

## **ICICI Prudential Life Insurance Company Limited**

### **Corporate Social Responsibility Policy**

#### **A. Introduction**

Corporate Social Responsibility (CSR) is the commitment of companies to provide resources and support activities focused on enhancing economic and social development. It is the effort made by companies to improve the living conditions of the local area in which they operate and the society at large. The activities taken up as part of corporate social responsibility reflect the intent to create a positive impact on society without seeking any commensurate monetary benefits.

CSR has been a long-standing commitment at the ICICI Group and forms an integral part of our activities. The Group's Contribution to social sector development includes several pioneering interventions, and is implemented through the involvement of stakeholders within the Company, the Group and the broader community. ICICI Foundation for Inclusive Growth (ICICI Foundation) was established in 2008 by ICICI Bank with a view to significantly expand the ICICI Group's activities in the area of CSR. Over the last few years ICICI Foundation has developed significant projects in specific areas, and has built capabilities for direct project implementation as opposed to extending financial support to other organizations.

The Company's objective is to pro-actively support meaningful socio-economic development in India and enable a larger number of people to participate in and benefit from India's economic progress. This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society. As a life insurance company, ICICI Prudential Life's core proposition is to meet the savings, investment and protection needs of its customers. The product portfolio addresses needs across all life stages, thereby helping customers build a better future for themselves and protect their families from financial distress in the event of a personal tragedy. A strong life insurance sector also plays a role in the nation's economic development by facilitating mobilization of savings for investment. Given this context, ICICI Prudential Life aims to identify critical areas of development that require investments and intervention, which can help to protect communities and realize India's potential for growth and prosperity.

The Corporate Social Responsibility Policy (CSR Policy) of ICICI Prudential Life sets out the framework guiding the Company's CSR activities. The Policy also

sets out the rules that need to be adhered to while taking up and implementing CSR activities.

## **B. Scope of Corporate Social Responsibility policy**

The policy would pertain to all activities undertaken by ICICI Prudential Life towards fulfilling its corporate social responsibility objectives. The policy would also ensure compliance with section 135 of the Companies Act, 2013.

## **C. Governance structure**

The Board Sustainability and Corporate Social Responsibility (BSCSR) Committee<sup>1</sup> is the governing body that will articulate the scope of CSR activities for the Company and ensure compliance with the CSR Policy. The BSCSR Committee would comprise of three or more Directors including at least one independent Director.

The BSCSR Committee shall

- i. formulate and recommend to the Board the CSR Policy and any amendments thereto;
- ii. Indicate the activities to be undertaken by the Company as specified in the Act;
- iii. Review and recommend the annual CSR plan to the Board;
- iv. Monitor the CSR activities and compliance with the CSR policy from time to time; and
- v. Review and implement, if required, any other matter related to CSR initiatives.

The BSCSR Committee shall meet at least twice in every financial year.

The Board of Directors shall:

- i. Approve the CSR Policy based on the recommendation of the BSCSR Committee;
- ii. Approve the CSR activities, annual CSR plan and CSR utilisation based on the recommendation of the BSCSR Committee; and
- iii. Review the CSR Policy and CSR activities.

## **D. Operating framework**

1. CSR activities will be undertaken in areas identified by the BSCSR Committee. An annual CSR plan shall be presented to the BSCSR Committee and, based on its recommendations, to the Board of Directors of the Company for approval.

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<sup>1</sup> The Board of Directors at their Meeting held on October 15, 2022 had approved the change of nomenclature of the Board Corporate Social Responsibility Committee to 'Board Sustainability and Corporate Social Responsibility Committee'.

