

PNB MetLife India Insurance Company Limited

Corporate Social Responsibility Policy ("CSR Policy")

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Policy Owner	Chief Marketing Officer
Prepared By	Marketing Team and Board Affairs
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Corporate Social Responsibility Policy

1. Policy objective

We at PNB MetLife India Insurance Company Limited (“PNB MetLife” or “the Company”) recognise that our business activities have direct and indirect impacts on the societies in which we operate. PNB MetLife is committed to undertake Corporate Social Responsibility (CSR) activities as a “good corporate citizen” to further the CSR objectives of the Company.

The Corporate Social Responsibility Policy (“CSR Policy” or “Policy”) of PNB MetLife has been formulated in accordance with the requirements of section 135 of the Companies Act, 2013 & the rules made thereunder (“the Act”) and as per the Insurance Regulatory and Development Authority of India (Corporate Governance) Guidelines, 2016 (“IRDAI CG Guidelines”).

The purpose of this Policy is to lay down the guiding principles for selection, implementation and monitoring of CSR initiatives at PNB MetLife.

2. Definitions

1. **“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.
2. **“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.
3. **“Net Profit”**: means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions, 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:
4. **“Ongoing Project”**: means a multi-year project undertaken by the 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 of Directors based on reasonable justification.

For the words and expressions not expressly defined in this Policy, reference shall be drawn from the Act and the IRDAI CG Guidelines.

2. CSR Objectives

The Company's primary focus areas for undertaking CSR activities are:

- a) **Financial Inclusion:** Provide low-income families and individuals with the financial tools to improve their lives in identified Segments:
 - Unorganized sector - daily wage earners
 - Women Empowerment
 - Small scale farmers*{Linked to point (ii), (iii) & (x) of Schedule VII}*
- b) **Health Initiatives:** Undertake initiatives on preventive healthcare, raising awareness and working with relevant partners for the same and contribution to Swachh Bharat Kosh**. *{Linked to point (i) of Schedule VII}*
- c) **Education and Vocational Training:** Provide opportunity for children with focus towards Girl child in identified locations to get access and help in getting education in schools, helping school drop-outs with skill training *{Linked to point (ii) of Schedule VII}*
- d) **Disaster Relief and Rehabilitation activities*:** Including medical aids, food supply, supply of clean water, rebuilding of houses or any other activity that can be aligned to the relief and rehabilitation efforts. *{Linked to point (xii) of Schedule VII}*
- e) **Promotion of** nationally recognized sports, Paralympic sports and Olympic sports and related training*** *{Linked to point (vii) of Schedule VII}*
- f) **Financial Awareness****** to create financial awareness
- g) **Environmental Sustainability:** To build green carpet and reduce greenhouse emissions by tree plantation drives and other green initiatives supporting the agenda *{Linked to point (iv) of Schedule VII}*

Apart from the above, the CSR Committee may choose to select any other activities or areas as prescribed under Schedule VII of the Companies Act and any rules made thereunder.

* approved via circular resolution dated 30th Sep 2014 passed by the Board

** approved in Board meeting dated 25th Nov 2014

*** approved via circular resolution dated 4th Feb 2015 passed by the Board

**** proposing change from insurance awareness to financial awareness

3. Scope

The Corporate Social Responsibility policy applies throughout PNB MetLife and governs our approach to all our CSR activities.

The CSR activities conducted by PNB MetLife will not include the activities undertaken in pursuance of normal course of the business of the Company.

The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company and the same shall be ploughed back into the same project and any unspent amount 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.

4. Employee Volunteering

The Company encourages active participation of its employees, through contribution of their time, Knowledge and skills, towards fulfilment of its CSR objectives and projects.

To show the Company's commitment to employee volunteering as a responsible employer, employees are encouraged to participate in relevant CSR activities during office working hours. Additionally, paid leave may also be granted to the employee (permanent or on fixed term contract) who commit to carry out volunteering activity for one of PNB MetLife's key partner charities or a formally recognized employee volunteering programme.

If the employee requires leave to carry out volunteering activities he/she should speak to their line manager and the HR Business partner. CSR Head will help to facilitate employee participation as per employee engagement plan initiated by Human Resources.

5. Modalities/ Operating Framework for implementation and & monitoring of CSR Projects

- a. To ensure compliance with regulations on CSR set by Ministry of Corporate Affairs and monitor and/ or audit the CSR projects sponsored by PMLI, the Company may appoint external agency. Such entities & projects shall be supported after ascertaining the credibility of the external agency and its track record in implementing projects. The cost of retainer of the agency would be part of the allowable administrative overheads for conducting CSR activity of the Company.
- b. The person responsible for CSR activities shall present an annual CSR plan (Annual CSR Budget and proposed CSR activities) to the CSR Committee of the Board and, based on the CSR Committee recommendations, to the Board of Directors of the Company for approval.
- c. The Board shall approve final implementation plan and the CSR expenditure funds shall be allocated for implementation of CSR activities.
- d. The Company may fund non-profit organizations/non-government organisations ("NGOs") identified by the Company or by the external consultant, if needed, to execute work on the ground.

