

# Firstsource Solutions

## Corporate Social Responsibility Policy

<b>Master List Ref</b> HR-P-060	<b>Release Date</b> December 2014	<b>Review Date</b> February 2025	<b>Next Review Date</b> February 2026
<b>Version:</b> 2.0	<b>Process Owner</b> Human Resources	<b>Reviewed by</b> Sankara Mahalingam	<b>Approved by</b> CHRO

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### Version Control

<b>Version No.</b>	<b>Change description</b>	<b>Effective from</b>
1.0	-	January 2024
2.0	Revision in Board Members	February 2025

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## 1. Firstsource CSR Policy

The CSR Policy outlined in this document covers various aspects that guide Firstsource in its commitment to the society.

## 2. About Firstsource Solutions

Firstsource is a purpose-led and people-first organization. Our industry leading digital-first solutions help global businesses reduce costs, increase efficiencies, and simplify complex business processes. This, in turn, helps businesses elevate customer experience at every interaction, be it call, click, tap, message or chat. Our solutions span four core areas: Digitally Empowered Contact Centers, Intelligent Back Office, Platforms, Automation and Analytics, and Insights, Design Experience and Advisory.

We believe the key to delivering great customer experience begins internally – by connecting every Firstsourcer to their role’s purpose and aligning them with our Digital First Digital Now strategy. Upskilling our people in new-age technologies and supporting their physical, financial, and mental wellbeing is equally important to us.

## 3. About RP-Sanjiv Goenka Group

Since its establishment as a family business by Late Shri Ramdutt Goenka in 1820, the Goenkas have constantly innovated and diversified, adapting to changing times and laws, evolving from the domains of banking, textiles, tea and jute to new-age industries such as Retail, IT and Communications, Entertainment, Power, Transmission, Tyres and Life Sciences. The RP-Sanjiv Goenka Group has diversified business interests across multiple sectors, such as Power & Natural Resources, Carbon Black, Retail, Media & Entertainment and IT & Education, and includes the Groups flagship companies such as CESC Ltd, Spencer’s Retail Ltd., Firstsource Solutions Ltd, Phillips Carbon Black Ltd and Saregama India Ltd, among others.

The RPSG Group companies are market leaders across diversified segments. Some of the group’s flagship companies include:

- **CESC** Limited is the fourth largest private sector power utility company in India that distributes power to the city of Kolkata and its adjoining areas.
- **Firstsource Solutions Ltd.** is among the top three leading BPO players in India, offering services across multiple verticals: BFSI, Communications, Media and Entertainment, Healthcare, Private Equity, EdTech and Diversified Industries.
- **Phillips Carbon Black Ltd.** has the distinction of being the largest producer of Carbon Black in India and the seventh largest producer in the world.
- **Noida Power Company Ltd.** has been distributing power in the Greater Noida area that is rapidly developing into an industrial hub and urban settlement.

- **Spencer's Retail Ltd.** is a pioneer in organized retail in India.
  
- **RPSG Ventures Limited**, along with its subsidiaries, operates a diversified portfolio of businesses, including information technology (IT) services, business process management (BPO, fast moving consumer goods (FMCG), ayurvedic formulations, real estate and sports).

The RPSG Group has a long legacy of positively impacting the community and empowering lives by focusing on education, health, art, skill development, and creating livelihood opportunities for sustainable development of communities.

## 4. Firstsource CSR Vision

Corporate social responsibility (CSR) lies at the core of everything we do. Firstsource is committed to advancing its CSR objectives through its overarching vision: *“Create a nurturing and an empowering environment to deepen our societal engagement with a goal of improving lives and livelihood of communities on a sustainable basis.”*

## 5. Objective

The CSR Policy serves as a guiding document to help identify, execute, and monitor CSR projects in keeping with the spirit of our CSR vision. In compliance with Section 135 and other related clauses, schedule VII and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the “CSR Rules”) under the Companies Act, 2013 (“the Act”):

- Operating in alignment with sound corporate governance and corporate social responsibility practices is part of our DNA. We seek to promote and strengthen the trust of our shareholders, other stakeholders, and the public through our proactive approach to CSR and constant monitoring and improvement of our CSR activities.
  
