

# Business Responsibility Report

## INTRODUCTION

The Securities and Exchange Board of India (SEBI) in 2012 mandated the top 100, and later in 2015 the top 500 listed entities on National Stock Exchange of India Limited and BSE Limited to prepare a 'Business Responsibility Report' as part of the Annual Report. This is as per clause (f) of sub regulation (2) of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The report outlines the organization's performance from the environmental, social and governance perspective.

Firstsource Solutions Limited ("the Company") being part of the top 500 listed entities has developed this Business Responsibility Report based on the suggested framework of SEBI, strengthening its commitment towards transparent disclosure of its environmental and social performance.

Continuing on the Company's mission to tackle social issues, the Company is committed to monitor and report its social and environmental performance with the aim of providing a clear picture to the stakeholders and investors.

### Section A: General Information about the Company

1.	Corporate Identity Number (CIN)	L64202MH2001PLC134147
2.	Name of the Company	Firstsource Solutions Limited
3.	Registered address	5 <sup>th</sup> Floor, Paradigm 'B' Wing, Mindspace, Link Road, Malad - West, Mumbai- 400 064, India
4.	Website	<a href="http://www.firstsource.com">www.firstsource.com</a>
5.	Email id	<a href="mailto:complianceofficer@firstsource.com">complianceofficer@firstsource.com</a>
6.	Financial year reported	April 1, 2017 to March 31, 2018
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Name and description of main product/ services: The Company provides BPO services. Description – IT- Enabled Services – BPO. NIC Code of the product/ services: 63999
8.	List three key products / services that the Company manufactures/ provides (as in balance sheet)	Customer Management Services, Revenue Cycle Management Services and Mortgage Processing Services

9. Total number of locations where business activity is undertaken by the Company

Number of international locations (Provide details of major five) Number of national locations

The Company along with its 15 subsidiaries has 37 global delivery centers of which 10 are located in India, 18 in USA, 7 in UK and 2 in Philippines as per the details given below:

**India (10):** Chennai (2), Mumbai (2), Bangalore (2), and 1 each in Pondicherry, Vijayawada, Indore, and Trichy.

**USA (18):** Louisville (2) in Kentucky, Kingston & Amherst in New York, Rockford and Belleville in Illinois, Salt Lake City in Utah, Colorado Springs, Eugene in Oregon, Palm Bay in Florida, Rocky Hill in Connecticut and 7 operational hubs of MedAssist.

**United Kingdom (7):** Belfast (2), Cardiff, Londonderry, Middlesbrough, Warrington and Derby.

**Philippines (2):** Manila, Cebu

10. Markets served by the Company - Local/ State/ National/ International

The Company is carrying out business activity across all India, US, UK and Philippines.

### Section B: Financial Details of the Company

1.	Paid up Capital of the Company	₹ 6,865,228,190
2.	Total turnover	₹ 7,628,183,789
3.	Total profit after tax	₹ 1,919,157,023
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	₹ 34,517,218 (2% of Average Profit of 3 preceding years)
5.	List of activities in which expenditure in four above was incurred:	Please see below:

Details	Amount (in ₹)
Administration Expenses- salary for CSR resource	320,549
Amount spent towards administration charges for Give India (FY2017)	202,986
Amount donated to "Wheels of Change" – modification of cab for making it accessible for people with disability	500,000
Amount donated to Light of Life Trust – sponsorship of fundraising event "Kalpataru – A Musical" for education of children	250,000
Amount donated to Foundation for Excellence	200,000
<b>Amount yet to be spent</b>	<b>33,043,683</b>

### Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?	As on March 31, 2018, the Company had 1 domestic subsidiary, 14 foreign subsidiaries and 1 associate Company. The details of the same are given in Directors' Report.
2. Does the subsidiary Company / Companies participate in the Business Responsibility Report/initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).	No.
3. Does any other entity / entities (e.g. suppliers, distributors etc.), that the Company does business with, participate in the Business Responsibility Report initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No. The Company does not mandate its suppliers/ distributors to participate in the Company's Business Responsibility Report initiatives.

