



**ICICI Venture Funds Management Company
Limited (“ICICI Venture”)**

Corporate Social Responsibility Policy

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A. Introduction

Corporate Social Responsibility (“CSR”) is the commitment of companies to provide resources and support activities focused on enhancing economic and social development. It is the effort made by companies to improve the living conditions of the local area in which they operate and the society at large. The activities taken up as part of corporate social responsibility reflect the intent to create a positive impact on society without seeking any commensurate monetary benefits.

CSR has been a long-standing commitment at ICICI Venture and the ICICI Group (“the Group”) and forms an integral part of its activities. The Group’s contribution to social sector development includes several pioneering interventions and is implemented through the involvement of stakeholders within the Group and the broader community. ICICI Bank Limited established the ICICI Foundation for Inclusive Growth (“ICICI Foundation”) in 2008 with a view to significantly expand the Group’s activities in the area of CSR. Over the last few years ICICI Foundation has developed significant projects in specific areas and has built capabilities for direct project implementation as opposed to extending financial support to other organisations.

ICICI Venture’s objective is to pro-actively support meaningful socio-economic development in India and enable a larger number of people to participate in and benefit from India’s economic progress. This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society. ICICI Venture aims to identify critical areas of development that require investments and intervention, and which can help to realize India’s potential for growth and prosperity.

The Corporate Social Responsibility Policy (“CSR Policy”) of ICICI Venture sets out the framework guiding the CSR activities. The CSR Policy also sets out the rules that need to be adhered to while taking up and implementing CSR activities.

B. Scope of Corporate Social Responsibility Policy

The CSR Policy would pertain to all activities undertaken by ICICI Venture towards fulfilling its corporate social responsibility objectives. The policy is in line with section 135 of the Companies Act, 2013 and rules/ regulations thereunder.

C. Governance structure

The Corporate Social Responsibility Committee (“CSR Committee”) will recommend to the Board the CSR Policy including amendments thereto, CSR activities & plan, and review compliance with

the same by ICICI Venture. The CSR Committee would comprise of three or more Directors including at least one Independent Director. The CSR Committee shall meet atleast once every financial year.

The CSR Committee shall:

- i. Formulate and recommend to the Board the CSR Policy and any amendments thereto;
- ii. Identify the focus areas, from amongst the themes specified in Schedule VII of the Act, for initiatives to be undertaken by ICICI Venture;
- iii. Review and recommend the annual CSR action plan to the Board with details of projects and schedule of implementation;
- iv. Review for submission to the Board:
 - a) implementation of the CSR action plan from time to time including that the funds disbursed have been utilized for the purposes and manner as approved;
 - b) implementation of on-going projects with reference to the approved timelines and year-wise allocation of funds and suggest modifications if required;
 - c) Spending of at least 2.0% of the average net profits of the preceding three financial years, failing which the unspent amount be earmarked to be spent in subsequent periods as prescribed in the Act; and
 - d) For any amount spent in excess of the requirement in a particular year, recommend the set-off of such excess amount in subsequent years.
- v. Review impact assessment of projects; and
- vi. Review and implement, if required, any other matter related to CSR initiatives.

The Board of Directors shall:

- i. Approve the CSR Policy based on the recommendation of the CSR Committee;

- ii. Approve the CSR activities and annual action plan based on the recommendation of the CSR Committee;
- iii. Review the CSR Policy and CSR activities and satisfy itself that the funds disbursed have been utilized for the purposes and manner as approved;
- iv. Monitor the implementation of on-going projects with reference to the approved timelines and year-wise allocation of funds and suggest modifications if required;
- v. Ensure to spend at least 2.0% of the average net profits of the preceding three financial years, failing which the unspent amount be earmarked to be spent in subsequent periods as prescribed in the Act;
- vi. For any amount spent in excess of the requirement in a particular year, approve the set-off of such excess amount in subsequent years ; and
- vii. Review the impact assessment reports.

