

SHRIRAM LIFE INSURANCE CO.LTD.

THE CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Introduction:

The Corporate Social Responsibility Policy (hereafter referred to as ‘Policy’ or ‘CSR Policy’) of Shriram Life Insurance Company Limited (“SLIC” or “Shriram Life” or “Company”) has been designed in consonance with Section 135 of the Companies Act, 2013 (the ‘Act’) to lay down the guidelines for undertaking CSR initiatives at Shriram Life in accordance with the Companies (Corporate Social Responsibility Policy), Rules, 2014 (‘Rules’) as amended from time to time. This Policy lays down the guiding principles or rules that shall apply to all CSR programs/projects to be undertaken by the Company, as per Schedule VII of the Act, within the geographical limit of the Republic of India.

2. Objective of the CSR Policy

To identify deserving causes amongst the marginalized sections of society and support them in a continuing manner thereby ensuring a high degree of social impact through the projects / programmes which will enhance the socioeconomic well-being of the communities and society at large.

3. Scope and Applicability

The CSR Policy of the Company shall contain the approach and direction given by the Board, taking into account the recommendations of its CSR Committee, and includes the guiding principles for selection, implementation and monitoring of activities as well as formulation of the CSR Annual Action Plan.

The Policy would apply to all CSR programs/projects to be undertaken by the Company towards fulfilling its Corporate Social Responsibility objectives.

4. Focus Areas and Guiding Principles

Driven by the Company’s core objective, SLIC CSR Vision is to focus its efforts in the areas of Education, Vocational Skill Training, Promotion of Preventive Health Care, Sanitization and other Projects that may be identified from time to time.

Through these efforts, SLIC strives to contribute to nation building and the economy and act as a responsible Corporate Citizen.

All CSR projects of the Company will be in line with the CSR vision, as well as areas listed in Schedule VII of the Companies Act, 2013. CSR projects will be undertaken in India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level. It will not include the activities

undertaken in pursuance of normal course of business of the Company, projects benefitting the employees of the Company (as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019) and as amended from time to time), or contributions of any amount directly or indirectly to any political party. Further, it will not include activities supported on sponsorship basis for deriving marketing benefits for its products or services or activities carried out for fulfilment of any other statutory obligations under any law in force in India.

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 CSR Committee may choose to select activities and recommend to the Board, areas or subjects, as prescribed in Schedule VII of the Companies Act, 2013.

5. CSR Expenditure/Budget

The annual CSR Budget would be approved by the Board on the recommendation of the CSR Committee, subject to the provisions of the Act.

The Company will ensure that in each Financial Year, at least two per cent of the average net profit (calculated as per Section 198 of the Act) made during the immediately preceding FYs, is spent on CSR projects / programmes subject to the regulatory requirements as applicable from time to time. The Chief Financial Officer shall certify to the utilisation and manner of utilisation of the funds disbursed by Shriram Life for the purposes of CSR.

Based on the total approved Budget, CSR Committee would be authorized to allocate funds for different projects / programmes on the basis of identified CSR plan on yearly basis, under different budget heads for undertaking CSR activities. Such allocation of funds shall not act as a constraint in the event of a national calamity and the Company may contribute such amount as may be deemed necessary for a cause. The Company may spend up to 5% of the total CSR expenditure in one financial year on administrative expenses relating to the general management and administration of CSR functions in the company.

If the company fails to spend the total approved CSR budget for the financial year, the Board shall specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Any unspent amount pursuant to any ongoing project, 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.

The surplus arising out of the CSR activities will not be considered as a part of the business profits of the Company and shall be ploughed back into the same project/programme, or shall be transferred to the Unspent CSR Account and it should be spent in pursuance of this CSR policy and annual action plan of the Company, or the Company may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

In any year, where the Company has spent in excess of its CSR obligation, such excess spending shall be available for set off against the Company's CSR obligations for up to the next three financial years in accordance with Applicable Law, and the Board shall be competent to pass a resolution in this regard.

6. Implementation modalities:

The Company will undertake its CSR activities (being projects / programs / other permitted activities), approved by the CSR Committee/Board either directly or through non-governmental organizations (NGOs) and / or such other eligible entity / organization in accordance with Rule 4 of the aforesaid CSR Rules and other applicable provisions.

CSR projects/programmes will be identified and budgets allocated through a process, incorporating identification of suitable implementation agencies, need assessment (where required) and clear outlining of desired outcomes. The CSR Committee will deliberate on the proposals and approve proposals for implementation at its discretion.

While implementing the identified programme, time frames and milestones maybe predefined. If the projects/programmes successfully perform, they will be supported on a continuing basis and may be annually renewed if the duration of the activities approved was on an annual basis.

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.

7. Governance Mechanism:

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

The CSR Committee shall:

- i. Formulate and recommend to the Board the CSR Policy and any amendments thereto;

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- 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 Board of Directors shall:

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

The CSR Committee shall decide on the locations for CSR activities and formulate and recommend to the Board for approval a CSR annual action plan, which shall contain all matters which are required under applicable Law and any other matters as the CSR Committee may deem fit from time to time. The Board may modify the annual action plan as per the recommendations of the CSR Committee at any time during the financial year, based on reasonable justification.

The CSR Annual Action Plan 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
- The modalities of utilisation of funds and implementation schedules for the projects or programmes
- Monitoring and reporting mechanism for the projects or programmes
- Details of need and impact assessment, if any, for the projects undertaken by the company

8. Monitoring Process

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

- a) The CSR Committee shall review the progress of CSR activities at least twice a year, including the annual review.
- b) 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 CSR Committee and the Board.
- c) The Board of Directors shall review the progress of CSR activities at least annually.
- d) 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.

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9. CSR Reporting:

The company shall follow and comply with the requirements for disclosure of the CSR Policy, composition of the CSR Committee and CSR projects/programmes approved by the Board on the website of the company.

Further, the Board shall disclose the composition of the CSR Committee and the CSR activities in the Board's Report, in the manner prescribed in the Rules.

If the average CSR obligation exceeds Rs 10 crore or more in pursuance to Section 135(5) of the Companies Act 2013, in the three immediately preceding Financial Years, impact assessment through an independent agency shall be undertaken for CSR project having outlay of Rs 1 crore or more and which have been completed not less than one year before undertaking the impact study.

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

If impact assessment is undertaken, the Company may book the expenditure towards Corporate Social Responsibility for that financial year, not exceeding five percent of the total CSR expenditure for that financial year or Rs 50 lakh rupees, whichever is less.

10. Policy Review:

The Policy shall be subject to review by the CSR Committee / Board on an Annual basis or as per the requirement, including change in law.

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Version 1 approved by the Board of Directors on 05th November, 2014

Version 2 approved by the Board of Directors on 10th November, 2021