**ANNEXURE TO THE REPORT OF THE BOARD OF DIRECTORS**

For Financial Year ended 31$^{st}$ March, 2017


**Avaya FY 2017 Corporate Social Responsibility (CSR) Report**

1. **Overview of Avaya CSR Program**

   Avaya has a Corporate Social Responsibility (CSR) program which has been in place globally for a number of years.  More information regarding this company-wide program is available at: http://www.avaya.com/usa/documents/corporate_responsibility_report.pdf including the Avaya CSR Policy at: http://www.avaya.com/usa/documents/corporateresponsibilitypolicy.pdf. With the implementation of the Companies (Social Corporate Responsibility Policy) Rules 2014, Avaya expanded the India CSR efforts to address the rule requirements.  Avaya's India Board of Directors appointed a CSR Committee and throughout fiscal year 2016, the Board of Directors has supervised the work of the CSR Committee.

   Avaya has chosen two areas to focus the India CSR efforts, enhancing the quality of education in India and utilizing Avaya technology to improve access to health and education.   To realize significant change, Avaya recognized that multi-year partnerships were needed to develop and implement effective projects.  This has resulted in collaboration with non-governmental agencies with the focus on remedial education, STEM (Science, Technology, Engineering and Math) Education and ICT (Information, Communication and Technology) enabled education in government schools.

   A short summary of CSR projects selected for funding in the 2017 fiscal year is given below (complete details are in Attachment 1):

   a. Door Step School provides education for children in the age of group 6-14 years with the focus on children from slum and migrant labor camps.  Door Step works to improve learning levels and attendance in school, provides school transportation and parent counseling.  The Avaya donation supports a Community Learning Center in Vaiduwasti and a School on Wheels in a ten mile radius around Hadapsar.  http://www.doorstepschool.org/pune/

   b. Agastya Foundation's mission is "to spark curiosity, nurture creativity and instill confidence" in economically disadvantaged children and government schoolteachers. Agastya does this by bringing innovative hands-on science education and peer-to-peer learning through Science Centres and Mobile Labs.  The Avaya donation supports two mobile science labs and one Science Centre.  http://www.agastya.org/

   c. Pratham focuses on high-quality, low-cost, and replicable interventions to address gaps in the public education system.  The Avaya donation provides supplemental education to over 10,000 underserved children in over 100 schools and provides two mobile science labs.  http://www.pratham.org/

   d. Bal Raksha Bharat (Save the Children) is an international non-governmental organization that promotes children's rights, provides relief and helps support children around the world.  Avaya's donation will support two projects.  The first project established an ICT center within the District Institute for Education and Training (DIET), develop a group of master trainers and set up ICT friendly smart classes and Audio Visual (AV) room in 10 schools.  The second project will install the infrastructure required for Information Communication and Technology (ICT) enabled health project to improve newborn and maternal health in Pune. https://www.savethechildren.in/.

e. Smile Foundation works in the areas of education, healthcare, youth employability and empowerment of women. http://www.smilefoundationindia.org. The donation given by Avaya will go to support women empowerment.

f. Avaya participated in a 10 K run organized by Bharti Foundation; the philanthropic arm of Bharti Enterprises was established in 2000 with a Vision "To help underprivileged children and young people of the country realize their potential".  Forty Avaya employees participated in the run and the donation was given to support Bharati Foundation.

2. **Composition of the Avaya CSR Committee**
a. Subhojit Bhattacharya , HR Leader  Pune (proposed)
b. Adarsh Kaul, Marketing Head , India (proposed)
c. Madhu S. Muttathil, Corporate Counsel for Avaya India
d. Sara Broadbent, Avaya Global CSR/Philanthropy Director, serves on the Committee as a non-member consultant.

