

Corporate Social Responsibility Policy

Moody's Shared Services India Private Limited

1. **Introduction**

Moody's Shared Services India Private Limited (hereinafter referred to as 'MSSI') was incorporated in 2012. MSSI is part of Moody's Corporation (NYSE: MCO) is comprised of Moody's Investors Service, which provides credit ratings and research covering debt instruments and securities, and Moody's Analytics, which offers leading-edge software, advisory services and research for credit and economic analysis and financial risk management. Moody's is an essential component of the global capital markets, providing credit ratings, research, tools and analysis that contribute to transparent and integrated financial markets. Moody's, which reported revenue of \$3.5 billion in 2015, employs approximately 10,400 people worldwide and maintains a presence in 36 countries.

Moody's has been supporting various philanthropic projects implemented by various non-profit organisations in different parts of India. Moody's commitment to its communities encompasses its businesses, philanthropy activities and employee engagement programs, touching on all three components of the triple bottom line. They enrich the lives of the people of Moody's, the people of the communities where we live and work and the people of the world. Employees are encouraged and rewarded for their personal philanthropy and volunteerism.

2. **Vision**

Moody's envisions being the world's most respected authority serving risk-sensitive markets that will be known for conducting its business in a sustainable and socially responsible manner based on strong business ethics and corporate values.

3. **Values**

Moody's lives by its core values of integrity, insight, intellectual leadership, inclusion and independence. Together, they guide the way Moody's work internally and the way Moody's interact with its customers and other stakeholders.

4. **Social Responsibility Statement**

As a global company active in financial markets around the world, the leadership at Moody's believe that Moody's has a responsibility to the communities in which we work and live, as well as to our stakeholders. Our commitment is built on our employees' deeply ingrained sense of social responsibility and the recognition that our company grows stronger by helping to advance the lives of others through responsible business practices and corporate citizenship around the world.

5. **Aims and Objectives**

At MSSI, Corporate Social Responsibility (CSR) is not just charity but an investment in society and in its own future. MSSI understands that no business house has the strength and resources to replace the government or create a parallel structure to government. MSSI believes that acting as an alternative to government is not the best solution to social problems and challenges faced by our society. Businesses should aim at developing and demonstrating innovative and sustainable development models which can be replicated and adopted by governments and other likeminded organizations.

MSSI aims to build new, sustainable and replicable development models as well as to invest in some proven models of development at grassroots for betterment of the underprivileged and poor, children, women, environment. MSSI is committed to work for improving the conditions of the underprivileged and poor, children, women and environment through effective, innovative and sustainable development solutions.

6. **Applicability and scope of Policy**

This Policy is made pursuant to and shall be subject to section 135 of the Companies Act, 2013.

- The policy shall be applicable to MSSI in India only.
- All the CSR programs and activities of MSSI shall be conducted in accordance with Section 135 of the Companies Act, 2013.

7. CSR Committee

MSSI's CSR Committee shall comprises of minimum two Directors of the Company. The CSR Committee has been mandated to guide the CSR team to ensure regulatory compliance through effective implementation of CSR activities with the help of experienced and likeminded non-profit organisations.

The quorum for the CSR Committee meeting shall be two members. The CSR Committee shall meet at least twice a year to review the CSR programmes and activities. However, the meetings of the CSR Committee may be called as and when required.

8. Composition of CSR Committee

The following Directors of the Company constitute the CSR Committee:

1. Mr. Min Ye - Member
2. Mr. Chi Fai Tang - Member
3. Ms. Amita Shrivastava - Member
4. Ms. Anushka Sawant - Member

9. Roles and responsibilities of the CSR Committee

The CSR Committee shall be responsible for the following activities:

- to form, recommend, review and oversee the CSR Policy and CSR Action Plan;
- to recommend the amount of expenditure to be incurred on the CSR activities;
- to ensure that the CSR Policy, activities, action plans, and recommendations to the Board of Directors of MSSI (Board) are in accordance with the applicable laws and rules;
- to ensure that there are adequate monitoring mechanisms and processes in place to enable effective implementation of the CSR activities and programs;
- to suggest amendments to the CSR Policy as and when required after review and evaluation;
- to undertake all such other duties assigned by the Board, from time to time, with regard to the CSR activities;
- to ensure that the CSR activities and programs are effectively implemented with the help of a specialized team; and
- to report on CSR initiatives undertaken during a financial year and justify to the Board any failure to spend the CSR Budget.

10. Roles and responsibilities of the Board

The Board of MSSI shall be responsible for the following:

- to constitute a CSR Committee comprising of minimum two Directors;
- to ensure that the CSR activities are undertaken by MSSI;
- to ensure that CSR activities undertaken by MSSI shall exclude those activities undertaken during the normal course of business. All CSR activities shall be within the broader framework of activities listed in Schedule VII of the Companies Act, 2013;
- to approve the CSR Policy and disclose its contents in its Report;
- to earmark at least 2 per cent of the average net profit of the preceding three years to CSR Budget in every financial year applicable;
- to approve the CSR Action Plan and Budget placed by CSR Committee;

- to ensure that MSSI spends at least two per cent of the average net profits made in the three preceding years in every financial year applicable;
- to ensure that MSSI reports the CSR initiatives undertaken during a financial year applicable; and
- to report the reasons for inability to spend the stipulated CSR Budget, in case such amount is not spent during a financial year applicable.

11. Surplus CSR Funds

Any surplus arising out of the CSR Budget shall not form part of the business profit of MSSI. The surplus shall be utilised during next financial year for CSR activities only in accordance with Schedule VII of the Companies Act, 2013.

12. Approach and strategy

MSSI's approach to CSR lies in time bound, strategic, result oriented, and professionally driven development initiatives/solutions for inclusive growth and development of all, based on the principles of equality and justice. It believes in investing in long term development models that are replicable, sustainable and effective to address the various social needs and problems of our society.

MSSI will engage with reputed non-profit organisations and professional agencies to implement the CSR projects and activities. It will also engage with its employees to encourage and motivate them to contribute for the well-being and development of society by volunteering with the charities and causes of their interests.

13. Implementation and Monitoring

- a separate CSR team at MSSI or at any of its associate companies shall be responsible for effective execution of all CSR activities;
- the CSR team shall assess eligibility of the activities, consolidate action plans and CSR proposals;
- the CSR team shall be responsible for administering the CSR budget in compliance with the Companies Act with appropriate approvals from the CSR Committee and the Board;
- the CSR team shall be responsible for reviewing and monitoring the progress of CSR projects;
- the CSR team shall update the CSR Committee regularly on the progress of the CSR projects and activities; and
- the CSR team shall be responsible for preparing the annual CSR Report and placing it before the CSR Committee.

14. Priority Areas

MSSI shall undertake CSR activities in the following areas as per Schedule VII of the Companies Act, 2013:

- eradicating hunger, poverty and malnutrition; promoting preventive health care and sanitation and making available safe drinking water;
- promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- promoting gender equality and empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and other such facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- 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;
- 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;
- measures for the benefit of armed forces veterans, war widows and their dependents;
- training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

- 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;
- contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government; rural development projects; and
- any other falls within the broader framework of activities listed in Schedule VII of the Companies Act, 2013