



WITH YOU ALWAYS

Tata AIG General Insurance Company Limited

CORPORATE SOCIAL RESPONSIBILITY POLICY

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I. PREAMBLE

The Corporate Social Responsibility (CSR) Policy ("Policy") of Tata AIG General Insurance Company Limited ("Company") pursuant to Section 135 of the Companies Act, 2013.

The Policy serves as a governing document for deciding expenses to be incurred by the Company for CSR activities. The said expenses are according to the said section and the Schedule VII of the Companies Act, 2013 as amended from time to time and pursuant to various guidelines / clarifications provided by the Ministry of Corporate Affairs ("MCA"). The role of the Policy is to ensure that all future expense decisions are consistent with the objectives and within the said framework.

Any deviation from the Board approved Policy requires the approval of the Board. The reasons for deviations need to be adequately documented for obtaining approvals.

II. OBJECTIVES

Although spending towards CSR activities has been mandated by the Companies Act, 2013, the Company strives to be a responsible member of society and play the following role:

1. To pursue a strategy that enables realisation of the twin goals of shareholder value enhancement along with contribution to society.
2. To align and integrate CSR programmes with the long term objectives of the Company (*for example spreading the cause of better driving habits aimed at reducing accidents*)
3. To implement Social Investments / CSR programmes primarily in the economic vicinity of the Company's operations with a view to ensuring the long term sustainability of such efforts .
4. To contribute to sustainable development in areas of strategic interest through initiatives designed in a manner that addresses the challenges faced by the Indian society especially in rural India.
5. To collaborate with communities, corporates, group companies and institutions that are supporting and implementing social and sustainable initiatives whether it be aimed at creating employment, education, skilling work force, improving the health and safety standards or the environment on the whole.

III. MEMBERS OF CSR COMMITTEE

The Board of Directors had constituted the CSR Committee at its meeting held on 13th May 2014. As per Sec 135 (1) of the Companies Act, 2013 the CSR Committee should consist of three or more directors out of which at least one director should be an independent director.

The CSR committee comprises of :

- Mr. Janki Ballabh (Independent Director) - Chairman
- Mr B.D.Banerjee (Independent Director)
- Mr. Kaushal Mishra
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Meeting of the CSR Committee

The CSR Committee shall meet at least 4 times a year and shall undertake the following activities:

- a. Review the progress of the implementation of the CSR programmes

- b. Take steps to accelerate implementation if required
- c. Give status update of the CSR programmes to the Board of Directors
- d. Any other activity required for the implementation of the CSR initiative.

CSR Executive Committee

The CSR programme would require focused attention. The CSR committee would expect the executive committee to carry out the day to day responsibility. The CEO of the Company would constitute the said committee from the staff of the Company, the members of which may change from time to time. The executive committee may meet at periodic intervals. It should place before the CSR Committee a progress report of the CSR programme implementation and any other matter as might be necessary. The executive committee shall inform the CSR committee after the audited annual accounts are adopted, the minimum amount required to be spent for the forthcoming financial year.

IV. REGULATORY FRAMEWORK

The relevant provisions of Section 135 of the Companies Act, 2013 along with the corresponding Rules are annexed as Annexure – A

V. AMOUNT TO BE SPENT ON CSR

Sec 135 (5) of the Companies Act, 2013 requires that a company needs to spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years. As per Rule (6) (2) of the Companies (CSR) Rules, 2014 – The CSR Policy of the Company shall specify that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company.

VI. CSR ACTIVITIES TO BE CARRIED OUT BY THE COMPANY

The focus areas for the Company are :

A Education:

A1: Primary and Secondary Education:

The development of any Country is dependent on the spread of education. Education has the benefit of making an individual self sufficient and eradicating a lot of the social evils. The need is to build a solid foundation in the education system and hence our effort would be to focus on this initiative.

CSR Initiative: The Company would focus on primary and secondary education.

A2: Road safety:

According to the World Health Organisation (WHO), motor vehicle crashes kill about 1.3 million people every year. That is set to rise to 2 million by 2020, making road traffic injuries the third largest cause of death and disability. The Global status report on road safety 2013 estimates that more than 231 000 people are killed in road traffic crashes in India every year. Approximately half of all deaths on the country's roads are among vulnerable road users - motorcyclists, pedestrians and cyclists. A traffic mix that includes high-speed vehicles sharing the road space with vulnerable road users as well as unsafe road infrastructure and vehicles that are in poor condition all contribute to the high fatality rates seen on India's roads. As an insurance company that has a significant portion of its business in the auto business educating car drivers the need for road safety would go a long way in reducing fatalities on the road .

