

ADANICONNEX PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

A. Corporate Social Responsibility (CSR) – Philosophy

AdaniConneX Private Limited (“ACX”, “the Company” or “we”) is committed to playing our part in making a positive impact on and positively contributing to the societies in which we operate. ACX takes its role as a responsible corporate citizen very seriously and places social and environmental causes at the forefront of its CSR and ESG philosophies. We are also committed to ensuring that our emphasis on corporate social responsibility is reflected in our dealings with our employees, customers and other stakeholders.

ACX has prepared this CSR Policy, which sets out our philosophy and guides our sustained efforts in undertaking and supporting socially useful programs and initiatives that are designed to enhance the welfare and sustainable development of society. This CSR Policy also adheres to the mandatory requirements under the Companies Act, 2013 and the CSR Rules.

B. CSR Vision

As set out in our ESG Policy, the communities in which we operate play an important role in our long-term sustainability and success. We interact with them on a regular basis and we recognize that our business operations may affect their day-to-day lives. We know we have a responsibility to not only ensure that our activities do not negatively impact our local communities, but also a responsibility to help our local communities thrive.

Our vision is to improve the quality of life for all the communities which the Company works with, by undertaking and supporting programs and initiatives designed to enhance welfare and integrated and sustainable development.

C. Definitions

In this Policy, unless the context otherwise requires:

1. “Act” shall mean Companies Act, 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.
2. “Board” shall mean the board of directors of the Company.
3. “Company” shall mean AdaniConneX Private Limited and wherever the context requires, shall signify the Company acting through its Board.

4. "CSR Annual Plan" shall mean the annual action plan detailing the CSR Projects to undertake the CSR Expenditure for the financial year in accordance with the Act, detailing 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 as specified in sub-rule 4(1) of the CSR Rules;
 - iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - iv. monitoring and reporting mechanisms for the projects or programmes; and
 - v. details of need and impact assessment, if any, for the projects undertaken by the Company.
5. "CSR Committee" shall mean the Corporate Social Responsibility Committee which may be constituted by the Board of the Company in accordance with the Act.
6. "CSR Expenditure" shall mean the amount recommended to be incurred on the CSR Projects in India in terms of the Act and the CSR Rules as approved by the Board from time to time, and which shall be at least 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years in pursuance of its CSR Policy.
7. "CSR Officer" shall mean the individual appointed by the Company to fulfil the CSR obligations of the Company
8. "CSR Policy" shall mean this Corporate Social Responsibility Policy adopted by the Company in accordance with the provisions of the Act and the CSR Rules.
9. "CSR Projects" or "Projects" means Corporate Social Responsibility projects / activities / programs / initiatives instituted in India, either new or ongoing, and includes but is not limited to those recommended by the CSR Committee and/or approved by the Board, as the case may be, as per the CSR Policy of the Company.
- Projects / activities / programs / initiatives undertaken in the normal course of business or which pursue the normal course of business of the Company and projects which benefit only the employees of the Company and their families shall not be considered as CSR Projects.
10. "CSR Rules" shall mean means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

11. "ESG Policy" shall mean the Company's ESG Policy, which sets out the Company's response to embedding environmental, social and governance factors in its practices and lays down guidelines to ensure the effective implementation of ESG initiatives.
12. "Financial Year" shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
13. "Focus Areas" shall have the meaning as ascribed to them as per provision F of this Policy.
14. "Group Companies" means the Company and its subsidiaries.
15. "Implementation Agency" shall have the meaning as ascribed to it as per provision I(II) of this Policy.
16. "Net Profit" shall mean the net profit of the Company calculated as per section 198 of the Act and the CSR Rules.

Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and/or CSR Rules.

D. CSR Committee

1. In accordance with the provisions of the Act, the Company currently is not required to constitute a CSR Committee, as the amount to be spent by the Company does not exceed INR 50 lakh in any Financial Year. The functions of the CSR Committee shall instead be discharged by the Board of Directors of the Company.
2. When the Company is required by the Act to constitute a CSR Committee, it shall do so expediently, and the CSR Committee shall carry out its functions in accordance with this Policy and in compliance of the provisions of the Act and the CSR Rules.
3. The CSR Committee, as and when appointed, shall be responsible for providing recommendations to the Board with respect to CSR Projects that may be undertaken by the Company in accordance with the CSR Policy and in compliance with the provisions of the Act and the CSR Rules.
4. The CSR Committee shall consist of at least three directors of the Company. The number of members of the CSR Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to the provisions of the Act and the CSR Rules.

5. The CSR Committee shall hold at least one meeting in each calendar quarter. The quorum for the meeting of the CSR Committee shall be minimum of two members of the CSR Committee. The CSR Committee meetings shall be held at the registered office or at any other place as may be agreed by the members of the Committee.

E. Responsibilities of the Board

1. The Board of Directors or, when the Company establishes a CSR Committee, the CSR Committee, shall have the following responsibilities in connection with this CSR Policy:
 - (a) to formulate and recommend CSR Projects to the Board;
 - (b) to approve the amount of CSR Expenditure to be allocated for each CSR Project in a Financial Year;
 - (c) to formulate and approve the CSR Policy, which shall outline the activities to be undertaken by the Company in specific areas or subject matters as specified in Schedule VII of the Act and CSR Rules;
 - (d) to monitor implementation of the CSR policy of the Company and review the overall performance of CSR Projects;
 - (e) to review the CSR Policy in accordance with this Policy and from time to time to update it should there be a change in the Act or CSR Rules or for other reason that would warrant its review and update;
 - (f) to formulate the CSR Annual Plan in accordance with the principles laid down in this Policy and in accordance with the Act and the CSR Rules; and
 - (g) to carry out any other function as mandated by the Board or CSR Committee, as the case may be, from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

F. Focus Areas

While the Company is eligible to undertake any suitable activity as specified in Schedule VII to the Act, it intends to focus on the following areas (**Focus Areas**):

1. Education
2. Community Health

3. Sustainable Livelihood Development
4. Community Infrastructure Development

We have chosen these areas as our Focus Areas because we believe these are the most relevant areas and the areas in which we can have the most impact.