2. CSR activities may be undertaken by the Company, or by ICICI Foundation. Activities undertaken by the Company can be taken forward directly or through eligible implementing entities as listed follows:
  - a. Category I: Entity established by the Company itself or along with any other company - a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act; or
  - b. Category II: Entity established by the Central Government or State Government - a company established under section 8 of the Act or a registered trust or a registered society; or
  - c. Category III: Statutory bodies - any entity established under an Act of Parliament or a State legislature; or
  - d. Category IV: Public agencies - a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
3. The implementing entities have to be registered with the Central Government by filing form CSR-I.
4. The Company may also collaborate with other companies for undertaking CSR projects in such a manner that project reporting is separate and in accordance with the CSR rules.
5. The Company may engage with an international organisation for the purpose of designing, monitoring and evaluation of its CSR projects or capacity building of its own personnel.
6. The responsibility for implementation of identified activities/ projects shall be as per the organizational structure approved by the Managing Director & CEO.
7. The annual plan shall incorporate the following:
  - The prescribed outlay on CSR as per the Act and related rules as amended from time to time;
  - Key CSR activities proposed to be undertaken during the year, including analysis of their eligibility for classification as CSR under the Act and related rules as amended from time to time, their conformity with the CSR Policy and their implementation schedules;
  - Proposed outlay on each activity;
  - Activities to be undertaken by the Company directly;
  - Activities to be undertaken by ICICI Foundation and the Company's contribution to ICICI Foundation;
  - Activities to be undertaken by other entities and the Company's contribution to such entities;
  - Manner of the execution of such projects;
  - Modalities of utilisation of funds and implementation of schedule for the projects;
  - Monitoring and reporting mechanism for the projects;
  - Details of need and impact assessment, if any, for the project undertaken by the Company;

- Aggregate proposed outlay and reasons for shortfall, if any, compared to the prescribed outlay.
8. The authority to incur expenditures under the above plan shall be as per the approved Delegation of Financial Powers in the Company.
  9. Funds would be disbursed either in tranches or as one-time payment. The terms, conditions and timing of disbursement would be conditional upon the nature and requirement of the CSR project or programme.
  10. Treatment of any unspent CSR amount: As specified by subsection (5) and (6) of section 135 of the Companies Act.

### **E. Monitoring**

The BSCSR Committee shall ensure a transparent monitoring mechanism for CSR activities.

1. The BSCSR Committee shall review the progress of CSR activities at least twice a year, including the annual review.
2. The Finance team under the Chief Financial Officer shall be responsible for monitoring expense on CSR activities with respect to the plan and submission of the same to the BSCSR Committee and the Board.
3. The Board of Directors shall review the progress of CSR activities at least annually.
4. The Board shall
  - satisfy itself that the funds so disbursed have been utilised for the purpose and in the manner as approved by it;
  - for any ongoing project, shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modification, if any required.
5. The activities of ICICI Foundation for Inclusive Growth (ICICI Foundation) would also be overseen by the Governing Council of ICICI Foundation.

### **F. Disclosure**

The Company shall include in its annual report, commencing with the annual report for the year ending March 31, 2021, the following information on CSR:

- i. Description of contents of the CSR policy;
- ii. The composition of the BSCSR Committee in the prescribed format;
- iii. Disclosures to details on composition of the BSCSR Committee, CSR Policy and CSR projects approved by the Board with a web-link to the same;
- iv. Details of impact assessment of CSR projects;
- v. Details of the amount available for set off in the prescribed format;
- vi. Average net profit of the Company as per section 135(5);
- vii. Two percent of the average net profit of the Company as per section 135(5), surplus arising out of the CSR projects, amount required to be set off for the financial year, total CSR obligation for the financial year;
- viii. CSR amount spent or unspent for the financial year in the prescribed format

- Details of CSR amount spent against ongoing projects for the financial year in the prescribed format;
  - Details of CSR amount spent against other than ongoing projects for the financial year in the prescribed format;
  - Amount spent in Administrative overheads, impact assessment and total amount spent in the financial year;
  - Excess amount for set off, if any, in the prescribed format;
- ix. Details of unspent CSR amount for the preceding three financial years, in the prescribed format
- Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year;
- x. Details of creation or acquisition of capital asset;
- xi. Reason for not spending the amount;
- xii. Such other matters as may be specified from time to time for inclusion in the annual report.

The above information shall also be displayed on the Company's website.

## **G. Corporate Social Responsibility Activities**

The BSCSR Committee of the Company would consider and approve the projects or programmes that the Company should undertake as CSR in India. Any project or programme that is exclusively for the benefit of the Company's employees would not be considered as CSR.

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

### **1. Education**

(Schedule VII (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects).

