



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Recommended by	CSR & ESG Committee
Approved by	Board of Directors
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1. Preamble

HDFC Bank Limited (“Bank”) has always believed that its responsibilities extend beyond business, to include sustainable development of society and the environment in which it operates. As a responsible corporate citizen, the Bank is committed to contributing meaningfully towards the economic, social and environmental development of communities, while aligning its initiatives with the broader national priorities and Sustainable Development Goals (SDGs).

Corporate Social Responsibility (CSR) forms an integral part of the Bank’s ethos and strategy. Through its CSR initiatives, the Bank seeks to create a positive impact on society, promote inclusive growth, and foster long-term value creation for all stakeholders.

The Policy lays down the vision, guiding principles, focus areas, governance structure, and implementation mechanisms for the Bank’s CSR activities. It provides a structured framework to ensure that CSR efforts are strategic, sustainable, transparent and measurable, thereby reinforcing the Bank’s commitment to nation-building and societal welfare.

2. Purpose

The purpose of this Corporate Social Responsibility (“CSR”) Policy is to establish a structured and transparent framework that enables the Bank to plan, implement, monitor, and evaluate its CSR initiatives in a consistent, accountable, and outcome-oriented manner.

This policy will also serve as a guiding document containing approach and direction given by the board, taking into account the recommendations of the CSR & ESG Committee, defining guiding principles for selection, implementation and monitoring of activities as well as formulation of the Annual Action Plan (AAP).

Through this Policy, the Bank endeavours in Developing and advancing the community and in particular, those at the bottom of the pyramid who are unequally endowed/enabled.

3. Policy Statement /Vision

With a vision to have economically and socially empowered communities within a sustainable ecosystem, the Bank works to create economic opportunities, enhance the social status and conserve natural resources, through a plethora of projects.

The overarching purpose of this Policy is to reinforce the Bank’s commitment to being a socially responsible and environmentally conscious financial institution that not only contributes to economic progress but also plays an active role in shaping a sustainable and inclusive society.

4. Scope

This policy will apply to all projects/programs undertaken as part of the Bank's Corporate Social Responsibility activities. It covers all CSR projects, programs, and activities that are undertaken by the Bank in accordance with the provisions of Schedule VII of the Companies Act, 2013, and other applicable regulatory guidelines. This policy is in line with Section 135 of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time ("the Act").

The scope of this Policy also includes:

- Formulation and review of the Annual CSR Action Plan.
- Allocation and utilization of CSR funds in line with approved budgets.
- Monitoring, reporting, and impact assessment of CSR projects.
- Compliance with statutory disclosures, documentation, and audit requirements.

5. Governance Structure

The governance of the Bank's CSR initiatives shall rest with the **Board of Directors, CSR & ESG Committee and CSR Team/Department** each with defined responsibilities and oversight functions as follows:

Board of Directors:

The Board of Directors ("Board") shall have overall responsibility for the Bank's CSR framework and performance. The Board shall *inter alia*:

- Approve the CSR Policy and any amendments as recommended by the CSR & ESG Committee.
- Approve the Annual CSR Action Plan, including CSR projects (in accordance with the Delegation Matrix), outlays, allocations and implementation modalities as recommended by CSR & ESG Committee.
- Approve modification in Annual Action Plan during financial year based with reasonable justification, as recommend by the CSR & ESG Committee.
- Ensure that CSR activities are undertaken in accordance with the approved CSR Policy.
- Ensure that during the financial year, administrative overheads shall not exceed five percent of total CSR expenditure of the Bank.
- Ensure that the Bank spends, in every financial year, at least two percent of the average net profits of the three immediately preceding financial years in pursuance of its CSR Policy, pursuant to any amendments or modifications of the relevant provisions of Companies Act, 2013 or provide reasons for any shortfall in the Board's Report and in case of spending is excess of the requirement, approve by passing resolution to avail set-off as required under the Act and Rules framed thereunder.
- Satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it.