- At Firstsource, it's our conviction that social programs must be meaningful and built on the foundation of long-term commitment to ensure the sustainable upliftment of communities we operate in. We run our social programs on a strong bedrock of good governance, supported by purpose-built forums and transparent and rigorous reporting.
  
- Firstsource CSR vision is underpinned by the RPSG Group's aspiration to be India's leading business group serving multiple market segments, customers, shareholders, employees, and communities as well as its corporate vision of enabling inclusive growth.
  
- To this end, we strive to demonstrate the highest standards of ethics and act in accordance with applicable laws and regulations, always securing the best interests of our shareholders, stakeholders, and society.

- This CSR Policy shall apply to all projects/programs undertaken as part of Firstsource's Corporate Social Responsibility and will be developed, reviewed and updated periodically to ensure alignment with international standards and sustainable and innovative practices.
- Firstsource CSR Policy have been framed and formulated in accordance with Section 135 and Schedule VII of the Act and the CSR Rules thereunder (Annexure 1 for activities permitted under Schedule VII of the Act).
- This CSR Policy applies to all stakeholders of Firstsource India, including directors, employees (permanent, contract and part-time) and shareholders.

## 6. CSR Intervention Areas

Firstsource takes a focused and structured approach to implementing its CSR initiatives. We have identified thematic and program areas to guide the design, intent, and approach of our CSR initiatives. We shall strengthen and enhance our footprint in the areas we currently work in while continuing to explore additional CSR opportunities and expand to new focus areas aimed at community development related to our areas of operation.

The CSR Committee shall select projects and programs and also guide the execution delivery and implementation of the projects/programs – on time and within budget. Broad guidelines for selection of projects are highlighted below and can be expanded to accommodate various scenarios mentioned in Annexure I.

- The Company will ensure that its CSR projects are non-discriminatory in nature and do not have any restrictive political or religious affiliations.
- The programs/projects will be restricted to the recommended areas and/or listed by the CSR Committee and mentioned in the CSR Policy.
- Programs/projects will not be in pursuance of the Company's normal course of business.
- Programs/projects will be implemented within the country and preferably in areas where the company has a presence.
- The Company will consider programs/projects closely linked with the principles of sustainable development.
- The Company will actively consider programs/projects that have been identified by employees and those where employees are directly involved through volunteering efforts.
- Programs/projects will not be exclusively for the benefit of the Company's employees or their family members.
- Any surplus generated out of the Company's CSR activities will be re-invested back in the CSR initiatives of the Company.

## 7. Firstsource CSR: Six Major Pillars

Firstsource CSR initiatives are primarily focused around the following six pillars and periodically evaluated by the CSR Committee from an implementation perspective. Our goal is to engage and encourage our employees to participate in CSR through programs like payroll giving, volunteering and fund- raising.

### **Pillar 1: Healthcare**

Focus areas: Eradicating hunger, poverty, and malnutrition, and promoting healthcare, including preventive healthcare and sanitation and contributing to the Swachh Bharat Kosh initiative set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

CSR initiatives under this pillar will be geared towards promoting healthcare and preventing diseases amongst community members, especially those who are currently at the bottom of pyramid (BoP) or living in areas (rural or urban) with poor access to quality public health services.

### **Pillar 2: Education**

Focus areas: Promoting education, including special education and employment enhancing vocation skills – especially among children, women, elderly, and the differently abled – and livelihood enhancement projects.

### **Pillar 3: Environment**

Focus areas: 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 the river Ganga.

### **Pillar 4: Art & Culture**

Focus areas: 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.

### **Pillar 5: Gender Equality and Women Empowerment**

Focus areas: Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens; and measures for reducing inequalities faced by socially and economically backward groups.

### **Pillar 6: Sports**

Focus areas: Training to promote rural sports, nationally recognized sports, Paralympic sports, and sports events.

