



**CORPORATE SOCIAL RESPONSIBILITY POLICY OF
AXIS BANK LIMITED**

January 2020

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I. Introduction

1. The Bank recognizes the importance of good corporate governance and corporate social responsibility in promoting and strengthening the trust of its shareholders and other stakeholders.
2. The CSR Policy shall be guided by the Bank's corporate vision and its aspiration to be the Bank of Choice for its Customers, Shareholders, Employees and Community.
3. The Bank's CSR Policy has been formulated and adopted, in accordance with the provisions of Section 135 of the Companies Act 2013 (the Act), the relevant Rules framed thereunder and Schedule VII of the Act. The Policy shall apply to all CSR projects/programs/activities (CSR Projects) which may be undertaken/supported by the Bank either directly or through Axis Bank Foundation (ABF) or through any other Trust/Society or Implementation Partner(s) or NGO(s) or by/ through any Schedule VII Fund(s) that may be set up by the Government of India.

II. CSR Philosophy

The primary purpose of the Bank's CSR philosophy is to make a meaningful and measurable impact to the lives of economically, physically and socially challenged communities of the country through an integrated approach of development which focuses on creating sustainable livelihood, promoting education and skills development, creating awareness amongst public at large on public interest topics including financial literacy, facilitating and providing access to formal banking channels for un-banked sections of the society, promoting environmental sustainability, and supporting health and sanitation initiatives.

Towards achieving the said objectives, the Bank's CSR activities shall be carried out either through direct program implementation by the Bank or its implementation partners, through ABF, or through implementation partners, or by making direct contributions to any Schedule VII Fund, set up by the Government, as it may deem suitable.

III. CSR Focus Areas

The broad CSR Projects, which may be undertaken/ supported by the Bank as part of its CSR Focus Areas, are detailed as under:

1. **Poverty alleviation and measures to reduce inequalities**
 - a. Sustainable Livelihoods
 - b. Financial Literacy and inclusion
 - c. Access to finance and entrepreneurship development
2. **Education and Skill Development**
 - a. Skill development through vocational education and training
 - b. Consumer education and public awareness
 - c. Skill and talent program for children and students
 - d. Entrepreneurial skills development
3. **Environmental sustainability and Rural Development**
 - a. Natural Resources management, soil and water conservation
 - b. Renewable energy and emission reduction

4. **Sanitation and Healthcare**
 - a. Sanitation and drinking water
 - b. Healthcare
5. **MSME Sector Growth**
 - a. Enhancement of MSME sector capability
6. **Humanitarian relief**
7. **Armed Forces Veterans, war widows and their dependents**
8. **Capacity building of CSR personnel**

The detailed explanation of CSR activities which may be undertaken/supported by the Bank are been set out in **Annexure I** to this Policy.

The CSR Committee may consider and approve such other CSR Projects as may be recommended by the Bank, subject to it falling within the purview of Schedule VII of the Act and this Policy.

IV. CSR Governance Structure

The administration of the CSR Policy and execution of CSR Projects is done at the highest level viz. by the CSR Committee.

Accordingly, the Bank has constituted the CSR Committee which is chaired by an Independent Director of the Bank, in terms of Section 135(1) of the Act. .

The CSR Committee is the nodal agency which guides the Bank in implementation of the CSR Projects. The roles and responsibilities of the CSR Committee has been set out in its Charter, which is reviewed and approved by the Board of Directors of the Bank.

The Bank has put in place a Sustainability & CSR Department, which reports to the Executive Director (Corporate Centre) of the Bank and is responsible for implementation of the CSR Projects as approved by the CSR Committee, in terms of the CSR Policy.

V. CSR Projects

The Bank undertakes its CSR Projects either directly or through any one or more of the following viz. (i) through direct implementation by the Bank, or (ii) through ABF, including its implementation partners, or (iii) through partnerships with NGOs, community based organizations, peer organizations, or any pertinent entity located anywhere in India as deemed fit by the Bank, or (iv) by making direct contributions to any Schedule VII Fund(s) set up by the Government.

The Bank shall, whilst implementing its CSR Projects shall adhere to the following norms relating to onboarding of NGO/ Implementation Agency.

1. CSR Budget

The CSR Committee shall determine the amount to be earmarked for CSR Projects proposed to be undertaken by the Bank, for the relevant financial year, subject to the availability of profits, to be calculated in accordance with the relevant provisions of the Act.

The CSR Committee shall review and approve the CSR Projects recommended for implementation by the Bank and allocate adequate funds for the same. The CSR Projects so recommended by the Bank shall be in line with the criteria that may be set by the CSR Committee or by the Government of India and in case of any divergence, the criteria as set out by the Government, shall prevail.

The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Bank.

2. Onboarding of Implementation Partners

The Bank shall conduct requisite due diligence before onboarding any Implementing Partner for administration/ implementation of CSR Projects.

Such diligence shall include but not be limited to ascertaining their track record of community service, governance and management standards, and financial accountability, among other parameters.

The Bank shall enter into a Memorandum of Understanding (MoU) or other binding agreements with Implementing Partners, setting out the terms and conditions relating to the proposed interventions with regard to the CSR Project, as deemed appropriate.

In case of adverse findings or non-compliance with any requirements that may be imposed by the Bank, the Bank without any recourse reserves its right to stop or withhold disbursement of CSR Funds to the Implementing Partner(s).

