

ORIENTAL INSURANCE CSR POLICY

**(1st Amendment) IN THE MEETING HELD ON 30th NOVEMBER, 2015
(2ND Amendment) IN THE MEETING HELD ON 2ND MAY, 2016
AND
(3rd Amendment) IN THE MEETING HELD ON 05TH MAY, 2017**

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CHAPTER 1

1 CONCEPT:

1.1 SHORT TITLE & APPLICABILITY

- 1.1.1 This policy, which encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as '**ORIENTAL INSURANCE CSR POLICY**'.
- 1.1.2 This policy shall apply to all CSR initiatives and activities taken up by the Company, in accordance with Schedule VII of the Companies Act 2013 and any amendments thereof.

1.2 CSR VISION STATEMENT & OBJECTIVE

In alignment with the Vision of the Company, ORIENTAL INSURANCE, in its role as a socially responsible corporate will endeavour to participate in programmes that benefit the society at large and also those who need special assistance. The Objectives of the ORIENTAL INSURANCE CSR POLICY is to:

Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interest of all its stakeholders.

- To directly or indirectly take up programmes that benefit the community and results, over a period of time, in enhancing the quality of life & economic well being of the people for whom the specific programme is designed.
- To generate through its CSR initiatives, a community goodwill for ORIENTAL INSURANCE and help reinforce a positive & socially responsible image of ORIENTAL INSURANCE as a corporate entity.

CHAPTER 2

2 RESOURCES:

2.1 FUNDING & ALLOCATION

- 2.1.1 For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, ORIENTAL INSURANCE will allocate funds in accordance with Section 1(f) of Gazette Notification no. G.S.R. 129(E) dated 27th February, 2014, issued by Ministry of Corporate Affairs.
- 2.1.2 From the annual CSR budget allocation, a provision will be made towards the expenditure heads mentioned in Schedule VII of the Companies Act 2013 notified vide Gazette Notification no. G.S.R. 130(E) dated 27th February, 2014, issued by Ministry of Corporate Affairs.
- 2.1.3 The Company will endeavor to utilize the budget allocated for CSR within the financial year.
- 2.1.4 Any unspent/unutilized CSR allocation of a particular year, will be carried forward to the following year, i.e. the CSR budget will be non-collapsible in nature. However, the reporting of CSR spending will be done in accordance with Section 8 of Gazette Notification no. G.S.R. 129(E) dated 27th February, 2014, issued by Ministry of Corporate Affairs.
- 2.1.5 The provision for budget allocation, funding, monetary cap, etc. to any NGO/Self Help Group / Similar Non-Governmental bodies will be incorporated in the Action plan for the respective financial year.

Chapter 3

3 PLANNING:

3.1 Identification of Thrust Areas & Strategic Initiatives:

- 3.1.1 For the purpose of focusing its CSR efforts in a continuous and effective manner, the thrust areas will be identified in accordance with activities listed in Schedule VII of The Companies Act 2013 and any amendments thereof.
- 3.1.2 The distribution of annual CSR expenditure amongst the activities mentioned in the Schedule VII or any amendments thereof, will be incorporated in the Action Plan for the respective financial year.
- 3.1.3 Considering the fact that as one of the leading Non-Life Public Sector Insurance Companies, ORIENTAL INSURANCE, is the provider of Non-Life Insurance products and services, efforts should be made, that to the extent feasible, Strategic CSR initiatives, are undertaken in the areas that align to its business operations.
- 3.1.4 ORIENTAL INSURANCE will dovetail its CSR activities in a manner that it facilitates the fulfillment of the National Plan Goals and objectives as well as the Millennium Development Goals so as to ensure gender sensitivity, skill enhancement, entrepreneurship development and employment generation by co-creating value with local institutions /people. Activities related to Sustainable Development will form a significant element of total initiatives of CSR, within our thrust areas.
- 3.1.5 For funding in CSR Activities, ORIENTAL INSURANCE will support social investments in the community / specific programmes by networking with the Ministries in Government of India, State Governments, and other Government authorities on its own or in collaboration with resources of other PSU's / PSE's.