The UN has in its mission towards Action for Road Safety has laid down five pillars that would contribute towards road safety:

- ❖ road safety management;
- ❖ safer roads and mobility;
- ❖ safer vehicles;
- ❖ safer road users;
- ❖ better post-crash response.

CSR initiative : The Company would focus on two pillars namely :

- ❖ road safety management;
- ❖ better post-crash response.

B: Promoting Healthcare

B1 - Trauma Care for accident victims: With 18 fatalities every hour, India has the highest number of road accident deaths in the world. Of all injured in accidents almost 80% do not achieve access to any care within the Golden Hour, which is the most crucial time after an accident, and 60% of them consequently die. The Golden Hour refers to a time period lasting for one hour following [traumatic](#) injury being sustained by a casualty or medical emergency, during which there is the highest likelihood that prompt medical treatment will prevent death. 50% of the victims can be saved if even basic emergency care can be made available in this time. The main reason why most victims are unable to access care is the missing emergency medical services (EMS) system in most parts of India. Ambulances, where available, lack capacity, are ill-equipped and used only for patient transportation rather than decisive medical intervention. The Police which is often the first agency to respond is untrained and unexpected to help. General public is not only untrained but also afraid to help victims for fear of getting involved in a legal hassle. As per the guidelines of the National Highway Authority of India, it is mandatory to set up trauma centres every 100 kilometres. In 2012, the Central Government decided to address this growing problem by setting up 400 trauma care centres on important national highways by interlinking facilities.

CSR Initiative: The Company may consider working with the Government / NGO for setting up trauma centres / facilities which would help the accident victims.

B2 - Potable Drinking Water: Millions of Indians currently lack access to clean drinking water, and the situation is only getting worse. India's demand for water is growing at an alarming rate. India currently has the world's second largest population, putting increase strain on water resources as the number of people grows. India's 1.1 billion people need access to clean drinking water. The demand for drinking water is divided between the urban and rural populations, and comprises about 4-6% of total water demand. Due to the amenities of typical urban life, such as flush toilets and washing machines, people living in cities tend to lead more water intensive lives. The urban population has doubled over the past 30 years, now representing 30% of India's total population and is expected to reach 50% of the total population by 2025. Population growth is going to accelerate the water crisis in India, especially as more and more people move into the cities and become part of the middle class. Because the rivers are too polluted to drink and the government is unable to consistently deliver freshwater to the cities, many urban dwellers are turning to groundwater, which is greatly contributing to the depletion of underground aquifers. Rural citizens face a similar crisis. Currently 30% of the rural population lack access to drinking water and of the 35 states in India, only 7 have full availability of drinking water for rural inhabitants.

CSR Initiative: Our Company would focus on working with NGOs / Governments into providing safe and clean drinking water to the urban and rural population.

B3 – Bone Marrow: Life threatening diseases like leukemia and thalassemia can be minimized with bone marrow donations. The Company shall consider working with agencies who help in addressing in awareness of bone marrow.

B4 – Helping the Blind: Blindness has a severe impact on an individual's economic condition. Further some of those affected by blindness can be cured through timely treatment. As a Company we wish to alleviate the pain of blind victims through treatment or economic support so that they can have a productive life.

C -Volunteering initiative

Driving CSR would need focused effort by employees. The Company would encourage employees to volunteer their services for CSR work so that the initiatives get the desired attention. The employees would continue to be on the rolls of the Company and get devote their full time and attention on the CSR work.

D – Disaster Relief

Natural calamities keep impacting the Country every year. As a Company we would provide support to the affected victims by providing financial assistance or volunteering efforts. This would be a part of our CSR initiatives.

E- Environmental sustainability

The need to protect the environment is becoming very crucial. There is a need to ensure that the ecological balance is maintained. The Company would support initiatives that promote maintaining the environment on a sustained basis.

VII . IMPLEMENTATION MECHANISM

The executive committee would be entrusted with the task of implementing the CSR initiatives of the Company.