VI. Monitoring Mechanism

The Bank shall establish in place an effective mechanism to inter alia ensure the following:

- (i) Objectives are developed out of societal needs and in line with the CSR Policy of the Bank.
- (ii) Targets, milestones and other measurable parameters, are prescribed, wherever possible.
- (iii) A progressive monitoring and reporting framework aligned to the requirements under Section 135 of the Companies Act, 2013 and the relevant Rules made thereunder, is put in place.

Such monitoring framework may include site visits by members of the CSR Committee and officers of the Bank, enhanced due diligence of Implementing Partner(s) or CSR project(s) and such other actions as may be deemed appropriate by the Bank.

VII. Reporting Framework

- (i) The details of CSR Projects undertaken by the Bank during the Financial Year, the status of its implementation, the impact thereof on targeted participants, the CSR Funds allocated and amounts which remained unspent as at the end of every quarter/financial year, shall be submitted to the CSR Committee, for their review and noting.
- (ii) The Bank will disclose details of the CSR Projects undertaken by it during the financial year in the CSR Report which forms part of the Annual Report, in accordance with the provisions of Section 135 of the Companies Act 2013 and the relevant Rules framed thereunder, as amended, from time to time.

VIII. Review of CSR Policy

This CSR Policy shall be reviewed at least annually or pursuant to any amendments to the CSR norms or for any reason as deemed appropriate by the Board. Any amendment to the CSR Policy would be subject to the review and approval of the Board.

The amendments to the CSR Policy has been reviewed and approved by the CSR Committee at its meeting held on 19th December 2019 and by the Board of Directors (the Board) of the Bank at its meeting held on 22-23rd January 2020 and the revised CSR Policy shall come into effect from 23rd January 2020.

ANNEXURE I:

An illustrative list of CSR Projects which may be undertaken/ supported by the Bank as part of the CSR Focus areas, are given below:

1. Poverty alleviation and measures to reduce inequalities

- a. Sustainable Livelihoods: Creating sustainable livelihoods is an overarching theme that is pursued to contribute to poverty alleviation and integrated development, especially in some of the poorest districts of the country. The Bank also endeavors to promote women empowerment through such activities by providing them skills and livelihood assets which contribute to improvement in their socio-economic status.
- b. Financial literacy and inclusion: The Bank will promote the cause of Financial Literacy & Inclusion to reduce inequalities faced by socially and economically backward sections of society. These may be undertaken singly and/or in conjunction with the Government's initiatives and schemes. The Bank will create awareness on personal financial management aspects through financial literacy initiatives and provide the underserved sections of society – especially rural population, urban poor and migrant workers – with access to formal banking channels and products under financial inclusion initiatives. The Bank may also facilitate the access to Government benefit schemes and social security schemes through banking channels.
- c. Access to finance and entrepreneurship development: Support creation of sustainable income sources through micro-finance and micro-enterprise development and strengthen mechanisms for alternative livelihood.

2. Education and Skills Development

- a. Skill development through vocational education and training: Provide skilling, re-skilling and multi-skilling support to youth including the differently-abled, for gainful employment. The skilling programs may also include life skills coaching and career counseling support.
- b. Consumer education and public awareness: Promote financial education and awareness amongst consumers at large and students. Disseminate knowledge on managing finances etc., which may include aspects of safe banking practices, tax planning, saving and investing and other relevant financial knowledge. Undertake public awareness initiatives on public interest topics such as pollution, road and personal safety, environmental sustainability, health, sanitation & hygiene etc.
- c. Skills and talent program for children and students: Undertake/support programs that are designed to hone the skills and talent of children and students through talent competitions, scholarships and learning programs.
- d. Entrepreneurial Skills Development: Engage with start-ups, students and technology incubators in academic institutions to promote innovation and development of entrepreneurial skills.

3. Environmental Sustainability and Rural Development

- a. Natural resource management, soil and water conservation: Support initiatives undertaken by local/statutory authorities for effective management of natural resources leading to more productive outcome for agriculture and associated livelihood. Support rural and village communities through non-farm based livelihood development.
- b. Renewable energy and emissions reduction: Ensure environmental sustainability, and ecological balance through pursuance of projects that conserve natural resources and enhance sustainability of environment such as renewable energy and emissions reduction projects. Create carbon sinks through afforestation and plantation programs.
- b. Water harvesting: Support initiatives to conserve water through water harvesting, construction of water sheds, bunkers and related infrastructure.

4. Sanitation & Healthcare

- a. Sanitation and drinking water: Work towards improving/providing sanitation and drinking water facilities for communities/schools and create awareness on health and hygiene topics to bring about a behavioral change.
- b. Healthcare: Support preventive and curative healthcare initiatives, including conducting health screening and awareness camps.

5. MSME Sector Growth

- a. MSME sector capability enhancement: Provide support to MSME sector through dissemination of knowledge and training leading to enhancement of their capabilities.

6. Humanitarian Relief:

Support relief measures during natural and other calamities, including but not limited to contribution to the Prime Minister's National Relief Fund or to the National Disaster Management Authority or any other local authority, or NGO(s) engaged in such relief measures.

7. Armed Forces Veterans:

Support measures for the benefit of the, Armed Forces Veterans, War Widows and their dependents.

'Armed Forces' comprise of the Indian Army, Navy and Air Force while the 'Armed Forces Veterans' are retired members of these forces. 'War Widows' are defined as widows of those armed forces members who have lost their lives in pursuit of their duties during a war.

8. Capacity Building of Personnel and NGO Partners:

Build the capabilities of the Bank's CSR Team and that of ABF and Implementing Agencies through training, conferences and experience sharing programs.
