

## Corporate Social Responsibility Policy

### 1. Preamble

SpiceJet Limited (“**SpiceJet**”) is committed to operate and grow its business in a socially responsible way. Our vision is to grow our business whilst reducing the environmental impact of our operations and increasing our positive social impact.

SpiceJet believes that corporate development has to be inclusive and every corporate has to be responsible for the development of a just and humane society that can build a national enterprise. The objective of SpiceJet is to pro-actively support meaningful socio-economic development in India and enable a larger number of people to participate in and benefit from India’s economic progress. This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society. The aim is to identify critical areas of development that require investments and intervention, and which can help to realise India’s potential for growth and prosperity.

SpiceJet is committed to undertake Corporate Social Responsibility (“**CSR**”) activities in accordance with the provisions of Section 135 of the Indian Companies Act, 2013 and related Rules. The CSR Policy of SpiceJet sets out the framework guiding SpiceJet’s CSR activities. The Policy also sets out the rules that need to be adhered to while taking up and implementing CSR activities.

### 2. Definitions

In this Policy, unless the context otherwise requires:

- (a) “Act” shall mean the Indian Companies Act, 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.
- (b) “Agency” (or Agencies) means any company established under Section 8 of the Act or a registered trust/ society/NGO/ institution, performing social services for the benefit of the society and excluding a registered trust/society/ NGO/institution/ company established under Section 8 of the Act which is formed by the Company or its holding or subsidiary company/companies.
- (c) “Approved Budget” shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.
- (d) “Board” shall mean the Board of Directors of the Company.
- (e) “Company” shall mean SpiceJet Limited and wherever the context requires, shall signify the Company acting through its Board.
- (f) “CSR Annual Plan” shall mean the annual plan detailing the CSR expenditure, for the year.
- (g) “CSR Committee” shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act,

consisting of three or more directors, out of which at least one director shall be an independent director.

- (h) “CSR Expenditure” means all CSR Expenditure of the Company as approved by the Board upon recommendation of the CSR Committee, including the following:
- i. contribution to CSR Projects which shall be implemented and/or executed by the Company;
  - ii. contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by SpiceJet Foundation.
  - iii. Any other contributions covered under Schedule VII to the Act.
- (i) “CSR Policy” shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.
- (j) “CSR Projects” or “Projects” means Corporate Social Responsibility projects/activities/ programs/ initiatives instituted in India, either new or ongoing, and include but not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company.
- Projects/activities/ programs/ initiatives undertaken in pursuance of 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.
- (k) “Financial Year” shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
- (l) “Net profit” shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR Expenditure has to be calculated.
- (m) “Rules” shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.
- (n) “SpiceJet Foundation” means a Trust established by SpiceJet for carrying out CSR activities.
- (o) “Thrust Areas” shall have the meaning as ascribed to them as per Clause 4.1 of the Policy.

### **3. CSR Committee**

- 3.1 The Board shall form a CSR Committee comprised of at least three (3) Directors and not more than five (5) directors of which atleast one (1) shall be an independent director to *inter alia*, carry out the following functions:

- (a) To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and rules made thereunder;
- b) To recommend the amount of expenditure to be incurred on the CSR activities.
- c) To monitor the implementation of framework of CSR Policy.
- d) To carry out any other function as mandated by the Board 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.

3.2 Members of the CSR Committee may be replaced by any other member of the Board.

#### **4. Identification of CSR Projects:**

4.1 The Company is eligible to undertake any suitable/rightful activity as specified in Schedule VII to the Act. At present, it proposes to undertake all the activities specified in Schedule VII to the Act as Thrust Areas which are reproduced below:

- (a) 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.
- (b) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (c) 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.
- (d) 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- (e) 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 art and handicrafts;
- (f) measures for the benefit of armed forces veterans, war widows and their dependents;
- (g) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;

- (h) contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.
  - (i) rural development projects.
  - (j) slum area development.
- 4.2 CSR Projects will be identified and planned for approval of the CSR Committee, in particular in Thrust Areas, with estimated expenditure and phase wise implementation schedules.
- 4.3 The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local areas and the areas around which it operates while considering the activities to be undertaken and spending the amount earmarked for CSR activities. However, as the Company has a multi-state and multi-location presence it may get guided by the requirements of the specific CSR activity/program in determining the locations within India.
- 4.4 As a cardinal principle, the CSR Projects shall be identified on the basis of a detailed assessment survey.
- 4.5 The Company may engage external professionals/firms/agencies if required for the purpose of identification of CSR Projects.

