Human Resources

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**Policy #**
TALIC/HR/CSR/21-22

**Maintained by**
Human Resources

**Implementation Date**
11-May-2021

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<th>Policy Owner</th>
<th>Human Resources</th>
<th>Expiry Date</th>
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## Sign -Off Sheet

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<tr>
<td>Shardul Naik</td>
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<tr>
<td>Shweta Bhatnagar</td>
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<td>Shibani Deshmukh</td>
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## Approved by Board of Directors at its meeting held on 11-May-2021

## Revision History

<table>
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<tr>
<th>Sr. No.</th>
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<th>Version Number</th>
<th>Description of change</th>
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<tr>
<td>1</td>
<td>09th May 2019</td>
<td>1.0</td>
<td>Initial version + all revision till date</td>
<td>CSR Board Committee</td>
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<tr>
<td>2</td>
<td>9th Aug 2019</td>
<td>1.1</td>
<td>Change in Chairman of the CSR Committee from Mr. Harish Bhat to Mr. Saurabh Agrawal</td>
<td>Board</td>
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<tr>
<td>3</td>
<td>11-May-21</td>
<td>1.2</td>
<td>Amended the Policy pursuant to Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021</td>
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1 **Name**
   The Policy is called the “Tata AIA Life Insurance- Corporate Social Responsibility (CSR) Policy”

2 **Vision statement**
   Being a part of the Tata Group we align our vision to the Tata Group Core Purpose: To improve the quality of life of the communities we serve through long term stakeholder value creation.

3 **Definitions**
   "Act" means the Companies Act, 2013

   “Administrative Overheads” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring and evaluation of a particular Corporate Social Responsibility project or programme.

   "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 but shall not include the following, namely:-

   i) activities undertaken in pursuance of normal course of business of the company:
   Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that
   
   (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
   
   (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board’s Report;

   (ii) 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;

   (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;

   (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);

   (v) activities supported by the companies on sponsorship basis for deriving marketing benefits.
for its products or services;
(vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

"CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

"CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

"Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:-
a) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
b) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

“Ongoing Project” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;

4  Tata Group Core Purpose
   To improve the quality of life of the communities we serve through long term stakeholder value creation.

5  Purpose of CSR Activities of Tata AIA Life Insurance
   • Being relevant to the community.
   • Adding value to the brand in line with the vision of the Company.
   • Energize and engage employees for volunteering work to enable them to be proud to talk about the Company.
   • Protection Focus- particularly in the area of health and wellness
   • Rural and social space
   • Working with the Tata Trusts
6 **CSR Funds**

At least two per cent in every financial year, of the average net profits of the company made during the three immediately preceding financial years, shall be spend for implementation of CSR projects.

7 **CSR Expenditure**

a) The administrative overheads shall not exceed 5% of total CSR expenditure of the company for the financial year.

b) Any surplus arising out of the CSR activities shall not form part of the business profit of a 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, within a period of six months of the expiry of the financial year

c) Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 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, if any, in pursuance of clause (b) above.

(ii) the Board of the company shall pass a resolution to that effect.

If the CSR amount spent by the company for creation or acquisition of a capital asset, it shall be held by the entity in accordance with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

**Transfer of unspent CSR amount:** Until a fund is specified in Schedule VII for the purpose of Section 135(5) and Section 135(6) of the Companies Act 2013, any unspent amount shall be transferred by the company to any fund included in Schedule VII of the Act.

8 **Sectors and Issues**

The company’s CSR activities will focus on the sector and issues relating to:

a) 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), eradicating hunger, poverty and malnutrition, making available safe drinking water.

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

c) 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.

d) 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).

e) 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;

f) 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);

g) Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports.

h) 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 Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

i) (i) 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

(ii) 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).

j) Rural development projects.

k) Slum area development.

l) Disaster management, including relief, rehabilitation and reconstruction activities.

9 Geographies and Target Communities

a) The Company would seek to utilise its large retail financial base and therefore focus on the country as a whole to benefit from its CSR projects with the target communities being the socially and economically marginalized groups.

10 Implementation Structure

a) The CSR activities shall be undertaken either directly or through one or more registered trusts or societies with an established track record of three years in undertaking similar programs or projects.

b) The Company shall specify the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.
c) Additionally the Company may also collaborate with other entities to implement Tata Group’s Focus Initiatives for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with the Regulations.

d) The CSR projects or programs or Activities will be undertaken in India only

e) The Company shall not contribute any amount directly or indirectly to any political party.

f) The Company or entity so appointed for carrying out CSR activity shall ensure that it shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar through digital verification by a Chartered Accountant in practice or a Company Secretary in practice or a Cost Accountant in practice w.e.f 1st April 2021.

g) On the submission of the Form CSR-1 on the portal, a unique CSR Registration Number generated by the system automatically shall be store for future reference.

h) The Board of a company 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.

i) In case of ongoing project, the Board of a Company 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.

11 Monitoring Mechanism

a) Each of the CSR projects and programmes would have clearly defined output, outcome and process indicators which will have to be reported on at specified frequencies, which will be at least bi-annually.

b) All projects and programmes will be monitored by the company CSR team, based on these reports and regular field visits. The monitoring process will cover both programme and financial reviews.

c) All projects and programmes above a value of Rs. 1,00,000/- will also be subjected to an annual financial audit by a third-party auditor.

d) The CSR Committee will receive quarterly progress reports and real life testimonials and the number of lives positively impacted of all CSR activities of the company.

12 CSR Reporting

a) The Board’s Report pertaining to any financial year shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as applicable.

b) If the average CSR obligation exceeds Rs10 crore or more in pursuance to Section 135(5) of the Companies Act 2013, in the three immediately preceding Financial Years, impact assessment through an independent agency shall be undertaken for CSR project having outlay of Rs 1 crore or more and which have been completed not less than one year before undertaking the impact study.

c) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
d) If impact assessment is undertaken, the Company may book the expenditure towards Corporate Social Responsibility for that financial year, not exceeding five percent of the total CSR expenditure for that financial year or Rs 50 lakh rupees, whichever is less.

13 **Composition of the CSR Committee**

The members of the CSR Committee are as follows:

1. Chairperson : Mr. Saurabh Agarwal (Director)*
2. Member : Mr. Pratip Kar (Independent Director)
3. Member : Mr. William Lisle (Director)

*Appointed as the Chairman of the Committee w.e.f 9th August, 2019

14 **Display of CSR activities on Company’s Website**

The annual report of the CSR activities, composition of the CSR Committee, CSR policy and project approved by the Board of the Company shall be displayed on the Company’s website.