

INTERNAL



Generali Central Insurance Company Limited

Corporate Social Responsibility Policy (Version 9.0)

Title	Corporate Social Responsibility Policy
GCI Classification	Internal
Document code	GCI/Compliance/20-21/39
Approved by	Board of Directors
Effective date	May 17, 2023
Accountable Function	Legal and Compliance
Key contact	Ashish.Lakhtakia@generalicentral.in

DOCUMENT SUMMARY

This Policy is framed pursuant to provisions of the Companies Act, 2013 (“Act”) along with its rules framed thereunder read with Schedule VII of the Act.

Generali Central Insurance Company Limited (Formerly known as Future Generali India Insurance Company Limited) (“the Company”) is a joint venture between Central Bank of India and Italy based insurance major- Generali, providing general insurance services in India.

This CSR Policy has been framed accordingly for supporting and guiding the Company in accomplishing its responsibilities towards the community and environment in which it operates by undertaking the CSR activities

CHANGE / HISTORY LOG

Version No.	Rollout Date	Changed by	Approved by	Purpose of revision
1	March 24, 2015		Manish Pahwa	Adoption of the Policy
2	February 01, 2016		Manish Pahwa	To monitor and review CSR activities and update the CSR Committee regarding status of the same from time to time.
3	May 12, 2018	Ajinkya Bannore	Krishnan Gopalakrishnan	To ease the process of CSR Policy
4	May 14, 2019	Nagalaxmi Shetty	Rajiv Joshi	Annual Review
5	June 05, 2020	Nagalaxmi Shetty	Ashish Lakhtakia	Annual Review
6	May 12, 2021	Shashank Rai	Ashish Lakhtakia	1. In line with the Changes in the Companies Act, 2013 and CSR Amendment Rules, 2021. 2. Adoption of New Policy document format.
7	February 07, 2022	Shashank Rai	Ashish Lakhtakia	Reconstitution of CSR Sub-Committee
8	May 05, 2022	Shashank Rai	Ashish Lakhtakia	1. Addition of responsibility of the CSR team to manage the end-to-end operations of the CSR initiatives of the Company. 2. Inclusion of clause on Spending of CSR amount on Capital Asset clause.
9	May 17, 2023	Shashank Rai	Ashish Lakhtakia	1. Inclusion of Insurance awareness as a CSR activity. 2. Inclusion of sustainable development initiatives in the scope of CSR initiatives. 3. Specific categories of exempted Registered Public Trust or a Registered Society to be engaged for implementing the CSR activities.

REGULATORY REFERENCES

- The Companies Act, 2013 and the Rules framed thereunder.

INDEX

Section No.	Heading	Page Number	
		From	To
I	DEFINITIONS & ABBREVIATIONS	5	6
II	OBJECTIVE	7	7
III	SCOPE	7	8
IV	ADOPTABLE MEASURES	9	12
V	IMPLEMENTATION & COMMUNICATION	13	13
VI	REVIEW PROCESS	13	13

I. DEFINITIONS & ABBREVIATIONS:

1. Act:

"Act" means the Companies Act, 2013 (18 of 2013)

2. Administrative overheads:

"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.

3. Corporate Social Responsibility (CSR):

"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 these rules, but shall not include the following, namely:-

- (i) activities undertaken in pursuance of the 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 a sponsorship basis for deriving marketing benefits for its products or services;
- (vi) activities carried out for the fulfilment of any other statutory obligations under any law in force in India;

4. CSR Committee:

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

5. CSR Policy:

"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;

6. International Organisation:

"International Organisation" means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947(46 of 1947), to which the provisions of the Schedule to the said Act apply

7. Net profit:

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: -

- (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
- (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;

8. Ongoing Project:

"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;

9. Public Authority:

"Public Authority" means 'Public Authority as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);

II. OBJECTIVE

1. CSR Philosophy:

The Company believes in the welfare of the people and feels a powerful sense of responsibility towards the interests of the community.. The Company aims to fulfill its responsibility towards the community and planet by investing in projects encompassing Healthcare, Education, Insurance Awareness, and Sustainability.

