IndusInd General Insurance Company Limited

Corporate Social Responsibility Policy

July 2021

Version 1.2

I. OBJECTIVE OF THE CSR POLICY

To promote a unified approach to CSR across the Company by identifying select causes to work with, thereby ensuring a high social impact.

II. SCOPE AND APPLICABILITY

The CSR Policy has been developed in accordance with Section 135 of the Companies Act, 2013 read with the CSR rules and amendments duly notified by the Ministry of Corporate Affairs (the Act). This Policy shall apply to all CSR projects/ programmes undertaken by the Company either directly or through Implementing Agencies as per Schedule VII of the Act.

III. CSR IMPLEMENTATION

1. The Board of Directors of the Company (the Board) shall be responsible for implementing the CSR Policy and shall ensure that the CSR activities are carried out in accordance with the Policy read with the Act and the annual action plan formulated and recommended by the CSR Committee.

2. The CSR Committee shall approve the Implementing Agencies for the purposes of implementation of the CSR activities approved by the Board from time to time. The progress report on the CSR activities will be submitted to the CSR Committee, which shall be further laid before the Board.

3. The CSR Activities may be undertaken by the Company directly or with the prior approval of the Board, through any of the following entities as "Implementing Agency" being duly registered with the Central Government and having a unique CSR Registration Number:
   (i) a company established under Section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 established by the Company, either singly or along with any other company, or
   (ii) a company established under Section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
   (iii) any entity established under an Act of Parliament or a State legislature; or
   (iv) a company established under Section 8 of the Act, or a registered public trust or a registered society, registered under Section 12A and 80G of the Income

Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

4. The Company shall conduct a due diligence prior to selection of an entity as its implementing agency to verify the credentials and ensure that the proposed agency is eligible and capable to be appointed as such.

5. The Company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of its own personnel for CSR.

6. The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are able to report separately on such projects or programmes in accordance with these rules.

7. The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer shall certify to the effect.

8. In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period."

IV. CSR COMMITTEE

1. The CSR Committee shall consist of at least three directors, of which at least one should be an Independent Director.

2. The CSR Committee shall be responsible for providing recommendations to the Board with respect to CSR activities that may be undertaken by the Company in accordance with the CSR Policy as well as the Act.

3. Without prejudice to the generality of the foregoing, the CSR Committee shall be responsible for the following activities:
   (i) Formulating and recommending CSR activities to the Board;
   (ii) Recommend amount of CSR expenditure;
   (iii) Monitor CSR Policy of the Company; and

(iv) Formulate and recommend to the Board annual action plan in pursuance of the CSR Policy in accordance with the applicable law, which shall include the following:

(a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
(b) the manner of execution of such projects or programmes;
(c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
(d) monitoring and reporting mechanism for the projects or programmes; and
(e) details of need and impact assessment, if any, for the projects undertaken by the Company.

Provided that the Board may alter such plan at any time during the financial year, as per the recommendation of the CSR Committee based on the reasonable justification to that effect.

V. CSR EXPENDITURE

1. The Company shall spend at least 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years in accordance with the Act and the CSR Policy.

2. The CSR Committee shall recommend the manner in which the CSR expenditure shall be incurred in a year, in accordance with the Act and the CSR Policy.

3. The Board shall be responsible for sanctioning the CSR expenditure.

4. Any surplus arising out of the CSR activities shall not form part of the business profit of the Company 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 as per the provisions of the Act.

5. In case the Company spends an amount in excess of requirement under Section 135 for the financial year, such excess amount may be set off against the requirement to spend up to immediate succeeding three financial years subject to the conditions that:
   (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities.
   (ii) the Board of the Company shall pass a resolution to that effect.

6. In order to count towards CSR expenditure, CSR activities must be undertaken in compliance with the applicable laws and shall not include the following:

   (i) activities undertaken in pursuance of normal course of business of the Company any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
   (ii) contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
   (iii) activities benefitting employees of the company as defined in clause (k) of Section 2 of the Code on Wages, 2019;
   (iv) activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services; and
   (v) activities carried out for fulfilment of any other statutory obligations under any law in force in India.

7. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

VI. CSR ACTIVITIES

1. The Board shall ensure that the CSR activities that are undertaken by the Company should be within the scope of the following activities as provided under Schedule VII of the Act, as may be amended by MCA from time to time:

   (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

   (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

   (iii) 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.

(iv) 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.

(v) 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;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;

(viii) contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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;

(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

(x) rural development projects

(xi) slum area development.

Explanation: For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

(xiii) Any other activity as may be specified under Schedule VII of the Act, from time to time.

2. The CSR activities will be carried out in a manner that the preference is to undertake such activities in and around the local areas where the Registered or Corporate or branch offices of the Company operates.

3. Based on the scope of activities set out in paragraph VI(1) above, the CSR Committee shall provide recommendations to the Board with respect to specific CSR activities that may be undertaken by the Company.

4. Based on the recommendations of the CSR Committee, the Board shall approve the CSR activities of the Company for a given financial year.

VII. MONITORING PROCESS

1. To ensure that the objectives of CSR Policy are being met in an efficient and effective manner, the utilisation of the amount sanctioned towards CSR activities should be reported to the Board as well the CSR Committee periodically in such manner as the CSR Committee may direct.

2. In the event any of the CSR activities are undertaken through an Implementing Agency, the Company should obtain relevant information from the Implementing Agency and ensure that the progress on such CSR activity is submitted to the Board as well the CSR Committee periodically in such manner as the CSR Committee may direct.

VIII. CSR REPORTING

1. The Board's report of the Company shall include an annual report on CSR containing the particulars as may be prescribed from time to time under the Act.

2. The Board shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by it on the website of the Company.

3. In case the average CSR obligation of the Company reaches ten crore rupees or more in pursuance of Section 135(5) of the Act, in the three immediately preceding financial years, the Company shall undertake impact assessment through an independent agency, of its CSR projects having outlays of one crore rupees or more and which have been completed not less than one year before undertaking the impact study.

4. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

5. The expenditure incurred by the Company for undertaking the impact assessment shall be booked towards CSR for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

IX. AMENDMENT

The Board of Directors of the Company may, subject to compliance with the applicable law, at any time alter, amend or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake the CSR activities.