Education represents a critical area of action to realize India's growth potential as also make it inclusive, by enabling children from all sections of society to have access to quality basic education that equips them for taking up higher education or job-oriented skill training. At the same time India's institutions of higher learning also require investment in capacity building to support India's growing and evolving needs and become global centers of excellence. The Company, both directly and through ICICI Foundation, will continue to work with state governments and other not-for-profit organizations to improve the quality of education in government and municipal schools, which account for the vast majority of school-going children in the country. The Company will continue to work with institutes of higher education for focused capacity-building in specified disciplines, particularly life insurance, finance & management.

With the growth and rising complexity of financial needs and available products & services, financial education and counselling along with life insurance and

retirement planning is a key area requiring attention. The Company will continue to work on initiatives that guide individuals in understanding financial products including increasing awareness of life insurance, health insurance and pension products as a long term tool for protection and wealth creation.

## **2. Health care**

(Schedule VII (i) Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water; (iii) 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; (x) Rural development projects)

The healthcare challenge in India spans a number of dimensions, including access to affordable healthcare for the poor; awareness of health issues & available facilities/ benefits among the less privileged segments of society and specific vulnerable sections of the population; and child malnutrition, which impairs the capacity of a child to lead a healthy and productive life. Addressing this challenge is essential to achieve the objective of inclusive growth.

The Company and ICICI Foundation will continue to focus on developing innovative models with the potential to scale up and bring about improvements in the delivery of healthcare to the marginalized segments of society. These will seek to enhance the availability of affordable healthcare to low income households, improve health seeking behavior among low-income and vulnerable groups through higher awareness and improve child nutrition. Initiatives to promote access to healthcare backed by insurance will continue to be a focus area. The Company and ICICI Foundation will support initiatives to make available clean and safe drinking water.

Sanitation and hygiene being a key enabler for public health, the Company will extend support for advocacy as well as for projects that improve and enhance overall sanitation and cleanliness.

## **3. Skill development and sustainable livelihoods**

(Schedule VII (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 centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups)

Enabling India's youth to gain skills that can provide employment is key to realizing the potential of India's demographic dividend and driving inclusive

growth. Improving employability of the youth from lower-income sections of society is hence an important focus area.

The ICICI Academy for Skills has been set up across the country to provide job-oriented skill training to youth. Several centers have been set up across the country. In this initiative, ICICI Foundation is also leveraging the skills and training capabilities of large corporates in developing training modules in their respective domains. ICICI Foundation is also liaising with corporates and businesses to get the trained youth employed, through a job portal.

#### **4. Financial inclusion**

(Schedule VII (iii) 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 (x) Rural development projects)

The Company strongly believes that to improve the overall economic condition of the low income population and to empower them with means to overcome adversities or inequalities, access to financial services is an important factor. Increasing the participation of the rural population as well as the urban poor and migrant workers in the economic mainstream and the formal financial system is imperative for India to leverage its growth potential. The Company recognizes the need for critical interventions in promoting rural development and will initiate programs that would empower the rural people.

The Company will continue to provide micro-insurance to India's low-income population, as part of its commitment to make life insurance accessible to low income groups and rural population, including the urban poor and migrant workers. The Company will focus on further expanding its reach using distribution channels, branches and leveraging technology to make life insurance available to rural and under penetrated segments of society.

#### **5. Support employee engagement in CSR activities**

The Company supports the involvement of its employees in CSR activities. The Company will encourage employees to participate in CSR activities of the Company and ICICI Foundation.

The ongoing initiatives by the Company for its employees are

- Payroll giving program;
- Employee volunteering program, including Teach for India program and Marathon.

## **6. Capacity building for corporate social responsibility**

The Company and ICICI Foundation will continue to promote incubation of expertise for implementing corporate social responsibility initiatives. It will also work towards providing a platform for organizations engaged in social initiatives, and discussion & thought leadership on critical challenges to inclusive growth. The Company and ICICI Foundation will continue to support initiatives that promote individual and corporate philanthropy.

## **7. Other areas**

The Company will continue to provide support to specific needs such as during natural disasters, through financial as well as logistical support.

Apart from the activities undertaken in areas or subjects of primary focus, the BSCSR Committee may choose to select activities and recommend to the Board, areas or subjects, as prescribed in Schedule VII of the Companies Act, 2013.