

Corporate Social Responsibility (CSR) Policy

AXA Business Services Private Limited (“AXA GOBO”)

Version No. Draft 3.4

Recommended by CSR Committee

Approved by

AXA GOBO Board

Amendment History

Revision No.	Issue Date	Brief description of change	Changed by	Approved by
0	1 October 2017	First issue		
1	29 March 2023	Amended to include Annual Action Plan and process for disbursement of unutilized funds as per the Companies Act, 2013	Shruthi Shenoy	Shailaja Nair

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1. Vision and Mission:

Corporate Responsibility is the contribution of businesses to sustainable economic development and to the interests of society by taking responsibility for the direct and indirect impact of their activities on various stakeholders, including: customers, suppliers, employees, shareholders, communities and the environment. The 'responsible corporation' lies at the crossroads between social development, respect for the environment and economic performance.

AXA Group's strategy is to place Corporate Responsibility both at the heart of its business as well as its day to day interactions with its stakeholders. It is through adopting a responsible behavior, as well as through sustainable value-added products and services, that the Group is able to most effectively participate in social, environmental and economic progress.

At AXA GOBO, our Corporate Responsibility vision is aligned with that of the AXA Group's - to co-create sustainable value for the society where we operate. Our Corporate Responsibility purpose is to empower people to live better lives, echoing the Group's purpose. As part of Corporate Responsibility, we seek to create a stronger and safer society by leveraging our expertise to better face risk through initiatives in research and education.

2. Focus Areas:

The Corporate Social Responsibility (CSR) activities at AXA GOBO are aligned with the Schedule VII of the Companies Act, 2013 ("CA, 2013"). The CSR activities are guided by the parameters encapsulated in the AXA Group initiatives of Dow Jones Sustainability Index reporting and Community Investment Survey. Amongst others, the CSR activities will focus on below listed areas:

- Promoting health care including preventive health care. Specifically, AXA GOBO will take up health prevention interventions for disadvantaged sections of the society, focused on non-communicable diseases;
- Promoting education, including special education and employment enhancing vocation skills and livelihood enhancement projects;
- AXA GOBO will support initiatives focused on research on social and environmental risks such as climate risk, health risk, road safety risk and promote education of vulnerable and disadvantaged populations on mitigation and adaptation to these social and environmental risks;
- Measures for reducing inequalities faced by socially and economically backward groups; promoting gender equality and women empowerment; and
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.

AXA GOBO may also support disaster relief and rehabilitation operations in India as part of its CSR activities, and any other activity aligned to Schedule VII as recommended by the CSR Committee and approved by the Board.

3. Mode of undertaking CSR Activities:

AXA GOBO CSR activities shall be in alignment to further the overall AXA Group Corporate Responsibility purpose and in line with the provisions of Section 135 of the CA, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 (“Rules”) as may be amended from time to time. AXA GOBO shall also explore synergies for collaboration with other AXA India companies and joint venture entities for its CSR activities.

AXA GOBO will undertake the CSR activities either directly or through an implementing agency such as a registered trust or a registered society or a Section 8 company as per the provisions of the CA, 2013 and the Rules as may be amended from time to time. The CSR activities or some components thereof may also be self-implemented as recommended by the Corporate Responsibility team. AXA GOBO is committed to be involved in its CSR projects through financial support as well as close monitoring and engagement by its Corporate Responsibility team and employees.

4. Composition of CSR Committee:

AXA GOBO CSR Committee comprises of all the Directors of AXA Business Services Private Limited. Any changes to the composition of the Board of Directors of AXA GOBO will also lead to the corresponding changes in the composition of the CSR Committee.

Meetings of the CSR Committee:

- The CSR Committee may hold meetings for the consideration of business, adjourn and otherwise regulate its meetings, as it thinks fit, provided that a meeting of the Committee shall be held at least two times in a financial year and maintain minutes for the same.
- The quorum for a meeting of the Committee shall be 2 (two) members. The quorum shall be present not only at the time of commencement of the meeting but also while transacting, and throughout the meeting.

5. Responsibilities of the CSR Committee:

The Responsibilities of the CSR Committee include:

- Formulating and recommending to the Board of Directors, the CSR Policy and framework to be undertaken and recommend amendments required from time to time;
- Identifying and finalizing CSR projects/ activities to be undertaken in line with the focus areas and Schedule VII of CA, 2013;
- Recommend the amount of expenditure for the CSR activities, and
- Monitoring CSR activities from time to time; and

- Formulate/finalise and recommend to the Board the following matters with respect to the CSR projects/activities:
 - Annual Action Plan
 - Annual Budget
 - Time required for project implementation, with clear identification of Ongoing Projects; and
 - Prospective outcome of the project/activity.