**Firstsource shall support initiatives implemented by RPSG Group Foundation wherever possible.**

## 8. Governance

Firstsource Board of Directors is responsible for approving the CSR policy and its oversight. The CSR committee, on the other hand, formulates and recommends an annual action plan to the Board of Directors in accordance with the CSR policy and administers the Policy through self-implementation, implementing partner(s), or the RPSG Group CSR Trust. The Committee provides guidelines for projects/partner selection to respective HR or CSR teams, where applicable. The committee also ensures that projects/programs are compliant with regulations and are monitored and reported effectively. Firstsource CSR Policy may be revised by the CSR committee from time to time and approved by the Board of Directors.

## 9. Roles and Responsibilities: Board of Directors

The Board of Directors of Firstsource Solutions Limited will be responsible for:

- Approving the Company's CSR Policy
- Disclosing the CSR Policy in the Board report and publishing the CSR Policy on the Company's website in such a manner as prescribed under Section 135 of the Act, read in conjunction with the CSR Rules.
- Ensuring that, every financial year, the Company spends at least 2% of the Company's average net profit (during the three preceding financial years) on CSR activities.
- In the unlikely circumstances where the Company fails to spend the stipulated CSR amount during a financial year, the Board is responsible for ensuring that it specifies the reasons for not spending the earmarked amount in its report.
- The Board shall have the power to make any change(s) in the constitution of the CSR Committee

## 10. Constitution of the CSR Committee

For effectively carrying out the CSR objectives, the Corporate Social Responsibility Committee (CSR Committee) will be constituted by the Board as per the provisions mentioned under the Act, read together with the CSR Rules, 2014, and as amended from time to time, to ensure that the purpose of this CSR Policy is being effectively served.

## 11. Composition of the CSR Committee

For the relevant financial year, the Board's report shall disclose the composition of the CSR Committee which is as follows:

The CSR Committee shall consist of at least three directors, amongst whom, one director shall be an "Independent Director."

Currently, the composition of the CSR Committee is as under.

S. No.	Name	Designation/ Category
1	Mr. Shashwat Goenka	Chairman
2	Dr. Rajiv Kumar	Committee Member(Independent Director)
3	Mr. Ritesh Idnani	Committee Member
4	Mr. Subrata Talukdar	Committee Member

## 12. Roles & Responsibilities of the CSR Committee

The roles and responsibilities of the CSR Committee include the following:

- Prepare, revise and modify the CSR Policy and obtain Board of Directors approval.
- Ensure that the programs/projects undertaken by the Company on its own or through the implementing partner are aligned with the approved CSR Policy of the Company and are also aligned to Section 135 of the Act, read in conjunction with Schedule VII of the Act and the CSR Rules.
- Provide guidelines for selection of projects/programs or implementing partners to respective HR or CSR teams, wherever applicable.
- Review and approve annual budgets related to CSR programs.
- In case the Company is unable to spend the stipulated 2% of average net profits of the preceding three financial years or any part thereof, the CSR Committee shall provide the reasons for not spending the amount to the Board; the reasons shall also be included in the Board's report.
- Evaluating reports from Implementing Partners to assess the performance and effectiveness of projects supported by the Company.
- Reviewing the findings and recommendations regarding the CSR initiatives from any investigation or audit conducted by regulatory agencies or external auditors or consultants.
- Responding to queries, observations/ clarifications sought by the Ministry of Corporate Affairs or any other regulatory authority regarding the Company's CSR supported initiatives.



- Ensuring that Firstsource's website displays the approved CSR Policy.
- Developing and institutionalize a CSR reporting mechanism in sync with Section 135 of the Act and Rule 8 of the CSR Rules, and formulation of Annual Action Plan.
- Any other responsibility, as may be suggested by the Board of Directors.

## 13. CSR Budget

The CSR Committee shall recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company as specified in Schedule VII of the Act, subject to a minimum of 2% of the Company's average net profit during the three preceding financial years.

In case of any surplus arising out of CSR projects, the same shall not form part of the business profits of the Company.

