

# Deloitte Tax Services India Private Limited

## Corporate Social Responsibility Policy

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CSR Policy under the Companies Act, 2013 (18 of 2013) and Companies (Corporate Social Responsibility Policy) Rules, 2014

This CSR policy ("Policy") enlists objectives and procedures to fulfill social responsibility obligations to be followed in Financial Year 2017-18 by Deloitte Tax Services India Private Limited, pursuant to Companies Act 2013.

# **Corporate Social Responsibility Policy**

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## 1. Introduction

Deloitte Tax Services India Private Limited (“Deloitte”) has been involved in Community Involvement (“CI”) activities since the commencement of its operations in India in the year 2004 and continues to work towards community development and areas needing focus and attention.

Being a leading global professional services provider, Deloitte believes that this position brings both opportunity and responsibility, Deloitte believes in applying its skills and resources where it can make the greatest impact on the society. This belief is entwined in all the Community Involvement programs at Deloitte U.S. India<sup>1</sup> (“USI”), and the same is accomplished through a skill-based approach, driving meaningful change in the community by establishing a 360° connect by Corporate Social Responsibility (“CSR”) program initiatives.

The Community Involvement program endeavors to achieve the shared values of Deloitte, (Integrity, and Outstanding value to markets and clients, Commitment to each other and Strength from cultural diversity) and upholds the principles of Code of Ethics and Professional Conduct of Deloitte.

The policy for Corporate Social Responsibility is designed and governed with a clear focus on promoting education in India, including giving special attention towards education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled. The initiatives taken by Deloitte are in consonance with projects and programs relating to activities specified under Schedule VII to the Companies Act, 2013 (“Act”) and Companies (Corporate Social Responsibility Policy) Rules, 2014 (“Rules”).

The Act, Schedule and Rules for CSR have come into effect from the first day of April, 2014, with defined threshold for corporates. Companies that earn a net profit of INR 5 Crores or more during any financial year are required to spend at least two per cent (2%) of their average net profits, made during the three preceding financial years on CSR activities and/or report the reason for spending or non-expenditure. The companies are also required to report the expenses made for CSR activities in the annual financial report.

## 2. Objectives of the Policy

The CSR policy of Deloitte is governed with a focus on education, employability, environmental sustainability and animal welfare. The primary objective of the CSR policy and the CI programs (“Programs”) is to govern and enhance employability of the future generations and enhance the sustainability of the non-profit organizations. Deloitte will review these focus areas from time to time and make additions or deletions, based on the priorities for each year.

The objectives of Deloitte will be achieved by:

1. Driving measurable change in our communities and

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<sup>1</sup> As used in this document, “Deloitte U.S. India” means Deloitte & Touche Assurance & Enterprise Risk Services India Private Limited, Deloitte Consulting India Private Limited, Deloitte Financial Advisory Services India Private Limited, Deloitte Tax Services India Private Limited, Deloitte Support Services India Private Limited and Deloitte Special Projects India Private Limited.

2. Inspiring our actions as societal change makers, and instilling great pride in knowing that what we do best—applying our skills and expertise to accelerate positive societal impact.

### 3. The Governance Model

#### **Constitution of the CSR Committee**

Pursuant to Section 135 of the Companies Act 2013, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The members in the committee shall be appointed by the Board of Directors of Deloitte which shall consist of at least two or more Board Directors.

The CSR committee shall hold at least one CSR Committee meeting in a financial year. The CSR Committee along with the USI Community Involvement team shall decide the CSR programs and initiatives for each financial year and accordingly recommend the agenda to the Board of Directors.

The CSR agenda for the financial year shall indicate the activities to be undertaken for the financial year, and the expenditure to be incurred on the CSR programs and initiatives.

#### **Board of Directors**

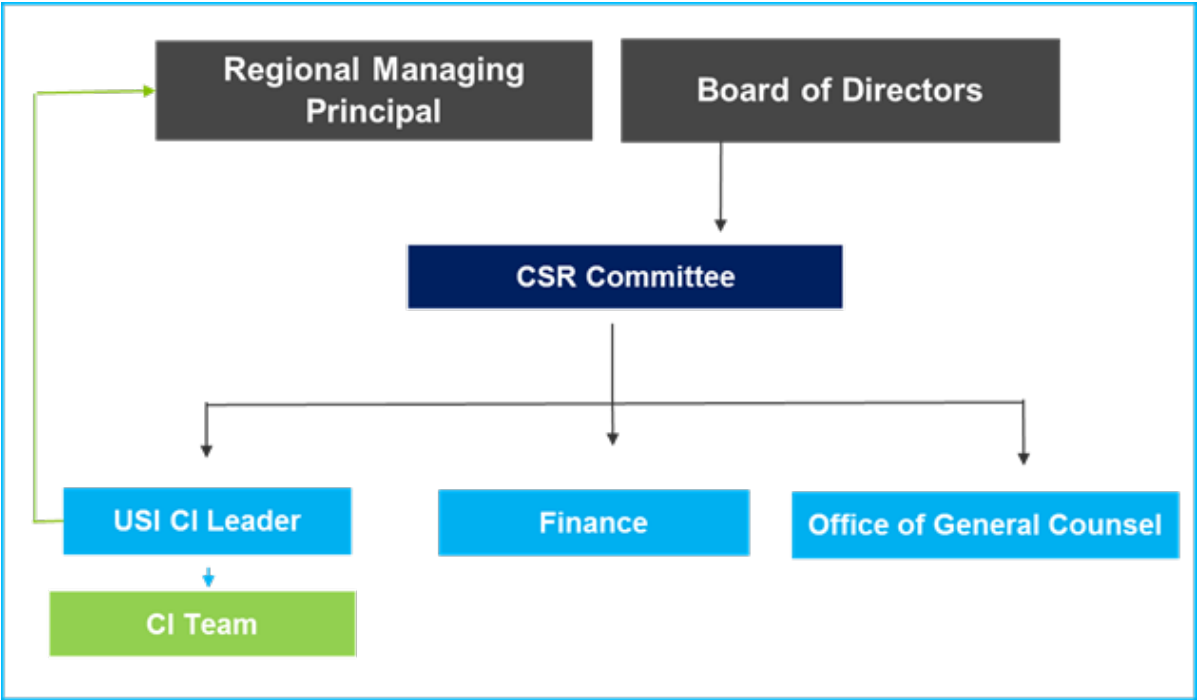
The Board of Directors shall take into account the recommendations made by the CSR Committee and approve the CSR programs for Deloitte.

