



# Corporate Social Responsibility (CSR) Policy

**Owned by: Corporate Social Responsibility Department**

**Version No. 12.1**

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## Version History

Release Date	Version	Revision Description	Approved By
04/12/2008	1.0	Initial version	Board
28/03/2011	1.1	Changes to align with changing practices	Board
25/08/2011	1.2	No change	Board
09/08/2012	1.3	No change	Board
29/07/2013	1.4	No change	Board
09/05/2014	2.0	Changes as mandated by Companies Act, 2013	CSR Committee and Board
13/08/2014	2.1	Minor change w.r.t. focus areas of the policy	CSR Committee and Board
14/05/2015	3.0	Revised policy and projects for FY 2015-16	CSR Committee and Board
11/08/2015	3.1	No change	CSR Committee and Board
09/05/2016	4.0	Revised policy and projects for FY 2016-17	CSR Committee and Board
10/05/2017	5.0	Revised policy and projects for FY 2017-18	CSR Committee and Board
18/05/2018	6.0	Revised policy and projects for FY 2018-19	CSR Committee and Board
23/07/2018	6.1	Minor changes	CSR Committee and Board
15/01/2019	6.2	Minor changes with respect to addition of two new projects and expansion of focus areas of the policy	CSR Committee and Board
13/02/2019	7.0	Revised policy and projects for FY 2019-20	CSR Committee and Board
15/05/2019	7.1	Minor changes	CSR Committee and Board
05/06/2020	8.1	Revised policy and projects for FY 2020-21	CSR Committee and Board

25/06/2021	9.0	Revised policy and projects for FY 2021-22; changes as per Companies Act 2013 and related rules	CSR Committee
23/07/2021	9.1	Revised policy and projects for FY 2021-22	CSR Committee and Board
26/04/2022	10.0	Minor changes and updation of projects for FY 2022-23	CSR Committee and Board
18/05/2022	10.1	Revised policy and updation of projects for FY 2022-23	CSR Committee and Board
02/05/2023	11.0	Minor changes and updation of projects for FY 2023-24	CSR Committee and Board
27/05/2024	12.0	Revised policy and updation of projects for FY 2024-25	CSR Committee and Board
13/11/2024	12.1	Minor changes	CSR Committee and Board

## Corporate Social Responsibility (CSR) Policy

### Background

Canara HSBC Life Insurance Company Limited (the Company) is committed to give back to the community it operates in, including caring for the environment. The Company aims to minimize the impact of its business on the environment and have a positive effect on society by implementing projects as per its focus areas, in line with activities defined under the Companies Act, 2013 (the Act).

The Corporate Social Responsibility Policy (hereafter referred as 'Policy') of the Company has been designed in consonance with Section 135 of the Act to lay down the guidelines for undertaking CSR projects, in accordance to Companies (Corporate Social Responsibility Policy), Rules, 2014 (hereafter referred to as 'Rules'), as amended from time to time. This Policy lays down the guiding principles or rules that shall apply to all CSR programs/ projects to be undertaken, as per Schedule VII of the Act, as amended from time to time, within the country. As required under the provisions of the Act, the CSR Policy also contains the Plan for the financial year.

To formulate and monitor the CSR policy of the Company, a CSR Committee of the Board has been constituted. Section 135 of the Act requires the CSR Committee to consist of at least three directors, including an independent director.

### Focus areas and philosophy

The Company will channel its CSR efforts towards **education, environment and healthcare** as per permissible activities mentioned in Schedule VII of the Act:

- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water
- Promoting healthcare

### Constitution and functioning of CSR Committee

The Board of the Company will be responsible for (i) approving CSR policy and disclose its contents in Directors' Report and on the Company's website, (ii) ensuring that activities are undertaken as per the CSR policy and (iii) ensuring that the Company spends, in every financial year, at least two per cent. of the average net profits of the Company made during the three immediately preceding financial years. The Board has also constituted a Corporate Social Responsibility Committee, to further these objectives.

The responsibilities of the CSR Committee include:

- i) formulate and recommend the CSR policy to the Board which shall indicate the activities to be undertaken by the Company in areas, specified in Schedule VII
- ii) recommend the amount of annual CSR expenditure to be incurred
- iii) monitor the amount of expenditure to be incurred, in line with the laid down CSR Policy
- iv) monitor CSR activities through a transparent monitoring mechanism for implementation

- of the CSR projects undertaken by the Company
- v) periodically monitor the implementation of the CSR policy.

Constitution of the CSR Committee shall be disclosed in the annual Directors' Report and on the website of the Company.

### **1. Budget and Implementation Budget**

The Company shall spend a minimum of 2% of the average net profits during the three immediately preceding financial years, on CSR activities. As per the provisions of Companies Act, the amount that the Company needs to spend in financial year 2024-25 on CSR activities is ₹ 1,59,00,000/-, as approved by the CSR Committee and the Board. Details of the projects are mentioned in Annexure – A.

