

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

A. CSR Policy

The CSR Policy of the Company inter-alia specifies the broad areas of CSR activities that could be undertaken by the Company, approach and process for undertaking CSR projects and the monitoring mechanism.

The Policy is available on the website of the Company - www.hdfcergo.com.

B. Organization setup

The CSR projects are implemented under the guidance of the CSR Committee of Directors, which presently comprises six (6) Directors. The Company has a Sub-Committee of CSR (SC-CSR) comprising of the Senior Management team including Whole Time Directors.

The terms of reference of the CSR Committee inter-alia includes:

- (i) Formulate and recommend CSR Policy to the Board for approval.
- (ii) Recommend for approval of the Board, the amount of expenditure to be incurred on CSR activities in a financial year along with projects to be undertaken earmarking funds for broad area wise projects.
- (iii) Monitor from time to time the implementation of the CSR projects undertaken by the Company. Evaluation and reporting of projects and programs implemented to the Board of Directors.

C. Scope of activities

The CSR activities of the Company are as per the provisions of Schedule VII of the Companies Act, 2013.

i. Geographical Span of CSR Projects

The CSR activities are taken up primarily in and around areas near HDFC ERGO's places of business. At least 70% of the amount earmarked for CSR activities is spent in these areas under the 'Gaon Mera' initiative which addresses the need for wholesome education in Rural India. The balance 30% funds are spent on other CSR activities.

ii. Planning

The identification of CSR activities is done using one or combination of the following methods:

- (i) In-house planned projects.
- (ii) Proposals from District Administration / Local Govt. body/public representatives etc.
- (iii) Proposals/requests from a registered and specialized

body for providing financial assistance for carrying out specific CSR initiatives subject to the condition that it fulfills the criteria as prescribed in the statute in this regard.

iii. Implementation Methodology

The CSR activities / projects are implemented using internal resources or through collaborating with NGOs / specialized agencies / trusts / institutions / foundations / societies / Government bodies etc. in accordance with provisions of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The details of major CSR initiatives undertaken by the Company during the financial year 2019-20 are given below:-

I. Gaon Mera Government School Reconstruction & Development Project In 4 Identified Villages -

The focal area for the Company's CSR intervention is a dedicated "Adopt Village" programme called "GAON MERA". The program is aimed at improving the current status of Education, Healthcare, Sanitation and Livelihood in selected village/s.

The Company has selected villages through an internal employee nomination program in four states of India namely Madhya Pradesh, Karnataka, Gujarat and Bihar. Under "Gaon Mera FY20", the Company adopted four villages namely Jamkhar, Jabalpur District in Madhya Pradesh, Domabaramattur, Haveri District in Karnataka, Mithivavdi, Patan District in Gujarat and Singachauri, Sitamadhi District in Bihar. The Company aims to work holistically towards development of education with all relevant stakeholders in these villages on Government School reconstruction program to make a sustainable impact in the lives of the marginalized communities living in these villages. The major part of the expenditures on these projects has been met from CSR spend of FY20 and balance shall be met from CSR spend of FY21.

Charities Aid Foundation (CAF India) and Yuva Unstoppable are working as Implementation Partners for above activities.

The main objective of the program is to address the need for sustainable educational infrastructure, support system for rural development and holistic advancement of education in the communities. The project works towards sustainable development in core focus area of education in the selected village(s).

Preliminary evaluation in the start-up phase was done by Implementation Partner in the form of rapid need assessment and development of project proposal. Government School Construction Project is adopted using BaLA (Building as Learning Aid), an innovative concept for qualitative improvement in education, through

developing child-friendly, learning and fun based physical environment.

2. Composition of the CSR Committee

Mr. Ameet Hariani	-	Independent Director - Chairman
Mr. Deepak S. Parekh	-	Non - Executive Director
Mr. Mehernosh B. Kapadia	-	Independent Director
Ms. Renu S. Karnad	-	Non - Executive Director
Mr. Theodoros Kokkalas*	-	Non - Executive Director
Dr. Oliver Martin Willmes*	-	Non-Executive Director
Mr. Anuj Tyagi	-	Executive Director & CBO

*Dr. Oliver Martin Willmes was inducted as a Member of the Committee in place of Mr. Theodoros Kokkalas w.e.f October 12, 2020.

