



CORPORATE SOCIAL RESPONSIBILITY POLICY

OF

UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED (USGI)

Amendment History

Version	Author	Reviewed by	Approved by	Revision History
1.0	CS Department	CSR Committee	BOD Date	New Policy
1.1	CS Department	CSR Committee	BOD Date 04/08/2021	Revision
2.0	CS Department	CSR Committee	BOD Date 28/03/2022	Revision
3.0	CS Department	CSR Committee	BOD Date 3rd February 2023	Revision
4.0	CS Department	CSR Committee	BOD date 6th February 2024	Revision

1. Introduction:

As per the provisions of the Section 135 of the Companies Act, 2013 read with Schedule VII and the Companies (Corporate Social Responsibility Policy) Rules, 2014 made thereof and other applicable provisions have casted an obligation on the Company to form a Corporate Social Responsibility (CSR) Committee and spend at least two per cent. of the average net profits of the Company made during the three immediately preceding financial years.

In order to align with the provisions of Section 135, Schedule VII and other applicable provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time and IRDAI's Guidelines for Corporate Governance for Insurers in India and acting on the recommendation of the CSR Committee, USGI has formulated the CSR policy.

The Board of Directors of the Company had initially adopted this CSR Policy in terms of section 135 (3) (a) of the Companies Act, 2013 ('Act') read with the Companies (Corporate Social Responsibility) Rules, 2014 ('Rules') and Schedule VII made thereunder on 14th March, 2016. Considering the recent amendments made in Section 135 of the Act vide the Companies Amendment Act, 2019 and the Companies Amendment Act, 2020 along with changes in the Rules vide the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("Amendment Rules"), the Policy has been further amended.

2. Objective:

The objective of the policy is to form a framework to regulate the CSR activities of the Company, so that the Company can contribute to the society and the community and fulfil its social obligation by enhancing the quality of life and economic well - being of the society at large.

3. Definitions

- i. **"Administrative overheads"** shall have the meaning as defined in the CSR Rules.
- ii. **"Annual Action Plan"** shall mean the annual proposed implementation plan in respect of the CSR activities to be conducted each year.
- iii. **"CSR"** means Corporate Social Responsibility as defined in the CSR Rules.
- iv. **"Companies Act"** shall mean the Indian Companies Act, 2013, along with amendments thereto.
- v. **"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.
- vi. **"CSR Committee"** shall mean the CSR Committee of the Board constituted by the Company.
- vii. **"Management CSR Committee"** shall mean the Management CSR Committee formed to assist the CSR Committee of the Board of Directors to discharge the CSR Obligations of the Company year on year.

- viii. “**CSR Rules**” shall mean the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.
- ix. “**CSR Expenditure**” shall mean the CSR expenditure approved by the Company.
- x. “**CSR Policy**” shall mean this CSR Policy of the Company including, any amendments thereto as approved by the Board from time to time.

4. Formation of CSR Committee of the Board of Directors:

The CSR Committee will consist of at least 3 members including 1 Independent Director. The quorum of the Committee shall be 2 members. In case of urgent matters, the Committee may resolve to pass the same through circulation.

The Committee shall meet as frequently as desired, to review policies, discuss the budget and strategy, approve CSR Proposals and contribution, review project progress and set the direction for the future.

5. Formation of Management CSR Committee

The Management CSR Committee is formed to assist the CSR Committee of the Board of Directors to discharge the CSR Obligations of the Company year on year.

The Management CSR Committee is expected to do the primary diligence on the CSR projects proposed for approval of the CSR Committee of the Board.

The Managing Director and CEO is authorised to constitute the Management CSR Committee for carrying out the CSR Activities of the Company as per the directions of the CSR Committee of the Board in smooth manner. Further, the Managing Director and CEO of the Company is authorised to make changes in the composition of the Management CSR Committee as may be required from time to time.

The Management CSR Committee shall comprise of the following Members:

- a) Chief Financial Officer
- b) Chief Compliance Officer
- c) Company Secretary
- d) Head of Agency
- e) Head – Retail Sales
- f) A dedicated resource for handling CSR activities.

6. Selection of projects and programmes and areas for undertaking CSR activities:

- i. The Committee shall, at the recommendation of the Management CSR Committee consider and approve the CSR projects and programmes for undertaking CSR activities in consonance with the objective of the Policy and recommend Annual Action plan to the Board.

- ii. The CSR Activities specified under **Annexure A** to this Policy would be undertaken only in India and the preference may be given to the local area and/or areas in the vicinity, where the Company operates, for spending the amount earmarked for CSR activities.

