

**Corporate Social Responsibility (CSR) Policy**  
**of**  
**Pitney Bowes Software India (P) Limited**  
Effective from 01.04.2014

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## 1. **Preamble:**

Pitney Bowes Software delivers countless opportunities to make insightful business decisions, giving you the ability to operate more effectively by better organizing, sharing, evaluating and decisively acting upon customer-related and location-centric data. Pitney Bowes is a 90-year old Fortune 500 firm, which provides software, hardware and services that integrate physical and digital communications channels.

With the industry's most comprehensive set of solutions for maximizing the value of customer and location data, Pitney Bowes Software helps organizations more effectively locate, connect and communicate with customers in today's global markets. Pitney Bowes Software helps corporations and government agencies to acquire, serve and grow customer/citizen relationships. Our software and services create business value for our customers by making it easier for them to engage with and provide services to their customers more effectively and efficiently. With our customer-centric solutions, they can:

- Pinpoint opportunities and make more informed decisions
- Create personalized communications and consistent customer experiences
- Integrate accurate customer information into business processes
- Evaluate trends and rapidly respond to changing customer needs

Our solutions add data quality, geocoding, location intelligence, predictive analytics, communication management and mailing efficiency into critical customer relationship management workflows and business systems. Leading

corporations, major government agencies and top systems integrators worldwide rely on our proven expertise and decades of leadership.

Pitney Bowes Software India (P) Limited (Pitney Bowes India) started in 2007. The Noida operations has now grown to 600+ strong, with 40+ different product teams across PB Business Units - MSM, PBBI, DMT, Volly. It has PB R&D, Global Professional Services, Sales, Marketing and Support based out of Noida. Pitney Bowes Noida office is an offshore center with teams across various products. The teams are mainly in the capacity of supporting & testing the various product developments.

## 2. **Objectives:**

Pitney Bowes Software India (P) Limited is committed to identifying and supporting programs aimed at:

- i) Developing and advancing the community and in particular, those at the bottom of the pyramid who are unequally endowed/enabled, and also reducing negative impact of its operations on the environment.
- ii) To identify & help under developed areas with special emphasis on areas in and around Projects & Establishments of Pitney Bowes Software India having predominantly SC/ tribal/ other under privileged population. Some of the areas of focus under CSR scheme are –
  - a) Literacy / Education/Cultural development.
  - b) Safe drinking water/Health care & Sanitation.
  - c) Skill development for sustainable income generation & Livelihood

- d) Infrastructure development
- iii) Suitable assistance to handicapped & mentally challenged children and under privileged people in the society.
- iv) Promote awareness programmes against social evils such as Alcoholism, AIDS etc., and to spread the awareness of legal rights & responsibilities.
- v) Suitable assistance to the victims of natural calamities such as Floods, Earth Quakes epidemics etc., in any part of the Country.
- vi) Promotion of cultural, social & sports activities.
- vii) Any other area that may need coverage under the CSR Policy, depending on the necessity, circumstances with the approval of CMD and subsequently to be informed to the Board.

### **Areas of Focus**

#### **Empowering through Sustainable Livelihood Initiatives (SLI)**

Category: Companies Act, 2013, Schedule VII (i) Eradicating Hunger, Schedule

VII (ii) Livelihood Enhancing Projects, Schedule VII (iii) Empowering women

Company sustainable livelihood initiatives are designed to empower thousands of people, particularly women in rural parts of India. Through this initiative, it seeks to help as many people as possible at the bottom of the pyramid by providing them with livelihood finance.

Under this project the company will continue to support people (primarily women) who are financially excluded through a holistic approach that will also offer training for enhancing occupation skills, credit counseling, financial literacy and market linkages.

**Financial Literacy and Inclusion**

Category: Companies Act-2013, Schedule VII (i) Promoting Education Schedule VII(ii) Livelihood Enhancing Projects

The Company believes that absence of financial knowledge can lead to poor decisions that can have an adverse effect on the financial health of an individual. The company will endeavor to provide familiarity with and understanding of financial products, especially for rewards and risks, in order to better equip the financially excluded to make informed choices. These projects will endeavor to promote financial literacy amongst various segments such as students, senior citizens, and others in the communities, directly or through implementing partners.