6. Formulation of Annual Action Plan

The CSR Committee shall formulate the annual action plan, for each financial year and recommend the same to the Board. The CSR Committee and the Board shall adhere to the following guidelines while formulating/ approving the annual action plan for each financial year:

- Evaluation of CSR activities of the preceding financial year: The achievements and drawbacks of the CSR projects/ activities undertaken in the previous financial year shall be considered and the annual action plan shall be prepared accordingly.
- Identifying projects/activities for the current financial year: The CSR Committee will be responsible for identifying suitable CSR initiatives which are in line with the overall objectives of the organisation.
- The CSR Committee shall endeavour to formulate and approve the annual action plan based on projected financials and finalise the same and recommend it for the Board's approval at the first Board meeting of the financial year. Any delay in preparation and approval of the action plan can be ratified by the Board.
- The CSR Committee shall include a description of the identified activities and the sequence in which they will be undertaken by taking into consideration organizational readiness, strategies, financial and procurement management, etc., disbursement and utilization plans for the unspent amounts from previous years during the current financial year and disbursement and utilization plan for funds for the relevant (concerned) financial year.
- The Board of Directors are empowered to alter the annual action plan during the financial year, if so, recommended by the CSR Committee, based on the reasonable justification for such change.

7. CSR expenditure

- The annual budget for all CSR projects/ activities will be presented by the CSR Committee and will be approved by the Board of Directors of the Company.
- The Company will spend at least 2 (two) percent of the average net profits of the preceding 3 (three) financial years as its CSR obligation for the financial year or such other amount as mandated by

Companies Act as the minimum spend for a year. In case of Ongoing projects, the year-wise allocation and spend shall be included in the annual action plan.

- CSR related disbursements by the Company will be treated as spent during the financial year, only if the same have, in turn, been spent by the Company's Implementing Agency or step-down Implementing Agency, if any.
- Where the Company spends an amount in excess of its CSR obligation under the Act, subject to passing of the Board resolution, such excess amount, excluding surplus arising, can be set-off against the CSR spends up to immediate succeeding 3 (three) financial years. Any surplus arising out of the CSR projects or programs or activities shall not form part of business profits of the Company.

8. Governance & monitoring process:

AXA GOBO has set up a Corporate Responsibility Advisory Council under the leadership of a Chief Corporate Responsibility Officer to implement the CSR activities of the Company. The team will work closely with and support AXS GOBO Board and CSR Committee in managing CSR activities of the Company - identifying the areas of CSR activities, designing CSR activities and executing the CSR activities, monitoring of CSR activities and fund utilization as per the CA, 2013 and internal guidelines.

The Corporate Responsibility team shall monitor the CSR activities on a periodic basis and will report to the AXA GOBO Board and the Committee on the progress of the activities on a periodic basis.

The CSR Policy shall be periodically reviewed by AXA GOBO Board and CSR Committee. The CSR process will be periodically monitored by a three tiered Governance Structure comprising of

- Monthly progress meetings of Corporate Responsibility team with Chief Corporate Responsibility Officer;
- Quarterly progress update to Chief Executive Officer and the India Management Committee. Half yearly monitoring / approval of projects by CSR Committee.

9. Treatment of unspent CSR

- The unspent CSR amount for the year, if any, shall be transferred to any fund included in Schedule VII of the Act such as Prime Minister's National Relief Fund, Swachh Bharat Kosh or any other fund specified by Central Government in this regard under the Act, within 6 (six) months from the end of the concerned financial year or as per the prevalent Regulations amended from time to time.
- If the unspent CSR amount pertains to an Ongoing CSR Project, the amount has to be transferred to a separate bank account to be called as "Unspent CSR Account" within 30 (thirty) days of the end of the concerned financial year and is to be spent on CSR obligations as per this CSR Policy within a period of 3 (three) financial years.

- In case the Company is unable to spend the CSR obligation on the Ongoing CSR project within the prescribed period of 3 (three) financial years, it would be required to transfer the amount so unspent to any fund included in Schedule VII of the Act within 30 (thirty) days of the end of the concerned 3rd financial year.

10. Effective date

The policy is effective from October 1, 2017.

Last revision carried out on 29th March, 2023.

11. Contact

For queries related to CSR policy, please contact corp.responsibility@axa-abs.co.in.