

CSR POLICY OF MAX LIFE INSURANCE COMPANY LTD.

Financial Year 2020-21

I. PREAMBLE

- 1.1 Corporate Social Responsibility has been an area of focus for the Max Group and Max Life Insurance Company Limited, ("**Max Life**" or the "**Company**") since inception. Max Group being in the "*Business of Life*", there has been a conscious effort to make a difference in the lives of the less privileged through its CSR initiatives. Max Life has given this priority and effected positive change in the quality of life of the underserved in keeping with the Group philosophy.
- 1.2 The Companies Act brings an even greater emphasis on CSR with Rules that provide guidance on minimum CSR spend, reporting mechanism, review structure and reporting to the shareholders of the Company. A CSR Committee has been formed at the Board level to oversee CSR Activities of the Company.
- 1.3 Further to the above stated, the Board has approved this CSR Policy which has been formulated and proposed by the CSR Committee with an objective to outline its CSR focus areas, recommending the amount of CSR Expenditure, execution process, review & monitoring mechanism, and, reporting process to the Management and the Board of Directors of the Company.

II. PHILOSOPHY & OBJECTIVES

Max Life has the vision to build the most admired life insurance company by securing the financial future of our customers and the Company's mission to bring about strong social relevance. It aims to be committed to social causes and relevance for its inclusive growth and to contribute to society by supporting causes on healthcare, education, environment, financial literacy, insurance awareness and disaster support.

III. DEFINITIONS AND INTERPRETATIONS

"**CSR**" means Corporate Social Responsibility.

"**Companies Act**" shall mean the Indian Companies Act, 2013, along with amendments thereto.

"**CSR Activities**" shall mean the permissible CSR activities as per Schedule VII

"**CSR Committee**" shall mean the CSR Committee of the Board instituted by the Company.

“**CSR Rules**” shall mean the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

“**CSR Expenditure**” shall mean the CSR expenditure proposed under this Policy and providing the corpus amount in furtherance of this Policy.

“**Estimated CSR Expenditure**” shall mean the actual estimate of the CSR Expenditure for each year as has been approved for each year.

“**Max Life CSR Policy**” or “**CSR Policy**” shall mean this CSR Policy of Max Life.

“**Max Life CSR Activities**” shall mean the services rendered in the Max CSR Identified Sectors.

“**Max Life CSR Identified Sectors**” mean the following sectors, as have been identified under this CSR Policy, (i) Education (ii) Healthcare (iii) Environment, (iv) NGOs support in areas mentioned and (v) Disaster support.

“**Max Group**” shall mean Max Financial Services Limited, Max India Limited, Max Ventures & Industries Limited and the following subsidiaries of Max Financial Services Limited (i) Max Life Insurance Company Limited, Max India Limited: (i) Max Healthcare Institute Limited, (ii) Antara Senior Living Limited (iii) Max Skill First, and Max Ventures & Industries Limited (i) Max Estates (ii) Max Industries Limited (iii) Max Asset Services (iv) Max Speciality Films Limited.

“**Max India Foundation**” means the registered not-for-profit Trust, founded by Max India Limited as its Founder/Settlor on January 31, 2002.

“**Primary and Secondary Education**” shall mean the primary and secondary education system, as is recognised in India.

“**Proposed Implementation Plan**” shall mean the annual proposed implementation plan in respect of the Max CSR Activities to be provided each year

“**Quarter**” shall mean an annual quarter for each Financial Year.

“**Rules**” shall mean the rules prescribed under the Companies Act, as amended from time to time.

“**Schedule VII**” shall mean the schedule VII under the Companies Act.

“**Village**” shall mean rural villages, urban villages, slum clusters, cluster of villages and geographies covered by Gram Panchayats.

IV. CSR IDENTIFIED SECTORS AND CSR ACTIVITIES

Max Life shall undertake Max Life CSR Activities in all or any of the CSR Activities as per the Companies Act, however, it shall give primary importance to the Max Life CSR Identified Sectors, as follows.

4.1 Education

- a. Provide support to schools to promote education by providing books, education aids, black boards and equipment for sports & other extra-curricular activities and basic infrastructure
- b. Supporting education activities through leading NGOs working in the field of education

4.2 Healthcare

- a. Health camps in identified geographies where Max Group has its presence
- b. Blood donation camps in Max Life Insurance offices
- c. Health awareness, for the needy.
- d. Covid-19 related needs such as Distribution of Personal Protective Equipment (PPE) to the doctors and health staff, Masks, gloves and sanitizers for police and other critical support services on ground, Distribution of food packets to underprivileged families, especially those without employment in current times, and Any other urgent need in fight against Covid-19

4.3 Environment

- a. Environmental awareness and care in and around the selected areas of operations of the Company. Propagation of a clean healthy environment to ensure good health. Encourage and facilitate plantation drives.
- b. Waste management and correct waste disposal – awareness and implementation in identified locations where the Company has its offices
- c. Water Conservation initiative through distribution of water saving nozzles and spreading awareness on the subject

4.4 Financial Literacy & Insurance Awareness

- a. Financial literacy & insurance awareness to women, youth and other relevant members of the society in cities where Max Life Insurance has owned offices Districts adopted by Max Life Insurance
- b. Financial literacy & insurance awareness in villages near operations of Max Life Insurance
- c. Financial literacy & insurance awareness for students in schools and colleges through simple to understand material in identified locations where Max Life Insurance has its offices
- d. Encourage households to enrol in Government promoted insurance and retirement schemes

4.5 Disaster Support

- a. Provide material and financial support to local communities in case of any disaster

4.6 NGOs support in above mentioned areas (4.1 to 4.5)

- a. Provide support to existing activities of NGOs
- b. Involve employees in identifying NGOs in their geographical areas and create tailored volunteering programme within specified budget and timeline.

