



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

**July 2022**

## **I. CSR Philosophy**

The Corporate Social Responsibility (CSR) philosophy of the Bank is to make meaningful and measurable contributions in the lives of socially, economically, financially and physically excluded, disadvantaged and challenged communities of the country through an integrated approach of development that focuses on creating opportunities for enhancing livelihood opportunities, improving quality of education and skills development, creating awareness amongst public at large on topics of financial literacy, health and hygiene and facilitating or providing access to formal banking channels for un-banked sections of the society (financial inclusion), promoting environmental sustainability, and supporting health and sanitation initiatives which may be implemented either directly by the Bank or through Axis Bank Foundation (ABF) or other implementation partners, as set out in the Annual Action Plan (AAP), approved by the Board of Directors (the Board) of the Bank.

## **II. CSR Policy**

The Bank recognizes the importance of good corporate governance and corporate social responsibility (CSR) in promoting and strengthening the trust of its shareholders and other stakeholders.

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.

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.

## **III. CSR Focus Areas, Project(s)/Program(s)**

The Bank shall undertake CSR Projects/Programs that are aligned with the areas listed in Schedule VII of the Act within the geographical limits of India. The Bank's CSR Focus Areas are detailed as under:

### **i. Lives and Livelihoods - (Clauses (i), (ii), (iv), (x), (xii) of Schedule VII to the Companies Act, 2013)**

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 endeavours to promote women empowerment through such activities by providing them skills and livelihood assets which contribute to improvement in their socio-economic status.

With the aim to enhance general well-being for a rural household, the Bank endeavours to implement interventions towards improving Health & Nutrition.

### **ii. Financial Literacy and Financial Inclusion (Schedule VII - (ii), (iii), (x))**

The Bank will promote the cause of Financial Literacy & Financial 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 etc. 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.

### iii. **Education (Schedule VII - (ii), (ix))**

Under Education, the primary focus of the Bank is to support educational initiatives that benefits underprivileged students and to provide access to quality education for the students in remote locations. These initiatives will be channelized through Axis DiSe Programs and students' Scholarship programs with special focus on higher education scholarships.

The secondary focus is to support educational initiatives that help in strengthening the educational system that includes Research & Development (R&D) support, supporting educational technologies, research and incubation etc.

### iv. **Others (Schedule VII - (i), (iii), (iv), (xii))**

- a) **Environment** - The Bank endeavours to support initiatives to ensure environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- b) **Relief and need based activities** - 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 NGO(s) engaged in such relief measures, supporting preventive and curative healthcare initiatives.

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.

## **IV. CSR Governance Structure**

The Board of Directors of the Bank (the Board) is the highest governing body responsible for the Bank's CSR domain. The Board shall review the recommendations made by the CSR Committee in pursuance of the CSR Policy and Annual Action Plan (AAP) drawn up and approved by it encompassing activities like the selection of the project(s)/program(s) to be undertaken by the Bank in alignment with Schedule VII of the Companies Act, 2013 and the Rules framed thereunder, the mode of utilization of funds, monitoring and evaluation of the project(s)/program(s) and such other responsibilities as may be prescribed by the Act and the Rules from time-to-time.

## **V. Annual Action Plan:**

The Board, on the recommendation of the CSR Committee shall review and approve the Annual Action Plan which shall inter-alia include the list of CSR project(s)/program(s) in the nature of both 'ongoing' and 'other than ongoing', manner of execution of such project(s)/program(s), modalities of funds utilization and implementation schedules, monitoring and reporting mechanism and details of need and impact assessment if any.

The Board may, on the recommendation of the CSR Committee, pass a resolution with reasonable justification to approve to convert an 'other than ongoing' project/program into an 'ongoing project/program'.

