



SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY POLICY

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Background

Banking is an indispensable and critical part of society, occupying a unique position in the economy as financial intermediaries, providing services to companies, government and individuals. Banks are thus powerful agents of change, promoting sustainable development through the development of financial services and products and also ensuring that environmental and social aspects are taken into account as essential aspects of good business practices. In addition to being able to quantitatively and qualitatively influence economic development, banks also contribute to social and environmental development.

The Bank recognizes its potential in furthering sustainable development and is fully committed to its principles. The Bank acknowledges that as a corporate citizen it has a wider role of creating value for stakeholders through social and environmental contribution.

When used in this document, the term “sustainability” means a triple bottom line approach whereby companies integrate creation of social, environmental, and economic capital in their business operations and in their interaction with their stakeholders, and in particular the communities in which they work in, in such a manner that they create value for their stakeholders. The term sustainability also includes “corporate social responsibility”.

Rationale

The Bank understands that the business objectives must be aligned to meet the diverse expectations and needs of its stakeholders – both internal and external –including, but not limited to, shareholders, customers, employees, suppliers, and the community.

The Bank realises that the social, economic and environmental responsibilities to the stakeholders are integral to its business, and hence aims to demonstrate commitment to meeting these responsibilities through its actions and corporate policies.

Objectives

The Bank is committed to the following core values in all aspects of operations, including the fulfillment of social responsibility:

- Customer focus
- Integrity
- Respect for people
- Equality
- Open communication
- Working to deliver best value
- Openness and transparency
- Development of positive working relationships with others
- Commitment to the highest ethical standards of service
- Equal opportunity employer

Six Focus Areas

The Bank seeks to achieve its corporate and social objectives by focusing on six strategic areas:



TRANSPARENCY AND ACCOUNTABILITY

The Bank believes that transparency and accountability are two central pillars of good governance; transparency is also a necessary precondition for accountability since without access to clear, accurate and up-to-date information, it may not be possible for stakeholders to understand and evaluate actions.

It is thus imperative to maintain an ongoing and transparent dialogue with stakeholders.

To this end, the Bank will endeavor to:

- Ensure that employees conduct the Bank's business ethically and with integrity
- Adhere to fair trade practices, healthy competitive behavior and responsible advertising practices
- Track and comply with relevant disclosure requirements and drive continual process improvements
- Identify key stakeholders, and engage with them in a structured manner on a regular basis
- Be responsive, open and honest in responding to stakeholder needs for information on our policies, procedures and transactions, and maintain an open dialogue to ensure that we fulfill the requirements outlined within this policy
- Report on sustainability-related initiatives on an annual basis, and publicise it both through the internal channels, and externally as appropriate.
- Set in place robust grievance handling and redressal mechanisms, and make them accessible to internal and external stakeholders

RESPONSIBLE BANKING

Possibly the greatest leverage that the Bank wields, for helping shape sustainable development, is in its role as a financial intermediary in the economy. Along with fulfilling the various functions of that role, the goal of the Bank is to offer sustainable products to its customers, whilst also striving to influence business partners in such a way as to minimize any adverse impact on the environment and society.

To this end, the Bank will endeavor to:

- Develop and deliver financial products and services taking into consideration the relevant economic, environmental and social considerations
- Extend financial support to projects which lead to direct environmental/social benefit
- Actively support public policy, regulatory and market mechanisms which facilitate sustainability through appropriate trade and industry chambers and associations

EMPLOYEE WELFARE

The Bank has always felt that employees are the most important asset, and has viewed its commitment to them as a strategic investment. The Bank is committed to meeting its moral, legal, ethical and humanitarian responsibilities with respect to employees, and strives to be the Employer of choice. The Bank aims to ensure that it has a highly trained and motivated workforce, capable of meeting the highest standards required by customers and investors.