## **5. Implementation of CSR Projects:**

The Company shall implement the identified CSR Projects by following means:

### **5.1 Direct Method**

- 5.1.1 The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Thrust Areas;
- 5.1.2 The Company may also implement the identified Projects through SpiceJet Foundation within the scope and ambit of the Thrust Areas Policy.
- 5.1.3 The Company may engage external professionals/firms/agencies if required, for the purpose of implementation of its CSR Projects.
- 5.1.4 The Company may collaborate with other companies, for fulfilling its CSR objects through the Direct Method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

### **5.2 Indirect Method**

- 5.2.1 The Company may implement the identified CSR Projects through Agencies, provided always that the activities pursued by the Agency are covered within the scope and ambit of Schedule VII to the Act. Further, the Agency must have an established track record of at least three years in undertaking similar programs or projects, and the Company has specified the Project to be undertaken through the

Agency which shall preferably be in Thrust Areas, the modalities of utilization of funds on such Projects and the monitoring and reporting mechanism which shall be at least once in three months.

- 5.2.2 The Company may collaborate with other companies, for fulfilling its CSR objects through the Indirect Method provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.

## **6. Monitoring**

- 6.1 The CSR Committee shall ensure a transparent monitoring mechanism for CSR activities.
- 6.2 The CSR Committee shall review the progress of CSR activities at least twice a year, including the annual review.
- 6.3 The Board of Directors shall review the progress of CSR activities at least annually.
- 6.4 The activities of SpiceJet Foundation would also be overseen by the Trustees of the SpiceJet Foundation.
- 6.5 There will be a review and monitoring committee comprising of volunteer employees of the Company and SpiceJet Foundation representatives which will meet every quarter. This committee will report to the Board through the CSR Committee. Internal audit and review as well as regular capacity building at all levels of execution/implementing partners and monitoring/review committees will be done on regular basis.

## **7. Fund allocation and others**

- 7.1 In every financial year, the Company shall spend a minimum of 2% of its average Net Profits made during the immediately preceding three (3) financial years as CSR Expenditure.
- 7.2 The CSR Committee shall prepare a CSR Annual Plan for the above which shall include:
- a. Identified CSR Projects
  - b. CSR expenditure
  - c. Implementation Schedules
- 7.3 Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee.
- 7.4 In case the Company fails to spend the statutory minimum limit of 2% of 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.
- 7.5 The CSR Committee shall ensure that major portion of the CSR expenditure in the CSR Annual Plan shall be for the Projects as per CSR objectives. However, there shall not be any preference given to any particular projects for budgetary allocation and it shall be made purely as per the identified CSR Projects on need basis.

- 7.6 The Managing Director of the Company is authorized to decide on Projects to be implemented within the allocation as per the CSR Annual Plan.
- 7.7 Any surplus arising out of the CSR Projects shall not form a part of the business profit of the Company.
- 7.8 The Company may build CSR capacities of their own personnel or personnel of SpiceJet Foundation, as well as those of the Agencies through institutions with established track records of at least three Financial Years but such expenditure on capacity building including expenditure on administrative overheads, shall not exceed 5% of the Approved Budget of the Company in one Financial Year.

## **8. Duties and Responsibilities**

### **8.1 Board of Directors**

The Board shall include in its Report the annual report on CSR Projects as per the format provided in the Annexure to the Rules.

### **8.2 CSR Committee**

- 8.2.1 The CSR Committee shall monitor the implementation of the CSR Policy and CSR Annual Plan. For this purpose, the CSR Committee shall meet atleast twice a year.
- 8.2.2 In discharge of CSR functions of the Company, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations, or as required by the Board.
- 8.2.3 The CSR Committee shall place before the Board the draft of annual report on CSR Projects as per the format in annexure to the Rules in a Board meeting of the following year for Board review and finalization.
- 8.2.4 The CSR Committee shall place before the Board every year a responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company for inclusion in the Board's Report.

## **9. Review Periodicity and Amendment:**

- 9.1 CSR Annual Plan may be revised/modified/amended by the CSR Committee at such intervals as it may deem fit.
- 9.2 The CSR Committee shall review the CSR Policy every two years unless such revision is necessitated earlier.

## **10. Website Display**

The annual report of the CSR Projects along with the contents of the CSR Policy of the Company shall be displayed on the Company's website.

**11. Execution Modalities and implementation schedule**

The CSR Projects identified by the Company in the Thrust Areas along with their execution modalities and implementation schedules will be decided by the CSR committee from time to time. The Company may take up other CSR activities as may be appropriate and as may be decided by CSR committee from time to time.