CHAPTER 4

4 IMPLEMENTATION:

- 4.1 CSR programmes will be undertaken directly by Corporate CSR Department or through various Regional Offices of ORIENTAL INSURANCE within the geographical locations of India & to the best possible extent within the defined ambit of 'Thrust Areas'.
- 4.2 The time period /duration over which a particular programme will be spread will depend on its nature, extent of coverage and the intended impact of the programme.
- 4.3 Programmes which involve considerable financial commitment and are undertaken on long term basis, will be considered as 'Flagship programmes' and accorded enhanced significance.
- 4.4 It may be ensured that most of the CSR programmes are executed in and around the areas adjoining ORIENTAL INSURANCE installations.
- 4.5 Initiatives taken by ORIENTAL INSURANCE will be dovetailed and synergized with the initiatives of State Governments, District Administration, Local Administration as well as Central Government Departments , Agencies, Self-Help Groups, etc.
- 4.6 Initiatives will also be undertaken in collaboration with other PSU's / PSE's.
- 4.7 Project activities identified under CSR are to be implemented by specialized agencies, which could include – Voluntary Organizations, formal or informal elected local bodies such as Panchayats, Institutes /Academic Institutions, Trusts, Self Help Groups, Government/Semi Government/Autonomous organizations, Mahila Mandals, professional consultancy organizations, etc.
- 4.8 The process for implementation of CSR programmes will involve the following steps:
 - 4.8.1 Identification of programmes at Corporate and Regional Office level will be done by means of following:
 - (a) Need identification studies by Professional institutions / agencies
 - (b) Internal need assessment by cross functional team at Corporate or Regional level.
 - (c) Receipt of proposals /requests from District Administration /local Government etc.
 - (d) Discussions and request with local representatives/Civic bodies/Citizen's forums/Voluntary Organizations

(e) Provision deleted as per approval of CSR sub-committee meeting dated 05.05.2017.

4.8.2 Annual Action plan & administrative authorities thereof will be placed in the 1st meeting of CSR Sub-Committee of the Board.

4.8.3 Area of CSR Activities: CSR works being focused in the areas adjoining Regional Offices, the programmes identified should normally fall within the operating areas of Regional Offices, for people centric programmes.

4.8.4 Project based approach: ORIENTAL INSURANCE Regional Offices will follow a project based accountability approach to stress on the long term sustainability, where its action plan will be distinguished as 'Short-term' & 'Long-term', qualified as follows:

Short-term	Less than 2 years
Long-term	2 years and above

4.8.5 While identifying long term programmes, all efforts must be made to the extent possible to define the following:

- a. Programme objectives
- b. Baseline survey – it would give the basis on which the outcome would be measured
- c. Implementation schedules- timelines prescribed
- d. Responsibilities and authorities
- e. Major results expected and measurable outcome
- f. Improving brand image and visibility of the Company

4.9 Authority for approval

4.9.1 All projects, irrespective of amount, will be approved by CSR Sub-Committee of the Board. However, in respect of Government Directions, CMD is authorized to sanction and the same will be ratified by the Committee.

4.9.2 CSR programmes as may be identified by Corporate CSR Department / Regional Office will be required to be put up to CSR Sub-Committee of the Board, with due recommendations of the General Manager (CSR), at the 1st meeting of CSR Committee scheduled to be held in the financial year.

4.9.3 The financial authority for meeting CSR expenditure is delegated as follows.

S.No.	GM (Scale VII)	DGM (Scale VI)	CM (Scale V)
1	Actuals	Rs. 50 lakhs	Rs. 25 lakhs

** All programmes should be approved within the frame work of CSR Policy and Action plan.

4.10 Executing Agency / Partners:

- 4.10.1 ORIENTAL INSURANCE will seek to identify suitable programmes for implementation in line with the CSR objectives of the Company and also benefit the stakeholders and the community for which those programmes are intended. These works will be done through:
- a. Community based organizations
 - b. Elected local bodies such as Panchayats
 - c. Voluntary agencies (NGO's)
 - d. Institutes / Academic Organizations
 - e. Trusts, Missions
 - f. Self-help Groups
 - g. Government, Semi-Government and Autonomous organizations
 - h. Standing Conference of Public Enterprise (SCOPE)
 - i. Mahila mandals / Samitis
 - j. Contracted agencies for civil works
 - k. Professional Consultancy Organizations

4.11 Criterion for identifying Executing agency:

The Company may select NGOs, or other trusts that are in the field of CSR and have a rigorous process for implementing certain CSR activities which will fall within those prescribed in Schedule VII of the Companies Act 2013. While selecting such NGOs or Trusts the following parameters would be laid down for selection

1. Such NGOs should have proven record of having implemented the projects as mentioned in Schedule VII for a minimum of three years.
2. Or they should demonstrate ability for implementing such projects mentioned in Schedule VII
3. Selection of projects is at the sole discretion of the company.
4. The NGO should not have any outstanding litigation pending against it or any regulatory warnings or actions during the last three years period
5. The credentials of the NGO or Trust should be provided to the company for appraisal and to do back ground check.

