




**Internal Audit**

**Policy Statement on Corporate Social Responsibility**

**v.7.1.1**

**Asset Classification: Public**

**Kotak Mahindra Life Insurance Company Limited's  
Corporate Social Responsibility Policy**

 <b>kotak life</b> <b>Internal Audit</b>	<b>Policy Statement on Corporate Social Responsibility</b> <b>v.7.1.1</b> <b>Asset Classification: Public</b>
--	--

### **Document Management:**

<b>Document Reference No.</b>		PARM/24-25/114		
<b>Document Issue Date</b>		06/11/2024		
<b>Process Owner</b>		Ruchira Bhardwaja, Joint President, CHRO		
<b>Particulars</b>	<b>Name</b>	<b>Section</b>	<b>Designation &amp; Department</b>	<b>Date</b>
Prepared by	Pawan Soni	Whole Document	Chief Manager, CSR	20/09/2024
Approved by	Ruchira Bhardwaja	Whole Document	Joint President & CHRO, HR	08/10/2024
Approved by	CSR Committee	Whole Document	-	16/10/2024
Approved by	Board	Whole Document	-	17/10/2024

### **Change Management:**

<b><u>Date</u></b>	<b><u>Version</u></b>	<b><u>Author</u></b>	<b><u>Section</u></b>	<b><u>Amendment</u></b>
18/04/2016	V.1.1.1	Neha Mathur	Whole Document	<p>This policy has been approved in the 79<sup>th</sup> Board Meeting dated 03/02/2015.</p> <p>Post which, it has been reviewed in the 81<sup>st</sup> Board Meeting dated 28/07/2015.</p> <p>Post which, it has been reviewed in the Board Meeting dated 26/04/2019.</p>
20/04/2020	V.2.1.1	Rohit Rao	Whole Document	Entire policy revamped to bring it in sync with the Kotak Group level policy This policy has been reviewed by Board in its meeting dated 29/04/2020.
11/08/2020	V.3.1.1	Rohit Rao	CSR Focus Areas	‘Relief & Rehabilitation (COVID)’ included in the scope of KLI’s CSR focus areas. This policy has



Internal Audit

## Policy Statement on Corporate Social Responsibility

v.7.1.1

Asset Classification: Public

<u>Date</u>	<u>Version</u>	<u>Author</u>	<u>Section</u>	<u>Amendment</u>
				been reviewed by Board in its meeting dated 02/07/2020.
20/10/2021	V.4.1.1	Rohit Rao	Whole Document	Entire policy revamped in view of the amendment to the Companies (CSR) Amendment Rules, 2021 and to align it in with the Kotak Bank's policy.  This policy has been reviewed by Board in its meeting dated 20/10/2021
28/10/2022	V.5.1.1	-	Whole Document	No changes in the policy.  This policy has been reviewed by Board in its meeting dated 19/10/2022
18/10/2023	V.6.1.1	Pawan Soni	Whole Document	The entire policy revamped to bring it in sync with the Kotak Group-level policy  This policy has been reviewed by the Board in its meeting dated 18/10/2023
06/11/2024	V.7.1.1	Pawan Soni	Whole Document	The policy has been updated to bring it in sync with the Kotak Group-level policy  This policy has been reviewed by the Board in its meeting dated 17/10/2024

## Contents

<b><i>Preamble</i></b> .....	<b>5</b>
<b><i>Vision</i></b> .....	<b>5</b>
<b><i>Mission</i></b> .....	<b>5</b>
<b><i>Scope of KLI's CSR Policy</i></b> .....	<b>6</b>
<b><i>Statement of Commitment</i></b> .....	<b>6</b>
<b><i>Guiding Principle for Implementation of CSR activities</i></b> .....	<b>7</b>
<b><i>CSR Project Expenditure / CSR Funds</i></b> .....	<b>8</b>
<b><i>CSR Reporting</i></b> .....	<b>10</b>
<b><i>Boundary</i></b> .....	<b>10</b>
<b><i>Key Focus Areas</i></b> .....	<b>10</b>
<b><i>CSR Impact Assessment</i></b> .....	<b>12</b>
<b><i>CSR Administrative Overheads Expenses</i></b> .....	<b>12</b>
<b><i>Governance Framework</i></b> .....	<b>13</b>
<b><i>Information Dissemination</i></b> .....	<b>13</b>
<b><i>Law to take precedence and Amendments</i></b> .....	<b>14</b>



Internal Audit

## Policy Statement on Corporate Social Responsibility

v.7.1.1

Asset Classification: Public

### **Preamble**

Kotak Mahindra Life Insurance Company Ltd. (“KLI”) recognises the immense opportunity it has to bring about a positive change in the lives of communities through its business operations and Corporate Social Responsibility (“CSR”) initiatives.