6.1 Modalities of Execution of Projects / Programs:

Primarily the Company shall strive to undertake the project on its own and if required by a tentative implementing agency. The selected implementing agency would be evaluated every month or before releasing every tranche of the CSR contribution to accordingly scrutinise if the objective of the CSR initiative of the Company is met. If it is so felt that the same is not being achieved, the Company may propose to change the implementing agency for better execution of its project to achieve the Company's CSR objectives for which the allocation of the CSR amount was made by the Company with the recommendation of the CSR Committee and approval of the Board.

The Company shall undertake CSR activities directly on its own or through an implementing agency as under:

- a. a company established under section 8 of the Act, or a registered public trust or a registered society, **exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10** or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or ;
- b. 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
- c. any entity established under an Act of Parliament or a State legislature; or
- d. a company established under section 8 of the Act, or a registered public trust or a registered society, **exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10** or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Provided that every entity mentioned above, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 01st day of April 2021.

Further, the Company may choose to collaborate with other companies 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 Companies (Corporate Social Responsibility) Rules, 2014 and amendments thereto.

The implementing agency engaged by the Company should be covered under Rule 4 (1) of the Rules and registered with Central Government and should be in possession of unique CSR Registration Number. The implementing agency should be credible and should have the ability to execute the project or programme effectively. The Management CSR Committee shall ensure that any selected Implementing Agency/ies is/are duly registered with the Central Government as per the requirements of the Rules.

6.2: Focus Areas

Universal Sampo will primarily focus in the areas of Women Welfare and Empowerment, Education, Road Safety, Healthcare and Socio-economic and Environmental Sustainability in order to create impact and achieve results. However, this will not preclude Universal Sampo from supporting any CSR activity falling within the scope of Schedule VII of the Act if the activity is approved in line with the process stipulated in this policy.

In collaboration with identified partners, Universal Sampo shall undertake CSR activities and programs across **five focus areas**, which include but are not limited to the following:

- (i) Promoting healthcare including preventive healthcare through:
 - organisation of awareness generation programmes including for prevention of female foeticide, medicine distribution at health check-up camps for preventing diseases, early detection of diseases and building immunity;
 - Health and wellness, Specific needs of the Senior Citizens like health check-ups, eye check-ups, ambulance support, seminars, webinars etc.
 - Sponsoring support to post RTA injury cases for their therapy and rehabilitation, thereby supporting the injured victims of RTA.
 - supporting renowned bodies/professionals carrying out interventional and medical support programs to needy and special people in the Society,
 - COVID-19: Creating health infrastructure for COVID Care like establishment of medical oxygen generation and storage plants, manufacturing and supply of oxygen concentrators, ventilators, cylinders and other medical equipment for countering COVID-19 or similar such activities including vaccination, hygiene kits etc

- (ii) Ensuring environment sustainability and ecological balance through:
 - 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.
 - A dedicated campaign for water conservation and water resource management by focusing on accelerated implementation of five target intervention.

Intervention Areas

- Water conservation and rainwater harvesting
 - Renovation/ restoration of traditional and other water bodies/tanks
 - Reuse and recharge structures
 - Watershed development
 - Intensive afforestation
- (iii) Supporting skill development and generation of employment through:
 - organisation of locally driven upskilling initiatives including for plumbers, electricians, mechanics, tailors, beauticians, bee-keepers, farmers etc.; and
 - provision of life skills to children, youth and adults thereby boosting their confidence and improving their employability.

- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) Promoting education, safety and welfare across the continuum – primary, secondary and tertiary – especially among children, women, elderly and the differently-abled through:
- institution of infrastructure in schools like benches, toilets, potable water, fans, security cameras etc. and improvisation of educational facilities;
 - recognition of bright and talented students including extending support for higher education.
 - Sponsoring organized study and reading supports, libraries, donation of books/computers to entities and schools, colleges and destitute children;
 - Sponsoring educational quizzes with nation building and awareness themes, contribution to eligible bodies engaged in welfare, upskilling and empowerment of Women, Special Children, Old Age and Destitute homes
 - Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
 - Awareness campaigns and contributions on Road Safety, Distribution of kits and protective gears amongst needy and children to reduce fatalities and thereby save lives.
- (v) Promoting sports, sports education and games through:
- Supporting eligible sport bodies engaged in up-skilling athletes and bodies sponsoring the games at National and International levels; and
 - support for the training of athletes to maximize their potential and compete at the Olympic games. Recognition of talented and gifted athletes including extending support for professional training; and
 - institution of infrastructure and sports equipment and improvisation of facilities available.

