

**Howden India**  
**Corporate Social Responsibility Policy**

### Document Control

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### Approvals

Name	Position	Version	Date
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### Distribution List

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## 1. CSR Philosophy and Background

The society at large is battling numerous challenges ranging from poverty, malnutrition, environmental degradation, poor healthcare and global warming. The Corporate Social Responsibility Policy focuses on using the capabilities of businesses to improve lives and contribute to sustainable living, through contribution to communities and the society. CSR is defined as the integration of business operations and values, whereby the interests of all stakeholders including investors, customers, employees, the community and the environment are reflected in the company's policies and actions.

This policy demonstrates our commitment to Corporate Social Responsibility through which we aim to align our business values, purpose and strategy with the needs of the society as a whole in which the Company operates, whilst embedding such responsible and ethical principles into everything we do.

## 2. Objectives

The objective of this CSR Policy is to lay down guiding principles for proper functioning of CSR activities towards steps for sustainable development of the society.

Objectives of this CSR Policy would include the following.

- Directly or join hands to take up programs that benefit the communities and results, over a period of time, in enhancing the quality of life and economic well-being of the needy populace.
- To generate, through its CSR initiatives, a community goodwill for the Company and help reinforce a positive and socially responsible image of Howden India as a corporate citizen.
- To contribute towards human welfare, social upliftment and economic growth.

## 3. Definitions

- (a) **“Act”** means the Companies Act, 2013 read with Rules including the Companies (Corporate Social Responsibility Policy) Rules, 2014 as may be amended from time to time.

- (b) **“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 program.
- (c) **“Agency”** means group of volunteers, citizen forums, elected local body, panchayats, institute, schools, hospitals, help centers, governments, government organizations, authorities, welfare board, labour union, care centers, medical aid centers, orphan houses, social activist, mahila mandals, society, individual and companies; who are involved in activities of benevolent, generous, social upliftment, wellbeing and development of deprived class of people or activities similar to CSR Activities, Non-Government Organization, Charitable Trust, Foundation, institute, schools, hospitals, forum and/or other organization or persons of repute, which are doing activities of; philanthropic, benevolent, charitable and for well-being of society at large and needy class of people; without motive of profit and having good track record of atleast three years.
- (d) **“Board”** means Board of Directors of the Company for the time in force.
- (e) **“Company”** or **“Howden India”** means Howden Insurance Brokers India Pvt. Ltd.
- (f) **“Corporate Social Responsibility” (CSR)** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in Section 135 of the Act in accordance with the provisions contained in these rules, but shall not include (i) activities undertaken in pursuance of normal course of business of the Company (ii) any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at 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 the Company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019) (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- (g) **“CSR Policy”** or **“this Policy”** means a statement containing the approach and direction given by the board of a Company and includes implementation and monitoring of activities as well as formulation of the annual action plan.

- (h) **“CSR Committee”** or **“Committee”** means “Corporate Social Responsibility Committee” of the Directors of the Company, as may be constituted by the Board and as may subsist from time to time.
- (i) **“CSR Activities & Programs”** includes activities as described in this Policy, activities prescribed under the Schedule VII of the Act and/or any other permitted activities as may be prescribed under the Act.
- (j) **“Net profit”** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, 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: Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;
- (k) **“Ongoing Project”** means a multi-year project undertaken by a 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 based on reasonable justification.
- (l) Terms not defined hereinabove shall have the same meaning as ascribed to them under the Companies Act, 2013 and the relevant rules made thereunder.

## 4. Applicability of the policy

This CSR Policy has been developed in consonance to Section 135 of the Companies Act, 2013 and Rules notified thereunder. This Policy shall apply to all CSR Programs undertaken by the Company in India

## 5. Extent of CSR Activities and CSR Programs

### 5.1. Area of CSR Activities

Howden India's Initiatives towards CSR and CSR Programs would be relating to the activities as prescribed under Schedule VII to the Companies Act, 2013. While the Company's focus on CSR efforts will be in the local areas and areas around where it operates, the Company may also undertake projects where societal needs are high or in special situations such as in the case of natural disaster etc.

## **5.2. Thrust Areas**

The Board has presently identified the following thrust areas around which the Company shall be focusing its CSR initiatives and channelizing the resources on a sustained basis:

- a) Healthcare & hygiene
- b) Education & Vocational Skills or Training
- c) Social Projects in the local area
- d) Providing sanitation facilities, waste disposal systems and toilets
- e) Environment
- f) Disaster
- g) Poverty
- h) Contributions or funds provided to Technology Incubators located within academic institutions which are approved by Central Government

## **6. CSR Functionaries**

### **6.1. Board of Directors**

The functions of the Board relating to CSR of the Company includes approving of CSR Policy, constitution of CSR Committee, if any, approve resources for CSR Programs and annual action plan, review the performance and impact of CSR programs, overall monitoring of CSR Activities including ongoing project(s) so as to satisfy itself that the CSR funds have been utilized for the purposes and in the manner as approved by it, compliance with statutory disclosures & reporting and other matters as mentioned in this Policy and as per applicable provisions of the law.

In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and can make modifications, if any, for smooth implementation of the project within the overall permissible timeline.

The Board shall ensure that the CSR activities are undertaken by the Company itself or through 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, 1961 (43 of 1961), established by the Company,

either singly or along with any other Company OR 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 any entity established under an Act of Parliament or a State legislature OR 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.

## **6.2. CSR Committee**

The CSR Committee shall comprise of Directors of the Company as may be constituted and / or reconstituted by the Board of the Company from time to time as per the applicable law. The CSR Committee shall play important and guiding role in the CSR Activities. Role and terms of reference of the CSR Committee includes the following.

- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in the areas or subject, specified in Schedule VII of the Act.
- b) To recommend the CSR projects or programmes or activities and amount of expenditure to be incurred thereon for the approval of the Board.
- c) To provide oversight and guidance on CSR performance and monitor compliance with the CSR policy, commitments and the applicable CSR provisions.
- d) To formulate and recommend to the Board, an annual action plan including the modalities of utilisation of CSR funds and implantation schedules for the projects or programmes, monitoring and reporting mechanism for the projects or programmes and details of need and impact assessment for the projects undertaken by the Company, wherever applicable.
- e) To review the Corporate Social Responsibility Policy of the Company from time in a timely and efficiently manner.
- f) To institute a transparent monitoring mechanism for effective implementation of the CSR projects or programs or activities of the Company, wherever applicable.
- g) To perform functions as may be necessary from time to time under the Act or as may be assigned to it by the Board from time to time in relation to the CSR activities.

The CSR Committee may regulate its own procedures and shall meet as and when required and also when the Board requests for the same.

The Committee may seek attendance of relevant personnel of the company and obtain relevant data, details and analysis as it may deem necessary. The



Committee may also take the experts' advice wherever they deem necessary in discharge of their duty.

### **6.3. Managing Director**

The Board may delegate various powers to the Managing Director for the carrying out all the CSR Activities of the Company and other aspects of this Policy.

## **7. Implementation of CSR Programs**

### **7.1. Identification of CSR Programs**

The CSR Activities of the Company shall be carried out as per this Policy. The Company will undertake the CSR Activities through one or more methods as may be suitable from time to time out of following.

- a) Receipt of proposals or requests from NGOs, social activists, schools, hospitals, care centers, organizations, unions, organization, registered trust, registered society, Section 8 Company and persons involved in philanthropic and generous tasks.
- b) CSR Activities covered under Schedule VII of the Companies Act, 2013

### **7.2. CSR Programs directly by the Company**

- (a) The Company shall identify, review and finalize the CSR Programs keeping in view the location, present circumstances and needs of class of population, prospective beneficiaries, resource requirement, program duration, coverage and fund requirement.
- (b) The Company will identify CSR Programs as may be suitable in the vicinity or surrounding area or local region where the Company operates.
- (c) CSR Programs shall be carried out as per the recommendation / approval of the Board of the Company.

A Company may engage international organization(s) for designing, monitoring and evaluation of the CSR projects or programs as per this CSR policy as well as for capacity building of its own personnel for CSR

### **7.3. CSR Programs through External Agencies**

- (a) The CSR Programs, which needs considerable financial commitments, sizable coverage and medium to long term time frame, may be considered for implementation through competent NGO / Agencies. The Board shall consider detailed proposal, review the competence, legal status and background of the NGO / Agencies with all relevant details including beneficiaries, fund requirement, resources and responsibilities of NGO /

Agency, time frame, milestone, implementation schedule, results expected, monitoring and reporting mechanism and measurable outcome.

- (b) The Company may donate appropriate amount to an external NGO(s), Government, Local Administration, registered trust, registered society and / or Section 8 Company which is well established, having valid applicable registration or certificates governed under applicable laws and having good track record of doing CSR Activities.
- (c) The Company may undertake CSR activities through a Section 8 Company established with the object of undertaking various CSR activities

#### **7.4. Join efforts for CSR programs**

The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the respective companies are in a position to report separately on such projects or programs in accordance with the applicable Rules.

#### **7.5. Volunteering by Employees**

The Company shall encourage its employees for volunteering with a spirit of serving and sharing with community. Employees will be encouraged to participate in Company's CSR activities by volunteering with NGO/CSR partners etc.

### **8. Resources**

The Company shall spend 2% of the average net profits of the Company during the immediately preceding three financial years or such amount as may be required by the statutory provisions towards the CSR Activities.

CSR expenditure will include all expenditure incurred by the Company on CSR Programs undertaken in accordance with the approved Annual Action Plan. The surplus, if any arising out of the CSR Projects or Programs shall not form part of the business profit of the Company and shall be dealt with in accordance with the applicable CSR Provisions. Likewise, any excess amount spent on CSR activities may be set off against the requirement to spend in the succeeding financial years in accordance with the applicable CSR Provisions. In the event the Company creates or acquires capital asset out of the CSR spend, such capital asset will be dealt with in terms of the applicable CSR Provisions.

If the Board determines, CSR Corpus may be created by allocating appropriate amount every year. Such CSR Corpus will be used to meet the fund requirements

of CSR Programs. The Board may allocate fund in such proportion as it thinks fit for long term and short term CSR Programs.

## **9. Monitoring, Reporting and Disclosure**

CSR Programs, activities and other aspects of this Policy shall also be reviewed and monitored periodically by the Board as it deems fit.

The Managing Director under the authority delegated by the Board may carry out all the CSR Activities of the Company and other aspects of this policy. He shall report to the Board on the various CSR Programs, activities and other aspects of this Policy.

Monitoring may also includes field visit, comprehensive documentation and interaction with beneficiary community.

In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation. The Board may make modifications, if any, for smooth implementation of the project within the overall permissible timeline.

The Annual Report on CSR activities undertaken by the Company shall be prepared for the approval of the Board as per the statutory requirement. Necessary details about CSR Activities of the Company shall be disclosed in the Annual Report of the Company.

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

Unspent CSR amount, if any, shall be dealt with by the Company as per the applicable CSR Provisions

## **10. Review and Amendment(s) in the policy**

Amendments from time to time to the CSR Policy, if any, shall be considered by the Board of Directors.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant government authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.