KLI aspires to contribute significantly towards the economic, environmental and social growth of the nation. This CSR Policy sets out the KLI’s vision, mission, governance, and CSR focus areas to fulfill its inclusive growth agenda in India.

KLI ensures that its policy, projects and programmes are compliant with the CSR mandate as specified under Sections 134, 135 read with Schedule VII of the Companies Act, 2013 (“Act”) along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules, 2014”), (collective referred as “Act”) as amended from time to time and in line with the Government of India’s notifications issued from time to time and IRDAI’s Master Circular on Corporate Governance for Insurers, 2024. KLI also endeavours to align its CSR projects and programmes with Government initiated social development programmes and interventions and last but not the least, the United Nation’s (“UN”) Sustainable Development Goals (“SDGs”).

### **Vision**

To improve the quality of life of communities through positive impact on economic, social and environmental parameters and in alignment with India’s social development objectives and UN’s SDGs.

### **Mission**

To create a lasting value for communities in need by addressing pressing development challenges in the country through various interventions in the area of Education, Livelihood, Healthcare, Sports and Environment Conservation & Sustainable Development and Relief & Rehabilitation.

KLI has defined CSR Focus Areas to make a concerted effort to achieve a meaningful and measurable social impact. On a case-to-case basis, the CSR programs and/or projects which are outside KLI’s defined six CSR Focus Areas but are eligible CSR activities under Section 135 read with schedule VII of the Act along with the CSR Rules, 2014 as amended from time to time and in line with the Government of India’s notifications issued from time to time, shall be approved by the Corporate Social Responsibility (CSR) Committee.

## **Scope of KLI's CSR Policy**

The scope of KLI's CSR activity shall be within the scope of the CSR mandate as specified under Sections 134(3)(o) and 135 read with Schedule VII of the Act, the CSR Rules, 2014, as amended from time to time and as per the Government of India's notifications issued from time to time. CSR Projects would be guided by the applicable regulations and would seek to achieve social objectives and impact as envisaged in the CSR mission.

Provided that the CSR activities undertaken by KLI, as stated above, shall not include the following:

- (i) Activities undertaken in pursuance of normal course of business of KLI;
- (ii) Activities undertaken by KLI outside India, except for training of Indian sports personnel representing any State or Union Territory at National level or India at an 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 KLI as defined in Clause (k) of Section 2 of the Code on Wages, 2019;
- (v) Activities supported by KLI on sponsorship bases for deriving marketing benefits for its products or services;
- (vi) Activities carried out for fulfillment of any other statutory obligations under any law in force in India.

## **Statement of Commitment**

KLI, at all times, is committed to:

- Devise its CSR agenda by Engaging e with communities to understand their material expectations and concerns.
- Implement, monitor, review and evaluate CSR initiatives to achieve the desired outcomes in a transparent manner.
- Undertake projects in the areas of inter-alia enabling access to quality education, enhancing vocational skills and livelihood, promoting preventive healthcare, environment and sustainable development, sports, relief & rehabilitation.
- Adopting a collaborative approach by establishing strategic partnership with governmental, non-governmental agencies ("NGOs") and/or other institutions to leverage sectorial expertise and collectively deliver impactful community development initiatives.
- Ensure that surplus arising out of CSR initiatives is utilised to further augment the CSR agenda and that such surplus does not form part of KLI's profits.
- Comply with all legal provisions applicable for CSR and adopt best industry practices, wherever feasible.

## **Guiding Principle for Implementation of CSR activities**

Given the enormity of India's social development requirement, KLI will either directly implement its CSR projects and programmes, and /or engage with eligible agencies, meeting the minimum criteria as set out in the Act.

