

# Corporate Social Responsibility Policy

## PHILOSOPHY

Recognizing that business enterprises are economic organs of society and draw on societal resources, it is Nearby Technologies Private Limited's ("**NBT**" / "**Company**") belief that a company's performance must be measured by its Triple Bottom Line contribution towards building economic, social and environmental capital and enhancing societal sustainability. NBT believes that in the strategic context of business, enterprises possess, beyond mere financial resources, the transformational capacity to create game-changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity.

In line with this belief, NBT will continue crafting unique models to generate livelihoods and environmental capital. Such Corporate Social Responsibility ("**CSR**") projects are replicable, scalable and sustainable and may have a significant multiplier impact on sustainable livelihood creation and environmental replenishment. These initiatives are independent of the normal conduct of NBT's business. Programmes, projects and activities (collectively "**CSR Programmes**") carried out in this regard are the subject matter of this policy ("**CSR Policy**").

## SCOPE OF THIS POLICY

This CSR Policy is in line with Section 135 of the Companies Act, 2013 ("**the Act**") read together with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("**CSR Rules**"), clarifications and circulars issued by the Ministry of Corporate Affairs from time-to-time ("**CSR Provisions**").

Section 135 of the Act is applicable to every company, including its holding or subsidiary, and foreign companies having its branch or project office in India and with net worth of INR 500 Crore or more, or a turnover of INR 1000 Crore or more, or a net profit of INR 5 Crore or more during any of the three preceding financial years. Under this section of the Act, in every financial year, such company must allocate at least 2% of its average net profits made during the three immediately preceding financial years. The company must also constitute a CSR committee, formulate a CSR policy, recommend CSR expenditure amount, monitor policies and activities, and report to the Board of Directors ("**Board**"). Board must approve CSR policy and comply with disclosure requirements including a detailed CSR report in its Annual Report.

## OBJECTIVE OF THIS CSR POLICY

The main objective of this CSR Policy is to lay down guidelines for Company to make CSR as one of the key focus areas to adhere to Company's interest in environment and society and focusing on making a positive contribution towards society through effective impact and sustainable development programs. In furtherance of the same and ensuring that it is line with the Schedule VII of the Act (*appended to this CSR Policy as Annexure I*), Company has formulated this CSR Policy with a view to:

- (i) direct NBT's CSR Programmes, inter alia, towards achieving one or more of the following – enhancing environmental and natural capital; supporting rural development; promoting education; providing preventive healthcare, providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India; preserving and promoting sports;

- (ii) develop the required capability and self-reliance of beneficiaries at the grass roots, especially of women, in the belief that these are prerequisites for social and economic development;
- (iii) engage in affirmative action interventions such as skill building and vocational training, to enhance employability and generate livelihoods for people from disadvantaged sections of society;
- (iv) pursue CSR Programmes primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact;
- (v) carry out CSR Programmes in relevant local areas to fulfil commitments arising from requests by government/regulatory authorities and to earmark amounts of monies towards "Enterprise Social Responsibility (ESR)" activities and to spend such monies through ESR/CSR Cells of such administrative bodies of the government and/or directly by way of developmental works in the local areas around which the Company operates; and
- (vi) provide equal opportunities to beneficiaries of the Company's CSR Programmes as vendors or employees on merit.

## **CSR SPEND**

Beginning with the financial year 2019-20, Company has undertaken to spend on its CSR Programmes every year, 2% of its average net profits during every block of three years. 'Net Profit' shall be calculated in the manner prescribed by the Act and the CSR Rules. Any 'Income' or 'Surplus' that may arise from its CSR Programmes would also be included in the CSR corpus and will not form part of business profits of Company. CSR Programmes shall not include any benefits which are exclusively for the employees of the Company or their family members.

## **FUNCTIONS OF CSR COMMITTEE**

CSR Committee will be the apex body that will provide the overall direction, governance and financial signoffs to the CSR Programmes being undertaken by NBT in line with the CSR Provisions.

The functions of the CSR Committee are detailed below:

### **1. Implementation:**

To implement the Company's CSR Programmes through Company personnel and/or through external implementing agencies and/or through other Trusts, Foundations and Section 8 companies ("NGOs") which may be independent or established by the Company from time to time. In such cases, CSR Committee will specify the CSR Programmes which may be undertaken by those NGOs in accordance with their objects as well as administrative and accounting processes laid down in their respective constitutional documents.

### **2. Monitoring of CSR Programmes:**

CSR Committee shall conduct impact studies of CSR Programmes on a periodic basis. Simultaneously, it shall also obtain feedback from various beneficiaries of CSR Programmes undertaken by the Company to measure their benefits.

CSR Committee will review the implementation of such CSR Programmes and issue necessary directions from time to time to ensure orderly and efficient execution of CSR Programmes in accordance with this CSR Policy.

3. Reviewing and recommending the amount of expenditure to be undertaken for the approved CSR Programmes.
4. Any other matter as CSR Committee may deem appropriate after approval of Board or as may be directed by the Board from time to time.

#### **Governance**

- (i) CSR Committee will assign the task of implementation of such CSR plan within specified budgets and timeframes to such persons or bodies as it may deem fit.
- (ii) The persons/bodies to which the implementation is assigned will carry out such CSR Programmes as determined by CSR Committee within the specified budgets and timeframes and report back to CSR Committee on the progress thereon at such frequency as CSR Committee may direct.
- (iii) At the end of every financial year, CSR Committee will submit its report to the Board.
- (iv) In case at least 2% of average net profit of the last 3 years is not spent in a financial year, reasons for the same to be specified in its report.

#### **AMENDMENTS TO THIS CSR POLICY**

Board, on its own and/or as per the recommendations of the CSR Committee, can amend this CSR Policy, as and when deemed fit. All the provisions of this CSR Policy are subject to the applicable provisions of the Act and any subsequent amendments thereof from time to time.

#### **COMPLIANCE STATEMENT**

The contents of this CSR Policy shall be appropriately disclosed in the Board report in accordance with the requirements of CSR Provisions. In compliance with the requirements of the Act it is confirmed that:

- (i) a copy of this CSR Policy will be placed on the Company's website; and
- (ii) any surplus arising out of the CSR projects, programmes or activities shall not form part of the business profit of Company.

## **ANNEXURE I**

### **Schedule VII, Companies Act, 2013**

(See section 135)

*Activities which may be included by companies in their Corporate Social Responsibility Policies relating to:*

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and 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;*
- (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;*
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;*
- (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 any other - fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;*
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;*
- (x) Rural development projects.*