To this end, the Bank will endeavor to:

- Be an equal opportunity employer; recruit, train and promote talent with no discrimination on basis of caste, creed, gender, race, region, religion, disability or sexual orientation
- Provide safeguards to ensure that all employees are treated with respect and without sexual, physical or mental harassment
- Provide a healthy and fair working environment; provide and support measures that enable work-life balance
- Comply with the rules and regulations of local governments on labour welfare.
- Promote career development and continuous skill upgradation by encouraging employees to undergo relevant training and academic programs
- Respect the right of employees to freedom of association
- Recognize and appreciate the talented and knowledgeable resources who have contributed to the Business

HUMAN RIGHTS

The Bank is committed to develop a culture of respect for internationally recognised human rights wherever it operates, as well as supporting the promotion of human rights within its sphere of influence.

To this end, the Bank will endeavor to:

- Understand and meet the human rights obligations and responsibilities according to applicable laws and regulations
- Not tolerate human rights abuses, and not engage or be complicit in any activity that solicits or encourages human rights abuse
- Encourage suppliers to treat their employees and to interact with communities in a manner that respects human rights
- Promote the awareness of, and respect for, human rights within its sphere of influence
- Always strive to build trust, deliver mutual advantage and demonstrate respect for human dignity and rights in all relationships it enters into, including respect for cultures, customs and values of individuals and groups

COMMUNITY IMPACT

The Bank is committed to actively participate in, and contribute to, the social and economic development of the communities it operates in. The focus of the Bank is on helping create a sustainable way of life for the weaker sections of society, and hence creating long-term social value.

To this end, the Bank will endeavor to:

- Encourage voluntary involvement and contribution of its employees' time, energies and skills in CSR initiatives
- Strive to take up programs that result, over a period of time, in enhancing the quality of life and economic well-being of the communities it operates in
- Reach out to underserved and unbanked communities, progressively enhance our presence in rural areas, and ensure delivery of financial services in a convenient manner and at an affordable cost to under-privileged sections of society
- While undertaking CSR projects, identify the needs of the local communities, and channel the organizational focus towards regions and sectors that are underdeveloped
- Help in providing equitable education and sustainable livelihoods to disadvantaged individuals by partnering with identified and evaluated NGOs across India
- Coordinate with NGOs to ensure that its CSR efforts complement the development priorities at local and national levels

ENVIRONMENTAL MANAGEMENT

The Bank is committed to environmental affairs leadership in all of its business activities. Concern for the environment is an integral part of its business strategy toward sustainability, and the Bank takes efforts to fulfil all its environmental obligations and commitments as a part of being a responsible corporate entity. It is the Bank's policy to conduct its business in an environmentally responsible manner that protects public, employees, and the Earth.

To this end, the Bank will endeavor to:

- Use natural resources sparingly and with focus on preserving the environment
- Take steps to prevent pollution by adopting the "3-R" (reduce, reuse and recycle) philosophy for all types of wastes
- Dispose of "inevitable" wastes, especially electronic waste, in line with regulatory requirements or industry best practices
- Promote "green procurement" to the maximum extent possible
- Set, monitor and review objectives and targets on an ongoing basis toward achieving continuous improvement in environmental performance
- Comply with all applicable environmental and related legal and other requirements, and enhance the prescribed standards where feasible
- Communicate environmental commitments to all employees, business associates and other stakeholders and provide training to employees on relevant environmental aspects
- Encourage value chain to progressively adopt environment-friendly practices.

Implementation

The Sustainable Development and CSR Committee is the custodian of the Sustainable Development and CSR Policy, and the Bank shall take all necessary steps to ensure awareness of the Policy and its elements among its employees and implementation of the Policy in letter and spirit.

The Policy is made available to the employees, regulatory agencies and other stakeholders through the Bank's official website, and all employees are expected to adhere to and comply with the Policy and its individual elements.

Monitoring and Review

The Sustainable Development and CSR Committee is responsible for reviewing and updating the Policy periodically, to reflect any changes in the regulatory and business environment.

The Committee is also responsible for the overall monitoring and review of the sustainability initiatives undertaken by the Bank and for ensuring that they are in line with the vision of the Organization.

Grievances related to this Policy would be brought to the notice of the Sustainable Development and CSR Committee which would qualify them and address them appropriately.