### **Direct CSR Projects**

CSR Projects undertaken, executed and implemented by (KLI) under its Direct CSR Projects may include engagement and involvement of all stakeholders including employees for the purpose of implementation, monitoring and volunteering, KLI may also engage third party organisations / consultants etc for the purpose. . However, for KLI's Direct CSR Projects, the onus of responsibility on implementing and monitoring rests with KLI.

### **CSR Projects with Implementing Agencies**

KLI may engage Implementing Agency as permitted under the Act for implementation of its CSR Projects in such cases, KLI act as funding organisation, and the project is implemented by / through the Implementing Agency. In such cases, KLI's responsibility is restricted to impact outcomes of its CSR Projects only and KLI shall not be liable for any acts of omission and commission, and such other civil and criminal liabilities of its implementing agencies

### **Implementing Agencies**

The Board shall ensure that the CSR activities are undertaken by KLI directly or through any of the entities registered with the Central Government under the CSR Rules including:

- (a) 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 Sections 12A and 80 G 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 the 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 Sections 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three (3) years in undertaking similar activities.

**Engagement of International Organisations**

“International Organisation” means an organisation as defined under Rule 2(g) of the CSR Rules, 2014. KLI may engage International Organisation(s) for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of its personnel for CSR.

**Monitoring**

The CSR Committee of the Board of Directors of KLI will ensure a transparent monitoring mechanism for ensuring effective implementation of the projects / programs/ activities proposed to be undertaken by the KLI in pursuance of its CSR obligations.

The CSR Committee would be responsible for monitoring the approved projects and/or programmes and would ensure that the funds are utilized for the approved purpose and in the manner approved by the Board of KLI.

A system will be put in place to maintain a transparent monitoring and reporting mechanism across all the stakeholders involved in the CSR activities of KLI, as required under Section 135 read along with Schedule VII of the Act along with the CSR Rules, 2014, as amended from time to time and in line with the Government of India’s notifications issued from time to time.

In case of a multi-year project, having timelines not exceeding three (3) years, excluding the Financial Year in which it was commenced, undertaken by KLI in fulfilment of its CSR obligations (including projects that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board) (“Ongoing Project”), the Board shall monitor the implementation of such CSR project with reference to the approved timelines and year-wise allocation. The Board may also make modifications, for the smooth implementation of such a project within the overall permissible time period.

**CSR Project Expenditure / CSR Funds**

The Board shall ensure that in every financial year, KLI spends at least two (2) % of its average net profits made during the three (3) immediately preceding financial years in pursuance to the provisions of this CSR Policy and in accordance with Section 135 read with Schedule VII of the Act and CSR Rules, 2014, as amended from time to time.

For any CSR funds that remain unspent pursuant to an Ongoing Project, KLI shall transfer such unspent CSR funds to its Unspent Corporate Social Responsibility Account, within 30 (thirty) days from the end of the Financial Year. Such unspent CSR funds shall then be spent in accordance with the terms of this CSR Policy, within a period of three (3) Financial Years from the date of such transfer, failing which, KLI shall transfer the same to a Fund specified in Schedule VII of the Act, within a period of thirty (30) days from the date of completion of the third financial year.



As per the applicable law, such Unspent CSR funds, pertaining to Ongoing CSR Projects for the Financial Year, which are transferred to Unspent Corporate Social Responsibility Account will be considered as part of the 2% prescribed CSR requirement for the Financial Year.

For any unspent CSR funds that do not relate to any Ongoing Project, such unspent funds shall be transferred to the Fund specified under Schedule VII of the Act, within a period of six (6) months of the expiry of the financial year.

In case KLI CSR spends (including amount transferred to Unspent Corporate Social Responsibility Account) is less than two (2) % of its average net profits made during the three (3) immediately preceding financial years, the Board in its report made under Section 134(3)(o) of the Act, shall specify the reasons for not spending the said amount.