V. MODALITIES OF EXECUTION AND IMPLEMENTATION SCHEDULES

- 5.1 **Independent Implementing Agency:** The Company shall work with NGOs and Max India Foundation which will in turn work with relevant credible NGOs and organisations to execute work on the ground. In addition, Max Life Insurance may work with other NGOs and partners to execute activities under Pehal, the employees volunteering programme. For volunteering activities undertaken by employees directly or through NGOs separate funds will be earmarked which will be managed directly by the Company.
- 5.2 **NGO Support:** Max India Foundation will execute projects with the help of NGOs, Max Group companies and employee engagement. Max India Foundation may seek the support of NGOs who are working on ground on issues decided upon. Max India Foundation will also provide training support to volunteers to carry out / support in CSR activities. Max India Foundation and Max Life Insurance should get prior approval from Chairman, CSR Committee in case of signing new substantial NGO relationships.
- 5.3 **Volunteering:** Max Life CSR team should work to create a comprehensive Employee Volunteering programme to ensure greater participation of employees in CSR activities. This programme should also include the recognition programme for Max Life volunteers. Senior management will encourage volunteer programmes of the Max Life employees.
- 5.4 **Modality of Execution of Max Life CSR Activities:** The Company shall execute and undertake the Max Life CSR Activities as mentioned in section IV through Max India Foundation or any other NGOs, if required.
- 5.5 **Geographical Areas for Max CSR Activities:** The Company shall execute and undertake the Max Life CSR Activities in identified locations in an around the cities where Max Group has presence.
- 5.6 **Beneficiaries for the Max CSR Activities:**
 1. Children (0-18 years)
 2. Women
 3. Youth (18-25 years)
 4. Senior citizens

5. Others – society at large

VI. CSR FUNDING AND CSR EXPENDITURE

- 6.1 **CSR Budget:** In order to ensure funding for the Max CSR Activities, Max Life shall strive to allocate 2% (two per cent) of the average net profits before tax made by the Company (Shareholders' Profit) in its immediately preceding three financial years.
- 6.2 **CSR Expenditure Funds:** The CSR Committee will present the Proposed Implementation Plan to the Board, detailing the action steps, modalities and the Estimated CSR Expenditure to the Company, for the Board's approval. The CSR Committee shall prepare the Proposed Implementation Plan together with Max India Foundation or any other NGO it decided to work with. Max India Foundation must ensure that the part of CSR Budget identified as per section 135 of the Companies Act, 2013 allocated to them is spent during the financial year.
- 6.3 **Implementation Plan.** The Board shall approve the Final Implementation Plan and the CSR Expenditure Funds shall be allocated for implementation by Max India Foundation or other NGOs.
- 6.4 **Declaration.** The Company hereby declares that any surplus arising and/or additional revenue generated out of CSR Activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR Activities only.

VII. Monitoring Process of CSR Activities

- 7.1 **Approval of CSR Plan.** Max India Foundation and other NGOs, the Company may decide to work with from time to time, shall present and get approval on a quarterly activity plan at the beginning of every quarter from relevant authority at Max Life Insurance. The plan should be in line with Max Life CSR Policy approved by the CSR Committee. This plan will form the basis for progress report to CSR Committee.
- 7.2 **Reporting to CSR Committee.** Max India Foundation and other NGOs the Company may decide to work with from time to time shall provide a detailed progress report on the Key Performance Indicators to the CSR Committee every Quarter, or, at such intervals and at such times as the CSR Committee shall require Max India Foundation and other NGOs to do so. The progress on CSR issues selected by the Company will be reported in the Annual Report in the format prescribed by the CSR Rules.
- 7.3 **Reporting to the Board.** The CSR Committee, after approval, shall submit its report giving status of the CSR Activities undertaken, CSR Expenditure incurred and such other details as may be required by the Board, in accordance with applicable laws.
- 7.4 **Key Performance Indicators:** Following shall be the key indicators for assessment of each of the Max Life CSR Identified Sectors:

Issues	Key Performance Indicators
Healthcare	
Health Camps	i) No. of beneficiaries ii) No. of locations covered iii) No. of camps organised
Environment	
Environment Awareness & Protection	i) No. of saplings planted ii) No. of water nozzles distributed iii) Number of beneficiaries of awareness programmes
Insurance Awareness	
Insurance Awareness	i) No. of people provided insurance awareness
Education	
Education	i) No. of students benefited by the support activities ii) No. of teachers trained
Volunteering	
Volunteering	i) No. of employees and agent advisors participated in CSR activities
Miscellaneous	
	i) Any other parameters as the CSR Committee may require

7.5 **Board Report and Annual Report.** The Board shall publish this Policy and an annual report on CSR Activities as per applicable laws.

a. Budget for FY 21

Annual CSR Budget FY21 – Max Life Insurance Co. Ltd.	
Profit Before Tax FY18 Profit Before Tax FY19 Profit Before Tax FY20	INR 615.17 crore INR 622.64 crore INR 597.84 crore
Average Profit Before Tax	INR 611.88 crore $\{(615.17+622.64+597.84)/3\}$
CSR Budget FY20 (2% of Average PBT)	INR 12.24 crore $(611.88*2\%)$

Budget - Financial Year 2019-20 (INR Lacs)						
S. No.	Activities	FY20	Q1	Q2	Q3	Q4
1	Max India Foundation plan	850*	200	215	220	215
	- Education	805	200	200	205	200
	- Administrative Expenses	45		15	15	15
2	Healthcare including Covid19 support	200.00	100	75	25	
3	Direct under Pehal - Financial Literacy, Environment & Education through employee volunteering	174.00	14	50	60	50
	Total	1,224.00	314	340	305	265