

**NAM INDIA GROUP**  
**CORPORATE SOCIAL RESPONSIBILITY POLICY**

Version 5

# Table of Contents

- 1. Introduction .....3
- 2. CSR Policy .....3
  - 2.1 Guiding Charter.....4
  - 2.2 Objective.....5
  - 2.3 Scope.....5
  - 2.4 Governance Structure .....5
  - 2.5 The CSR approach .....6
  - 2.6 CSR Budget .....10
  - 2.7 Guiding Principles for implementing CSR Projects/Programmes.....10
  - 2.8 Monitoring.....12
  - 2.9 Volunteering.....13
  - 2.10 Impact assessment of Programmes .....13
  - 2.11 Dissemination of Information .....13

## 1. Introduction

1. Nippon Life India Asset Management Limited (“the Company” or “NAM India”) is the asset manager of Nippon India Mutual Fund (NMF).
2. The Company recognizes the importance of good corporate governance and corporate social responsibility and envisages to nourish and sustain the ecosystems on which it operates by aiming for growth through sustainable development.
3. The Company is a socially responsible financial services company that strives to improve the quality of life of the under-served sections of society, by focusing on Skill Development, Education, Healthcare and Environment, Sports & Support for armed forces for the service of the nation and the greater good of the communities in which we operate.
4. The Company’s CSR Policy has been framed in accordance with Section 135 of the Companies Act 2013 read with schedule VII of the Companies Act, 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time and in line with the Government of India’s notifications issued from time to time.

## 2. CSR Policy

## 2.1 Guiding Charter

1. The primary purpose of the Company's CSR philosophy is to maintain the highest ethical standards, while on its mission to improve and sustain lives around the world. The Company strives to make a meaningful and measurable impact in the lives of the communities wherever it operates.
2. The Company believes in creating synergies with our partners and communities for growth and success. We are committed to augment the overall economic and social development of local communities by discharging our social responsibilities in a sustainable manner.
3. The Company believe employee volunteering is an important element in our initiatives. We believe communities can benefit from skills and experiences of our staff. Our employees while supporting communities gain knowledge and new skills will also help us build strong relationships with the communities in which we operate while gaining a more engaged, skilled and motivated workforce.
4. The Company upholds its commitment to serve and partner with government and multi/bi-lateral agencies in nation building. It aims to leverage the expertise of multi-lateral agencies in designing programmes that would complement the efforts of government development programmes. It shall respect the various traditions and cultures of our country and is committed to preserve and document history and art for the benefit of present and future generations.
5. This policy will serve as a guiding document containing approach and direction given by the Board, considering the recommendations of the CSR Committee, defining guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

## 2.2 Objective

The CSR Policy of the Company has been formulated and adopted in terms of Section 135 of the Companies Act, 2013 and the Rules made thereunder. The Company will undertake CSR activities specified in Schedule VII of the Companies Act, 2013. The framework enables business heads to put in place policies and practices in line with this policy.

## 2.3 Scope

1. The CSR Policy is an overarching policy applicable to the Company and its subsidiaries. (hereinafter referred to as “Group”)
2. The policy will apply to all employees across the bandwidth of Company and its subsidiaries. Their commitment and involvement in putting the policy into action would support us in achieving our principles and mandate and adhering to global standards.

## 2.4 Governance Structure

Overall governance of CSR and approving of the CSR Policy will be the responsibility of the Board through the CSR Committee

The Board of the Company will be responsible for:

- Setting up the CSR Committee as per the Act
- Making any change(s) in the constitution of the CSR Committee as deemed suitable
- Approving the CSR policy as formulated and recommended by the CSR Committee.
- The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy,
- Ensuring proper implementation of the CSR Policy along with the funds committed by the Company for CSR Projects/ Programmes are utilised effectively and have an oversight on monitoring and reviewing of CSR Activities undertaken by the Company and provide inputs as and when require
- In case of ongoing project, as defined under the Companies (CSR Policy) Amendment Rules 2021, the Board of a Company shall monitor the implementation of the project with reference to the

- approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period
- Disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR Projects / Programmes on the Company website; and
  - The CSR Department of the Company will be responsible for administering and executing the policy. As the Company's CSR activities evolve further, the policy may be revised with the approval of the Board as per the recommendations the CSR Committee
  - The Board shall satisfy itself that the disbursed funds have been utilised for the purposes and in the manner approved by it and the Chief Financial Officer or the person responsible for the financial management shall certify to the effect.
  - All other Group companies will/have constituted CSR Committee of Directors as per applicability under Rule 3 of the Companies (Corporate Social Responsibility Policy) Amendments Rules, 2014.