3. **Average Net Profit of Avaya for the past 3 financial years**
   Avaya's Profitability in last 3 years (Computation of income for CSR purpose utilizing 198 of Companies act 2013, prior to deduction of income tax and excluding any Branch profits):

|  | INR M | US$M |
|---|---|---|
| – FY 2013-14 | 1399.0 | 19.9 (audited) |
| – FY 2014-15 | 1499.1 | 22.2 |
| – FY 2015-16 | 2209.9 | 32.7 |
| Total profit for last 3 yrs. | 5048.9 | 74.8 |
| AVERAGE PROFIT | 1683.0 | 24.9 |
| CSR SPEND 2% of (A) | 33.659 | 0.499 |

4. **Prescribed CSR Expenditure**
a. CSR Spend - 2% of Avg. profit     33.659

5. **Details of CSR Expenditure**
a. Total amount spent in 2017:  INR  33.659M
b. Amount unspent, if any: None
c. Manner in which the amount was spent: see chart on next page and Attachment 1 for additional details.

| No. | CSR Project Name | Sector | Location | Budget | Expenditure (Overhead) | Cumulative Expenditure | Expenditure through Direct or Implementing Agency |
|---|---|---|---|---|---|---|---|
| 1 | School on Wheels and Community Learning Centre (Implementing non-profit organization: Door Step School) | Education | Pune municipal corporation area , Vaiduwasti, Alkuntewasti, Ramtekdi, Mundhwa | INR 1631468 | 0 | INR 1631468 | Implementing Agency: INR 1631468 |
| 2 | STEM and Remedial Education (Implementing non-profit organization: Pratham) | Education | Bangalore Rural, Kanakapura blocks, and Mysore Urban and rural areas | INR 5470446 | 0 | INR 5470446 | Implementing Agency: INR 5470446 |
| 3 | ICT Enabled Education Program (Implementing non-profit organization: Bal Raksha Bharat/Save the Children) | Education | Rural areas of Haveli block, Pune | INR 5922741 | 0 | INR 5922741 | Implementing Agency: INR 5922741 |
| 4 | ICT Enabled Health Program (Implementing non-profit organization: Bal Raksha Bharat/Save the Children) | Health | Pune | INR 9046864 INR 5141613 equipment donation | | INR 14188477 | Implementing Agency: INR 9046864 |
| 5 | Science Center and Mobile Science Lab (Implementing non-profit organization: Agastya Foundation) | Education | Pune- Hadapsar, Mohamadwadi, Undri, Kondwa | INR 2266760 (Mobile Science Labs) 1228612 (Science Centre) | 0 | INR 3495372 | Implementing Agency: INR 3495372 |
| 6 | Smile Foundation | Education | | | 0 | INR 900000 | Direct INR 900000 |
| 7 | Airtel Marathon supporting Bal Utsav | Education | Delhi | | 0 | INR 350000 | Direct: INR 350000 |
| 8 | Project Management Support | | | | INR 1700496 | INR 1700496 | 0 |
| | SubTotal | | | | INR 1700496 | INR 33659000 | INR 28517387 |
| | Total: INR 33659000 | | | | | | |

**7. 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.**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the company.

Signature by:
CEO/Director                                                              Chairperson- CSR Committee

**Attachment 1:**
**CSR COMMITTEE REPORT:**
**Annual Report on the CSR Activities of the Company 2016-17**

**Project 1: Door Step School (DSS)**

**Avaya Donation:**
The Avaya Donation supported three activities:
- 10 Educational Activity Centres (EAC).
- A Community Learning Centre (CLC) at Vaidu Wasti.
- School on Wheels (SOW) program: The SOW operated in the Alkunte Wasti, Kale Padal, Chitodiya Wasti and Pandhremala areas.

This is the third year of this program.

**Program Objective:**
- To provide educational exposure to the areas that children have missed when their families migrated from job to job so that they can be enrolled in age appropriate classes in Government schools; and
- Bridge the gap in the learning levels of migrant workers' children to reduce school dropout rates.

Door Step School sets up temporary education facility at construction sites to support migrant workers children from ages 6 to 14.  DSS conducts activities at the Educational Activity Centres based on the children's needs. Pre-primary education (Balwadi) is conducted for preschool children, Literacy Classes are held for children not going to schools and study classes are held for school-going children. DSS also operates Day Care Centres at these locations.  School On Wheels helps Door Step School reach out to non-school going children where they are found in large numbers and where there is a lack of a safe place to conduct classes. The bus is specially designed to be a mobile classroom.  Community Learning Centers are set up in slum communities to cater to the children who live there. These centers primarily offer a quiet place to study, read books and finish homework in an environment otherwise not available to these children.  To learn more about this organization, visit their website:  http://www.doorstepschool.org/pune/about-us/

**Project Coverage:**

| Door Step (Apr'16 - Mar'17) | | | |
| --- | --- | --- | --- |
| **Program Name** | **Educational Activity Centre** | **Community Learning Centre** | **School on Wheels** |
| **Total Beneficiaries** | 447 | 449 | 202 |
| **No of Centres** | 10 | 1 | 4 |

**Project 2:  Pratham Mysore**

**Avaya Donation**

The Avaya donation supported the Avaya Baal Vidya Program in Anekal District and operated two mobile science vans. This is the third year of this program.

