

# CORPORATE SOCIAL RESPONSIBILITY POLICY

## GLOBALFOUNDRIES ENGINEERING PRIVATE LIMITED

### 1. INTRODUCTION.

GLOBALFOUNDRIES' vision is to reshape the semiconductor industry through collaboration and innovation. We are a foundry created with an integral commitment to Corporate Social Responsibility (CSR) - a company dedicated globally to ethical and responsible business practices, the personal and social well-being of our employees, and supply chain and environmental stewardship. Corporate Social Responsibility is fundamental to our culture and our value proposition to our customers, the communities in which we live and do business, and our full range of global stakeholders. Our most recent Corporate Responsibility report is available at [www.globalfoundries.com/csr](http://www.globalfoundries.com/csr).

This CSR policy reflects GLOBALFOUNDRIES Engineering Private Limited's (the "Company") commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner. The Company supports initiatives that have a demonstrable impact and provide direct benefits to communities in which the Company conducts its major operations. The Company is committed to undertake CSR activities in India in accordance with the provisions of Section 135 of the (Indian) Companies Act, 2013 (the "Act") and related rules thereto.

### 2. PRINCIPLE CSR FOCUS AREAS.

Consistent with GLOBALFOUNDRIES' approach to Corporate Social Responsibility, the following are the key principle focus areas of this CSR Policy:

1. Governance
2. Stakeholder Engagement
3. Supplier Responsibility
4. Our People and Workplace
5. Community Engagement
6. Sustainable Manufacturing and Operations
7. Product Stewardship

Please refer to Section 5 of this CSR Policy which lists the proposed activities, consistent with the aims and objectives of the Act.

### 3. CSR COMMITTEE.

#### 3.1. Constitution; CSR Committee Composition.

Pursuant to the provisions of Section 135 of the Act, the Board of Directors of the Company (the "Board") shall constitute the Corporate Social Responsibility Committee of the Board (the "CSR Committee"). The members of CSR Committee shall (i) be appointed by the Board and (ii) consist of members of the Board. The CSR Committee

shall consist of at least three directors, as may be determined by the Board, from time to time.

The CSR Committee will align its activities with GLOBALFOUNDRIES' Executive CSR Council, chaired by the Senior VP & Chief Human Resources Officer and coordinated by the Risk Management, Sustainability and Real Estate (RMSRE) organization, and with the Audit & Risk Committee of GLOBALFOUNDRIES' Board of Directors, which would provide parent-company oversight for CSR strategy and initiatives.

### **3.2. Duties and role of the Committee.**

The powers of the CSR Committee are as follows:

- (i) formulate the CSR Policy and recommend the same to the Board for approval;
- (ii) recommend CSR activities to be undertaken by the Company as stated under Schedule VII of the Act;
- (iii) recommend CSR activities to be undertaken in collaboration with other Company affiliates, to the Board for approval, and to separately report the same in accordance with the Act;
- (iv) recommend the amount of expenditure to be allocated for the CSR activities ("CSR amount") to the Board for approval;
- (v) spend the allocated CSR amount on the CSR activities once it is approved by the Board in accordance with the Act;
- (vi) institute a transparent mechanism for implementation and monitoring of the CSR activities of the Company;
- (vii) submit annual report(s) to the Board in respect of the CSR activities undertaken by the Company in that particular financial year, for approval of the Board;
- (viii) review and update, as necessary, the CSR Policy;
- (ix) constitute and appoint the members of Joint Working Group (as defined below) who may be authorized to ensure that the CSR activities of the Company are implemented effectively;
- (x) review and monitor the progress of CSR activities undertaken by the Company;
- (xi) review, monitor and supervise the actions undertaken by the Joint Working Group; and
- (xi) authorize employees of the Company to attend meetings of the CSR Committee.

### **3.3. Meetings of the CSR Committee.**

The CSR Committee shall meet at least once in every calendar quarter, with a maximum interval of 120 (one hundred and twenty days) between any 2 (two) consecutive Meetings of the CSR Committee, such that at least 4 (four) Meetings are held in each Calendar Year. Members of the CSR Committee shall mutually agree upon the time and place for the said meetings. Quorum for the meeting shall be the presence of any 2 (two) members of the CSR Committee. The members of the CSR Committee may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the provisions of the Act. The CSR Committee may invite additional parties to attend the meetings as may be appropriate. Minutes of the meetings of the CSR Committee shall be placed before the Board in its next meeting for approval and recordkeeping.