CSR & ESG Committee:

The CSR & ESG Committee shall be constituted in accordance with Section 135 of the Companies Act, 2013 and shall function as the nodal body for CSR planning and monitoring by the Bank. The Committee shall *inter alia*:

- Formulate and recommend to the Board any amendments to CSR Policy
- Formulate and recommend to the Board, the Annual Action Plan or changes in pursuance to CSR Policy, outlining approved projects, manner of execution of projects/programmes, modalities of utilisation of funds and implementation, target beneficiaries, budgets, and timelines.
- Recommend the amount of expenditure to be incurred on CSR activities.
- Monitor the implementation and progress of CSR projects or programmes through periodic reviews and reports.
- Oversee the utilization of CSR funds and ensure adherence to prescribed administrative expense limits.
- Evaluate the outcomes and effectiveness of CSR initiatives through reports, reviews, and impact assessments.
- Ensure that CSR projects are aligned with the areas listed under Schedule VII of the Companies Act, 2013. Recommend/ approve CSR projects in accordance with the Delegation Matrix.

CSR Team/Department:

The Bank's CSR activities will be driven by a dedicated CSR team under the guidance and support of senior functionaries.

- The CSR Department of the Bank will be responsible for administering and executing the policy, in accordance with the Annual Action Plan (AAP).
- Ensuring compliance with applicable laws and regulatory requirement.
- To provide regular updates and / or reports on progress with regards to Projects and CSR Financials for the review and approval of the CSR & ESG Committee.

6. Budgeting

The Board shall ensure that the 2% of average net profits from the immediately 3 preceding years is spent on a yearly basis on CSR initiatives undertaken by the Bank. The overall amount to be committed to CSR will be approved by the Board as recommended by the CSR & ESG committee through its Annual Action Plan carrying list of CSR projects or programs approved to be taken. The following guiding principles to be adhered to in terms of CSR Budget Outlay and Expenditure:

- The administrative overheads incurred for general management and administration of CSR functions shall not exceed five percent (5%) of the total CSR expenditure of the Bank for the relevant financial year, or such other limit as may be prescribed under the Companies Act, 2013 and the Companies (CSR Policy) Rules, 2014, from time to time.
- The expenses incurred on Impact Assessment studies shall not exceed two percent (2%) of the total CSR expenditure for that financial year or fifty lakh rupees (₹ 50,00,000), whichever is higher, in accordance with Rule 8(3)(c) of the CSR Rules.
- Any surplus generated from CSR activities shall not form part of the business profit of the Bank and shall be treated as follows:
 - a. Ploughed back into the same project

- b. Transferred to a designated Unspent CSR Account (UCSRA) and spent in pursuance of CSR policy and Annual Action Plan of the Company
 - c. Transferred to a Fund specified in Schedule VII, within the prescribed timeline as specified in the CSR Rules.
- Any unspent amount in meeting the CSR obligation shall be reported by the Board in its report specifying the reasons for not spending the amount and shall be dealt with in accordance to Section 135 of the Act and rules made thereunder.
 - In case the Bank spends an amount in excess of requirement of its CSR obligations in a financial year, such excess amount may be set off against the requirement of CSR spending up to immediate succeeding three financial years subject to fulfilment of conditions specified under the Companies (CSR Policy) Amendment Rules, 2021 as maybe amended from time to time.
 - The Bank may spend its CSR budget for creation or acquisition of a capital asset subject to fulfilment of conditions specified under the Companies (CSR Policy) Amendment Rules, 2021 and any amended to the same.

7. Annual Action Plan (AAP)

In accordance with Section 135 of the Companies Act, 2013 and the Companies (CSR Policy) Rules, 2014, the CSR & ESG Committee shall formulate an Annual Action Plan in pursuance of its CSR policy. The Annual Action Plan shall include:

- List of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
- The manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of the Companies (CSR Policy) Rules, 2014;
- The modalities of utilisation of funds and implementation schedules for the projects or programmes. where execution is through indirect mode, entities eligible as per CSR rules for execution will be empanelled.
- Monitoring and reporting mechanism for the projects or programmes; and
- Details of need and impact assessment as per eligibility for the projects undertaken by the Bank.

The CSR & ESG Committee shall review and recommend the Annual Action Plan to the Board of Directors for approval. The Board may modify the Annual Action Plan at any time during the financial year, based on the recommendations of the CSR & ESG Committee. The CSR & ESG Committee shall place before the Board a report detailing the actual amount spent on CSR projects and activities during the financial year.