**Program Objective**
- Improve the learning outcomes of children in Primary and Upper Primary levels;
- Reduce the dropout rates in the Anekal District schools; and
- Encourage science learning and develop basic science competencies.

Balvaachan program is an early literacy and numeracy program for Grades 1 and 2 focusing on children who are not able to recognize letters or numbers. Pratham staff work in the 30 designated schools for about 2 hours daily throughout the year. The impact of the Balvaachan program was that percentage of children who could read a paragraph (vernacular) increased from 38% to 86%. Similarly, in Mathematics, the percentage of children who could perform simple addition and subtraction increased from 55%to 88%.

Read India program focuses on improving the literacy and numeracy skills of children in Grades 3, 4 and 5 who cannot read a Grade 2 Level textbook.  This program is run in camp mode so as to reach out to the greatest number of government school children with maximum impact.  Each camp is for 10 days with 48 schools having 3 camps for 2 -3 hours per day.   The impact of Read India program was that 60% of the children could read a story and 73% of children could perform division.

Advanced Kannada focuses on building the reading and comprehension skills of the children in Grade VI, VII & VIII.  Advanced Math focuses on reinforcing Math concepts in Grade VI, VII & VIII.

The Mobile Science Van with 2 trained staff conduct Science camp in 33 schools with 5 day intervention in each school. The vehicles are equipped with science models, telescope, microscopes, projector and more. Model building workshops on topics such as human body, microscope, and skeletal system are also conducted in the course of the year. The Mobile Science Van also serves in the community around the schools by offering science enrichment programs such as astronomy, health, hygiene and sanitation.  To learn more about this organization, visit their website:  **http://www.pratham.org/about-us/about-pratham**

**Project Coverage**

| Pratham (Apr'16 - Mar'17) | Balvaachan | Read India LP | Read India HP | Science Program | Total |
|---|---|---|---|---|---|
| No of Schools | 30 | 37 | 10 | 13 | 90 |
| Total Beneficiaries | 682 | 1258 | 659 | 1294 | 3893 |
| No of Teachers | 30 | 6 | 8 | 6 | 50 |

**Project 3:  Bal Raksha Bharat (Save the Children) ICT Education Project**

**Avaya Donation**

Avaya donation was used to install the infrastructure required for Information Communication and Technology (ICT) enabled education in Haveli block, Pune. The infrastructure included setting up an ICT center at DIET (District Institute for Education and Training), developing ICT friendly smart classes and Audio Visual (AV) room eventually in 10 schools. Implementation is staged with 5 schools in the first year, 3 schools in second year and 2 schools in third year.  The infrastructure also included developing digital resource room in the schools and courses for master trainers at the level of DIET in the use of ICT within the schools.  This is the first year of this program.

**Program Objective**

- Increase in quality of education at Primary Schools through the use of Communication Technology (ICT).

The first phase include obtaining Government permission, signing the MOU with DIET, determining the schools to include in the program, capacity building with teachers and DIET officials to incorporating the ICT based lesson plans. The period also saw capacity building for School Management Committees (SMC) regarding their roles and responsibilities with the School Development Plan to include ICT learning.  Final steps included developing a list of books, CDs, Science Kit by DIET for E-Resource rooms, setting up the SMART classrooms and installing the electronic equipment to link the first five schools to DIET and with each other. The SMART classrooms are functioning as designed, the teachers are using the E-Resource library items in their daily teaching sessions, and hosting of teaching sessions started on two subjects (English and Environmental Science) for three grades (IV, V & VI) .   To learn more about this organization, visit their website:  https://www.savethechildren.in/about-us.