**Promoting Education**

Category: Companies Act-2013, Schedule VII(i) Promoting Education

Education is one of the building blocks of any nation. With the of having every 'child in school and learning' the company interventions will aim at mainstreaming children and improving the quality of education they receive. A multitude of interventions such as educational sponsorships to students belonging to economically/ socially/ physically challenged categories, supporting the infrastructure or running cost of reading programs, libraries,

supportive classes, computers, science laboratories ,etc will be undertaken to create a conducive learning environment and to promote learning and further

- a. Provision of uniforms, books, stationery, computer & Laboratory equipments etc., to schools.
- b. Scholarships/fellowships to deserving students to encourage education.
- c. Promotion of adult education
- d. Reducing the drop out of students & absenteeism through counseling & other means.
- e. Promote computer literacy and technology assisted learning.
  
- f. To set up/ promote higher education through special coaching/inputs to bridge the gap.
- i. To promote Technical/ professional/ medical education by giving financial assistance / opening institutions through Organizations/ infrastructural support.

### **Skill Training and Livelihood Enhancement**

Category: Companies Act-2013, Schedule VII (ii) Employment Enhancing Vocational Skills and Livelihood Enhancing Projects

A growing economy like India requires a large and skilled workforce. The company skill training initiatives will aim at training and capacity development of youth and women from economically weaker sections of society, and to empower them to gain access to opportunities for sustainable livelihood and growth.

The company will support technical training courses, Skills Development Centers, non formal vocational programs aimed at creating livelihood opportunities, soft skill training aimed to facilitate integration into mainstream and soft loans for self-financing of training.

- a. Skill development training for unemployed youth for better employability & to promote self employment.
- b. Vocational/ technical/professional training for youth.
- c. Promote intensive and sustainable farming practices for higher productivity
- d. Promote enterprise development
- e. Promote self-help groups

### **Health care & Sanitation**

Category: Companies Act-2013, Schedule VII (i) Promoting Preventive Healthcare

Aimed at addressing the very critical issue of the availability of blood this initiate is currently one of the major areas. The company will conduct Blood Donation Drives and will expand the same to support the set up of 'Blood Storage Units' in rural locations that do not have blood banks, to ensure supply of blood. And further participate in the following activities such as

- a. Preventive and promotive health care through mobile medical vans etc.,
- b. Nutritional supplements to lactating mothers, children, adolescent girls and pregnant women.
- c. Health awareness campaigns on serious/chronic diseases.
- d. Organizing periodic health camps.
- e. Offering specialized support services to the physically handicapped and

- mentally challenged people.
- f. Veterinary medical support.

### **Environmental Sustainability**

Category: Companies Act-2013, Schedule VII(iv) Ensuring Environmental Sustainability, Conservation of Natural Resources and Maintaining The Quality of Soil

Sustainability is one of the core values of the company and climate change mitigation and environmental improvements are essential elements of its strategy for sustainability. The company will initiate multiple projects implemented directly or through consultant partners to manage its emissions and to introduce environmentally friendly practices. Social communication will be used as an effective tool in influencing behavior and creating a sustainable environment for the community.

The company will encourage investment in energy efficient technology, developing socially and environmentally friendly products and services, improving access to water by creating/sponsoring irrigation and water storage structures, promoting public transport by creating appropriate infrastructure, benchmarking and reporting on sustainability projects.

#### **2.4 Infrastructure Development**

To promote water shed development /water harvesting /water conservation measures.

2.5 The areas of work and the thrust areas under each item as indicated above are only illustrative and not exhaustive.

This policy will serve as a guiding document to help identify, execute and monitor CSR projects in keeping with the spirit of the policy.

The CSR policy would function as a self-regulating mechanism for the Pitney Bowes Software India's CSR activities and enable adherence to laws, ethical standards, and international projects in this regard.

### **3. Policy Statement/Vision**

Pitney Bowes Software India CSR mission is to contribute to the social and economic development of the community. Through a series of interventions Pitney Bowes seeks to mainstream economically, physically and socially challenged groups and to draw them into the cycle of growth, development and empowerment. At the core of this is its commitment to reach out to marginalized communities through its Sustainable Livelihood Initiatives.