8. Disbursement

The terms, conditions and timing of disbursement will be discussed and agreed to with the CSR Department and project teams and will typically form part of the Memorandum of Understanding with the entity implementing the project. The disbursal of funds will be either in tranche drawdown form / Advance or one-time payment depending on the nature and requirement of the project and the Annual Action Plan as recommended by the CSR & ESG Committee and approved by the Board.

9. Impact Assessment

In accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Bank shall undertake impact assessment of its projects through an independent agency, of the CSR projects having outlays of Rupees 1 crore or more, and which have been completed not less than one year before undertaking the impact study. The impact assessment reports shall be placed before the CSR & ESG Committee/Board shall be annexed to the annual report on CSR and shall be placed on the website of the Bank.

10. Reporting

The Bank shall ensure transparent and timely reporting of its CSR activities in accordance with the provisions of the Companies Act, 2013 and applicable rules. The reporting framework will include:

- The Bank shall disclose CSR activities, expenditure, and impact assessment in its Annual Report in the manner and format prescribed under applicable law including filing of Form CSR-2 with the Ministry of Corporate Affairs.
- The Bank shall also ensure that the CSR Policy, composition of the CSR & ESG Committee, and approved projects are disclosed on its official website.

Annexure 1 – AREAS OF CSR INTERVENTION

Enumerated below are the areas under which the Bank will implement its CSR Projects. This will be reviewed from time to time by the CSR & ESG Committee and the Board and specific initiatives under these will be undertaken in line with the CSR Policy to meet the overall objectives of these interventions.

1. Financial Literacy and Inclusion:

In alignment with the Companies Act -2013, Schedule VII (ii) Promoting Education and Livelihood Enhancing Projects. Schedule VII (iii) Measures for reducing inequalities faced by socially and economically backward groups.

The Bank believes that absence of financial knowledge can lead to poor financial decisions that can have an adverse effect on the financial health of an individual. The Bank will endeavour to provide familiarity with and understanding of financial products, especially of rewards and risks, in order to better equip the financially excluded to make informed choices. These projects will endeavour to promote financial literacy amongst various segments such as students, senior citizens, and others in the communities, directly or through implementing partners.

The Bank will organize financial literacy awareness programs and through multiple media to create financial awareness and promote inclusion in the marginalized communities.

2. Promoting Education:

In alignment with the Companies Act -2013, Schedule VII (ii) Promoting Education and Schedule VII (vi) measures for the benefit of armed forces veterans, war widows and their dependents.

Education is one of the building blocks of any nation. With the aim of having ‘every child in school and learning’ the Bank’s interventions will aim at mainstreaming children and improving the quality of education they receive. A multitude of interventions such as educational sponsorships to students belonging to economically/socially/physically challenged categories and from the families of war veterans and the personnel in public services of defence and security training programs for teachers, supporting the infrastructure or running cost of reading programs, libraries, supportive classes, computers, science laboratories, physical education etc. will be undertaken to create a conducive learning environment and to promote learning

3. Skill Training and Livelihood Enhancement:

In alignment with the Companies Act -2013, Schedule VII (ii) Employment Enhancing Vocational Skills and Livelihood Enhancing projects and Schedule VII (iii) Empowering Women and measures for reducing inequalities faced by socially and economically backward groups.

A growing economy like India requires a large and skilled workforce. The Bank’s skill training initiatives will aim at training and capacity development of youth and women from economically weaker sections of society, and to empower them to gain access to opportunities for sustainable livelihood and growth.

The Bank will support technical training courses, Skill Development Centre’s, non-formal vocational programs aimed at creating livelihood opportunities, soft skill training aimed to facilitate integration into mainstream and soft loans for self- financing of training. Under the scope of this initiative, the Bank will also support upgrading skills and capacity building of farmers by introducing innovative methods of cultivation and creating market linkages and include other livelihoods activities undertaken for farmer s. Supporting families of war veterans and the personnel in public services of defence. Livelihood support to physically disabled and other weaker sections of society

4. Promoting Healthcare and Sanitation:

In alignment with the Companies Act -2013, Schedule VII (i) Eradicating Malnutrition, Promoting health care including preventive health care and sanitation and making available safe drinking water;;; Schedule VII (xii) disaster management, including relief, rehabilitation and reconstruction activities and Schedule VII (vi) measures for the benefit of armed forces veterans, war widows and their dependents.