### Section D: Business Responsibility Report Information

1. Details of Director/ Directors responsible for Business Responsibility Report	Business Responsibility functions are interalia, monitored by the Corporate Social Responsibility Committee of the Board of Directors of the Company formed in terms of Section 135 of the Companies Act 2013.
a) Details of the Director/ Directors responsible for the implementation of the Business Responsibility Report policy/ policies	Chairman/Members of Corporate Social Responsibility Committee

DIN	03486121
Name	Mr. Shashwat Goenka
Designation	Non-Executive Non-Independent Director
DIN	02617781
Name	Mr. Rajesh Subramaniam
Designation	Managing Director & CEO
DIN	00026457
Name	Mr. Pradip Roy
Designation	Independent Director
DIN	01794978
Name	Mr. Subrata Talukdar
Designation	Non-Executive Non-Independent Director
b) Details of the Business Responsibility head:	
Name	Ms. Soma Pandey
Designation	EVP, Head – Human Resources
Telephone No.	+91(80) 66336000
E-mail ID	<a href="mailto:soma.pandey@firstsource.com">soma.pandey@firstsource.com</a>

### 1. Principle-wise (as per NVGs) Business Responsibility Report Policy/ Policies (Reply in Y/ N)

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility:

Principle 1	P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	P2	Businesses should provide goods and services that are safe, and contribute to sustainability throughout their life cycle
Principle 3	P3	Businesses should promote the wellbeing of all employees
Principle 4	P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
Principle 5	P5	Businesses should respect and promote human rights
Principle 6	P6	Businesses should respect, protect and make efforts to restore the environment
Principle 7	P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	P8	Businesses should support inclusive growth and equitable development
Principle 9	P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Y	NA	Y	Y	Y	Y	NA	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?[1]	Y	NA	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to national/ international standards? If yes, specify?	Y (Global Ethics Policy on lines of ILO conventions)	NA	Y (Health, Safety & Environment Policy complies with ISO 18001 and ISO 14001 standard)	Y (Corporate Social Responsibility policy complies with Companies Act, 2013)	Y (Global Ethics Policy and HR policies on lines of ILO conventions)	Y (Health, Safety & Environment complies with ISO 14001 Standard)	NA	Y (Corporate Social Responsibility policy complies with Companies Act, 2013)	Y (Voice of Customer)
4.	Has the policy been approved by the Board? If yes, has it been signed by the MD/ Owner/ CEO appropriate Board Director? [2]	Y	NA	Y	Y	Y	Y	NA	Y	Y
5.	Does the Company have a specified committee of the Board/ Director / Official to oversee the implementation of the policy? [3]	Y	NA	Y	Y	Y	Y	NA	Y	Y
6.	Indicate the link to view the policy online? [4]	Y	NA	Y	Y	Y	Y	NA	Y	Y
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	NA	Y	Y	Y	Y	NA	Y	Y
8.	Does the Company have in-house structure to implement its policy / policies?	Y	NA	Y	Y	Y	Y	NA	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? [5]	Y	NA	Y	Y	Y	Y	NA	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? [6]	Y	NA	Y	Y	Y	Y	NA	Y	Y

## Notes

- All the policies are formulated with detailed consultation and benchmarking across industry. The policies are in compliance majorly with all applicable laws.
- As per Company practice, all the policies are approved by the concerned authority depending upon the nature of policy. The concerned authority could be either Managing Director& CEO/ Functional Head etc.
- All the policies have a policy owner and the respective policy owners are responsible for implementation of the policy.
- The requisite policies are available on the Website of the Company and the web link is <http://www.firstsource.com/investors/>
- Any grievance relating to any of the policy can be escalated to the policy owner/ Managing Director& CEO / Audit Committee Head.
- Implementation of policies is evaluated as a part of internal governance by policy owners.

## 2. Governance related to Business Responsibility

1. Indicate the frequency with which the Board of Directors, Committee of the Board or the CEO assesses the Business Responsibility Report performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year	CEO/ Business heads review the performance of respective policies covering the principle given in the Business Responsibility Report on an annual basis.
2. Does the Company publish a Business Responsibility Report or a Sustainability Report? What is the hyperlink for viewing the report? How frequently it is published?	Yes, Annually. The same is available on website of the Company. The link for Business Responsibility Report is <a href="http://www.firstsource.com">http://www.firstsource.com</a> .