#### **Role of the CSR Committee**

- a) To formulate and recommend to the Board of Directors, the CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and the applicable Rules;
- b) To recommend CSR activities to be undertaken by the Company in collaboration with Deloitte's affiliate companies or any other company or any other entity;
- c) To recommend the amount of expenditure to be incurred on the CSR activities;
- d) To formulate the CSR Budget based on the CSR activities planned for the year;
- e) To create an effective due diligence and monitoring mechanism for implementation of the approved CSR activities;
- f) To submit reports to the Board of Directors in respect of the CSR activities undertaken by Deloitte and
- g) To decide on the locations for CSR activities.

**Reporting Structure and governance model**

The Corporate Citizenship (CI) team will be the key stakeholder in the governance of the CSR Policy and initiation of programs and initiatives within Deloitte. The CI team will keep the key internal and external stakeholders informed by regular communications and updates, including providing updates on the progress of the projects and addressing issues/concerns, if any. The following diagram represents the governance structure and the various stakeholders in the CSR activities at Deloitte:



**4. Programs under the Policy**

In accordance with Schedule VII of the Act and the Rules, Deloitte shall undertake CSR activities included in its plan for that year, as recommended by the CSR Committee at the beginning of each year. The Committee is authorized to approve any modification to the existing CSR plan or to propose any new program during the financial year under review.

The CI programs planned for the year will be reviewed annually during April/May of each financial year by the CI Advisory Council and the CI team, and then presented to the CSR committee, which in turn shall present the annual agenda to the board of directors, for adoption and approval for each financial year.

*Inter alia*, some of the signature year-round programs which Deloitte involves in are as follows:

- **IMPACT Day:** Leverage our people's intellectual skills to define and create a meaningful impact in our communities.
- **Strategic donations:** Firm donations to strategic priority projects to confirm our commitment to impact the community.
- **Volunteering:** Leveraging our people's skills and competencies in volunteering to impact local communities.
- **DCLC:** Deliver state-of-the-art knowledge sessions to empower non-profit organizations and help them enhance their core competencies and expertise.

## 5. Due Diligence and monitoring of the CSR programs

Deloitte has partnered with and has entered into an agreement with United Way chapter in Delhi, Hyderabad, Bengaluru and Mumbai to conduct due diligence, monitoring and evaluation of NGOs and its projects. A detailed due- diligence is completed by United Way in terms of competence of non-profits, its identity, leadership & management, accountability, transparency and financial capability. Deloitte engages with NGOs only post clearance of due diligence and audit by United Way. Further, the arrangement under the terms of the agreement, United Way is required to keep Deloitte updated on all the projects (program and initiatives) including providing periodic reports of progress on each of the CSR programs, initiated by Deloitte. Apart from this Deloitte also does its own internal due diligence and conflict checks before engaging with an NGO.

United Way chapter has agreement with respective city NGOs to implement and execute on the projects taken up by United Way. Deloitte along with the United Way chapter and the non-governmental, non-profit organization work towards a common goal and exhibit a prima facie interest of working in partnership.

### Progress, Monitoring and Reporting

- a) Deloitte will review the project proposal and monitor the implementation of the projects on regular basis and establish evaluation framework for supported causes;
- b) Deloitte will lay down organizational supervision and oversight requirements before release of funds;
- c) The organization will submit quarterly reports in the templates provided by the CI Team;
- d) There will be physical verification of the projects status, reports of which will be shared with the USI CI Sponsor on a quarterly basis;
- e) The CSR committee will be made aware of major updates, and drawbacks;
- f) CSR committee shall report and keep the Board updated, regarding the expenses incurred on donations and CSR activities for the year.

## 6. Budgets and Expenditures

Deloitte shall allocate a budget towards each of the CSR activities falling within the purview of the objectives of this policy. The CSR expenditure shall include all actual expenditures including contribution to corpus or on project or programs relating to CSR activities recommended by the CSR Committee and approved by the Board of Directors but shall not include any expenditure that does not fall within the purview of Schedule VII of the Act.

## 7. Reporting

The expenditure for the financial year will be tracked by the CI team and reported to the Board members in the CSR committee meetings. It is mandatory for Deloitte to disclose its CSR Policy, programs/projects undertaken and the expenditure made towards CSR activity in the annual report.

## 8. Treatment of Surplus

Any surplus generated from CSR projects undertaken by Deloitte in a particular financial year will be tracked and channelized into Deloitte CSR corpus. These funds will be used in development of the CSR projects in the following year and will not be added to the normal business profits.

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