D. Operating framework

1. The major CSR activities will be undertaken in focus areas identified by the CSR Committee in line with the activities identified by ICICI Group which is in compliance with the Schedule VII of the Companies Act, 2013 and rules relating to CSR as amended from time to time.
2. CSR activities may be undertaken by ICICI Venture or by ICICI Foundation.
3. A CSR plan shall be presented to the CSR Committee and, based on its recommendations, to the Board of Directors of the ICICI Venture for approval.
4. ICICI Venture may also make contributions to not-for-profit entities directly for CSR-eligible projects. The funding of projects by not-for-profit entities could be either in the form of donations, or grants, or sponsorships or milestone-based funding for projects. Such entities and projects shall be supported after ascertaining the credibility of the agency and its track record in implementing projects. The entity shall generally have a track record of three years in implementing such projects. Such entities shall be registered with the Central Government and will have a CSR registration number.

5. The responsibility for implementation of identified activities/projects shall be as per the organizational structure of the ICICI Venture and as approved by the CSR Committee and the Board.
6. The plan shall incorporate the following:
 - i. The prescribed outlay on CSR as per the Act and related rules as amendments from time to time;
 - ii. Key CSR activities proposed to be undertaken during the year, including analysis of their eligibility for classification as CSR under Schedule VII of the Act and related rules as amended from time to time, their conformity with the CSR Policy, provided that ICICI Venture may directly or via ICICI Foundation or any other eligible entity undertake other eligible activities based on urgency and need arising out of circumstances such as natural disasters and emergencies;
 - iii. Proposed outlay on each activity and the schedule for implementation of each activity
 - iv. The manner of execution of the project or programme;
 - v. The modalities of utilization of funds and implementation;
 - vi. Any excess CSR spends of previous three years that has to be offset against the prescribed outlay;
 - vii. Activities to be undertaken by ICICI Venture and ICICI Venture's contribution to ICICI Foundation;
 - viii. Activities to be undertaken by ICICI Venture directly;
 - ix. Activities to be undertaken by other entities and ICICI Venture's contribution to such entities;
 - x. Mechanism of monitoring and reporting of the activities;
 - xi. Impact assessment through a third party of activities that have completed at least one year and meet specific conditions as prescribed in the Act and related rules as amended from time to time; and

- xii. Aggregate proposed outlay and action plan for spending shortfall, if any, compared to the prescribed outlay.
7. The authority to incur expenditures under the above plan shall be as per the approved Delegation of Financial Powers in ICICI Venture;
 8. Funds would be disbursed either in tranches or as one-time payment. The terms, conditions and timing of disbursement would be conditional upon the nature and requirement of the CSR project or programme;
 9. ICICI Venture may make contributions in the form of donations, grants, sponsorships or project support either to government funds specified in Schedule VII of the Act or any other entity or fund after due verification of the implementing agency and conformity to the activities approved by the Board;
 10. Surplus arising from CSR activities will be ploughed back into the same project, or transferred into the Unspent CSR Account and spent as per the CSR Policy and annual action plan or transferred to a fund specified in Schedule VII of the Act, within a period of six months of the end of the financial year.
 11. Pursuant to an ongoing project, any amount remaining unspent in a financial year would be transferred within a period of thirty days from the end of the financial year to the Unspent CSR Account and such amount will be spent within a period of three financial years towards the project. In the event the amount is not spent, it will be transferred to a fund specified in Schedule VII of the Act within 30 days from the date of completion of the third financial year.
 12. Pursuant to CSR spending on other than on-going projects, any amount remaining unspent in a financial year would be transferred to a fund specified in Schedule VII of the Act within six months of the end of the financial year.

E. Monitoring

The Board of Directors, on the recommendation of the CSR Committee shall ensure a transparent monitoring mechanism for implementation of the CSR activities.