The Bank will address the healthcare, hygiene and sanitation needs of the community through innovative, affordable, and accessible products and services. The Bank will continue to conduct Blood Donation Drives and support the setup of Blood Storage Units in rural locations that do not have blood banks, to ensure supply of blood. In addition, the bank will work on in making affordable healthcare accessible to all sections through preventive, curative, and palliative interventions. Such activities also include contributions made to specific funds set up by the Central Govt and provisions made towards promotion of healthcare and wellness as eligible under Schedule VII updated from time to time. The Bank recognizes the difficult conditions under which our defence/police force operate in and will extend support through special products to provide them with a security cover.

5. Environmental Sustainability:

In alignment with the Companies Act -2013, Schedule VII (iv) Ensuring Environmental Sustainability, Conservation of Natural Resources and Maintaining the quality of soil, air and water.

Sustainability is one of the core values of the Bank and climate change mitigation and environmental improvements are essential elements of its strategy for sustainability. The Bank will initiate multiple projects implemented directly or through consultant partners to manage its emissions through initiative like tree plantation etc and to introduce environmentally friendly practices. Social Communication will be used as an effective tool in influencing behaviour and creating a sustainable environment for the community.

The Bank will encourage investment in energy efficient technology, developing socially and environmentally friendly products and services, improving access to water by creating/sponsoring irrigation and water storage structures, promoting public transport by creating appropriate infrastructure, benchmarking, and reporting on Sustainability projects.

6. Eradicating Poverty:

In alignment with the Companies Act -2013, Schedule VII (i) Eradicating Poverty, Hunger and Malnutrition.

The Bank is committed to supporting underserved communities through need-based assistance, including nutrition and aid for persons with disabilities via its small grants program. Additionally, the Bank encourages employees to actively contribute to society by initiating and participating in community projects within their local.

7. Rural Development:

In alignment with the Companies Act -2013, Schedule VII (x) Rural Development.

With the objective of contributing to the improvement of the economic and social well-being of people in rural areas, the Bank will initiate programs that empower the rural population. These will range from making financial services and products available to these areas and bringing them within the banking fold, to creating innovative products to suit the requirements of the rural population. The Bank will support projects providing electrification through solar or alternate methods, improving access to water, healthcare and sanitation, and construction and running cost of schools and health centres, amongst others.

8. Innovation and researches:

In alignment with the Companies Act – 2013, Schedule VII (ix) contribution to incubators or research and development projects in the field of science, technology, engineering, and medicine funded by Central or State Govt. or allied sectors aimed at promoting SDGs.

The Bank promotes innovation in the field of sustainable development. The Bank shall partner with eligible institutions defined under Schedule VII to promote innovative ideas, start-ups, research, training, and development work aimed at promoting Sustainable Development Goals (SDGs)

9. Contribution to specified funds:

In alignment with the Companies Act – 2013, Schedule VII (viii) contribution to the prime minister's national relief fund [or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women The Bank shall promote socio economic development and relief activities by supporting specific funds set up by the Govt. as made eligible under the Act and amendments thereof. The Bank has supported such funds for Covid-19 pandemic relief activities as well.

10. Promotion of Sports:

In alignment with the Companies Act – 2013, Schedule VII (vii) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports. The Bank shall support interventions promoting sports among youths, children, and athletes as per need and impact through the support towards coaching and training, equipment, medical / rehab, promoting participation, sports kits, training Infrastructure etc. The Bank has been supporting such athletes and envisages developing junior athletes identified for sports at the scale of Olympics and Paralympics.

Activities not covered in the Policy if taken up will be within the prescribed activities listed in Schedule VII of the Companies Act, 2013 and amendments thereof to the Act with approval/ratification of CSR & ESG Committee of the Board.

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