

CRISIL RATINGS LIMITED

Corporate Social Responsibility Policy

Reviewer:	Corporate Social Responsibility Committee
Approver	Board of Directors

Sr. No.	Version No.	Date
1	1.0	September 22, 2020
2	2.0	July 14, 2023

Charter of the Corporate Social Responsibility Committee of CRISIL RATINGS LIMITED
(Forms part of the Corporate Social Responsibility Policy and hence Policy reproduced here, with proposed modifications)

1. Introduction:

CRISIL Ratings Limited (the 'Company' or 'CRL') has identified Corporate Social Responsibility (CSR) as a strategic tool for sustainable growth. CRL's CSR objectives are not just limited to investment of funds for social activities but they also extend to bringing a positive change to the society.

In March 2013, CRISIL Limited set up the CRISIL Foundation to steer the CSR agenda of CRISIL Limited and its subsidiaries, guided by the spirit of trusteeship and the intention of enhancing social capital. CRL believes in equitable societies and efficient markets and has always endeavoured to follow these lodestars.

The objectives outlined in this Policy are aligned to CRISIL and CRL's core competencies in the financial services sector and are driven by an opportunity to apply our skills and resources in the most effective manner for achieving a meaningful impact on the society.

2. The CSR Policy:

CRL would conduct the following CSR activities aligned to schedule VII of the Companies Act, 2013 and subsequent amendments/circulars/ notifications:-

- Strengthen the financial capabilities of socially and economically underprivileged communities
- Conservation of the environment by focusing on relevant programmes in the vicinity of CRL offices so that employees get directly involved in CSR initiatives
- Employee participation in financial literacy / promoting education and environment conservation as well as, allowing employees to undertake projects of their choice, with small budget allocations reviewed by a Management Committee, provided that the projects were also covered under the Schedule VII to the Companies Act, 2013, as amended, from time to time.
- Contribute to, undertake or support any other short-term causes/initiatives (up to 2 years) covered under the Schedule VII to the Companies Act, 2013 up to an allocation not exceeding 10% of the CSR budget in any given financial year. The contribution may be made directly or indirectly, through various agencies, whether government or semi-government or private organizations like non-government organizations. The CSR Committee may under exceptional circumstances with reasonable justification, enhance the allocation for such short-term causes/initiatives to meet pertinent community needs.

Besides the focused thematic intervention mentioned above, CRISIL in alignment with the company's corporate philosophy may consider and undertake other activities as mentioned under Schedule VII of section 135 of the Companies Act 2013.

To enhance reach and to accelerate the implementation of the CSR programmes to a larger set of target population, CRL may also partner or work with other well-known Foundations, implementation agencies, NGOs, or other intermediaries with a good track record for deploying the CSR Program.

3. Scope and Purpose

This Policy will apply to all projects/programs undertaken as part of the Company's CSR activities and will be developed, reviewed, and updated by reference to relevant codes of corporate governance and best practices. This policy is also in line with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Section 135 of the Companies Act, 2013, each as amended.

This Policy will serve as a guiding document to help identify, execute, and monitor CSR projects, keeping with the intent and the spirit of the Policy.

4. CSR Funding and allocation:

For achieving its CSR objectives through implementation of meaningful and sustainable CSR programmes, CRL will annually contribute at least 2% of average net profit for the last three years towards CSR activities.

The CSR budget ("CSR Budget") shall be decided by the CSR Committee as a part of the Company's overall annual budget/plan and subsequently recommended to the Board for its approval. All projects undertaken by the Company will be approved / ratified by the CSR Committee and shall be allocated funds from the CSR Budget. The CSR Committee will abide by the provisions relating to annual expenditure on CSR activities as laid down in Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. The surplus arising out of the CSR projects or programs, or activities in CRISIL Foundation and other CSR Implementing partners will not form part of the business profit of the Company and will be utilized for CSR objectives only.

CRL will strive to spend the budgeted CSR amount every year. However, any unspent CSR allocation of a particular year, will be treated in accordance with the Rules framed under the Companies Act, 2013 and as per the CSR amendments by Ministry of Corporate Affairs (MCA) from time to time.