Any surplus arising out of the CSR activities carried on by KLI, shall not comprise of the business profit of KLI and shall be dealt with in the following manner:

- (i) Surplus to be ploughed back either into the same CSR project and/or programme; or
- (ii) Surplus to be transferred to the Unspent CSR Account and spent in pursuance of this CSR Policy and the annual action plan of KLI; or
- (iii) Surplus to be transferred to a Fund specified under Schedule VII of the Act; within a period of 6 (Six) months of the expiry of the financial year.

In the event that KLI spends an amount in excess of the requirement provided under Section 135(5) of the Act, such excess amount may be set-off against the requirement to spend under Section 135(5) of the Act, up to immediate succeeding three (3) financial years subject to the conditions that such excess amount shall not include surplus arising out of the CSR activities and the Board shall pass a resolution to that effect.

The CSR funds may also be utilized for creation or acquisition of capital asset, to be held by either the beneficiaries of the CSR project such as entities, collectives or self-help groups; a public authority; or a Company incorporated under Section 8 of the Act or a registered public trust, registered society with a charitable objective and a CSR registration number.

The Board shall satisfy itself that the disbursed funds have been utilized for the purposes and in the manner approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

## **CSR Reporting**

The Board's report pertaining to any Financial Year containing details of the CSR initiatives taken during such Financial Year, would include an annual report on CSR in the form and manner prescribed under Section 135 read with Schedule VII of the Act read along with the CSR Rules, 2014 as amended from time to time and in line with the Government of India's notifications issued from time to time.

## **Boundary**

While KLI will endeavour to implement its projects and programmes in and around the geographies where it carries its business and operations, KLI may also implement its CSR programmes and/or projects either directly or with implementing agencies in any geography but within India to serve and support the needy people and/or towards nation building.

## **Key Focus Areas**

### **(I) CSR Focus Area: Education & Livelihood**

Through its CSR focus area - Education & Livelihood, KLI will endeavor to enhance accessibility and affordability of quality education.

KLI's initiatives on Education will focus on enhancing capacity of students, teachers and relevant stakeholders, enabling access to quality education through robust infrastructure development, scholarships and curriculum development. KLI will also support interventions like special education for differently abled children and youth.

KLI's Livelihood programmes and/or projects will work towards imparting vocational skills and development training courses to children, youth, women, differently-abled including school and college dropouts or anyone who never had any formal education.

KLI will also support skill development and livelihood intervention specifically designed for differently abled children and youth. KLI may also undertake any other programmes and/or projects which would focus on the education sector and/or livelihood sector, as may be approved by the CSR Committee.

### **(II) CSR Focus Area: Healthcare**

Through its CSR focus area – Healthcare, KLI will undertake projects and programmes in the healthcare and sanitation domain, that improve either availability / quality / accessibility / affordability of health care services. Towards this

objective, KLI may support augmentation of healthcare infrastructure in the public health care system as well as private and charitable healthcare facilities. KLI may also provide screening vans and mobile health units to provide preventive care, curative care and palliative care support services. While KLI shall focus on Eye Care as under its health care intervention, its interventions may spread across communicable and non-communicable diseases.

KLI will also support projects that provide early detection and rehabilitation services for differently abled.

KLI may also undertake any other programmes and/or projects which would focus on the healthcare sector, as may be approved by the CSR Committee.

### **(III) CSR Focus Area: Environment & Sustainable Development**

Through its CSR focus area – Environment & Sustainable Development, KLI will undertake projects and programmes around developing natural resources and nature based solutions with an ecosystem restoration approach while benefitting the communities in rural and urban landscapes.

KLI may also undertake any other programmes and/or projects which would focus on the environment and sustainable development sector, as may be approved by the CSR Committee.

### **(IV) CSR Focus Area: Relief & Rehabilitation**

KLI may undertake and support various relief and rehabilitation activities with aim to provide immediate response to reduce or prevent the spread of disease.

In case of natural calamities / disaster, KLI may commit funds towards disaster management focused on addressing preparedness, response, and recovery to mitigate the impact of disasters and ensure prompt assistance to the affected population. Along with short term measures for immediate disaster relief, KLI will undertake programmes that engage with the community for long term rehabilitation solutions including but not limited to focus on livelihood enhancement, providing shelter and infrastructure for education and health services to ensure effective recovery.

KLI may also undertake any other programmes and/or projects which would focus on the Relief & Rehabilitation -, as may be approved by the CSR Committee.