7.Exclusions:

- a. Activities undertaken in the normal course of Business.
- b. The CSR Projects and Programs or activities which benefit only the employees of the Company and their families.
- c. The contribution of any amount directly or indirectly to any political party.
- d. One-off events like marathons/ awards/charitable contribution/advertisement/Sponsorship of TV programme except in cases where proposed recipient/activity is a qualified CSR event and the same is approved by the CSR Committee of the Board for contribution.

8. Monitoring & Assessment

- a. Release of funds for CSR Project/Program: The amounts sanctioned for a CSR project or programme, will be released in stages or instalments as per progress, as may be determined by the CSR Committee. CSR Committee may design the procedure/ guidelines applicable from time to time and release of funds to any project in a year shall be as per the guidelines finalized by the CSR Committee.
- b. The disbursement by the Company to the implementing agency should be made only upon receipt of proposal along with budget and implementation schedule, and in tranches in order to ensure that the amount does not lie unspent with the implementing agency.
- c. Review by the Board/CSR committee: On a quarterly basis, the Board of Directors and CSR Committee will review the implementation of CSR and financial reports (controlling of funds).
- d. Utilization Certificate: Funds released/to be released to the implementing agency would be based on satisfactory utilization certificate duly certified by an authorized officer/CEO of the donee entity and satisfactory performance report submitted by the said person, as may be decided by the CSR Committee.
- e. In case of ongoing project, the Board of Directors of the 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.
- f. The implementing agencies shall keep the Company informed about any information or circumstances that will affect the ability of the agency to carry out the CSR project or programme. Where the CSR amount spent results or resulted in creation or acquisition of capital asset, the Company shall confirm to the CSR Committee about the entity holding the capital asset in accordance with the Rules.
- g. The representatives Management CSR Committee or any person authorised by them shall carry out site visits/ field visits on a periodic basis. The Company shall carry out impact assessment, either directly or by engaging independent agency, in accordance with the Act and Rules.
- h. The CSR Committee shall review the progress reports received from the Company and implementing agencies. The CSR Committee shall satisfy the Board on the utilization of the funds disbursed for the purpose and in the manner approved by it.
- i. The outcome of impact assessment and progress reports submitted, will be taken into consideration while engaging the implementation agencies for subsequent CSR projects and programmes and while finalizing the annual action plan for the subsequent year.
- j. The CSR Policy and initiatives of the Company will be reported in the Annual Report of the Company in the manner prescribed under the CSR Rules. All the CSR and Sustainability projects would be documented and hosted on the Company website also.

- k. The Company Website will have all the necessary disclosures as required under applicable CSR Rules.

9. CSR Spending

The Company shall endeavor to achieve the objectives of CSR Policy and allocate every year:

- a. Minimum 2% of its average net profits made during the three immediately preceding financial years.
- b. The CSR Corpus, arrived at after finalization of the Annual Accounts, shall be transferred to a separate Bank Account maintained for running the CSR activities of the Company. The Account shall be jointly operated by members of Management CSR Committee. This account shall be under control of CSR Committee and the interest accruing to this account shall be utilised for CSR purposes only. This account shall not be used for business purposes.
- c. Any income or surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the company and the same shall be ploughed back for use in CSR activities.
- d. The Management/Management CSR Committee shall ensure that not more than 25% of the annual CSR Corpus shall be spent on a single CSR project in a year. If any long term project requires financial commitment of more than 25% of the annual CSR Corpus, the same shall be submitted to the Board of Directors for financial approval after recommendation of the CSR Committee.
- e. All the expenditure relating to CSR shall be pre-approved by the CSR Committee. The CFO shall monitor the utilization of funds for the purposes set forth and certify to this effect.

Unspent CSR amount, if any, shall be transferred to separate account (UNIVERSAL SOMPO GENERAL INSURANCE CO. LTD.-UNSPENT CSR A/C) in accordance with the applicable CSR Rules from time to time.

10. Filing of annual Report on CSR with MCA

The Company shall file a report on Corporate Social Responsibility in Form CSR – 2 with the MCA every financial year. It shall file the same for the preceding FY 2020-2021 before 31st March 2022 and subsequently as an addendum to Form AOC-4 for FY 2021-2022 onwards as prescribed by the MCA.

11. Modification /Amendment:

- a. Any or all provisions of this CSR Policy would be subject to revision/ amendment as may be made from time to time in the Regulations or any other applicable law.
- b. The CSR Committee may make suitable modifications as necessary from time to time, subject to approval of the Board.

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Annexure A

CSR Activities mentioned in Schedule VII of the Companies Act, 2013

(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.