## **4. CSR EXPENDITURE.**

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### **4.1. Mandate.**

Under Section 135 of the Act, companies meeting the qualification criteria are required to allocate certain portion of their annual net profits (before tax) as generated during the three immediately preceding financial years to be spent on CSR activities that fall under purview of Schedule VII of the Act. In accordance with this requirement, the Company shall spend, on a yearly basis, a minimum of 2% of its average net profits (as defined in the Act) in the immediately preceding three (3) financial years, towards its CSR activities.

### **4.2. CSR Expenditure.**

CSR Expenditure shall include all expenditures incurred, (including contribution to corpus), in respect of specific projects and programs relating to the CSR activities, approved in this CSR Policy or otherwise set out under Schedule VII of the Act.

CSR Expenditure shall not include: (i) any expenditure on an item which is not in conformity or not in line with the activities which fall within the purview of the CSR activities, approved in this CSR Policy or otherwise set out under Schedule VII of the Act, and (ii) projects or programs or activities undertaken outside India.

Contributions by affiliates or employees of the Company may also be received and utilized in respect of the CSR activities undertaken by the Company.

### **4.3. Failure to spend the CSR Target Spend.**

If the Company fails to spend the above targeted amount in that particular financial year, the Committee shall submit a written report to the Board specifying the reasons for failure to spend the targeted amount, for inclusion in the Directors' Report of the Board for that particular Financial Year, in accordance with Section 134 of the Act. Any surplus arising out of the CSR initiatives shall not form part of the business profits of the Company.



## **5. CSR GUIDELINES.**

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### **5.1. CSR Activities.**

Consistent with both GLOBALFOUNDRIES' corporate values and policies, and the business context of our operations in India, the Company has identified certain priority areas for CSR activities it proposes to support.

These activities shall be undertaken in locations situated within India only. The Company shall give preference to the local areas and the areas in which the Company operates, while considering the activities to be undertaken and spending the amount earmarked for CSR activities.

Following are identified areas for the purpose of this CSR Policy:

- i. Promoting education for students in STEM (Science, Technology and Mathematics), educational opportunities for women, and vocational training for groups including differently-abled people.
- ii. Philanthropy to support human needs including combating hunger and illness in our communities, in partnership with Non-government Organizations (NGOs) and public institutions.
- iii. Support environmental protection through local initiatives.

### **5.2. Excluded Activities.**

The following activities do not qualify as CSR activities for the purposes of this CSR Policy: (i) activities not falling within Schedule VII of the Act; (ii) activities undertaken in the Company's normal course of business; (iii) activities that benefit only Company employees and their families; and (iv) direct or indirect contributions to any political party.

### **5.3. Implementation.**

The day to day implementation and execution of the CSR activities shall be carried out through the CSR Committee. The initiatives undertaken by the Company may be communicated to its employees through specific awareness campaigns, so as to enable maximum participation.

The Company may either undertake the CSR activities directly or decide to undertake and implement its CSR initiatives through a registered trust or registered society or a Section 8 company (non-profit entity) established by the Company or its affiliates. If such trust, society or Section 8 company is not established by the Company or its affiliates, then to be considered eligible, such an entity would be required to (i) have a minimum of a positive 3 year track record in the undertaking of activities similar to that proposed by the Company and (ii) comply with the conditions prescribed under the Act, as applicable. The Company may also collaborate or pool resources with other companies to undertake CSR activities in such a manner that the CSR Committees of each company is in a position to report separately on such CSR projects.

#### **5.4. Monitoring Mechanism.**

A joint working group (“**Joint Working Group**”) comprised of employees of the Company and/or of its affiliates and, if applicable, representatives of entities with which the Company decides to collaborate, in fulfillment of its CSR obligations, may be created to ensure effective implementation and monitoring of the activities approved by the CSR Committee. The Joint Working Group will submit periodic reports to the CSR Committee of the Company on the progress of the various projects approved by the CSR Committee and entrusted to the Joint Working Group for implementation and monitoring.