### Section E: Principle wise Performance

#### Principle 1: Ethics, Transparency and Accountability Businesses should conduct and govern themselves with Ethics, Transparency and Accountability:

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors / NGOs / Others?	No, it covers employees, suppliers, contractors, service providers and their employees.
2. How many stakeholder complaints were received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.	No complaints were received from stakeholders during the period under review, except those 15 complaints received from the shareholders of the Company, which all were satisfactorily resolved.

#### Principle 2: Product Lifecycle Sustainability Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

1. List three of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities	Not applicable.
2. For each such product, provide the following details in respect of resource use (energy, water, raw material and so on) per unit of product (optional)	Not applicable.
3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so	Not applicable.
4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what initiatives were taken to improve their capacity and capability of local and small vendors?	Not applicable.
5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling them (separately as <5%, 5-10%, >10%)? Also provide details thereof, in about 50 words or so	Not applicable.

## Principle 3: Employee Wellbeing

### Businesses should promote the wellbeing of all employees:

1. Total number of employees.	As on March 31, 2018, the strength of the permanent employees on roll workforce stands at a total of 8,801.										
2. Total number of employees hired on temporary/ contractual/ casual basis.	As on March 31, 2018, the strength of employees hired on temporary/ contractual/ casual basis stands at a total of 16.										
<table border="1"> <thead> <tr> <th>Employment Type</th> <th>Headcount</th> </tr> </thead> <tbody> <tr> <td>Part Time Employees</td> <td>14</td> </tr> <tr> <td>Casual Based</td> <td>NA</td> </tr> <tr> <td>Contract Employees</td> <td>2</td> </tr> <tr> <td><b>Total</b></td> <td><b>16</b></td> </tr> </tbody> </table>		Employment Type	Headcount	Part Time Employees	14	Casual Based	NA	Contract Employees	2	<b>Total</b>	<b>16</b>
Employment Type	Headcount										
Part Time Employees	14										
Casual Based	NA										
Contract Employees	2										
<b>Total</b>	<b>16</b>										
3. Total number of permanent women employees.	As on March 31, 2018, the strength of permanent women employees stands at a total of 2,367										
4. Total number of permanent employees with disabilities.	As on March 31, 2018, the number of permanent employees with disabilities associated with the Company stands at a total of 35										
5. Do you have an employee association that is recognized by the Management?	No										
6. What percentage of your permanent employees are members of this recognised employee association?	Not Applicable										
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	There were overall 15 cases of sexual harassment reported for India in FY17-18. Out of which 12 are closed and the 3 pending, are March 2018 cases.										
8. What percentage of your under-mentioned employees that were given safety and skill up-gradation training in the last year? 1. Permanent employees (includes classroom and e-learning) 2. Permanent women employees 3. Casual/temporary/ contractual employees 4. Employees with disabilities	The Company is in the business of services and requires its employees to continuously improve their skill. Accordingly, 100% of the employees have gone through the skill upgrade training.										

**Principle 4: Stakeholder Engagement**

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized:

1. Has the Company mapped its internal and external stakeholders? Yes/ No	Yes, the Company has mapped its stakeholders as a part of its stakeholder engagement process. Key categories are: 1) Customers/ Clients; 2) Shareholders/Investors; 3) Partners (Suppliers / Vendors / Landlords); 4) Employees; 5) Regulatory Bodies; 6) Industry forum; and 7) Community.
2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?	Yes, The Company commits to operate in an economically, socially and environmentally responsible manner whilst balancing the interests of diverse stakeholders. The Company's initiatives in the areas of Corporate Social Responsibility are targeted to bring meaningful difference in the lives of its associated stakeholders.
3. Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?	The Company has partnered with Give India who is our Payroll Giving partners. Employees are encouraged to sign up for payroll giving program and contribute to the NGO's of their choice. The beneficiaries of these NGO's belong to the marginalized, economically weak and disadvantaged sections of the society, especially girl child, underprivileged women and youth and persons with disabilities. Besides this, in partnership with NGO's the Company has recruited underprivileged youth for BPO operations.

**Principle 5: Human Rights**

Businesses should respect and promote human rights:

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	Global Ethics Policy covers aspects of human rights and extends to all employees and contractors, group companies, joint ventures and suppliers.
2. How many stakeholder complaints were received in the past financial year and what percent was satisfactorily resolved by the Management?	No stakeholder complaint was received in FY 2017-18.