The Pitney Bowes Software India's strategy is to integrate its activities in community development, social responsibility and environmental responsibility and encourage each business unit or function to include these considerations into its operations.

### **4. Scope**

This policy will apply to projects/programs undertaken as part of company's Corporate Social Responsibility activities and will be developed, reviewed and

updated by reference to relevant codes of corporate governance and international standards or best practices. This policy is also in line with the CSR Rules (Sec.135 of Companies Act, 2013).

**5. Governance**

Overall governance of Corporate Social Responsibility and approving of the CSR policy will be the responsibility of the CSR Committee of the Board. The CSR Department of the company will be responsible for administering and executing the policy. As the company's CSR activities evolve further, the policy may be revised with the approval of the CSR Committee of the Board.

**6. CSR Committee**

Company will institute a CSR Committee of the Board consisting of all the directors of the company. The Committee will meet at least once in a quarter. The following shall be the terms of reference of the Committee.

- i) To formulate the company CSR strategy, policy and goals
- ii) To monitor the company CSR policy and performance
- iii) To review the CSR projects/initiative from time to time
- iv) To ensure legal and regulatory compliance from a CSR viewpoint
- v) To ensure reporting and communication to stakeholders on the company CSR projects/initiatives.

Consistent with the above, the CSR Committee of the Board currently has the following members:

1. Manish Choudhery (Managing Director)
2. Arun Kutty (Director)

CSR Committee of the Board has decided to form one advisory board of the employees of the company to assist the CSR Committee to achieve the goals of the CSR policy. The Advisory Committee of the Employees of the company may give their views and recommendations to the CSR Committee for their consideration and advisory committee will meet at least once in a quarter.

**7. Budget**

- a. Each year budget for CSR activities shall be as decided by the board of the directors.
- b. The actual budget shall be based on the CSR programmes planned and approved for that year.
- c. Within the budgeted amount, specific CSR initiatives/projects will be approved in line with the process approved by CSR Committee of the Board.
- d. All projects undertaken by the company will be approved/ratified by the CSR Committee of the Board.

**8. Organizational Mechanism / Supervision**

- a) A separate department of CSR within company headed by a senior person with suitable back ground and reporting directly to the MD or a Director nominated by MD shall deal with all activities related to CSR. The

department may also hire consultants with required competency and experience from time to time for identified projects to be in-charge of implementation of the projects.

- b) A suitable Trust / Registered society may also be established to implement specific Project / Activity. In the managing body of such Trust / Society at least 50% representation shall be from Pitney Bowes Software India.
- c) The Company may take up the projects directly or through any of the reputed NGOs or any other agency / respective district authorities as may be decided with the approval of MD.
- d) The CSR Committee and CSR department would play a significant role in ensuring that the CSR policy is embedded across the company operations and the CSR initiatives are in line with the policy.

**9. CSR programs, projects & activities**

The Company is highly supportive of the involvement of its employees in its CSR initiatives and in community activities/charities of their choice, and will therefore proactively engage with employees and other key stakeholders to solicit their active involvement in the company CSR programs.

To provide a focused and structured approach to the program, the company will focus its support and CSR spends on specific pre-determined causes and areas of intervention as outlined in the clause 2 of the policy. The CSR department would put up to the Committee appropriate details of proposed projects including implementation year, modalities of execution in the areas

/sectors chosen, implementation schedules for the same etc. The CSR Committee will consider and approve (in line with the guidelines given below), CSR projects/ programs to be undertaken during the year.

- i) The company will ensure that its CSR projects are non discriminatory in nature and do not have any restrictive political or religious affiliations.
- ii) The program /projects will be within the areas recommended/ listed by the CSR Committee and mentioned in the policy.
- iii) The programs/ projects will be beyond business as usual.
- iv) The programs/ projects will be implemented within the country
- v) The company will actively consider programs/ projects that have been identified by employees and also those where employees are directly involved through volunteering efforts.
- vi) Programs/ projects that integrate business models with social and environmental priorities and processes in order to create shared value will be encouraged.
- vii) The company will consider program / projects closely linked with the principles of sustainable development.
- viii) Programs/ projects should not be exclusively for the benefit of the employees of the company or their family members or those that are

conducted /undertaken exclusively in pursuance of the normal course of the business.