## **VI. Manner of execution of CSR Project(s)/Program(s)**

The Bank shall undertake its CSR project(s)/program(s) either directly or through any one or more of the following including but not limited to:

- i. through direct implementation by the Bank, or
- ii. through ABF or
- iii. through partnerships with a company established under Section 8 of the Act, or a Registered Public Trust or a Registered Society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- iv. through an entity established by the Central Government or State Government – a company established under Section 8 of the Act, or a Registered Trust or a Registered Society.
- v. through Statutory bodies – any entity established under an Act of Parliament or a State legislature.
- vi. by making direct contributions to any Schedule VII Fund(s) set up by the Government as deemed necessary

The Bank shall, whilst implementing its CSR project(s)/program(s) shall adhere to the norms relating to onboarding of NGOs/ Implementation Agency/ies.

## **VII. CSR Budget**

The Bank remains committed to spending in each financial year, the mandated 2% of the average net profits of the preceding three financial years as calculated under the provisions of Section 198 of the Companies Act 2013 for undertaking CSR project(s)/program(s) as set out in the CSR Policy.

The Bank shall ensure that surpluses, if any, arising out of its CSR project(s)/program (s) shall not form part of the business profit of the Bank and shall be ploughed back to the respective project(s)/program(s).

The Bank shall, in case of any unspent amount pertaining to an ongoing project(s)/program(s), transfer such amount into an '*Unspent CSR Account*' setup for the respective financial year or transfer such unspent amount if the same pertains to other than ongoing project(s)/program(s) to the Funds specified in Schedule VII respectively within the timelines as specified by the Act and the Rules.

## **VIII. On-boarding of Implementation Partners**

The Bank shall identify credible implementation partners and conduct due diligence of the identified implementation partners prior to their on-boarding.

Such due diligence shall include but not limited to:

- a. Conduction of pre-grant assessment by third party agencies to assess the implementation partner's financial and governance parameters as well as its ability to undertake the identified project/program;
- b. Registration with the Ministry of Corporate Affairs (MCA) vide CSR Form 1;
- c. In case of any adverse findings against an existing or potential implementing partner, as the case may be, at any point prior to, during or after the implementation of a CSR project, the Bank shall reserve the right to take corrective measures as required;
- d. The Bank shall enter into a Memorandum of Understanding (MoU) or other binding agreements with implementation partners, setting out the terms and conditions relating to the proposed interventions with regard to the CSR Project, as deemed appropriate.

## **IX. Monitoring Mechanism**

The Bank shall establish in place an effective monitoring 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.
- iv. Such monitoring framework may include site visits by members of the Board, CSR Committee and/or officers of the Bank, enhanced due diligence of implementation partner(s) or CSR project(s)/program(s) and such other actions as may be deemed appropriate by the Bank.

## **X. Reporting Framework**

The Bank shall, set in place a reporting framework that includes:

- 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 spent and remaining unspent as at the end of every quarter/financial year, shall be put up to the CSR Committee, for their review and noting.
- ii. The Bank will disclose details of the CSR project(s)/program(s) 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.
- iii. **CFO Certification:** The Chief Financial Officer (CFO) of the Bank shall certify on a periodic basis that the CSR funds so disbursed have been utilized for the purpose and in the manner as approved by the Board.

## **XI. Impact Assessment**

Impact assessment of the project(s)/program(s) will be carried out in accordance with the Rules formulated and amended by the Ministry of Corporate Affairs (MCA) and notified from time-to-time.

Accordingly, the CSR project(s)/program(s) with outlays of minimum of ₹1 crore and above and which have completed at least one year from the date of completion of the said project/program shall be identified for impact assessment. Agencies who are specialized in carrying out impact assessment shall be identified and onboarded followed by due processes for carrying out the impact assessment. During the proposal evaluation stage, it will be endeavoured to capture the output, outcome and impact indicators to measure the impact effectively.

The impact assessment reports will be placed before the Board and disclosed as specified in the Act and Rules.

## **XII. 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 this CSR Policy have been reviewed by the CSR Committee at its meeting held on June 9, 2022 and reviewed and approved by the Board of Directors (the Board) of the Bank at its meeting held on July 25, 2022 and the revised CSR Policy shall be deemed to have come into effect from the said date.

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