The Company is committed to undertaking its business in a socially and economically responsible manner thereby contributing to the socio-economic development of the Country. The Company understands the role it plays in society and is committed to leave behind its ethical footprints. The Company embarks on its sustainability efforts and takes pride in being part of a socially responsible corporate.

III. SCOPE

2. Applicability:

- This CSR Policy of the Company has been formulated in consonance to Section 135 of the Companies Act, 2013 (hereinafter referred to as 'the Act' in this policy) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India and as may be amended from time to time.
- The Policy shall apply to all CSR projects/programmes undertaken by the Company in India in accordance with Section 135 read with Schedule VII of the Act and as may be amended from time to time.

Schedule VII: Activities which can be undertaken by the Company under CSR:

- 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 including insurance awareness campaigns/activities for penetration of Insurance awareness to public at large.
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, daycare 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 the 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 scheduled 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. To support any other activity falling under the ambit of Schedule VII of the Companies Act, 2013 as may be amended from time to time.

Note: Spending of CSR funds for 'setting up makeshift hospitals and temporary COVID Care facilities' is an eligible CSR activity under item nos. (i) and (xii) of Schedule VII of the Companies Act, 2013 relating to the promotion of health care, including preventive health care and disaster management, respectively pursuant to MCA circular no. 05/2021 dated April 22, 2021.

IV. ADOPTABLE MEASURES

3. CSR Committee:

- The CSR Committee shall comprise of three or more directors with at least one independent director being part of the Committee.
- The CSR Committee shall have the responsibility of formulating and recommending the CSR Policy to the Board of Directors of the Company for adoption.
- The Committee shall on an annual basis recommend CSR activities/initiatives/programmes and the annual budgeted expenditure project-wise to the Board, which shall be at least 2% of the average net profits of the Company made during the three immediately preceding financial years, for its consideration and approval.
- The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of this policy, which shall include the following:
 - the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
 - the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - monitoring and reporting mechanism for the projects or programmes; and
 - details of need and impact assessment, if any, for the projects undertaken by the company.
- Board may alter the annual action plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

It is clarified that the Salaries paid by the Company to regular CSR staff as well as to volunteers of the companies (in proportion to the company's time/hours spent specifically on CSR activities) can be factored into CSR project cost as part of the CSR expenditure by the CSR Committee but administrative overheads shall not exceed 5% of the total CSR expense of the Company for the FY.

- Regularly monitor the Policy and also the CSR activities initiated/supported by the Company.
- The Committee shall also be responsible for the following activities –
 - a. Ensure that CSR policy is implemented as per the Act and the Rules, as may be amended from time to time.
 - b. Funds are strictly utilized for the purposes of the CSR activities as approved by the Board.
 - c. CSR expenditure is audited independently for a better level of transparency.
 - d. Evaluate the CSR Activities undertaken by the Company on an annual basis.
- In case of no spending and/or under spending by the Company for any financial year, the Committee shall ensure that reasons for such decision are clearly documented and in accordance with Section 135 of the Act, the same is reported in the Board's Report.

4. CSR Sub Committee

- CSR Sub Committee shall comprise of the following:
 - 1. Chief Financial Officer;
 - 2. Company Secretary & Compliance Officer;
 - 3. Chief People Officer;
 - 4. Chief Distribution Officer;
 - 5. Chief Marketing Officer.
- CSR Sub Committee shall have the responsibility of formulating CSR activities including budget allocation, filtering relevant proposals before presenting the same to the CSR Committee for recommendations to the Board.
- CSR Sub Committee shall do all the necessary coordination and communication with third party organisations (example - NGOs/Trusts etc.) for implementation of the chosen CSR activities.
- CSR Sub Committee shall have the authority to approve the expenditures for the CSR activity approved by the Board.
- CSR Sub Committee will monitor and review the CSR activities and will meet at least once a year in addition to meetings as per project requirements.

5. Implementation of CSR Projects & Programmes

- The Board shall ensure that the CSR activities shall be undertaken by the Company or through any:
 - a. a company established under Section 8 of the Companies Act, 2013 ("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 & 80G of the Income Tax Act, 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 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 & 80G of the Income Tax Act, 1961 and having an established track record of at least last 3 years in undertaking similar activities.