5. Applicability:

CRL CSR policy has been prepared in accordance with Section 135 of the Companies Act, 2013, (referred to as the Act in this policy) on CSR and in accordance with the CSR rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs (MCA), Government of India and subsequent CSR amendments by MCA time to time.

6. Implementation:

CRL CSR initiatives will be implemented by CRL management, CRISIL Foundation, other CSR Implementing partners and any other entity eligible under section 135 of Companies Act 2013 and CSR policy as amended from time to time, under the guidance of Corporate Social Responsibility Committee (the “Committee”) of the Board of Directors (the “Board”) of CRL.

The implementation schedule for the CSR projects and programs of the Company would range from short term to long term (ongoing or multiyear) as defined under section 135 and subsequent amendments and as approved by the Committee and the Board.

7. Constitution of the CSR Committee:

The Board has constituted the “CSR Committee” of the Board on September 22, 2020. The Committee shall consist of minimum of three members with at least one being an independent director.

The Board has authority to reconstitute this Committee from time to time.

8. Meetings and Quorum:

The Committee shall meet at least twice a year. Two members present shall form the quorum for the meeting of the Committee.

9. Governance

CSR Committee:

CSR Committee (the “Committee”) of the Board of Directors of the Company (the “Board”) shall be responsible for framing and approving the Policy and for the overall governance of CSR activities.

The roles and responsibilities of the Committee shall be the following:-

- a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subjects, as specified in Schedule VII of the Companies Act, 2013, as amended;
- b) Recommend to the Board, modifications to the CSR policy as and when required;
- c) Recommend to the Board, the amount of expenditure to be incurred on the activities to be undertaken;
- d) Review the performance of the Company around CSR including the evaluation of the impact of the Company’s CSR Activities;
- e) Review the Company’s disclosure of CSR matters;
- f) Ensure legal and regulatory compliance from a CSR viewpoint;

- g) Recommend the deployment strategy for CSR Activities, through partnerships with various eligible entities,, intermediaries and foundations and determine outreach channels, including social media and IT interfaces;
- h) Ensure reporting and communication on the Company's CSR projects/initiatives;
- i) Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the listing agreement, and the Companies Act, 2013.

Role of the Board:

The Board shall review and approve the Annual Action plan recommended by the CSR Committee and may alter such plan at any time during the financial year as per the recommendation of the CSR Committee, based on reasonable justification to that effect. In addition to this the Board shall be responsible for

- a) approval of the CSR Policy of the Company based on the recommendation of the CSR Committee;
- b) disclosure of the Policy in its report and placing the same on the Company's website as prescribed under Section 135 of the Companies Act, 2013, as amended;
- c) ensuring that the CSR activities are undertaken by the Company in accordance with this Policy;
- d) ensuring that the Company spends, in every financial year, at least 2% of the average net profits of the Company during the three immediately preceding financial years ("Earmarked Amount");
- e) ensuring that it specifies the reasons in its report for not spending the Earmarked Amount in case the Company does not spend such amount during the financial year; and
- f) making any change(s) in the constitution of the CSR Committee as deemed suitable.

10. Monitoring

The CSR Committee shall ensure transparent monitoring for effective implementation of the projects / programs/ activities proposed to be undertaken by the Company.

Monitoring mechanisms will include site visits, meetings, progress/status reporting by the project teams and impact assessment to be conducted as per the requirements under Section 135 of the Companies Act and provisions under subsequent amendments. However, based on relevant best practices, the Committee may recommend to the Board conducting impact assessments by third parties/ independent agencies as deemed fit.

11. Reporting

An annual report of the significant CSR activities and achievements will be reported as part of the director's report also as per any other statutory and regulatory reporting requirements.

12. Disclosure

A brief outline of this Policy shall be presented in the Board's report and on the Company's website.

13. Policy Review:

This policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder.

In case of any subsequent changes in the provisions of the Companies Act 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Corporate Social Responsibility Committee annually. Additionally, changes shall be incorporated in the policy as and when required to align with regulatory amendments or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

This Policy is updated on July 14, 2023.

About CRISIL

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

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