## **2.5 The CSR approach**

At NAM India Group, the approach is to interweave social responsibility into the company's mainstream business functions through translating commitments into policies, which not only drive all employees but influence and mobilize stakeholders, especially partners and suppliers, to embrace responsible business practices in their respective spheres of action.

The policy affirms our commitment to preserve natural resources and augment the growth of the communities we operate in, with a concentrated effort by ensuring that its employees contribute and volunteer for various community development initiatives.

The Group has defined certain areas under which it will implement its CSR Projects or Programmes in a multistakeholder approach covering all social, environmental, and economic aspects.

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### **1. Environmental Sustainability**

The guiding line for the environment is the 5 'Rs': Reduce, Reuse, Recycle, Renew and Respect. The imperative is to use natural resources efficiently to leave a minimal carbon footprint and impact on diversity.

The Group will initiate multiple projects implemented directly or through implementing partners to promote conservation & ecological balance, protection of flora and fauna, animal welfare including rejuvenation efforts of river Ganga and Swachh Bharat Abhiyan.

The Group will encourage investment in projects or Programmes which would focus on energy efficient technology, developing friendly products and services, water conservation, access to water, promotion of green energy, public transport and encourage use of alternate energy. It will also work in the areas of Environmental, Social and Governance and Sustainability

## **2. Rural Development**

The Group with an objective of contributing to the improvement of the economic and social well-being of people in rural areas, will initiate projects or Programmes that empower the rural population. These will range from providing infrastructural support, innovative products or services for healthcare, education, water and soil conservation, livelihood development and or any other such projects or Programmes required for the development of rural communities to augment overall economic and social development of local communities

## **3. Healthcare and Sanitation**

Healthcare and Sanitation is of universal concern across the spectrum of the community. The Group is committed to contribute towards improving the health, hygiene and sanitation needs of the community through promotion of primary healthcare including preventive and palliative healthcare needs.

The Group shall promote wellness among its communities through innovative products and services, infrastructural development and create awareness on health, hygiene, wellness and sanitation etc to bring in a behavioural change. This also includes contributions made to specific funds set up by Central Government and provisions made as eligible under Schedule VII updated from time to time.

## **4. Education and Skill Development**

The Group believes that Education and Skill Development is the basic tool to bring development to an area and its population. By promoting access to education and skill-based training and learning, it aims to create a pool of human resources both across and beyond our area of operations with appropriate education and market relevant skills, thus contributing to nation building.

The Group will focus on implementing multitude of interventions towards holistic development of educational eco-system, promoting financial literacy, digital literacy, use of technology to make education accessible for all, financial and infrastructural support, providing skilling, re-skilling and multi-skilling and entrepreneurial support to different sections of the society including differently abled for meaningful employment.

#### **5. Sports**

The Group believes investment in sports as nation building, community development, empowerment, skill development and investment in health. It shall support promotion of rural sports, nationally recognized sports, Paralympic sports and Olympic sports. The objective is to help athletes to win medals in international tournaments, especially Olympic games by mainly providing them international level coaching, health fitness support and equipment, amongst others.

#### **6. Support for Armed forces**

India has one of the largest militaries and para military forces in the world. Their role is not limited to protecting the borders. The forces are very much active and supportive in every other adversity be it disaster, floods, earthquakes, cyclones or rescue operations. They make supreme sacrifice for the nation, but it is also a disaster in the lives of soldier's family and dependents. The martyr family is under tremendous stress in the event of a soldier laying-down life for the country. They cease to have a support system and regular income for the family. It also impacts adversely on children and their education

The Group's focus is to extend support to armed forces veterans, war widows and their dependents and such families by contributing to various government and other welfare funds along with implementing partners by providing healthcare, financial, educational and skill development support to the martyr families.

Armed Forces comprises of the Indian Army, Navy and Air Force, Central Armed Police Forces and Central Para Military Forces

#### **7. Poverty Alleviation and Reduction of Inequalities**

The Group shall implement projects or Programmes covering education, skill development, healthcare, inclusion and access to products and services to support underserved sections of the society such as rural population, urban poor and migrant population.



The Group's approach 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, the Group 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 Companies 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.

