

CORPORATE SOCIAL RESPONSIBILITY POLICY

Submitted For Review & Approval

**Sd/-
Ketki Joshi
Head- Legal, Compliance & Secretarial**



AXIS TRUSTEE

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Introduction

Axis Trustee Services Limited ('ATSL' or 'the Company') 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 Company's corporate vision and the aspiration to be the Trustee of Choice for Customers and Community.

The Company's CSR Policy has been framed in accordance with Section 135 of the Companies Act, 2013 and the rules framed thereunder. The Policy shall apply to all CSR programs undertaken/sponsored by the Company executed through Axis Bank Foundation ("ABF") or through any other Registered Public Trust/ Registered Society registered under Section 12A and 80G of Income Tax Act, 1961 or implementation partner or contributions made by ATSL to 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 Government.

1.1 Review Period : Annual

1.2 Regulatory Requirements References

- a) Companies Act, 2013 ("the Act")
- b) Companies (Corporate Social Responsibility Policy) (Amendment) Rules, 2014
- c) Schedule VII of the Act, 2013

1.3 Policy Administration

The primary ownership of the Policy is with the Secretarial Dept. The responsibility of its implementation lies jointly with the Secretarial Dept. and Head - HR & Accounts.

2. Definitions

- a. Administrative Overheads means the expenses incurred by the Company for 'general management and administration' of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring and evaluation of a particular Corporate Social Responsibility project or programme;
- b. CSR Policy means a statement containing the approach and direction given by the Board of the Company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the Annual Action Plan;
- c. Net Profit means net profit of the company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:
 - (i) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
 - (ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act
- d. Ongoing project means a multi-year project undertaken by a Company in fulfillment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.

3. CSR Purpose Statement

To make a meaningful and measurable impact in the lives of underprivileged and vulnerable communities of the country by supporting initiatives aimed at creating conditions suitable for sustainable livelihood in these communities, as also initiatives aimed at improving the socio-economic development and providing relief by contributing to any fund set up by the Central Government with the primary objective of dealing with any kind of emergency or distress situation such as that posed by COVID

19 pandemic. ATSL also aims to promote literacy among the disadvantaged and differently-abled people.

4. CSR Guiding Principles

To create meaningful socio-economic impact in the lives of vulnerable and underprivileged sections of the society that include differently-abled, street children, destitute women, children of sexually exploited women and people suffering from natural disasters or any kind of emergency or distress situation such as that posed by COVID 19 pandemic.

To create sustainable livelihood through interventions that facilitate access to Government's programs, schemes and infrastructure, particularly relating to the areas of education, natural resource management, agriculture, horticulture and livestock development, micro-enterprise, vocational training and skill development.

To ensure project management through application of results-based management approach, focusing on appropriately defined systems and processes that measure the impact of the various projects and activities.

To develop as a learning organization through focus on documentation, qualitative research and dissemination to internal and external stakeholders.

5. TERMS OF REFERENCE FOR THE COMMITTEE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Composition: Two directors of the Company.

5.1 Duties of the CSR Committee

In alignment with the Rules, the CSR Committee shall formulate an Annual Action Plan that shall include the modalities of each CSR Project/Program that ATSL shall undertake in a financial year, as guided by the Rules.

The CSR Committee shall recommend to the Board, the Annual Action Plan in pursuance of the CSR Policy as stipulated by the Rules.

5.2 Meetings

- a.** The Committee shall meet at half-yearly intervals and as and when required.
- b.** The quorum shall be two members.
- c.** The officials of the Secretary Dept. of ATSL shall act as the secretary to the Committee.

6. CSR Program Areas

ATSL shall undertake CSR Project(s)/Program(s) in accordance with Schedule VII of the Companies Act 2013 and the relevant provisions of the Companies (Corporate Social Responsibility Policy Amendment) Rules, 2021, as set out in Annexure I, to this Policy.

ATSL shall undertake CSR Project(s)/Program(s) in relation to the said areas specified in Annexure I to this Policy, either directly or indirectly, through the Axis Bank Foundation or any other implementation partner(s) as guided by the Rules

The CSR Committee shall ensure that only those CSR Project(s)/Program(s) are undertaken that are stated/added in the Annual Action Plan, as approved by the Board.

7. CSR Expenditure and Budget

The CSR Committee will abide by the provisions relating to annual expenditure on CSR activities as laid down in Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

The Board shall ensure that the administrative overheads shall not exceed 5% of the total CSR Expenditure of the Company for that financial year.

The Company spends, in every financial year at least two per cent of the average net profits of the company made during the three immediately preceding 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 surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Where the Company spends an amount in excess of the requirement provided under Section 135(5), such excess amount may be set off against the requirement to spend under Section 135(5) up to immediate succeeding three financial years subject to the conditions that-

- a. The excess amount available for set off shall not include the surplus arising out of CSR activities, if any
- b. The board of the company shall pass a resolution to that effect

8. Capital Asset

In the course of implementation of ATSL's CSR Project(s)/Program(s), ATSL shall ensure that for any capital asset so created, its ownership shall rest solely with the implementation partner, direct beneficiary, or public authority, as stipulated in the Rules.