If the Company does not spend such prescribed amount within the financial year, the Board shall specify the reasons therefore, in the Directors' Report and transfer such unspent amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year, unless the unspent amount relates to an ongoing project.

Any amount remaining unspent on an ongoing project shall be transferred to a special account, called Unspent Corporate Social Responsibility Account, within 30 days from the date of completion of the third financial year, and shall only be used for CSR obligations of the Company within a period of three financial years, failing which, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days.

The Board of the Company shall satisfy itself that the funds disbursed for CSR projects, are utilised for the purposes and in the manner as approved by it and the Chief Financial Officer shall certify to that effect.

#### *Treatment of administrative overheads*

The Board shall ensure that the administrative overheads on CSR projects, do not exceed 5% of total CSR expenditure of the Company for the financial year.

#### *Treatment of surplus amount*

- Any surplus arising out of the CSR activities shall not form part of the business profit and shall be ploughed back into the same project; or
- Shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company; or
- Transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

#### *Treatment of spend of excess amount*

In case the Company spends an amount in excess of the prescribed amount under the Act, such amount may be set off against the requirement to spend for future CSR projects up to immediate succeeding three financial years, provided that the Board shall pass a resolution to that effect and the excess amount shall not include the surplus arising out of the CSR activities.

*CSR expenditure will exclude the expenditure incurred on:*

- a. Normal course of business, including regulatory or statutory obligations.
- b. Any activity undertaken outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.
- c. Activities benefitting employees of the Company.
- d. Contribution of any amount directly or indirectly to any political party under section 182 of the Act.
- e. Direct or indirect contribution to religious association/ organisation/ outfit or person.
- f. Activities undertaken for deriving marketing benefits for Company's products or services.

As part of its voluntary CSR initiatives, the Company may also provide support for relief and rehabilitation during natural disasters. The support amount will be decided on a case to case basis and will be over and above the approved CSR budget.

Any contribution to bonafide charitable and other funds will be outside the purview of CSR Policy and will be governed by the provisions of the Companies Act, 2013.

Contribution to any single trust, society or Section 8 company shall not exceed `75 lakhs for a financial year and due diligence of the trust, society or Section 8 company with whom the CSR projects will be executed shall be undertaken by the Company.

On approval by the Board, the amount under CSR budget will be disbursed for direct implementation by the Company as per the procurement process or to the trust/ society/ company as agreed with them.

Payments for the CSR projects implemented by CSR partners may be released as advance, provided that the amount for the first installment is capped at 50% of the total project support budget. Exception can be made in situations including those of shareholder trusts/ disaster relief/ epidemics/ pandemic and certain projects where upfront onetime payment is required at the very start of the project, to get the desired impact.

### **Implementation**

As per provisions of the Act, the Company can undertake CSR activities itself or through outside trusts, societies or Section 8 companies in India, provided that these have at least 3 years of track record of undertaking such activities. It will be ensured that the Board of Directors and the CSR Committee members do not have any direct interest in the said entity.

Such implementing agencies with whom, the Company will partner for undertaking CSR projects shall be registered with the Ministry of Corporate Affairs, Central Government.

The Company may also 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 spends provided that the CSR Committees of the respective companies are in a position to report separately on such projects or programmes.

The Company shall give preference to the local areas around where it operates, for spending the amount earmarked for CSR projects. This will include locations where the Company has its head office, branches and bank branches of the distributors.

All CSR projects shall be based on an evaluation of the proposal which should have clear objectives and some measurable impact (depending on the nature of the project, need assessment/ baseline studies may be carried out as and when required) and shall allow for staff engagement through volunteering where possible or appropriate.

## 2. CSR Review Group

There shall be a management level CSR Review Group comprising of four direct reports of the CEO (nominated by him), Chief Financial Officer being a mandatory member, which shall meet at least once in a quarter or as need arises.

The key responsibilities of the CSR Review Group shall include

- reviewing the projects update and the CSR Policy before they are presented to the CSR Committee and the Board
- to provide regular guidance and support to the CSR Team
- advise the CSR Team on the implementation modalities of any new and amended CSR laws and Rules
- advise on the type, scope and geography of new CSR projects to be undertaken
- monitoring implementation of various CSR projects and adherence of various legal requirements
- monitoring the timely spend of CSR budget as per the schedules approved
- suggest volunteering activities to be undertaken

## 3. Monitoring

The CSR Committee is responsible to monitor progress and impact of CSR activities, projects and programmes undertaken. It will ensure a transparent monitoring process. Projects will be monitored through:

- Quarterly/ half yearly/ annual progress report (whichever are applicable as per the MoU)
- Fund utilization/ expense report/ certificate (as per the MoU)
- Field visits/ digital engagement by members of the CSR Committee, employees or by the CSR Team
- Employee volunteering initiatives; wherever possible.
- Impact assessment as per requirement/as per law
- In case of ongoing project/s, the Board of the Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation through quarterly updates of the CSR Committee.