## 2.6 CSR Budget

The Group will abide by the provisions relating to annual expenditure on CSR activities as laid down in Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

In the event that any CSR funds remain unspent, the Board in its report shall specify the reasons for not spending the said amount. However, if such unspent CSR funds do not relate to any Ongoing Project, such unspent funds shall be transferred to an account specified under Schedule VII of the Act, within a period of six (6) months of the expiry of the financial year

In the event that any CSR funds remain unspent pursuant to Ongoing Project, the Group 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.

The Surplus arising out of CSR projects or Programmes or activities shall not form part of business profits of the Group.

In the event the Group spends an excess of the requirement provided under Section 135 of the Companies Act, such excess amount may be set-off against the budget of any financial year as eligible under the Companies Act and its amendments.

The Group may spend its CSR budget for creation of a capital asset subject to fulfilment of conditions specified under the Companies (CSR Policy) Amendment Rules, 2021 and any amendment to the same.

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## 2.7 Guiding Principles for implementing CSR Projects/Programmes

The following procedures will be adhered to while undertaking / funding CSR activities/ projects / Programmes:

CSR activities will be undertaken in areas identified by the CSR Committee. An Annual Action plan shall be presented to the CSR Committee by CSR Working Group, if applicable and based on its recommendations, to the Board of Directors of the Group for approval

The Annual Action Plan shall incorporate the following:

- List of CSR projects or Programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- Manner of execution of such projects or Programmes
- 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 Group
- During any financial year, the Annual Action Plan of the Group may be modified with approval of the board, with reasonable justification to that effect, the Board shall ensure that the CSR activities are undertaken by the Group 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, and having an established track record of at least three years in undertaking similar activities. 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
  - ❖ Any entity established under an Act of Parliament or a State legislature; or
    - Presentation of Project / Programme Details
    - Scheduling of disbursements of funds relating to the Projects or Programmes and monitoring system in accordance with pre-agreed milestones with partners.
    - The CSR Committee whilst making any contribution will specify the activities for which it is made, the amount for the same and the time period for the activity.

The following minimum criteria will be ensured while selecting entities for Project or Programme execution

- The Entity is a registered Society/ Public Charitable Trust/ not for profit organization established under Section 8 of the Companies Act, 2013 and is also registered with Central Government as required

under section 4(2)(a) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as amended from time to time

- The Entity has a permanent office/ address in India
- The Entity has a valid Income Tax Exemption Certificate
- The Entity has submitted a detailed project proposal and budget which has been evaluated by CSR working group, if applicable.
- CSR projects or programmes or activities must be undertaken in India alone except for training of Indian sports personnel representing any State or Union Territory at National level of India at an International level.
- CSR activities must not include the activities undertaken in pursuance of normal course of business of the Group
- Project or Programmes or activities that benefit only the employees of the Group and their families shall not be considered as CSR
- Projects or Programmes or activities supported by the Group on sponsorship bases for deriving marketing benefits for its products or services
- Projects or Programmes or activities carried out for fulfillment of any statutory obligations under any law in force in India
- Contribution of any amount directly or indirectly to any political party shall not be considered as CSR.

## **2.8 Monitoring**

The CSR Committee shall ensure a well-defined and transparent monitoring mechanism to ensure that each CSR Project has clearly defined objectives developed out of existing societal needs or determined through baselines or secondary studies or research, where considered necessary along with targets, timelines, and measurable parameters.

The CSR Committee shall review the progress of CSR activities at least twice a year, including the annual review.

The Chief Financial Officer or person responsible for financial management shall certify that funds disbursed have been utilized for the purposes and submission of the same to the CSR Committee and the Board.

## **2.9 Volunteering**

The Group will encourage and enable employees and other stakeholders to participate in the projects supported by it through Employee Volunteering Programmes (EVP). The Group will recognize the efforts put in by employees in CSR activities. The Human Resources team will play a specific role in building capacities, skills and talents under the concept of the Group's broader vision on CSR.

## **2.10 Impact assessment of Programmes**

For projects having outlays of one crore rupees or more;

- Impact assessment shall be undertaken through an independent agency, if one year is elapsed post completion of project.
- The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- Expenses incurred for undertaking impact assessment may be booked towards Corporate Social Responsibility expenditure for that financial year; such that it shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

## **2.11 Dissemination of Information**

The CSR Committee will report to the Board from time to time the status of the CSR projects/ activities undertaken by it, along with the report on the impact created by such projects/ activities.

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, CSR Policy and Projects/Programmes approved by the Board on the website of the Company.

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