- e. The Person responsible for CSR activities along with his team shall be responsible for monitoring the implementation of CSR activities and reporting of the same to the CSR Committee and the Board. Implementation process and monitoring shall be reviewed by the CSR Management Committee.
- f. The Board/Board Committee shall monitor the implementation of ongoing projects.

7. Governance Structure & Responsibilities

- Corporate Social Responsibility Committee of the Board (“**CSR Committee**”) – The CSR Committee is the governing body responsible for determining the scope of CSR activities for the Company and ensure compliance with the CSR Policy. The Committee shall comprise of atleast three directors with atleast one independent director. The CSR Committee will have following responsibilities:
 - a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
 - b. Recommend the spends to be incurred on the activities referred to in clause (a), and the CSR implementation partners, to the Board of Directors of the Company;
 - c. Review and monitor the Corporate Social Responsibility Policy of the company from time to time;
 - d. Monitor progress in establishing and delivering the CSR projects. The spends to be reviewed as part of the statutory audits of the Company;
 - e. Details of need and impact assessment, if any, for the projects undertaken by the Company.
 - f. Key decisions on any additional spends on CSR initiatives by PNB MetLife before presenting to Board for approval;
 - g. Progress reports to the Board of Directors of the Company;
 - h. And any other functions as may be prescribed under the Act and the Rules made hereunder, as amended from time to time.
- The Board of Directors shall review and approve the CSR Policy, CSR projects and initiatives, CSR Budget, CSR implementation partners, annual CSR plan, and any other matters related thereto, as per the recommendation of the CSR Committee and carry out any other functions as may be prescribed under the Companies Act, 2013 and the Rules made thereunder, as amended from time to time.
- CSR Management Committee – A CSR Management Committee comprising of representatives of various internal departments be constituted to oversee the execution and monitoring of CSR activities proposed to be undertaken by the Company. The CSR Management Committee shall get a CSR Process document in place that shall act as a guidance note for the management team with respect to implementation and monitoring of CSR programme. The CSR Management Committee shall be responsible for ensuring that the Company meets all necessary obligations laid down under the Act and the IRDAI CG Guidelines for ensuring

effective implementation of the CSR activities.

- The Board may authorise the Managing Director & CEO to utilise funds allocated to contingency funds, up to such amount as may be authorised by the Committee/Board, in any of the pre-determined/pre-approved CSR activities/projects of the Company, without obtaining any further approval of the Committee.

8. Restriction on specific activities under CSR

- a. The CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be undertaken under the CSR expenses and reporting there under.
- b. Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.
- c. One-off events such as marathons/awards/charitable contribution/advertisement/sponsorships of TV programmes etc. for deriving marketing benefits for its products or services, would not be qualified as part of CSR expenditure.
- d. Expenses incurred by the Companies etc. for the fulfilment of any Act/Statute of regulations (such as labour laws, Land acquisition Act etc.) would not count as CSR expenditure.
- e. No CSR activities shall be undertaken by the Company outside India, except for the activities that may be undertaken for training of Indian sports personnel representing any State or Union territory at national level or India at international level.

8. Unspent/Surplus Amount and Acquisition of Capital Assets

- a. Any amount remaining unspent pursuant to any ongoing project undertaken by the Company in pursuance of its Corporate Social Responsibility Policy, 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 Corporate Social Responsibility Policy within a period of three financial years from the 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.
- b. Any excess amount may be set off against the requirement to spend up to immediate succeeding 3 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;
 - ii) the Board of the Company shall pass a resolution to that effect.
- c. The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by –
 - (a) Section 8 Company, 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.

8. Reporting

The Company shall follow and comply with the requirements for disclosure as provided under Rule 9 of The Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time

The Company shall undertake impact assessment through an independent agency as and when its CSR obligation reaches 10 crore or more in three immediately preceding financial years, for projects of 1 crore or more which have been completed not less than 1 year before undertaking the impact study. The impact assessment report shall be placed before the Board and annexed to the annual CSR Report.

The Chief Financial Officer or person in charge of finance shall certify to the Board that the funds are utilized for approved purposes.

8. Review

This Policy is subject to review by the Committee and the Board of Directors on an annual basis, or earlier, if required due to regulatory requirements.