- a. **CSR initiatives:** The Board / CSR committee would approve the initiatives that the Company would be expected to implement.
- b. **Partners:** The executive committee would identify partners, NGO / Governmental agencies / Trusts / Group Companies through which the initiatives could be executed most efficiently.
- c. **Due diligence:** The executive committee would carry out a thorough due diligence of the partners before dealing with them.
- d. **Proposal from the partners:** The partners should be requested to give a proposal / presentation explaining how the funds would be used in the CSR initiative.
- e. **Documentation:** Once agreed the executive committee shall document the plan for the CSR initiative.
- f. **End use of funds:** Once the CSR initiative has been funded the committee members must ensure that the funds have been used for the purpose for which it was planned.
- g. **Site visit:** The executive committee members shall either themselves or through their representative(s) visit the sites where the funds have been used to ensure that the benefits which were planned for the initiatives have been realized. However the site visits should be carried out judiciously to avoid unnecessary expenditure.

- h. **Completion of annual CSR target:** It should be the endeavor of the CSR committee / executive committee to complete the annual CSR target. In case for some reason the target cannot be completed the executive committee shall give advance intimation of the same to the CSR committee.

VIII. MONITORING MECHANISM

The Board / CSR Committee would monitor the progress of the implementation of the CSR initiatives. The executive committee would be required at every CSR Committee meeting the following:

1. Statement showing the CSR activities approved by the committee, the planned amount of spending, details of spendings and the amount actual amount spent.
2. The statement should contain details of the partners being used in the implementation process.
3. The statement may provide qualitative comments on the following :
 - a. Site visit
 - b. Impact felt by the beneficiaries of the CSR spendings
 - c. Plan for balance spendings
 - d. In case the full expenditure might not be expended the reasons for the same.
 - e. Any other details which would help the CSR committee to monitor the CSR initiatives better

IX. DISCLOSURE

The following are the disclosures required under CSR:

Directors Report

- a. As per section 134 (3) (o) of the Companies Act, 2013, the Boards Report shall give details about the policy developed and implemented by the Company on CSR initiatives taken during the year.
- b. As per Rule 8 of the Companies (CSR) Rules, 2014, CSR reporting should be done in the format as specified in the annexure to the rules giving details about the CSR policy, Composition of CSR Committee, Net profits of the Company, the amount of spent and unspent money and reasons thereof and other matters as prescribed.

Company website

As per Rule 9 of the Companies (CSR) Rules, 2013, the Board of Directors of the company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the company and disclose contents of such policy in its report and the same shall be displayed on the company's website as per the format disclosed in the Board's Report

Annual Accounts

Any disclosure in the annual accounts of the Company would be required pursuant to the requirements of the Companies Act, 2013 / IRDA in this matter.

ANNEXURE - A
IV. REGULATORY FRAMEWORK

The CSR expenses of the Company would be governed by the following –

- a. Sec 135 of the Companies Act 2013
- b. Schedule VII of the Companies Act 2013 (as amended vide MCA circular no. 96 dated 28.02.2014)
- c. Companies (Corporate Social Responsibility) Rules, 2011
- d. Clarifications provided by the MCA from time to time

a. Summary of Sec 135 of the Companies Act 2013

Corporate Social Responsibility:

- (1) Every company having net worth of Rupees Five hundred crore or more, or turnover of Rupees One thousand crore or more or a net profit of Rupees Five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.
- (3) The Corporate Social Responsibility Committee shall,-
 - (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 amount of expenditure to be incurred on the activities referred to in clause (a) and
 - (c) monitor the Corporate Social Responsibility Policy of the company from time to time.
- (4) The Board of every company referred to in sub-section (1) shall:
 - (a) After taking into account the recommendations made by the CSR committee, approve the CSR Policy for the company and disclose contents of such Policy in the Directors' Report and also place it on the company's website in the manner prescribed,
 - (b) Ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.
- (5) Ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

Provided that if the company fails to spend such amount, the Board shall, in its report specify the reasons for not spending the amount.

Schedule VII of the Companies Act (amended vide MCA notification number 96 dated 28.02.2014 effective from 01.04.2014)

The activities that qualify for CSR as per Schedule VII are as follows:

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and 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 ages 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;
- 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 arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationality recognised sports, paralympic sports and Olympic sports;
- viii. Contribution to the Prime Minister National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural development projects.