Explanation.- For the purpose of clause (c), the term “entity” shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.’

- The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes, as well as for the capacity building of their own personnel for CSR.
- 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 in a position to report separately on such projects or programmes in accordance with these rules.
- Any surplus arising out of the CSR activities shall not form part of the business profits of the company and will be ploughed back into the same project or will be transferred to the Unspent CSR Account and spent in pursuance of the CSR activities/ programmes identified as per the policy and annual action plan of the company or will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- If the Company spends an amount in excess of requirements as 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 will not include the surplus arising out of the CSR activities;
 - ii. the Board of the Company will pass a resolution to this effect.
- The company can spend CSR amount for creation or acquisition of a capital asset, which shall be held by –
 - (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
 - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - (c) a public authority.

Process of Implementation

- i. The CSR projects undertaken by the Company for execution in collaboration with implementing partners will be end-to-end managed by the CSR team.
- ii. The CSR activities undertaken by the Company shall be implemented through NGO partners that are executed in project mode citing significant areas of work with clear deliverables and measurable goals. Projects which involve considerable financial commitment for implementation of activities for a defined timeframe wherein, the Company is the primary donor accords due significance.
- iii. A list of CSR projects/programs which the Company plans to undertake during the implementation year shall be laid down before the CSR Sub-Committee at the beginning of each year, specifying project objectives, need and requirement of the project, methods of execution, implementation duration and impact benefitting the community at large.
- iv. Identification of projects shall be made, inter-alia, by assessing the following:
 - a. Project Objectives
 - b. Need in the area proposed
 - c. Implementation timelines
 - d. Ability of the implementing partner to implement a project
 - e. Results expected and measurable outcomes
- v. Partners: Implementing partners shall be selected based on the experience of developing project proposals, capacity to implement the same, ability to monitor effectively and commitment of adhering to the timelines of project implementation. Suitable projects shall be identified for implementation in line with the objectives of the Company and requirements laid down under the Regulations.
- vi. The implementing partners selected for implementing of projects shall go through a robust Due Diligence process wherein, the documents of the implementing partners are reviewed before empanelling them on-board.

6. Unspent CSR Amount

- Where the Company is not able to fulfil its CSR obligation in a financial year, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and unless the unspent amount relates to any ongoing project referred to in sub-section (6), shall transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- If the unspent CSR amount relates to any ongoing project, it shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the

INTERNAL



date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII,

within a period of thirty days from the date of completion of the third financial year.

7. Role of the Board of Directors in supporting the CSR Activities of the Company

- Review and approve the CSR policy of the Company as formulated by the CSR Committee and approve such other future amendments recommended by the CSR Committee from time to time.
- Ensure strict compliance with the provisions of Section 135 of the Companies Act 2013 and ensure that every financial year funds committed by the Company for CSR activities are effectively utilized and regularly monitored.
- To ensure funds are utilized for approved purposes and certification to this effect be given by the CFO or any other personnel responsible for financial management.
- To monitor implementation of ongoing projects.
- Board shall also have the power to make modifications in the approved projects in order to ensure its smooth implementation with maximum benefits to the identified beneficiaries.

V. IMPLEMENATION & COMMUNICATION

The Policy Owner has responsibility for the communication of the Policy to the employees and other stakeholders for its effective implementation.

8. Disclosure

Mandatorily disclose on the website of the Company the composition of the CSR Committee, CSR Policy and Projects approved by the Board.

VI. REVIEW PROCESS

9. Monitoring (Review):

- The Policy shall be reviewed as and when required by the CSR/Compliance team.
- The process of monitoring the CSR activities undertaken by the Company shall be laid down by the CSR Committee from time to time and the same shall be under the direct supervision of the Board of Directors.
- One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc. would not be qualified as part of CSR expenditure of the Company.
- As part of monitoring & evaluation, pre & post-project site visits are conducted by the CSR team to physically verify the implementation of project deliverables wherever possible.

INTERNAL



This Policy shall be effective from the date when the same is approved by the Board of Directors of the Company and the same shall be subject to such further changes as may be decided by the Company from time to time including to ensure compliance with any law or regulation governing the subject in this regard.