

Corporate Social Responsibility Policy

Introduction:

Sify Infinit Spaces Limited (SISL) is a wholly owned subsidiary of Sify Technologies Limited. SISL provides Data Center (DC) colocation services to small, medium and large Indian Enterprises. Over time, SISL has also begun building capacities for hyperscale DC customers entering India. SISL has a portfolio of 11 DCs across critical business centers in India.

SISL has been a socially responsible company since inception, where its parent company has been contributing for CSR activities to enhance value through its CSR initiatives and promote social sustainability, sustainable development of the environment and social welfare of the people and society at large, more specifically for the deprived and underprivileged persons. The Board of Directors of SISL has constituted the CSR Committee in its meeting held on July 30, 2021 as per the provisions of Companies Act, 2013 and Rules made thereunder (*hereinafter referred as 'Act'*).

SISL is committed to provide CSR Activities through (i) Company's own implementation group, or (ii) external implementing agencies and it will be ensured that such programmes are covered in the Objects laid down herein and effectively carried out.

This policy encompasses the company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare & sustainable development of the community at large.

Short Title:

This policy in relation to the Corporate Social Responsibility ("CSR") of SISL is titled as the "CSR Policy" which encompasses Sify's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for carrying out socially useful activities/projects and programs for the welfare & sustainability and development of community at large, preferably at local area and in its areas of operation.

This policy shall apply to all CSR initiatives and activities taken up not only at the various work-centres and locations of the Company but also in any other parts of the Country, for the benefit of the society.

Implementation of the CSR Policy

1. The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out which are required by law in accordance with the CSR Policy read with the Act.
2. Mode of Implementation: The CSR Activities may be undertaken by the CSR Committee constituted by the Board of Directors in terms of Section 135 of the Act, directly or through its Implementation Group, or through any of the following entities as "Implementation Agency" being duly registered with the Central Government and having a unique CSR Registration Number:
 - i) Company established under Section 8 of the Act, or Trust, or Society registered under section 12-A and 80-G of the Income Tax Act 1961, being established by the Company,

- ii. either singly or along with any other company; or
 - ii. Company established under section 8 of the Act, or Trust, or Society, being established by (Indian) Central Government or (Indian) State Government; or
 - iii. Company established under section 8 of the Act , or Trust, or Society registered under section 12-A and 80-G of the (Indian) Income Tax Act 1961, and having an established track record of at least three years in undertaking similar CSR activities; or
 - iv. Any entity established under an act of (Indian) Parliament or a (Indian) State Legislature.
3. The Company shall conduct due diligence prior to selection of an entity as its implementation agency, to *inter alia* verify the credentials and ensure that the proposed implementation agency is eligible and capable to be appointed as such.
 4. The Company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.
 5. The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.
 6. The Company may collaborate with the other companies in the group in consultation with the CSR committee, to identify, conduct due diligence and contribute to CSR projects. As part of such collaboration, any one of the Sify's collaborating group companies may engage with Implementation Agencies (including execution of the appropriate memorandum of understanding or any other documents as approved by the CSR Committee) on behalf of the Company.
 7. The Board shall empower the Implementation Group to finalize, approve and execute various agreements, deeds, writings, confirmations, undertakings, or other documents, as may be necessary, with any party including Implementing Agencies and/or others for the purposes of the CSR Policy and accept modifications, changes and amendments to any such documents/ agreements as it may deem fit.

CSR Committee

Guiding Principles for Constitution of CSR Committee.

1. CSR Committee will consist of three or more directors, out of which at least one director shall be an independent director.
2. To ensure effective implementation of the CSR activities by the Company, the CSR Committee shall review and monitor the same from time to time at its meetings.
3. The Committee will meet at least twice in a year to discuss and review CSR activities and Policy. A quorum of two members is required to be present for the proceedings to take place. Such other meetings of the Committee can be convened as and when deemed appropriate. The Committee members may attend the meeting physically or via such audio-visual means as permitted under the Act. The Committee shall have the authority to call such employee(s), senior official(s) and / or external agencies, as it deems fit. The Company Secretary shall act as Secretary to the Committee.
4. Committee Members:

The Chairperson, Members and Secretary of the Committee are as follows:

S. NO.	Name	Category	Position
1.	Mrs. Vegesna Bala Saraswathi	Director	Chairperson
2.	Mr. C. R. Rao	Whole Time Director	Member
3.	Mrs. Padmaja Chunduru	Independent Director	Member
4.	Mr. D. J. Poornasandar	Not Applicable	Secretary

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Annual spends/allocation of funds

The Company would spend not less than 2% of the average net profits of the Company made during the three immediately preceding financial years. Surplus arising out of CSR projects shall not form part of the business profits of Company instead the same will be further used for CSR purposes only.

The corpus would thus include 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities.

In case the Company spends an amount in excess of the requirement under Section 135 of the Act, such excess amount may be set off against the future CSR Spend up to immediate succeeding three financial years subject to the conditions prescribed under the Rules.

The Company may build CSR capacities of its personnel and/or those of its implementing agencies through institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.

Any amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its CSR Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the "Unspent Corporate Social Responsibility Account" and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified as per Schedule VII of the Act, within a period of thirty days from the date of completion of the third financial year.

In compliance with the provisions of the Act, a company having any amount in its Unspent Corporate Social Responsibility Account shall constitute a CSR Committee and comply with the provisions of Section 135 of the Act.

Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Ongoing Project - Explanation:

Ongoing Project means a multi-year project undertaken by a 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.

CSR expenditure shall not include expenditure not in conformity or not in line with the activities which fall within the purview of the CSR activities listed in Schedule VII of the Act.

CSR activities

The Committee shall ensure that the CSR Activities that are undertaken by the Company should be within the scope of the following activities:

- i. 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;
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, woman, 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, agro forestry, 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;
- 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- vii. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- viii. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for social-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

- ix. Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government, and contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- x. Rural development projects;
- xi. Slum area development
Explanation - For the purpose of this item, the item 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under law for the time being in force;
- xii. Disaster management including relief, rehabilitation, and reconstruction activities; and

Any other project as may be specified under Schedule VII of the Act, from time to time.

Exclusions:

The following activities shall be excluded from the CSR expenditure of SISL:

- a) Activities which are exclusively for the benefit of employees of the Company or their family members;
- b) Activities undertaken in pursuance of normal course of business of the Company;
- c) Activities undertaken by the Company outside India;
- d) Direct or indirect contribution to political parties;
- e) Expenditure on item/s not in conformity with Schedule VII of the Act;
- f) Sponsorship activities for deriving marketing benefits for products/services;
Activities for fulfilling statutory obligations under any law in force in India.

Other Points:

1. The CSR Activities will be carried out in a manner that the preference is to undertake the CSR Activities in and around all the local areas where the Company operates.
2. Based on the scope of activities, the CSR Committee shall provide recommendations to the Board with respect to specific CSR Activities that are directly undertaken by the Company.
3. The Board shall ensure that appropriate designated staff or personnel provide adequate assistance (viz. data collection, survey, quotations and costs involved etc.) to the CSR Committee to enable it to make necessary recommendations to the Board. For this purpose, the CSR Committee may also approach external consultants for necessary assistance as it may deem fit at such costs as may be approved by the Board.

4. In case any of the CSR Activities to be undertaken are anticipated to be long term, i.e. an ongoing project being of a term of 3 (three) years excluding the financial year in which it was commenced, then a detailed estimate on implementation schedule or milestones should be submitted by the CSR Committee to the Board.
5. The CSR Committee is empowered to spend the CSR amount as it deems fit and the same be informed to the Board in its meeting, which is held immediately after the said expenditure was incurred.

Functions of CSR Committee:

1. The CSR activities enumerated above shall form part of the functions of the CSR Committee.
2. To publicise the CSR Policy and initiatives organisation wide, especially through mailers, screensaver and policy documentation and upload(s) on website.
3. To plan and carry out workshops to increase employee awareness on various projects and initiatives.
4. Such other activities as directed by the Board of Directors of the Company and/or as deemed appropriate and expedient by the Committee for the furtherance of CSR objectives of the Company, pursuant to the provisions of the Act.