**(V) CSR Focus Area: Sports**

Through its CSR Programme on sports, KLI will undertake projects that will impart training and coaching as well as work towards development of world class infrastructure and training facilities to enhance preparedness of youth for nationally recognised sports, international and world championships, Olympics and Para Olympics.

KLI may also undertake any other programmes and/or projects which would focus on the sports sector, as may be approved by the CSR Committee.

**(VI) CSR Focus Area: Others**

KLI's priority will be to implement CSR projects and programmes which come under CSR Focus areas as defined in this CSR Policy statement, but it will not be restricted to these defined CSR focus areas only. On a case to case basis, KLI may also consider undertaking CSR programmes and/or projects on CSR focus areas which are eligible under Section 135 read with Schedule VII of the Act along with the CSR Rules, 2014 as amended from time to time and in line with the Government of India's notifications issued from time to time and as may be approved by the CSR Committee.

**CSR Impact Assessment**

KLI shall engage independent agencies to undertake impact assessment of its CSR projects and/or programmes eligible under the Act. Where in any Financial Year, KLI has an average CSR obligation of Rupees Ten crore or more, KLI shall undertake impact assessment of its CSR projects and/or programmes having outlays of Rupees One (1) crore or more and which have been completed not less than one (1) year before undertaking the impact assessment, through an independent agency. The impact assessment reports shall be placed before the Board and also annexed to the annual report on CSR.

**CSR Administrative Overheads Expenses**

As per the provisions of the CSR Rules the Board shall ensure that the administrative overheads (the definition has been set out below) shall not exceed five percent of total CSR expenditure of KLI for the financial year.

**Meaning and scope of 'Administrative Overheads' for CSR as defined under the CSR Rules, 2014**

*"Administrative overheads" means the expenses as defined under Rule 2(b) of the CSR Rules, 2014, as amended from time to time*

## **Governance Framework**

KLI has an established CSR Committee which is responsible for the overall governance of CSR. The CSR Committee comprises of three (3) or more directors, out of which at least one (1) is an Independent Director.

While the CSR Committee will be responsible to review and approve the projects/programmes under KLI's CSR Policy (and the approved annual action plan), KLI's CSR head and his/her team will be responsible for execution of CSR Projects / Programmes, which at all times will be within the scope of KLI's CSR policy, the annual action plan, and the Act.

The CSR Committee will also be responsible for formulating an annual action plan in consonance with this CSR policy and recommending such annual action plan to the Board. The annual action plan shall include the following information:

1. A list of CSR projects or programmes that are approved to be undertaken by KLI or subjects specified in Schedule VII of the Act;
2. The manner of execution of such CSR projects and programmes;
3. The modalities of utilization of funds and implementation schedules for the projects or programmes;
4. Monitoring and reporting mechanism for the projects or programmes; and
5. Details of need and impact assessment, if any, for the projects undertaken by KLI

Based on the recommendations of the CSR Committee and reasonable justification, the Board shall approve the Annual Action Plan for KLI and have the right to alter such annual action plan at any time during a Financial Year.

## **Information Dissemination**

1. Appropriate documentation of KLI's CSR Policy, annual CSR activities, implementing agencies, and expenditure entailed will be undertaken on a regular basis and the same will be available in the public domain.
2. CSR initiatives of KLI will also be reported in the Annual Report of KLI.
3. This CSR Policy shall be uploaded on KLI's website for information of all stakeholders.

### **Effective date of Policy**

This CSR Policy Statement is effective from **17<sup>th</sup> October 2024** and supersedes all earlier KLI's CSR Policy Statements.



Internal Audit

## Policy Statement on Corporate Social Responsibility

v.7.1.1

Asset Classification: Public

### **Law to take precedence and Amendments**

In the event of any variation or inconsistency between the provisions of this Policy and applicable law, the provisions of the applicable law shall prevail over this Policy and the provisions of this Policy shall be deemed to have been amended so as to be read in consonance with such applicable law.

For Further information, write to [kli.kotaklife-csr@kotak.com](mailto:kli.kotaklife-csr@kotak.com)

**17<sup>th</sup> October, 2024**

**Mumbai**