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

2. The Chief Financial Officer shall be responsible for monitoring expense on CSR activities with respect to the plan and submission of the same to the CSR Committee and the Board.
3. The Board of Directors shall review the progress of CSR activities and monitoring of projects as per the annual action plan at least annually.
4. The activities of ICICI Foundation for Inclusive Growth (ICICI Foundation) would also be overseen by the Governing Council of ICICI Foundation.
5. ICICI Venture shall undertake impact assessment of significant projects as approved by the Board in the CSR action plan and as per extant rules and regulations

F. Disclosure

ICICI Venture shall disclose the CSR Policy and the projects approved by the Board of Directors for the financial year on its website.

ICICI Venture shall include as part of the Directors' Report, commencing with the annual report for the year ending March 31, 2021, the information as per regulatory reporting requirements and any other statutory requirements. The following information on CSR would be covered:

- i. A description of contents of the CSR Policy;
- ii. The composition of the CSR Committee and details of meetings held during the year;
- iii. Details of impact assessment of CSR projects;
- iv. Amount available for set-off and amount required for set off in the financial year;
- v. Average net profit for the preceding three financial years;
- vi. Surplus arising from CSR projects of previous years;
- vii. Total CSR obligation;

- viii. Details of amount spent in the prescribed format;

- ix. Details of amount unspent, if any, and reasons for not spending the amount;
- x. Details on creation or acquisition of capital assets; and
- xi. Responsibility statement of the CSR Committee that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and CSR Policy.
- xii. Such other matters as may be specified from time to time for inclusion in the annual report.

The above information shall also be displayed on ICICI Venture's website.

G. Corporate Social Responsibility Activities

The CSR Committee would identify the focus areas, from amongst the themes specified in Schedule VII of the Act, for initiatives to be undertaken by the ICICI Venture as CSR. While the major CSR activities will be undertaken in focus areas identified by the CSR Committee, the ICICI Venture may undertake activities that qualify as CSR under Schedule VII of the Companies Act, 2013 and rules relating to CSR, as amended from time to time, based on urgency and need arising out of circumstances such as natural disasters and emergencies.

The guiding principles for selecting CSR projects or programmes and implementation will be as follows:

- i. Selection of CSR projects or programmes would depend on the areas of focus recommended by the CSR Committee and approved by the Board of Directors, and in activities that are in compliance with the areas or subject as specified in Schedule VII of the Act;
- ii. Projects or programmes undertaken shall be either on-going projects of over one year or projects completed within the financial year;
- iii. For engaging any third party for CSR activities, other than ICICI Foundation, ICICI Venture shall conform to regulatory requirements and ensure the third party is registered with the central government and has a CSR registration number;
- iv. Enhanced due diligence may be performed at the time of engaging a third party, other than ICICI Foundation, for undertaking a CSR activity. This would include checking for negative news on the entity and its promoter(s), verifying possibility of misuse of funds or anti-money laundering and seeking clarifications if required on any matter of relevance. Due diligence

may also be undertaken for activities that have been recommended by any public official or third party, including those with whom the ICICI Venture may have business relations;

- v. Ensure that the CSR activities undertaken are non-discriminatory, apolitical and have no religious affiliations;
- vi. Any project or programme that is exclusively for the benefit of the ICICI Venture's employees would not be considered as CSR; and
- vii. Any surplus generated out of the CSR activities shall be ploughed back for CSR activities or transferred to funds as per Schedule VII of the Act or as required by regulation.

ICICI Venture's primary focus areas for CSR activities are:

1. Education

(Schedule VII (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects)

Education represents a critical area of action to realise India's growth potential as also make it inclusive, by enabling children from all sections of society to have access to quality basic education that equips them for taking up higher education or job-oriented skill training. At the same time, India's institutions of higher learning also require investment in capacity building to support India's growing and evolving needs and become global centres of excellence. With the growth and rising complexity of financial needs and available products & services, financial education & counselling is a key area requiring attention. At the same time, educating a wider population on environmental and socially relevant issues is also necessary to increase awareness among the masses. ICICI Venture, both directly and through ICICI Foundation, can focus on activities in these areas and endeavour to improve the quality of education, including education through digital medium and awareness on relevant issues.