9. Validity of CSR policy

The CSR Committee may amend the Policy as may be required from time to time and will review annually and recommend the amended policy to the Board for their approval.

10. CSR Implementation

The Board of Directors of the Company shall ensure that the CSR activities are undertaken by the Company itself or through-

- a. 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, established by the company, either singly or along with any other company; or
- b. A company established under Section 8 of the Act or a registered public trust or a registered society, established by the Central or State Government; or
- c. Any entity established under an Act of Parliament or State Legislature; or
- d. 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.

11. CSR Governance Structure

Roles and responsibilities: Board of Directors

10.1 The Board shall ensure that the CSR activities are undertaken by the company itself or through –

- (a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) 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:

10.2 The Board of Directors shall approve the CSR Policy after taking into account the recommendations of the CSR Committee and disclose the contents of such Policy in the Board Report and also place it on the website.

10.3 The Board shall ensure that the Company spends, in every financial year, at least 2% of the average net profit of the Company made during immediately preceding three financial years.

10.4 The Board of a company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

10.5 In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

10.6 The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

12. Monitoring and Reporting Framework

- 12.1** The Company will institute a well-defined monitoring and evaluation mechanism to ensure that each CSR project has:
- a. Clear objectives developed out of societal needs that are determined through baselines studies and research.
 - b. Precise targets, time lines and measureable parameters wherever possible.
- 12.2** The Company will have a progress monitoring and reporting framework aligned to the requirements of Section 135 of the Act.
- 12.3** The progress of CSR projects and expenditure will be reviewed by the CSR Committee once in a half year or as and when decided by the CSR Committee.
- 12.4** The Company will report on CSR performance in its annual report as per the structure and format prescribed in the notified CSR Rules. Further, the Board shall specify in its report, if the Company fails to spend such amount.
- 12.5** The Board's Report pertaining to any financial year shall include an Annual Report on CSR containing particulars specified in Annexure I or Annexure II of CSR Amendment Rules as applicable.

13. Impact Assessment

In the event the average CSR Obligation of the Company exceeds Rs. 10 crore or more in three immediately preceding financial years, the Company is required to undertake impact assessment through an independent agency, of their CSR outlays of rupees one crore or more, and which have been completed not less than one year before undertaking the impact study.

Accordingly, an Impact assessment report shall be placed before the Board and shall be annexed to the Annual Report on CSR.

In the event of applicability of Impact Assessment, the Company may book the expenditure towards CSR for that financial year, which shall not exceed 5% of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

14. Budget Monitoring

The Company will formulate a well - defined monitoring and evaluation mechanism to ensure project –wise accounting of CSR spends.

15. Areas of Operations or Areas of Project Implementation

The Company shall give preference to the CSR projects/activities which are under its areas of operations. However, the Company may also undertake CSR activities through its implementation agencies in any other area within India, as deemed fit by the CSR committee (*refer sec 135 of the Act & MCA - General Circular No -06/2018 dated 28th May, 2018*).

16. Display of activities on website

The website of the Company shall mandatorily disclose the following:

- a. Composition of CSR Committee
- b. CSR Policy
- c. Projects approved by the Board

Annexure I

An illustrative list of the CSR areas under which CSR Project(s)/Program(s) may be undertaken by ATSL, are given below:

1. Poverty alleviation and measures to reduce inequalities

- a) *Sustainable Livelihoods*: Creating and enhancing sustainable livelihoods and employability 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. ATSL 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*: ATSL 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. ATSL 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. ATSL 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*: 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.
- c) *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 behavioural 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:

- a) *Support relief measures during natural and other calamities: Support including but not limited to contribution to the Prime Minister's National Relief Fund or to the National Disaster Management Authority or any such fund as may be notified by the Government for the purpose, any other local authority, or to NGO(s) engaged in such relief measures.*

7. Armed Forces and Paramilitary Forces Veterans and War Widows and their Dependents:

- a) Support measures for the benefit of Veterans, War Widows and their dependents of the Armed Forces, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF).

'Armed Forces' comprise of the Indian Army, Navy and Air Force while the 'Armed Forces Veterans' are retired members of these forces.

'Central Armed Police Forces (CAPF)' and Central Para Military Forces (CPMF) comprise of the Border Security Force (BSF), Central Industrial Security Force (CISF), Indo-Tibetan Border Police (ITBP), Sashastra Seema Bal (SSB), Assam Rifles (AR) and National Security Guard (NSG).

The 'Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans are retired members of these forces.

'War Widows' are defined as widows of those Armed Forces, CAPF and CPMF 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 Sustainability & CSR Team of ATSL, ABF and other Implementing Agencies through training, conferences and knowledge sharing programs.