6. The NGO / Trust / Organization should provide the copy of FCRA certification, in case it is in receipt of Foreign Funding.
7. NGOs and Trusts as selected by other PSU's / PSE's would be given priority
8. The selection will be done by an Internal CSR Committee of the Company comprising of GM (CSR), GM (Whole time Director & member of Board's CSR Committee) and FA.
9. The norms for selection as put up by Internal CSR Sub-Committee of the Company will be approved by CSR Sub-Committee of the Board.
10. The total expenses incurred by the NGO for its administrative purposes (other than those incurred on CSR related activities) should not exceed 10% of the total income of the NGO
11. Such NGOs or other trusts should be registered as a society or charitable institutions under their respective acts. (Such as Society Registration Act, 1860 or any other relevant Act.)
12. Such NGOs or other trusts should be registered with income tax Authorities
13. The Accounts of the NGOs or other trusts should be audited.

4.12 Agreement between ORIENTAL INSURANCE & Executing agency:

4.12.1 Once the programmes approved by the Sub-Committee of the Board are communicated to Regional Offices, they will be required to enter into an agreement with each of the executing /implementing agency as per Standard Model Agreement.

4.12.2 The agreement in line with CSR Policy should be executed within 30 days of approval of the project by CSR Sub-Committee of the Board.

4.12.3 The agreement in line with CSR Policy should have an appropriately worded EXIT CLAUSE.

4.12.4 The agreements are required to be entered for long term programmes only.

CHAPTER 5

5 MONITORING AND FEEDBACK:

5.1 The CSR department will be made functional at Corporate Level as detailed below :

5.1.1 To be headed by a General Manager at Corporate Office with full fledged team for implementing CSR activities.

5.1.2 Regional Offices shall endeavor to implement CSR activities in their respective regions with due guidance of Corporate CSR Department.

5.1.3 Employees will be voluntarily encouraged to participate in CSR activities.

5.2 To ensure effective implementation of the CSR programmes undertaken at each Regional Office, monitoring will be done by the Corporate CSR Department at Head Office. The progress of CSR programmes under implementation at Regional center will be reported to CSR Department at Head Office on monthly basis.

5.3 The CSR department at the Corporate Office will collect following documents especially on the strategic, high value and long term programme.

5.3.1 sustainability report,

5.3.2 utilization report along with certificate,

5.3.3 completion certificate and

5.3.4 will conduct 'impact studies', on a periodical basis, through independent professional third parties / professional institutions.

5.4 Regional Offices will also try to obtain feedback from beneficiaries about the programme

5.5 Appropriate documentation of the ORIENTAL INSURANCE CSR POLICY, annual CSR Activities, executing partners and expenditure entailed will be undertaken on a regular basis by the CSR Department at Corporate Level and will also be reported on the website of the Company.

5.6 Meetings of CSR Sub-Committee of the Board, formed as prescribed in Section 135 of Companies Act 2013 and in accordance with Section 5 of Gazette Notification no. G. S. R. 129 (E) dated 27th February, 2014, will be held in accordance with provisions of the Companies Act 2013

- 5.7 The Corporate CSR department will be responsible for submitting Agenda Notes / Quarterly statements for CSR Sub-Committee of the Board, data for statutory filing and report for inclusion in Board's report / Annual report.
- 5.8 CSR initiatives of the Company will also be recorded in its Annual financial statements and Board reports as prescribed under Section 8 of Gazette Notification No. G. S. R. 129(E) dated 27th February, 2014.

CHAPTER 6

6 GENERAL:

6.2 In case of any doubt with regard to any provision of the Policy and also in respect to matters not covered herein, a reference is to be made to Corporate CSR Department.

6.3 Any or all provisions of the CSR Policy would be subject to revision / amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

6.4 The Company reserves the right to modify, cancel, add or amend any of the provisions of this Policy.