- ix) Any surplus, generated out of the CSR activities of the company, will be ploughed back to the CSR initiatives of the company.

**10. Implementation Strategy for CSR projects / Activities**

The CSR department would assist in implementation and monitoring of the CSR projects/initiatives. The actual implementation of various initiatives will be broad-based with the involvement of various employees/units or through implementing agencies like NGOs, Trusts, Societies, Section8/Section25 Companies, or through collaborative projects with other corporates. In case of a implementing agency being a 'not for profit' organization, the entity should typically have not less than three years of experience in implementing projects in the respective area.

The CSR Projects/ Activities shall be implemented in three ways as below:-

- A) Directly by the Company
- B) Through NGOs / Voluntary Organizations/Trusts

The methodology of implementation shall be as follows:-

**A) Directly by Pitney Bowes Software India –**

- i) The activities which can be implemented by Pitney Bowes Software India either directly or by engaging Contractors

- ii) The periodical activities such as conducting medical camps, distribution of uniforms to schools, and also activities like donation of Ambulances/medical equipments to hospitals etc., shall also be taken up by the company.
- iii) The activities which cannot be taken up by the company because of its nature, size and other limitations, shall be considered for implementation through other alternatives.

**B) Through NGOs / Voluntary Organizations(VOs)/Trusts:-**

- i) The proposals of the CSR Projects of long duration focusing on overall sustainable development in a given time frame requiring a dedicated team and full time attention shall be considered for implementation through reputed NGOs/Voluntary Organizations /Trusts functioning in similar activities.
- ii) The NGOs/VOs shall be identified based on their credentials and long standing performance in respective fields for at least 3 years. NGOs/VOs with proven performance and tax exemption benefit shall be given preference
- iii) NGOs may also come forward on their own with specific proposals in the field of their expertise, within the purview of CSR Policy. Such proposals should be complete in all respects and supported by their credentials and capabilities.
- iv) Every claim/installment of NGOs for the work completed should be

supported by proper bills and receipts / documents in support of the claim.

**11. Monitoring Strategy for CSR projects / Activities**

The CSR Committee will ensure a transparent monitoring mechanism for ensuring effective implementation of the projects /programs /activities proposed to be undertaken by the company.

The CSR department would have the responsibility of monitoring the approved projects and funds disbursements for such projects. Monitoring mechanisms will include visits, meetings and progress/status reporting by the project teams. The company CSR activities will be reviewed by the CSR Committee. A system will be put in place to maintain a transparent monitoring and reporting mechanism across all the stakeholders involved in the CSR activities of the company, as desired by the CSR Rules (Section135, Companies Act,2013).

**12. Audit:**

All CSR activities and expenses made thereon will be subject to audit by the Company's auditors / Independent auditors i.e. firm of Chartered Accountants.

**13. General:**

- i) The Competent Authority to take decision on sanctioning works / Allocation of funds for CSR and appointing authorized agencies for implementing Projects / Activities shall be as specified in the delegation of powers approved by the MD / Board.

- ii) If it is observed that any CSR activity taken up for implementation is found not properly implemented, COMPANY at its discretion may discontinue funding the project at any time during the course of implementation.
- iii) The CSR Committee of the company shall be empowered to amend or modify this policy and such changes shall be placed before the Board for approval.

#### **14. Reporting**

Significant CSR activities and achievements will be reported as part of Director's Report in the Annual Report of the company and also as per any other statutory and regulating reporting requirements.

**CORPORATE SOCIAL RESPONSIBILITY UNDER CLAUSE  
135 OF COMPANIES ACT, 2013(w.e.f. 01.04.2014)**

Businesses can no longer limit themselves to using resources to engage in activities that increase their profits. They have to be socially responsible corporate citizens and also contribute to the social good. Corporate Social Responsibility (CSR) is about integrating economic, environmental and social objectives with a company's operations and growth.

**APPLICABILITY:** -Every registered company with:

- a) Net worth of Rs 500cr or
- b) Turnover of Rs 1,000cr or
- c) Net profit of Rs 5cr; during any financial year

Will spends at least 2% of its average profits during previous 3 financial years to fulfill its corporate social responsibility.