3. **Average net profit of the Company for last three financial years: ₹ 362.30 crore**

4. **Prescribed minimum CSR Expenditure (two percent of the amount as in item 3. above) : ₹ 7.25 crore**

5. **Details of CSR spent during the financial year:**

- Total CSR amount to be spent for the financial year: **₹ 7.25 crore**
- Amount spent during the year: **₹ 7.27 crore**
- Amount unspent, if any: **NIL**

(d) Manner in which the amount spent during the financial year is detailed below –

1	2	3	4	5	6	7	8
Sr. No.	Projects / Activities	Sector	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken (District (State))	Amount outlay (budget) project or programs - wise (₹)	Amount spent on projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (₹) (During FY 20)	Cumulative expenditure up to the reporting period (₹)	Amount spent: Direct or through implementing agency
1	Reconstruction project of Govt. School in 3 villages under Gaon Mera FY19 Projects	Overall development of Govt. school by reconstruction and enriching resources with focus on Education	Agraharam, Anantpur, Andhra Pradesh	10,796,101	Direct expenditure: 4,318,440 Overheads- Nil	10,796,101	Through implementing partner CAF-India.
2			Pandiya Pathar, Ganjam, Odhisa	11,433,911	Direct expenditure : 4,573,564 Overheads- Nil	11,433,911	
3			Tandia, Varanasi, Uttar Pradesh	9,935,540	Direct expenditure : 3,974,216 Overheads- Nil	9,935,540	
4			Sarsai, Kullu, Himachal Pradesh	4,124,821	Direct expenditure : 1,237,446 Overheads- Nil	3,712,339	
5	Reconstruction project of Govt. School in 4 villages under Gaon Mera FY20 Projects	Overall development of Govt. school by reconstruction and enriching resources with focus on Education	Jamkhar, Jabalpur, Madhya Pradesh	7,360,000	Direct expenditure: 6,624,000 Overheads- Nil	6,624,000	Through implementing partner CAF-India.
6			Domabaramattur, Haveri Karnataka	10,284,836	Direct expenditure: 9,256,353 Overheads- Nil	9,256,353	Through implementing partner Yuva Unstoppable
7			Mithivavdi, Patan, Gujarat	8,388,594	Direct expenditure: 7,307,790 Overheads- Nil	7,307,790	
8			Singachauri, Sitamarhi, Bihar	12,036,747	Direct expenditure: 3,611,025 Overheads- Nil	3,611,025	
9	Supply of free Sanitary Napkins to 10,000 Girl child in rural/ semi-urban areas	Health care	PAN India	5,000,000	Direct expenditure: 5,000,000 Overheads- Nil	5,000,000	Through CSC Academy
10	Cataract surgery for needy (Rastriya Netra Yagna)	Health care	PAN India	5,000,000	Direct expenditure: 5,000,000 Overheads- Nil	5,000,000	Through Vision Foundation of India

