

## CSR POLICY OF MAX LIFE INSURANCE COMPANY LTD.

### Financial Year 2021-22

#### I. PREAMBLE

1.1 Corporate Social Responsibility has been an area of focus for Max Life Insurance Company Limited, (“**Max Life**” or the “**Company**”) since inception. There has been a conscious effort by the Company 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 under-served.

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, guiding principles for selection, recommending the amount of CSR Expenditure, implementation, review & monitoring mechanism, annual action plan 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 its customers and the Company’s mission to bring about strong social relevance. It aims to be committed to social causes and relevant for its inclusive growth and to contribute to society by supporting causes of healthcare, education, environment, financial literacy, insurance awareness and disaster support.

#### III. DEFINITIONS AND INTERPRETATIONS

“**Administrative overheads**” shall have the meaning as defined in the CSR Rules.

“**Annual Action Plan**” shall mean the annual proposed implementation plan in respect of the Max Life CSR Activities to be conducted each year.

“**CSR**” means Corporate Social Responsibility as defined in the CSR Rules.

“**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 of the Companies Act, subject to the exclusions as provided in the CSR Rules.

“**CSR Committee**” shall mean the CSR Committee of the Board constituted 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 approved by the Company.

“**International Organisation**” shall have the meaning as defined in the CSR Rules.

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

“**Max Life CSR Activities**” shall mean the activities undertaken in the Max CSR Identified Sectors.

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

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

“**Ongoing Project**” shall have the meaning as defined in the CSR Rules.

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

#### **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. Facilitate and ensure quality education and value based education to primarily underprivileged children
- c. Ensuring inclusive growth of children by supporting credible NGOs and organizations with a good track record, to act on its behalf and create a scalable impact in the field of education

##### **4.2 Healthcare**

- a. Health camps in identified geographies where the company has its presence
- b. Blood donation camps in Max Life 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

- e. Fulfilling nutrition requirements for underprivileged children and young mothers in backward districts/ regions of the country

#### 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 offices, districts/ villages adopted by Max Life
- b. Financial literacy & insurance awareness in villages near operations of Max Life
- c. Financial literacy & insurance awareness for students in schools and colleges through simple to understand material in identified locations where Max Life 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 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.

It must be ensured that the entity (ies) through which the Company intends to undertake any CSR activity, shall register itself with the Registrar of Companies as provided under the relevant provisions of the Companies Act.

- 5.2 **NGO Support:** Max India Foundation will execute projects with the help of NGOs 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 should get prior approval from CSR Committee in case of signing new substantial NGO relationships.
- 5.3 **Volunteering:** Max Life CSR team shall work to create a comprehensive employee volunteering programme to ensure greater participation of Max Life employees in CSR activities. This programme should also include the recognition programme for Max Life volunteers. Senior management shall 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 and/ 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 the Company has presence.
- 5.6 **Beneficiaries for the Max Life CSR Activities:**
1. Children (0-18 years)
  2. Women
  3. Youth (18-25 years)
  4. Senior citizens
- Others – society at large

5.7 **Impact assessment:**

If the average CSR obligation of the Company in pursuance of Section 135(5) of the Companies Act is ten crore rupees or more, 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 (1) crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

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

The expenditure on such impact assessment may be booked by the Company 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.

## VI. CSR FUNDING AND CSR EXPENDITURE

- 6.1 **CSR Budget:** In order to ensure funding for the Max Life CSR Activities, Max Life shall allocate 2% (two percent) of the average net profits before tax made by the Company (Shareholders'

Profit) in its immediately preceding three financial years after deducting any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Companies Act. However, the CSR Committee shall subject to the approval of the Board, be empowered to allocate a CSR Budget of more than the statutory requirement for any financial year.

**6.2 CSR Expenditure Funds:** The CSR Committee will present the Annual Action 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 Annual Action 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 Surplus arising out of CSR Activities:** 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 of the Companies Act, within a period of six months of the expiry of the financial year.

**6.4 Treatment of excess expenditure:** Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135 of the Companies Act, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 of the Companies Act up to immediate succeeding three financial years subject to the conditions stipulated under the Companies Act.

**6.5 Treatment of unspent CSR Expenditure:** If the Company fails to spend the CSR funds as obligated under the relevant provisions of the Companies Act, the Board shall, in its report made under the Companies Act, specify the reasons for not spending the amount and such unspent CSR funds shall be treated as per the specified provisions of the Companies Act.

**6.6 Annual Action Plan:** The CSR Committee shall formulate and recommend to the Board, separately or as a part of the CSR Policy, an annual action plan as per the provisions of the Companies Act.

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

## VII. Website Disclosures

The composition of the CSR Committee, and CSR Policy and projects approved by the Board shall be disclosed on Max Life's website.

## VIII. Monitoring Process of CSR Activities

**7.1 Reporting to CSR Committee.** Max India Foundation and other NGOs with which the Company may decide to work directly, shall provide a progress report on the key

performance indicators to the CSR Committee in each meeting or, at such intervals and at such times as the CSR Committee shall require. The progress on CSR issues selected by the Company will be reported in the Annual Report in the format prescribed by the CSR Rules.

- 7.2 **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.

**Responsibilities of the Board:**

- a. The Board shall ensure that the CSR activities are undertaken by the Company itself or through the implementation agencies as prescribed under the CSR Rules.
- b. 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 of the Company shall certify to the effect.
- c. The Board shall monitor the implementation of the Ongoing Projects 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.
- d. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes.

- 7.3 **Key Performance Indicators:** Following shall be the key indicators for assessment of each of the Max Life CSR Identified Sectors:

Issues	Key Performance Indicators
<b>Healthcare</b>	
Health Camps	i) No. of beneficiaries ii) No. of locations covered iii) No. of camps organised
<b>Environment</b>	
Environment Awareness & Protection	i) No. of saplings planted ii) No. of water nozzles distributed iii) Number of beneficiaries of awareness programmes
<b>Financial Literacy &amp; Insurance Awareness</b>	
Financial Literacy & Insurance Awareness	i) No. of people provided insurance awareness
<b>Education</b>	
Education	i) No. of students benefited by the support activities ii) No. of teachers trained
<b>Volunteering</b>	

Volunteering	i) No. of employees and agent advisors participated in CSR activities
<b>Miscellaneous</b>	
	i) Any other parameters as the CSR Committee may require

7.4 **Board Report and Annual Report.** The Board Report of the Company shall include an annual report on CSR containing particulars as specified in the CSR Rules and other applicable laws.