#### **5.5. Team Capabilities.**

In addition to the CSR activities set forth above, the Company may also build and enhance the CSR capabilities and skills of its own personnel through institutions with an established track record of minimum 3 financial years. The expenditure for such capacity building including the administrative overheads, however, shall not exceed 5% of the total CSR Expenditure of the Company in a financial year.

#### **5.6. Reporting.**

The CSR Committee shall prepare the annual report required to be placed before the Board. The report shall be made in a manner consistent with Annexure 1 of this CSR Policy, the format of which is attached as a tool to aid in tracking progress of the CSR activities undertaken by the Company in a financial year.

The CSR Committee shall be responsible for providing a responsibility statement in the aforesaid annual report on the implementation and monitoring of the CSR Policy and that it is in compliance with CSR objectives. The annual report shall be placed before the Board for its approval, and once approved, shall also be included in the Director’s Report, in accordance with Section 134 of the Act.

#### **5.7. Review and Audit.**

The CSR Committee shall be apprised on the implementation of the CSR activities and it is intended that the progress of CSR activities is monitored on a quarterly basis. Further, the Company shall endeavor to implement, assess, document, monitor and report the impact of its CSR activities, through its internal controls, monitoring and evaluation systems such as its transparent monitoring mechanism set up by the CSR Committee.

Records relating to the CSR activities and expenditures should be meticulously maintained by the CSR Committee and submitted for reporting and auditing, as necessary. The Company may also appoint independent external consultants for carrying out periodic financial audits of the agencies implementing the CSR activities of the Company.

### **6. MISCELLANEOUS.**

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#### **6.1. Website Display.**

In accordance with the Act, this CSR Policy and the annual report of the Board on the CSR activities undertaken by the Company shall be disclosed on the Company’s website, if any.

**6.2. Amendments.**

The CSR Committee shall, from time to time, make suitable changes as may be required and submit the same for Board approval.

This CSR Policy has been approved and adopted by the Board of Directors of the company.

1) Dasaradha Ramanjaneyulu Gade

Approve/Disapprove/Abstain: Approve

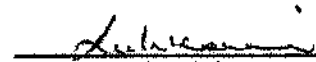


Signature of the Director

Date: March 24<sup>th</sup> 2017

2) Subramani Kengeri

Approve/Disapprove/Abstain: Approve



Signature of the Director

Date: March 24<sup>th</sup> 2017

3) Gaurav Luthra

Approve/Disapprove/Abstain: Approve

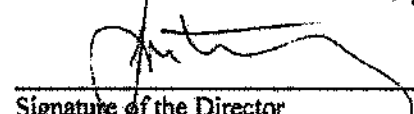


Signature of the Director

Date: March 24<sup>th</sup> 2017

4) Alain Jean Hubert Mutricy

Approve/Disapprove/Abstain: Approve



Signature of the Director

Date: March 24<sup>th</sup> 2017

## ANNEXURE 1

### **Proposed Annual Report Format** (As per the Act)

1. A brief outline of the Company's CSR policy, including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

The CSR Policy of the company can be accessed at below link:

*[Website link of CSR policy]*

2. Composition of the CSR Committee:

[Insert members/directors name]

3. Average net profit of the Company for last three financial years:

[•]

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

[•]

5. Details of CSR spent during the financial year

- a. Total amount spent for the financial year:

[•]

- b. Amount unspent, if any:

[•]

- c. Manner in which the amount spent during the financial year is detailed below:

S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount s outlay (budget) project or program s wise	Amount spent on the projects or programs (Sub-heads): 1)Direct expenditure on projects or programs 2) Overheads	Cumul ative expen diture up to the reporti ng period	Amount spent, direct or through implementing agency*
	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	<b>TOTAL</b>	[•]	[•]	[•]	[•]	[•]	[•]


***JSA Note \* Details of the implementing agencies (if the Company has appointed any external agency for incurring expenditure in CSR activities details of the same shall be mentioned)***



6. Justification for spending lesser than the prescribed CSR expenditure:  
*[Insert comments]*

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7. The Company has undertaken the implementation and monitoring of the CSR Policy as per the CSR agenda and Policy of the Company.

**For GLOBALFOUNDRIES Engineering Private Limited**



**Director**