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11	Provided nutrient quality meals to underprivileged students/ children	Education	Mumbai, Maharashtra	500,000	Direct expenditure: 500,000 Overheads- Nil	500,000	Through Cosmic Divine Society
12	Sponsoring education of 15 Girl Children	Education	Bangalore, Karnataka	150,000	Direct expenditure: 150,000 Overheads- Nil	150,000	Ved Vignan Maha Vidya Peeth
13	Utensils/Vessels Kit distributed for flood relief	Flood relief	4 villages of Sangli District, Maharashtra	731,280	Direct expenditure: 731,280 Overheads- Nil	731,280	Direct
14	Financial assistance and extending co-guardianship to special adults of ADHAR	Health care	PAN India	1,980,000	Direct expenditure: 1,980,000 Overheads- Nil	1,980,000	Through Association of Parents of Mentally Retarded Children, Mumbai (ADHAR)
15	Financial assistance and extending support for providing scholarship to Girl Child	Education	3 Districts namely Wardha, Amravati and Nagpur in Maharashtra	5,207,250	Direct expenditure: 1,735,750 Overheads- Nil	1,735,750	Through Lila Poonawalla Foundation
16	Support in Project Save Little Hearts	Health care	PAN India	3,360,000	Direct expenditure: 3,360,000 Overheads- Nil	3,360,000	Through Genesis Foundation
17	Provided support for Cochlear Implant treatment and Bone Marrow Transplant to economically challenged kids for medical procedures at SRCC Children's Hospital	Health care	9 Districts in Maharashtra	2,000,000	Direct expenditure: 2,000,000 Overheads- Nil	2,000,000	Through The Society for the Rehabilitation of Crippled Children (SRCC)
18	Provided support to poor children undergoing cancer treatment	Health care	Andhra Pradesh and Tamil Nadu	2,000,000	Direct expenditure: 2,000,000 Overheads- Nil	2,000,000	Through Ray of Light Foundation
19	COVID-19 Support-Purchase of 20000 bottles of 500ml Sanitizer for Mumbai Police	Health care	Mumbai, Maharashtra	2,160,000	Direct expenditure: 2,160,000 Overheads- Nil	2,160,000	Direct
20	COVID-19 Support-Purchase of 44505 cotton mask for Mumbai Police	Health care	Mumbai, Maharashtra	890,099	Direct expenditure: 890,099 Overheads- Nil	890,099	Direct
21	COVID-19 Support-Purchase of 5000 face mask N95 for BMC run Nair Hospital and Kasturba Hospital	Health care	Mumbai, Maharashtra	1,165,500	Direct expenditure: 1,165,500 Overheads- Nil	1,165,500	Direct
22	COVID-19 Support - 9 ventilators to hospitals through Narayana Hrudalaya Charitable Trust	Health care	New Delhi	5,040,000	Direct expenditure: 5,040,000 Overheads- Nil	5,040,000	Through Narayana Hrudalaya Charitable Trust
22	Other Expenditure- Workshop/ Printing	Others	Mumbai, Maharashtra	54,000	Direct expenditure: 54,000 Overheads- Nil	54,000	Direct
TOTAL - CSR spend-FY20					72,669,463		

As against required CSR spend of ₹ 72,460,377 during FY 2019-20, the Company spent ₹ 72,669,463 which has been fully disbursed.

In respect of four Government school reconstruction project, the total estimated outlay is ₹ 38,070,177 out of which ₹ 26,799,168 has been disbursed and considered as CSR spend of FY20. The balance amount will be spent and disbursed in FY21 as part of CSR spend of FY21.

Note 1: Charities Aid Foundation (CAF) India is a registered charitable trust set up in 1998 to provide strategic and management support to corporate, individuals and NGOs with an aim to ensure greater impact of their philanthropic and CSR investments. It is a leading international not-for-profit organization, which works to make giving more effective and charities more successful. CAF India is part of an international network with offices in nine countries, including Australia, Brazil, Canada, India, Russia, South Africa and the United States of America and distributes funds to over 90 countries around the world. CAF India, with its dedicated team of experts, brings development sector knowledge and experience to take 'Giving' further.

CAF has more than a decade long proven track record of conducting due diligence of non-government organizations across India and has gained the trust of many individuals, national and transnational companies, Foundations and institutions. CAF India has a wide range of 'Giving' solutions which include corporate giving, Give as You Earn, Individual giving etc. CAF has an impeccable record of serving large multinationals, Public Sector

Undertakings, Indian commercial giants by delivering their CSR commitments successfully.

Note 2: Yuva Unstoppable is a not for profit registered organization with an aim to make a difference in the lives of children at the bottom of the pyramid. Yuva Unstoppable was set up twenty years back and that's when Yuva began to take shape as a group of zealous individuals with the passion to spread kindness. Co-founded by Amitabh Shah in 2005, it has to date mobilized over 1.5 Lac youth ambassadors, change makers, and smaratarian volunteers to impact over 6 lac children across 1500 government schools in about 14 states of the country.

The model of action of Yuva Unstoppable is based on inspiration. Yuva Unstoppable are working with 100 top corporate partners and inspire children for greatness, a pursuit of happiness, and awareness in the smallest of things. Yuva Unstoppable rely on the strength of its volunteers and the power of youth to create a systematic and organic chain reaction to effect positive change in the society.

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Anuj Tyagi
(Non Executive Director)
(DIN: 07505313)

Ameet P. Hariani
(Chairman - CSR Committee)
(DIN: 00087866)

Note

The CSR spend of ₹ 2,300,000 by the Transferor Company between March 1, 2020 to March 31, 2020 is not considered for reporting in the aforesaid report.