G. CSR Partnerships

1. The Company may collaborate with other companies, including its Group Companies, if required, for fulfilling its CSR objectives, in accordance with the Act and the CSR Rules, provided that the board of directors or CSR committees of respective companies are in a position to monitor separately such CSR Projects.
2. Third party CSR partners shall be subject to the Supplier Code of Conduct and the Business Partner Due Diligence Policy of the Company, as appropriate.
3. The Company may also engage international organisations for designing, monitoring and evaluating the CSR projects or programmes as per its CSR policy, as well as for capacity building of their own personnel undertaking CSR Projects.

H. Identification of CSR Projects

1. CSR Projects relating to the Focus Areas shall be identified and tabled for the approval of the Board with estimated expenditure and implementation schedules for each phase.
2. The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas in and around which the Company operates.
3. As a cardinal principle, the CSR Projects in Focus Areas shall be identified on the basis of a detailed need-assessment survey.
4. The Company may engage external professionals/firms/agencies if required for the purpose of identification of suitable CSR Projects.

I. Implementation of CSR Projects

After the Company receives the approval of the Board, the Company shall implement the identified CSR Projects by the following means:

I. Direct Method

1. The Company may itself execute and implement the CSR Projects within the scope and ambit of the Focus Areas.

II. Indirect Method

1. The Company may implement the identified CSR Projects through an Implementation Agency.
2. "Implementation Agency" shall mean a CSR Implementation Agency duly registered with the Central Government and having a unique CSR Registration Number issued by the Ministry of Corporate Affairs, Government of India and shall be a:
 - a. company established under section 8 of Indian Companies Act 2013, or Trust, or Society registered under section 12-A and 80-G of the Income Tax Act 1961, being established by the Company, either singly or along with any other company/companies;
 - b. company established under section 8 of Indian Companies Act 2013, or Trust, or Society, being established by (Indian) Central Government or (Indian) State Government and registered under section 12-A and 80-G of the (Indian) Income Tax Act, 1961;
 - c. company established under section 8 of Indian Companies Act 2013, 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
 - d. any entity established under an Act of (Indian) Parliament or a (Indian) State Legislature.
2. 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.
3. Third party agencies and companies shall be subject to the Supplier Code of Conduct and the Business Partner Due Diligence Policy of the Company, as appropriate.

J. Monitoring Mechanism

The CSR Committee or Board, as the case may be, shall appoint a Monitoring

Committee to monitor the progress of the Projects and provide a half-yearly report to the Board.

Projects shall be subject to audit and review on a regular basis. To the extent necessary, there shall also be regular capacity building at all levels of execution or implementation.

K. Fund allocation and other general matters

A. Fund allocation

1. The Company, in every Financial Year, shall endeavor to spend funds adequate to execute and implement the CSR Projects, which shall be CSR Expenditure. The CSR Expenditure shall not be restricted or measured by the statutory threshold of a specified percentage of its average net profits of the immediately preceding three Financial Years at least.
2. In case the Company fails to spend the statutory minimum threshold of 2% of the Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reasons for the same in its report in terms of clause (o) of sub-section (3) of section 134 of the Act; and shall deal with the unspent CSR amount in compliance with the provisions of the Act and the CSR Rules.

B. Others

1. The Board shall ensure that the majority of the CSR Expenditure in the CSR Annual Plan shall be allocated to implementing the Projects relating to the Focus Areas. The budget for each Project shall be allocated on an objective and needs basis.
2. The Chairman of the Board or CSR Committee, as the case may be, is authorized to decide on Projects to be implemented within the allocation as per the CSR Annual Plan.
3. The Board shall ensure that the administrative overheads for the CSR Projects shall not exceed five percent of total CSR Expenditure of the Company for the Financial Year.
4. Any surplus remaining in each Financial Year after implementation of the CSR Projects shall not form a part of the business profit of the Company.

L. Accounting and Reporting

- i. The Board shall include an overview of the CSR Projects in the annual report of the Company as per the format provided in the annexure to the Rules. The draft overview shall be placed before the Board for review and finalization prior to the publication of the annual report.
- ii. The Board shall monitor the implementation of the CSR Policy and CSR Projects. For this purpose, the Board or CSR Committee, as the case may be, shall meet at least twice in a year.
- iii. The Board shall make a responsibility statement in the Board's Report to its shareholders every year to confirm that the implementation and monitoring of CSR Projects is in compliance with the CSR Policy.
- iv. The Board shall ensure that the CSR Policy and finalized CSR Annual Plan is displayed on the Company's website.

M. Review and Amendment

- i. The CSR Projects may be revised/modified/amended by the Board at such intervals as it may deem fit.
- ii. The Board shall review the CSR Policy every two years unless such revision is necessitated earlier.

N. Related documents

1. ESG Policy
2. Supplier Code of Conduct
3. Business Partner Due Diligence Policy

O. Contacts

1. The CSR Officer can be contacted with any queries on this CSR Policy at ACXCSR@adani.com.
2. All questions of interpretation or discrepancies which shall arise under, or as a result of, or pursuant to, or in connection with the implementation of the CSR Policy or any initiative or activities undertaken by the Company in terms of the CSR Policy, shall be referred to the CSR Officer for their inputs and the final decision/determination/ interpretation shall rest with the Board.

P. Revision History

Issue No	Version No	Issue Date	Summary of Changes
1	1.0	11 th August 2022	Initial Document