**NET PROFIT:-**

'*Net Profit*' for the section 135 and these rules shall mean, net profit *before* tax as per books of accounts and shall not include profits arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise.

- (a) 2% CSR spending would be computed as 2% of the average net profits made by the company during every block of three years. For the purpose of First CSR reporting the Net Profit shall mean average of the annual net profit of the preceding three financial years ending on or before 31 March 2014.

**COMMITTEE:** -Company to constitute a CSR Committee of the Board members

consisting of at least three directors, of which at least one committee member to be an independent director.

**DISCLOSURE:-** a)The Board's report to disclose the composition of the CSR Committee.

b) If a company fails to provide or spend such amount, Board to specify reasons in its report for that failure.

c) Companies required to comply with CSR shall give additional Information by way of notes to the Statement of Profit and Loss about the aggregate expenditure on CSR activities.

**REPORTING:-**The Board's report of the company covered under the rules pertaining to financial year commencing on or after the 1<sup>st</sup> day of April 2014 shall include an annual report on CSR containing particulars specified in **ANNEXURE** .

**Display of CSR activities on its website:-** The Board of directors of the company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the company and disclose contents of such policy in its report and the same shall be displayed on the website of the company, if any, as per the particulars specified in **ANNEXURE** :

**FUNCTIONS :-** The main functions of the CSR Committee are to:

1. Formulate and recommend to the board, a CSR policy indicating the activity or activities to be undertaken by the company as specified in Schedule VII of the Act.
2. Recommend the amount to be spent on these activities; and
3. Monitor the company's CSR policy periodically.

**ROLE OF BOD** :-1.Review recommendations made by the CSR Committee

2. Approve CSR Policy for the company

3.Disclose contents of the Policy in company's report/website

4.Ensure that company spends at least 2% of its average profits during previous 3 financial years

### **ACTIVITIES INCLUDED BY COMPANIES IN CSR POLICY :-**

As per Schedule VII, activities, as a Project Mode:

1. Eradication of hunger and poverty
2. Promotion of education
3. Promotion of gender equality and women empowerment
4. Reducing child mortality and improving maternal health
5. Employment enhancing vocational skills
6. Health - reducing child mortality, improving maternal health, combating HIV, AIDS, malaria, Employment enhancing vocational skills
7. Contribution to PM's fund or other fund set up by central govt or the state govts. for socio- economic development and relief and funds for the welfare of SC, ST, backward classes, minorities and women.
8. Ensuring environmental sustainability
9. Social business projects
10. Such other matters as may be prescribed

### **EXPENDITURE WHICH CAN INCLUDED IN CSR SPENDING :**

- a) Such spends may be included as part of its prescribed CSR spend only if such organizations have an established track record of at least three years in carrying on activities in related areas.

- b) Companies may collaborate or pool resources with other companies to undertake CSR activities and any expenditure incurred on such collaborative efforts would qualify for computing the CSR spending.
- c) Only such CSR activities will be taken into consideration as are undertaken within India and
- d) Only activities which are not exclusively for the benefit of employees of the company or their family members shall be considered as CSR activity.

**THE BELOW ACTIVITIES DOESN'T INCLUDE UNDER THE CSR ACTIVITIES OF THE COMPANY**

- 1. Business run in the normal course.
- 2. Outside the territory of the India or abroad.
- 3. For the welfare of the employees and their families.
- 4. Political party contribution of any amount directly and indirectly as defined u/s 182 of the Act.

**YEARLY COMPLIANCES:-**

- 1. The Annual Report of the Company shall include a comprehensive Report on CSR in the **format** as prescribed in the **Companies (Corporate Social Responsibility Policy) Rules, 2014**, containing particulars on Overview of CSR Policy, Composition of the Committee, Avg. Net Profit, prescribed expenditure and details of its spending, reason in case of failure etc.
- 2. The disclosure on CSR in Board Report should also be **available** on the **Company's Website**.
- 3. The activities included in the CSR Policy and the prescribed expenditure being undertaken/ spent shall be ensured by the Board, in the respective manner.