Treatment of surplus arising out of the CSR activities and excess amount spent on CSR shall be in accordance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 or any modifications or amendments made from time to time.

The Committee may transfer the unspent CSR amount to any fund included in schedule VII of the Act as per the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 or any modifications or amendments made from time to time.

## 14. Implementation

Firstsource Solutions Limited shall undertake CSR projects/programs as listed in Areas for CSR intervention, as mentioned in Page 4 of this policy document.

Our CSR projects and programs shall be closely linked with the principles of sustainable development and shall promote the involvement of local institutions and the community at large.

Firstsource shall tie up with NGOs to create a multiplier effect for its CSR programs/projects.

The CSR Committee will oversee the implementation and monitoring of all CSR projects/programs and provide periodic reports to the CSR Committee for review.

In case of an ongoing project, the Company's Board shall monitor the implementation of the project with respect to the approved timelines and year-wise fund allocation, and shall be competent to make modifications, if any, for smooth implementation of the project within the allotted time period.

The Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer ("CFO") or the person responsible for financial management shall certify to the effect.

The CSR Committee shall formulate and recommend to the Board, an annual action plan in

pursuance of its CSR policy, which shall include the following:

- (a) List of CSR projects or programs that are approved to be undertaken
- (b) Manner of execution of such projects or programs
- (c) Modalities of utilization of funds and implementation schedules
- (d) Monitoring and reporting mechanisms
- (e) Details of need and impact assessment, if any

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

## 15. Monitoring

The Company shall institute a well-defined, transparent monitoring and review mechanism to ensure that each CSR project/program has:

- Clear objectives driven by societal needs which may be determined through need assessment studies and research (secondary or primary).
- Clear targets, timelines and measurable indicators, wherever possible.
- Modalities of execution of CSR project or programs as well as the implementation schedule.
- A progress monitoring and reporting framework that is aligned with the requirements of Section 135 of the Act and the CSR Rules.

The CSR Committee shall assign roles and responsibilities to the relevant team for monitoring the CSR activities and has the responsibility of monitoring approved projects and funds disbursements for such projects. Monitoring mechanisms may include visits, meetings, and progress reports. Firstsource shall establish an accounting system that allocates and accounts for CSR spend across projects and programs.

The implementation schedule shall mention the focus area and the specific activity that Firstsource chooses to work on. It will also highlight the time period and projected as well as actual spend for the activity. Reasons for any variance must be captured in the schedule which shall be reviewed on a periodic basis.

## 16. Reporting

The Company shall monitor the progress of CSR projects and expenditure on a quarterly basis and report impact to the Board/ CSR Committee.

The Company shall report its CSR performance in its annual Board of Directors' Report as per the structure and format prescribed in the notified CSR Rules of Section 135 of the Act, from time to time.

## 17. Amendments to the CSR Policy

Any modification/amendment to the CSR Policy shall be carried out by the CSR Committee with the approval of the Board of Directors of the Company.

## 18. Appendix

**'Act'** means the Companies Act 2013 and Rules made thereunder, including any amendment or modifications thereof.

**'Board of Directors'** or **'Board'** means the collective body of the Directors of the Company.

**"Administrative overheads"** means the expenses incurred by the Company for 'general management and administration' of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or program.

**"Ongoing Project"** means a multi-year project undertaken by the 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.

**"International Organization"** means an organization notified by the Central Government as an international organization under section 3 of the United Nations (Privileges and Immunities) Act, 1947, to which the provisions of the Schedule to the Act apply.

## 19. Annexure 1: Schedule VII of the Companies Act 2013

Clause #	Description
<b>Clause (i)</b>	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
<b>Clause (ii)</b>	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects
<b>Clause (iii)</b>	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
<b>Clause (iv)</b>	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
<b>Clause (v)</b>	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
<b>Clause (vi)</b>	Measures for the benefit of armed forces veterans, war widows and their dependents
<b>Clause (vii)</b>	Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports
<b>Clause (viii)</b>	Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, and other backward classes, minorities and women
<b>Clause (ix)</b>	Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
<b>Clause (x)</b>	Rural Development Projects