**Principle 6: Environmental Management**

Businesses should respect, protect, and make efforts to restore the environment:

1. Does the policies related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	The Policy on environment covers the Company only. The Company encourages parties associated with its value chain like vendors, suppliers, contractors, etc. to follow the principles envisaged in the policy.
2. Does the Company have strategies/initiatives to address global environmental issues, such as climate change, global warming, and others? If yes, please give hyperlink for webpage etc.	Yes. The Company has proactively taken several initiatives to create positive impact on the environment. Refer to CSR section of the report for complete details. <a href="http://www.firstsource.com/investors/">http://www.firstsource.com/investors/</a>
3. Does the Company identify and assess potential environmental risks? Y/ N	Yes.
4. Project(s) related to Clean Development Mechanism.	Currently, the Company has not undertaken any project related to Clean Development Mechanism.
5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy and so on? If yes, please give hyperlink to webpage and others.	Yes, the Company has taken multiple initiatives towards energy efficiency and use of renewable energy at its site. <a href="http://www.firstsource.com/investors/">http://www.firstsource.com/investors/</a>
6. Are the emissions/ waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	The Company provides BPO services which is a non-pollution generating Industry. There is no emission or industrial wastes generated. The general E-waste is disposed as per the PCB norms.
7. Number of show cause/ legal notices received from CPCB/ SPCB, which are pending (i.e. not resolved to satisfaction) as on the end of the financial year	No show cause notices were received by the Company either from CPCB or SPCB.

**Principle 7: Public Advocacy**

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner:

1. Does the Company represent in any trade and chambers/ association? If yes, name only those major ones that the Company deals with	The Company is a member of the National Association of Software and Services Companies (NASSCOM).
2. Has the Company advocated/ lobbied through the above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: governance and administration, economic reforms, inclusive development policies, energy security, water, food security, sustainable business principles and others)	Not Applicable.

**Principle 8: Inclusive Growth**

**Businesses should support inclusive growth and equitable development:**

1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, provide details thereof	Yes, the Company considers Corporate Social Responsibility as an important aspect of its operations. It has aligned its thrust areas in line with the requirements of Schedule VII to the Companies Act, 2013. To oversee implementation of various initiatives, Company has formed a Board Level Committee called Corporate Social Responsibility (CSR) Committee. The details of various CSR initiatives of the Company are given in the Directors' Report.
2. Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?	The projects were undertaken by both the internal teams as well as through/ in-coordination with external agencies like NGOs and Government Institutions.
3. Has the Company done any impact assessment for its initiative?	The CSR Committee do review impact assessment for its initiatives. Further the RP – Sanjiv Goenka Group CSR Trust" ("Group CSR Trust"), to which the Company has contributed major amount, is also pursuing the CSR activities permitted under the Companies (Corporate Social Responsibility) Rules, 2014 as amended.
4. What is the Company's direct contribution to community development projects (Amount in? and the details of the projects undertaken)?	The Company needs to spend an amount of INR 34.51 Million in various CSR activities during FY2017-18, out of which INR 1.47 Million were already spent by the Company and the balance amount of INR 33.04 Million has been transfer to the RP-Sanjiv Goenka Group CSR Trust ("CSR Trust"). The details of the amount incurred and areas covered are given in Annexure II on Annual Report on Corporate Social Responsibility Activities forming part of Directors' Report.
5. Has the Company taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in around 50 words	The total spent was contributed to "RP – Sanjiv Goenka Group CSR Trust" ("Group CSR Trust") which was formed to pursue CSR activities as may be permitted under the Companies (Corporate Social Responsibility) Rules, 2014 as amended.

**Principle 9: Value for Customers**

**Businesses should engage with and provide value to their customers and consumers in a responsible manner:**

1. What percentage of customer complaints/ consumer cases is pending, as on the end of the financial year?	Nil
2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A./ Remarks (additional information)	Not applicable
3. Cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on the end of the financial year. If yes, provide details thereof, in about 50 words or so	Nil
4. Did the Company carry out any consumer survey/ consumer satisfaction trends?	Consumer Satisfaction Survey is carried out by the Company every year to gauge consumer sentiments and to take appropriate measures to improve customer satisfaction and experience.

**For and on behalf of the Board of Directors**

**Shashwat Goenka**

Chairman, Corporate Social Responsibility Committee

Kolkata  
7 May 2018