



Fidelity Business Services India Pvt Ltd.

Corporate Social Responsibility Policy

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Table of Contents

Overview 2

Context and Focus areas..... 2

Governance 3

Composition of CSR sub - committee and Scope 4

Resource allocation and Implementation 5

Effective Date.....6

Contacts and Resources.....6

Policy on Corporate Social Responsibility

This policy pertains to the Corporate Social Responsibility (CSR) of Fidelity Business Services India Private Limited (FBSI), titled as the 'CSR Policy', and shall include any alterations, amendments, or modifications from time to time.

Context

Fostering an environment where our employees are proud to work and our customers are proud to do business has always been a core value at Fidelity. Just as we provide our customers with guidance and financial tools to navigate through their life stages and help them reach their financial goals, we use a similar approach for the communities where our employees work and live.

Fidelity's culture of corporate citizenship can be seen in action in the way we value ethics, people, and the environment.

The Fidelity Cares program provides our employees volunteering opportunities to make a difference in our communities.

Focus areas

FBSI's social and environmental initiatives are centered around Education, Health, Livelihood skills training, Plantation and Corporate Citizenship (providing aid in the context of natural calamities). Our approach to social responsibility and sustainability are outlined below under three important pillars.

- 1. Community Impact**

Creating long-term scalable, measurable, and sustainable impact by generating social capital through CSR programs.

- 2. Enhanced focus on creating impact through skill-based volunteering**

Creating volunteering programs where associates have a better opportunity to give back to the society and the chance to contribute to the community by leveraging their unique skill sets and participating in fulfilling volunteering events and platforms.

- 3. Long-term value creation and scaling Impact**

Creating lasting impact and delivering sustained value through engaging projects and volunteering events.

Governance and Management

The Board of Directors of FBSI has constituted a CSR Committee consisting of Board Members in compliance with the requirements of the Companies Act, 2013. This Committee will oversee the CSR Policy and Programs under the direction of the Board of Directors.

Fidelity also has established a corporate citizenship program overseen by a CSR sub-committee comprising of senior executives from across the firm. The committee is responsible for the firm's CSR policy, coordination of the firm's practices, and overall strategic planning for the program and report to the CSR Committee of the Board.

The goals and objectives along with the budgets of the CSR program will be discussed and signed off at the beginning of each year with the CSR Committee. (herein after referred to as the Annual Operating Plan). This will occur as part of the annual strategic and planning processes of the organization. The CSR leadership team will allocate the budgets in line with the defined priorities and goals. It will follow a system of regular reporting to the Board of Directors / CSR Committee.

Governance process

- Due Diligence: The CSR committee shall ensure that FBSI exercises appropriate due diligence for the selection of any agency it works with on CSR activity.
- Screening of projects: The CSR committee or sub-committee shall screen the project proposals developed internally or received from implementing partners.
- Approvals: The CSR committee shall at minimum on an annual basis approve the terms of any project to be funded, including the amount and timing of funding.
- Monitoring and evaluation: The CSR committee or sub-committee shall monitor all CSR projects (including site visits, interviews and audits as appropriate) to assess the projects and ensure that the funds allocated to the project are being used according to the agreement and/or project description.

Composition of the CSR Sub-Committee

The CSR Sub-Committee is a cross-functional team of associates nominated by the respective Business Unit Heads and Heads of other teams to partake in and contribute to the overall functioning and execution of Fidelity India's Corporate Social Responsibility (CSR) program, in compliance with and as mandated by The Companies Act of 2013 under Section 135, Schedule VII.

The CSR Committee will rely on the inputs and recommendations of the CSR Sub-Committee for effectively executing Fidelity India's CSR programs.

Scope and Governance

The CSR Sub-Committee members will work closely with the CSR team to ensure the following:

- 1) Evaluating and approving CSR project proposals presented by the CSR team
- 2) Oversight of the CSR program to ensure effective implementation of the CSR program as per the agreed-upon charter/ plan from the CSR team
- 3) Validating the tangible impact and intangible goodwill that FMR India's CSR projects contribute to the community and for the organization, by:
 - a. Reviewing external (social) audit reports presented by the social auditor to the committee, and actively participating in the ensuing discussions and managing the outcomes
 - b. Reviewing internal audit reports and recommending steps to be taken as appropriate
 - c. Undertaking periodic visits to the project sites to get a first-hand feel of how NGOs are managing the projects sponsored by FBSI
- 4) Offering perspectives and subject matter expertise as appropriate to the CSR team on various aspects that can enhance the effectiveness of CSR projects / overall program
- 5) Recommending to the CSR team / Board of Directors new projects and a diversification of intervention areas from time to time
- 6) Presenting CSR-related topics for discussion at the Board meetings along with the CSR team

Resource allocation

The Board of Directors of FBSI shall determine the amount of resources to be allocated for CSR initiatives on an annual basis. FBSI will develop programs, projects and CSR activities consistent with Fidelity's overall corporate citizenship initiatives that are primarily focused on education and health, livelihoods skill building and environment initiatives in India, and may include additional activities that also fall within the purview of Schedule VII of the Companies Act, 2013 as listed below or such other projects as may be approved under the Companies Act 2013 as amended from time to time:

- I. Eradicating hunger, poverty, and malnutrition, promoting preventive health care and sanitation and making safe drinking water available
- 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
- IV. Contributions to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief
- V. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- VI. Rural development projects
- VII. Environmental sustainability
- VIII. Employee volunteering

Implementation

FBSI may perform CSR activities either independently or through engagements with non-governmental organizations, academic institutions approved by the central government or government, semi - government and autonomous organizations. Our approach on projects is to primarily work through the NGO partners with established track records in their respective domains. The NGOs will undergo a due diligence assessment criteria set by Fidelity to be onboarded as project partners.

The company may consider single year or multiyear CSR projects depending on the focus areas, subject to compliance requirements and appropriate approvals.

CSR expenditure

1. The CSR Committee shall recommend the amount of CSR expenditure to be incurred in a year, in accordance with the Companies Act and regulatory requirements.

2. The Board shall be responsible for sanctioning the CSR expenditure and taking steps to ensure that the amount for the CSR expenditure is available to utilize towards the CSR activities.
3. The Board shall ensure that the CSR expenditure in a financial year is at least two per cent of the average Net Profit of the company during the three immediately preceding financial years.
4. Any surplus arising out of the CSR Activities shall not form part of the business profit of the company and may only be re-allocated to the CSR activities being undertaken in terms of this CSR Policy.
5. In order to be accounted towards CSR expenditure, CSR activities must be carried out in India and should not be solely conducted for the benefit of the employees of the company and their families.
6. Any amounts contributed directly or indirectly to any political party under Section 182 of the Act will not count towards CSR expenditure or considered a part of CSR activities.
7. Any amounts expended while undertaking activities in pursuance of normal course of business of a company or on an item not in conformity or in line with activities set out in Schedule VII of the Act, will not form a part of CSR expenditure.
8. Board shall ensure that CSR expenditure, if any incurred towards any capacity building exercise internally or of Implementing Agencies through institutions with established track record of at least three financial years, as the case may be, shall not exceed five percent of the CSR expenditure in one financial year.

Effective Date

This policy is effective from April 01, 2021

Contacts and Resources

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On the Web: <https://india.fidelity.com/page/show/life-at-fidelity#fidelity-cares>

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