2. Health care

(Schedule VII (i) Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation and making available safe drinking water; (iii) Promoting

gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups; (x) Rural development projects)

The healthcare challenge in India spans a number of dimensions, including access to affordable healthcare; awareness of health issues & available facilities/ benefits among the less privileged segments of society and specific vulnerable sections of the population; Addressing this challenge is essential to achieve the objective of inclusive growth. ICICI Venture, both directly and through ICICI Foundation, may work to improve the delivery of healthcare, access to healthcare facilities, facilitating healthcare for society at large, improving nutrition and promoting preventive healthcare through activities like awareness campaigns. ICICI Venture and ICICI Foundation may also support initiatives to make available clean and safe drinking water.

3. Skill development and sustainable livelihoods

(Schedule VII (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects; (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups)

Enabling India's youth to gain skills that can provide employment is key to realizing the potential of India's demographic dividend and driving inclusive growth. Improving employability of the youth from lower-income sections of society is hence an important focus area. ICICI Venture and ICICI Foundation will focus on providing skill training and improving livelihood opportunities of marginalized segments of the population. In the rural areas, ICICI Venture and ICICI Foundation will participate in enhancing the village economy by providing locally relevant skills and facilitate linkages to markets to create sustainable livelihood opportunities for the beneficiaries. ICICI Venture and ICICI Foundation can also work on strengthening value chain for various agri, agri allied and non-agri products/services for improving the livelihood prospects for villagers as well as improvement in overall value generation. The activities can cover aspects of improving nutrition, waste land development, sanitation and waste management and other eligible areas.

4. Rural development through Financial inclusion and Literacy

(Schedule VII (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for

senior citizens and measures for reducing inequalities faced by socially and economically backward groups (x) Rural development projects)

ICICI Group strongly believes that to improve the overall economic condition of the low-income population and to empower them with means to overcome adversities or inequalities, access to financial services is an important factor. Increasing the participation of the rural population as well as the urban poor and migrant workers in the economic mainstream and the formal financial system is imperative for India to leverage its growth potential. The Group recognizes the need for critical interventions in promoting rural development and will initiate programmes that would empower the rural people.

The Group's initiatives in this area include using various channels like branches and business correspondents, and leveraging technology, to make banking services accessible to low-income groups and the rural population, including the urban poor and migrant workers. The Group will continue to focus on further expanding outreach and increasing the number of customers with access to banking services, with special focus on rural and under-banked/unbanked areas. ICICI Venture through ICICI Foundation and Group at large will continue to support the financial inclusion initiatives.

5. Environmental projects

(Schedule VII (iv) 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, including contribution to Clean Ganga Fund set up for rejuvenation of river Ganga)

Protecting environmental resources and ensuring adoption of environment-friendly practices is important to ensure sustainable and self-sustaining local economies. ICICI Venture and ICICI Foundation will focus on activities promoting environmental sustainability. This can include activities relating to soil conservation, water harvesting, management of natural resources, sustainable agricultural practices and other eligible activities. Encouraging families to become self-sufficient and creating an ecosystem that is environmentally and socially sustainable may be another focussed initiative. ICICI Venture and ICICI Foundation may also work on maintaining/improving the ecology, afforestation, waste water recycling, animal welfare, addressing human-wildlife conflict and other eligible areas.

6. Support employee engagement in CSR activities

ICICI Venture supports the involvement of its employees in CSR activities. ICICI Venture will encourage employees to participate in CSR activities of ICICI Venture and ICICI Foundation.

7. Capacity building for corporate social responsibility

ICICI Venture, through ICICI Foundation will continue to promote incubation of expertise for implementing corporate social responsibility initiatives. ICICI Foundation will also work towards providing a platform for organisations engaged in social initiatives, and discussion & thought leadership on critical challenges to inclusive growth. ICICI Foundation will continue to support initiatives that promote individual and corporate philanthropy.

8. Other areas

ICICI Venture will continue to provide support to specific needs such as during natural disasters, through financial as well as logistical support. Further, ICICI Venture can support any other activities that are conforming to Schedule VII of the Act as amended from time to time, and any new areas that may be notified by the government and qualify for CSR.