Transparent Monitoring Mechanism:

1. The CSR Committee shall prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities proposed to be undertaken by the Company.
2. The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee or external consultant or such other person(s) and for such purpose as may be deemed expedient for accomplishing overall CSR objectives laid down under the Act.

Planning and Implementation:

For the purpose of focusing its CSR efforts in a continued and effective way, healthcare and drinking water facility is identified as a main thrust area, besides other activities permitted under the Act.

A list of CSR projects / programmes which the Company plans to undertake during the implementation year will be laid down before the Committee at the beginning of each year, specifying modalities of execution in the areas/sectors chosen and implementation schedules for the same.

Identification of projects and the executing agency/NGO will be made, inter-alia, by assessing the following:

Project Objectives:

Baseline survey - As-is and To-be state basis, accordingly the outcome of the project will be measured.

Implementation schedules - Timelines for milestones of the project needs to be prescribed and agreed upon.

Responsibilities and authorities:

Major results expected and measurable outcome including the expenses / charges ratio as against the actual CSR spend.

Projects / Partners:

CSR Committee in consultation of the Board of Directors of the Company will identify suitable projects for implementation in line with the objectives of the Company and requirements laid down under the Act. These projects would be executed either directly by the Company and/or through CSR Partner(s).

External organisations including international organisations may be engaged for designing, monitoring and evaluation of the CSR projects or programmes as per the CSR policy as well as for capacity building of the Company's own personnel for CSR. The Company may also implement programme in collaboration with other company(ies), for undertaking projects or programmes or CSR activities in accordance with the Rules.

Review and Reporting:

The CSR Committee will review the philanthropic activities of the Company and will provide progress update to the Board of Directors every six months/such other intervals as deemed fit.

The Company will report the details of CSR initiatives and activities of the Company in the Board's Report and on the website of the Company, as required under the provisions of the Act.

Monitoring:

1. Appropriate documentation and amendments of the CSR Policy, annual CSR activities, reports on execution by CSR Partner(s) and expenditures will be undertaken on a regular basis and same will be available to the Board of Directors of the Company.
2. CSR Initiatives will be reported in the Annual Report of the Company.
3. The CSR Committee and persons / entities authorised by it, will conduct due diligence checks on the current projects / partners and report anomalies, if any, immediately.
4. Based on analysis of projects, the CSR Committee will carry out roadmap planning for allocation of budget and selection of projects. The same will be done at least once in a financial year.
5. Chief Financial Officer or the person responsible for financial management shall certify that the CSR funds disbursed have been utilised for the purposes and in the manner as approved by the Board/CSR Committee.

Annual Action Plan:

CSR Committee formulates and recommends to the Board the CSR policy and the Annual Action Plan. The Board may alter such plan at any time during the financial year as per the recommendations of the CSR Committee based on the reasonable justification to that effect.

The CSR Committee to monitor the progress of the Annual Action Plan and the multi-year programs, if any, the manner of execution, modalities of utilization of funds and implementation schedules along with details of need and impact assessment for projects as required.

The CSR Annual Action Plan shall include the following:

- I. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- II. the manner of execution of such projects or programmes;
- III. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- IV. monitoring and reporting mechanism for the projects or programmes; and
- V. details of need and impact assessment, if any, for the projects undertaken by the company.

The CSR Committee will carry out impact assessment, in case average CSR obligation of the Company is Rs. 10 Crore or more in the three immediately preceding financial years, through an independent agency, of its CSR projects having outlays of Rs. 1 Crore or more, and which have been completed not less than one year before undertaking the impact study.

The impact assessment report shall be placed before the Board and shall be annexed to the annual report on CSR.

Further, the amount to be spent on the aforesaid assessment shall not exceed two percent (2%) of the total CSR expenditure for that financial year or Rs.50 Lakhs, whichever is higher.

Amendments to the Policy:

The Board of Directors on its own and/or as per the recommendations of CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Act on the subject as may be issued from relevant statutory authorities, from time to time.