## 4. Reporting

- i) 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 the same shall be displayed on the Company's website.
- ii) The Board's Report of the Company shall include an annual report on CSR containing particulars as specified in the Act and Rules.

The CSR Policy and Projects approved by the Board shall be disclosed on the website of the Company.

In the event of any conflict between the provisions of this Policy and the Act or Rules or any other statutory enactments/ rules/ laws, the provisions of such Act or Rules or any other statutory enactments/ rules/ laws would prevail.

## **5. CSR Team and Employee Engagement**

Corporate Social Responsibility and Sustainability team, will be responsible for implementation of the CSR framework at the Company.

No employee will carry out any CSR activity in the name of the Company.

As much as possible, volunteering will be an important component of all CSR initiatives. Volunteering will be encouraged for all CSR activities of the Company as engaging employees in community investment programmes is an opportunity to sensitize them and increase camaraderie and bonding among them. Volunteering also ensures that the investments are maximized as colleagues are present to monitor progress and can check that funds are used for the purpose for which they have been given.

## Annexure - A

**CSR Activities for FY 2024-25**

The Company proposes to implement the following projects under CSR for FY 2024-25:

Sl. No.	Trust/ Society/ Company Name	Project Name	Location (District & State)	Project Period	Total Expenditure (₹)	Project Activity Brief & Deliverables
1.	Armba Foundation (Society)	Ujjwal Bhawishya	East Delhi Delhi	1 April 2024 – 31 March 2025	28,50,000	To provide holistic development & empowerment of marginalized children, youth and women living in the slums of East Delhi by providing non-formal education to children, vocational training to youth and providing livelihood opportunities for the community women/girls through training to make handicrafts & other products.
2.	Friends of Tribal Society (Society)	Prajwal	Mysore & Chamarajan agar Karnataka	1 April 2024 – 31 March 2025	22,00,000	To bring informal basic education in remote rural and tribal villages to the underprivileged children between the age group of 6-14 years along with educating them about personal hygiene and culture education. Apart from providing culture education to children, the project also imparts education related to development activities, awareness on different welfare schemes, health and hygiene related issues to the villagers.

3.	Ashray Foundation (Society)	Cheer- Urja	Mandi Himachal Pradesh	1 April 2024 – 31 March 2025	16,00,000	The project aims to promote biodiversity conservation through scientific management and sustainable use of pine residue by establishing a sustainable biofuel value chain—from pine needle collection to briquette production and developing partnerships for sales thus expanding livelihood opportunities and uplifting local communities.
4.	Aide et Action (Company)	Saakaar	Wayanad – Kerala  Godda – Jharkhand  Vidisha – Madhya Pradesh	1 April 2024 – 31 March 2025	32,00,000	<p>Employability and entrepreneurship linked skilling/training to youth mainly school and college dropout from marginalized communities living in rural and urban areas.</p> <p>The project will try to ensure that 40% of the beneficiaries are women and priority would also be given to youth with disability. The project will promote placement/entrepreneurship in the trades.</p>
5.	Mythri Sarva Seva Samithi (Society)	Sanrakshan	Bengaluru  Karnataka	1 June 2024 – 31 March 2025	30,00,000	<p>The aim of the project is to promote the Climate Smart Agriculture practices to the farmers, which is an integrated approach to managing cropland, livestock, forests and fisheries to address the interlinked challenges of food security and climate change.</p> <p>We will train the farmers for climate</p>

						smart best practices and enable them to adopt & implement the same. We will also provide them the kits & equipments to the selected farmers for installation. This will be a very effective model of training, empowering and enabling farmers to implement climate smart agriculture and at the same time improving their livelihood and adding our bit to environment sustainability.
6.	Bhoomika	Drishti	Mayurbhanj - Odisha Delhi	15 June 2024 – 15 January 2025	30,50,000	The project aims to provide accessible and comprehensive cataract screening, diagnosis, and treatment services, ensuring timely interventions to prevent blindness and enhance the quality of life for the residents of Mayurbhanj District.
<b>Total</b>					<b>1,59,00,000</b>	

#### Notes

- Re-appropriation of the budget/within a project may be allowed due to any exigency and as sometimes it is difficult to predict the exact expenditure amount at the beginning of the year- post review, a maximum of 10% re- appropriation may be allowed within the project by CSR department and over 10% by the CSR Review Group and the same shall be documented and communicated to the CSR Committee
- In case of modification in activities/interventions/location due to change in need/exigency or any course correction requirement, the same shall be assessed by the CSR team in consultation with the CSR Review Group and the same shall be documented and communicated to the CSR Committee
- Mandatory taxes will be added as applicable and the actual expenditure on projects and overheads/ administrative expenditure in the financial year will be presented to the CSR Committee after closing
- The above mentioned NGO partners may from time to time engage vendors/ agencies for the completion of the implementation of the above projects.