 2013 based on financial and other considerations.
- Provide strategic direction to CSR initiatives in alignment with the Policy.
- Institute a transparent monitoring mechanism for implementation of CSR projects.
- Impact assessment shall be conducted for eligible CSR projects / programs in line with the requirements of the Act.
- Monitor the CSR Policy of the company from time to time.
- Meet at a periodicity it deems fit to review the progress.

B. CSR Steering Committee

The CSR Committee of the Board shall be supported by the Steering Committee for CSR at the Company Level. The Steering Committee sets and drives the CSR agenda for the company.

The Steering Committee is chaired by the Head-CSR and reports to the CSR Committee of the Board. The membership of the Committee will be reviewed every three years.

The Steering Committee is constituted by selecting members from senior leadership, including representatives from various departments such as Finance, HR, CSR, Legal, and Operations.

The Head-CSR and a competent officer from corporate finance must be part of the committee and mandatorily present for all meetings. The names of the CSR Steering Committee members will be shared with the CSR committee of Boards.

The Steering Committee comprised of the following members:

1) Mr. Vikas Kumar Jain, CFO (CSR Head)
2) Mr. Vinod Chandran, COO
3) Ms. Nita Nambiar, CPO
4) Ms. Ramya Kannan, VP, Finance
5) Mr. Riten Gosar, VP, Finance
6) Ms. Gunjan Methi, Assistant VP, Finance
7) Mr. Logabiraman Sekar, Sr. Manager, CSR

Responsibilities of the CSR Steering Committee
- Set goals on CSR for the company in line with overall objectives.
- Review the progress of CSR activities regularly.
- Identify business opportunities and synergies to leverage CSR.
- Meet periodically with a minimum quorum of 50%

To support the Steering Committee, location-specific CSR Working Teams are constituted with representation from Human Resources, Admin, and a Business Unit Head. These Teams are responsible for recording data and maintaining documentation for projects, liaising with implementing agency and monitor, track, and update data management systems regularly. The Teams will provide periodic updates to the Steering Committee on the status of the projects.

9. CSR Budget

The budget for CSR projects shall be recommended by the CSR Committee of the Board and approved by the Board of Hexaware as per the requirements laid out in Section 135 of the Companies Act 2013. The total budget proposed for the CSR projects covered under this policy shall be 2% of the average net profits of Hexaware made during the three immediately preceding financial years; where the 'net profit' is calculated as mentioned in Section 135 of the Companies Act 2013 for CSR Spend. The Committee is entitled to recommend a higher amount than that specified in the Companies Act 2013 based on financial and other considerations.

10. CSR Projects

A. CSR Project Lifecycle

CSR projects are strategically planned and managed at Hexaware. Following are the different stages of the project:

1. Project identification

The projects will be prioritized and suggested based on suitable qualifiers by the Steering Committee and presented to the CSR Committee of the Board for approval. The projects must be aligned to at least one of the thrust areas of CSR. Additionally, for those projects classified as CSR, the projects must conform to the requirements of the Section 135 of the Companies Act 2013. The projects that are located in proximity to the areas where the company operates and where there is a greater scope for employee volunteering would be accorded preference for approval.

The same shall be validated through a needs assessment / baseline study before selecting the project.

2. Budget of the project
The Steering Committee is responsible for evaluating the budgetary requirements of the project and recommending it to the CSR Committee of the Board.

3. Implementation
The Steering Committee in consultation with the Working Team shall formulate a plan of action for the approved projects that specify details of the project including activities to be undertaken, period of implementation, budget plan, project governance and expected results.
The company may implement the CSR projects in one or more of the following modes or by way of a combination thereof:

1. Directly by the company as projects
2. Through a registered trust or registered society or Company established under section 8 of the Companies Act 2013
3. Collaborate with other Companies for undertaking projects jointly.

4. Monitoring
The Steering Committee along with the working team of a specific project and program managers/ owners will be responsible for monitoring of the approved projects through appropriate mechanisms such as site visits, review meetings and progress reports.

To ensure the transparency and efficiency of the implementation process, mechanisms to track data and monitor projects will be established. These projects will be evaluated against the milestones defined as per the plan of action and reviewed by the Steering Committee on a quarterly basis.

5. Reporting
The CSR committee, based on reports presented by the Steering Committee, will annually publish a report on the CSR projects as a part of the Director's report. The report will disclose information in the format as prescribed by Section 135 of the Companies Act, 2013.

The CSR Committee shall also submit a consolidated responsibility statement to the Board that the implementation and monitoring of the CSR policy is in compliance with the approved policy of the Company and complies with the regulatory reporting requirement of respective geographies.

6. Grievance Mechanism
Hexaware ensures Grievances across the projects are identified and addressed. The bi-annual review of projects and interactions with community groups through CSR committee members ensures primary assessment. Also, the impact assessment of key projects through third party agency focuses on assessment of grievances capturing and resolution by implementation partners.

B. Partner Qualifications

Where CSR programs are awarded to implementation agencies, the company will ensure that they are a Registered Trust, Society or a Section 8 Company. The company will conduct due diligence on potential partner agencies to ensure that they have clearly explained mission and vision, do not have a conflict of interest in working with Hexaware, have appropriate documentation such as audit reports, annual reports and registration forms as per 80G/12A. The company will also consider reputation risks in selecting a partner agency.

C. Treatment of Surpluses

Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII of the Company's Act 2013, within a period of six months of the expiry of the financial year.

D. Modalities of Fund utilization

For each project the budget allocation is done with a complete understanding of the implementation process, timelines and defining the desired outcomes. The implementation partner defines the target outcomes and it's further divided into periodic milestones which relate to each tranche of payment. Once the implementation partner shares the milestone achievement details, those are verified, and then only further tranches are released. The documents and proofs submitted by each implementation partner are scrutinized as well as utilization certificates are cross verified for the alignment with the implementation budgets defined as the beginning of projects.

In the case of unutilized funds, as per the guidelines the funds should be transferred to unspent CSR account and will be utilized on planned CSR activities.

In case of any Capital Asset created through the CSR Spends, then such an asset will be transferred to the appropriate entity as per the guidelines and same will be reported in annual MCA report.

11. Notification

The CSR Policy shall be displayed on the website of the Company, on approval of the Board. The Steering Committee should notify the employees about the policy from time to time. The policy will be displayed permanently on the company's intranet enabling every employee to access, be aware and contribute to the policy and drive actions going forward. The new employees shall be informed about the policy by the HR department at the time of on boarding.

12. Amendments to the Policy

This policy will be reviewed annually by the CSR Committee to check the effectiveness and impact of the policy. The CSR Committee has the right to amend or modify this policy in whole or in part, at any time, as deemed necessary. Any amendments or modifications will be suitably notified to all stakeholders.

13. Associated Documents

Hex 5886 SOP for Corporate Social Responsibility (CSR)