**Project Coverage:**

| Bal Raksha Bharat (Mar '17) | Haveli |
|---|---|
| No of Schools | 5 |
| Total Beneficiaries | 564 |
| No of Teachers | 55 |
| Master Trainers | 50 |

**Project 4:  Bal Raksha Bharat (Save the Children) ICT Health Project**

**Avaya Donation**

Avaya donation will be used to install the infrastructure required for Information Communication and Technology (ICT) enabled health project in Pune.  The purpose is to create a self-reinforcing web of communication, using an IT enabled network between tertiary care health facilities and those downstream (general hospital, maternity hospitals, health posts, dispensaries etc) for exchange of technical know-how, mentoring, supportive supervision and bridge building between academia and health program managers.  This project targets transforming medical colleges as collaborative centers for mentoring and quality improvement of maternal and newborn health services through an IT enabled platform.  This initiative will benefit over four (4) lakhs households in Pune district of Maharashtra State. The feasibility, appropriateness, acceptability of the project will be evaluated by using pre-post exploratory evaluation methods.

**Program Objective**

To improve maternal and newborn health by:
1. Capacity building of health care providers of General hospital, Maternity hospitals and Urban Primary Health Centres (PHCs) by Medical College personnel through use of IT technology
2. Mentoring support to the primary and secondary health facilities related to patient care
3. Advocacy to establish skill labs in the medical college or in the General hospital to provide refresher trainings to health staff
4. Supporting the establishment of standard recording and reporting systems, data analysis and use of data for improvement in quality of health services

To learn more about this organization, visit their website:  https://www.savethechildren.in/about-us.

**Project Coverage:**

| Bal Raksha Bharat (Mar '17) | Pune |
|---|---|
| Number of AuxillaryNurse Midwife (ANMs) | 160 |
| Number of Medical Staff (OBGY/Ped): | 51 |
| Population directly/indirectly impacted | 270000 lakh |

**Project 5: Agastya**

**Avaya Donation**

Avaya donation was used to develop a Science Centre with a school bus and two Mobile Science Laboratories. The Science Centre was set up at Z.P School Lonikand where experiments are conducted.  This is the second year of this program.

**Program Objective**

- Increase access to practical, hands-on Science education for economically disadvantaged government school children;
- To spark curiosity, creativity and build leadership among underprivileged children;
- To supplement Government School system with experiential science learning;
- Train teachers from government schools in hands teaching methods; and
- Introduce peer-to-peer teaching and learning methodology.

The mobile science laboratory vans travel to the doorstep of remote schools to provide hands-on science.  Students and teachers from nearby schools and localities are bussed to the Science Centre and two Mobile Science Laboratories reach out to students and teachers in the Hadapsar area and Mohammad Wadi, Undri and Kondwa area.  To learn more about this organization, visit their website: http://www.agastya.org/.

**Project Coverage**

| Agastya (Apr'16 - Mar'17) | Total |
|---|---|
| **Total Beneficiaries** | 10386 |
| **No of Schools** | 42 |
| **Total Student Exposure \*\*** | 47714 |
| **Total Community Visits** | 127 |
| **Total Science Fairs** | 12 |

\*\* An exposure is a measure of Agastya's reach. It is a count of number of times Agastya has had face-to-face interaction with (child, teacher). Each exposure is 2-3 hours duration.

**Project 6: Smile Foundation**

**Avaya Donation**
Avaya provides a donation to support Smile Foundation in the area of education.
"Smile Foundation has been working in the thematic areas of education, healthcare, youth employability and empowerment of women and girls." To learn more about this organization, visit their website: http:/www.smilefoundationindia.org.

**Project 7: Airtel Marathon supporting Bal Utsav**

**Avaya Donation**
40 Avaya employees participated in the run and a donation was given to support Bharati Foundation. Bharti Foundation, the philanthropic arm of Bharti Enterprises was established in 2000 with a vision "To help underprivileged children and young people of our country realize their potential". The flagship, rural education initiative of Bharti Foundation, the Satya Bharti School Program is celebrating 10 years of successful implementation as it continues to provide quality education, completely free of cost, to underprivileged children with a special emphasis on girls. To learn more about this organization, visit their website: http://www.bhartifoundation.org.