

## **Policy on Corporate Social Responsibility**

### **I. CSR Philosophy**

The Corporate Social Responsibility (CSR) philosophy of Axis Finance Limited (Company) 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 by itself 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 Company.

### **II. CSR Policy**

The Company recognizes the importance of good corporate governance and corporate social responsibility in promoting and strengthening the trust of its shareholders and other stakeholders. The CSR Policy (this Policy) shall be guided by the Company's corporate vision and its aspiration to be the Company of Choice for its Customers, Shareholders, Employees and Community at large. The CSR Policy has been formulated and adopted, in accordance with the provisions of Section 135 of the Companies Act 2013 (the Act), read with the Companies (CSR Policy Amendment) Rules, 2021 (the Rules) and Schedule VII of the Act. The CSR Policy sets out the approach and direction given by the Board of Directors (the Board) of the Company, as per the recommendations of the CSR Committee of Board of Directors (CSR Committee), and includes guiding principles for selection, implementation and monitoring of CSR Project(s)/Program(s) and formulation and adoption of the Annual Action Plan in respect of CSR Project(s)/Program(s) to be undertaken/ supported by the Company.

### **III. CSR Governance and Management Structure**

#### **Governance 1 – Board of Directors of Axis Finance Limited**

The Board of Directors of the Company (the Board) is the highest governing body responsible for the Company's CSR agenda. The Board shall review the recommendations made by the CSR Committee, in respect of the following matters, in compliance with the CSR norms and the CSR Policy.

1. Formulation and review of the CSR Policy;
2. Reviewing proposals for Ongoing as well as 'other than ongoing' CSR Project(s)/Program (s) to be undertaken/supported by the Company, in terms of the CSR Policy and allocation of funds for the same;
3. Review of the Annual Action Plan in relation to the CSR Project(s)/Program(s), to be undertaken by the Company, during a financial year,
4. Reviewing the eligibility of the Implementation Partners for the CSR Project(s)/Program(s), to be undertaken by the Company;
5. Review of the Individual Implementation Plans for the CSR Project(s)/Program(s), to be undertaken by the Company, under the Annual Action Plan, during a financial year;

6. Monitoring the usage of funds allocated for each Ongoing/Other than Ongoing CSR Project(s)/Program(s), and satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and review and take on record the certificate issued by the Chief Financial Officer (CFO) of the Company, to that effect;
7. Such other matters as mandated under the CSR norms, as amended and notified, from time to time.

The duties and responsibilities of the Board in terms of the CSR norms shall be stated in its Charter.

#### Governance 2 - CSR Committee of the Board of Directors of Axis Finance Limited

The CSR Committee which has been constituted in terms of Section 135 of the Companies Act, 2013 and the Rules framed thereunder, has been appointed by the Board as the nodal agency that shall review the recommendations made by the Management with regards to the aforesaid matters and make appropriate recommendations to the Board.

#### Governance 3 - Chief Financial Officer (CFO) – Axis Finance Limited

The Chief Financial Officer of the Company shall certify that the funds allocated for the CSR Project(s)/Program(s) that have been disbursed as per the Board approved Annual Action Plan, have been utilized for the stated purposes and in the manner as approved.

#### Management - CSR Team

The Company has in place a team comprising officers of the company having requisite knowledge in the areas of CSR and working for advancing the objectives of the Company, as set out in the CSR Policy.

#### Axis Bank Foundation

Axis Bank Foundation (ABF) was established by Axis Bank Limited in 2006 to drive forward the Axis Group's CSR vision in a more focused manner. Axis Bank Foundation has been registered as a Trust since 2006 under the Bombay Public Trust Act 1950 and is governed by a Board of Trustees and managed by a team with the required expertise. The Trust is registered under 12 AA and 80 G of the Income Tax Act 1962. Axis Bank Foundation is registered with the Central Government and has obtained the CSR Registration number. Presently it is managing the Company's as well as Axis Group's CSR agenda of supporting livelihoods.

As such, ABF is equipped to implement CSR project(s) in all themes as listed in the Schedule VII of the Companies Act 2013 and the Rules framed thereunder.

#### IV. Annual Action Plan (AAP)

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 the Company shall undertake in a financial year, as guided by the Rules.

The CSR Committee shall, in consultation with the Company's Management and Axis Bank Foundation, recommend to the Board, the Annual Action Plan in pursuance of the CSR Policy as stipulated by the Rules.

#### V. CSR Project(s)/Program(s)

The Company 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.

However, it shall not undertake CSR Project(s)/ Program(s) under any of the areas which is specifically prohibited in terms of the said Rules, as set out in Annexure II, to this Policy.

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

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

The CSR Committee shall review the recommendations made by the Company's Management with regards to the CSR Project(s)/Program(s) proposed to be undertaken, decide the manner in which they shall be implemented and allocate adequate funds, subject to availability of net profits, to be calculated in the manner as stated in the CSR norms.

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.

The Company may undertake multi-year Project(s)/Program(s) with a duration of upto four years including the year of the launch of the Project(s)/Program(s). Such Project(s)/Program(s) shall not be renewed by the Company for additional period(s) after the completion of the four-year period. The company may consider fresh project/program with the same NGO partner. The Company may also, if deemed appropriate, undertake other than on-going Project(s) during the year, the decision of which shall be taken in a case-to-case basis and will be subject to approval of the Board and will form part of the Annual Action Plan.

The Company may undertake CSR Project(s) jointly with Axis Bank Limited or with one or all of subsidiaries of Axis Bank Limited on a case-to-case basis.

#### VII. CSR Budget

The Company remains committed to spending in each financial year, the mandatory 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.

1. The CSR Committee shall take into account the recommendations of the Company's Management whilst finalizing the amount(s) allocated for the individual Project(s)/Program (s) to be undertaken by the Company during a financial year and will be included in the Annual Action Plan.
2. In the event the Company fails to spend the mandated amount for CSR Project(s)/Program(s) in any financial year, the Board shall assess the reasons for such non-compliance and state the reasons in its CSR Report forming part of

the Company's Annual Report, and ensure the transfer of the unspent CSR funds to the "Unspent CSR Account" or to a "Fund(s) included in Schedule VII of the Companies Act 2013" for Ongoing and Other than ongoing CSR projects, respectively, within the timelines stipulated in the Rules.

3. In the event the Company expends an amount for CSR Project(s)/Program(s) in excess of the spending requirement of the Company in a financial year, the CSR Committee may recommend to the Board setting off the excess amount against the CSR spending requirement of the Company for the 3 immediate succeeding financial years.
4. The Company 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 Company and shall be ploughed back to the respective Project(s)/Program(s).

#### VIII. Onboarding of Implementation Partners

The Company is committed to maintaining the highest standards of due diligence towards program implementation.

1. The Company shall conduct requisite due diligence prior to onboarding of Implementing Partner(s) for administration/ implementation of CSR Project(s)/Program(s). The details of members of the Governing board of NGOs will be checked for matches in the Borrower Quick Scan (BQS) software /any other software used by AFL to check background of the members of the Governing Board.
2. 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 and their registration with the Central Government as stipulated in the Rules.
3. The Company shall enter into a Memorandum of Understanding (MoU) or such other binding agreements with a proposed implementing partner, setting out the terms and conditions relating to the implementation of the CSR Project(s)/Program(s), as deemed appropriate, after a review of the proposal(s) relating to CSR Project(s)/Program(s) by the CSR Committee.
4. 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 Company shall reserve the right to take corrective measures as required.

#### IX. Modalities of utilization of funds and implementation schedules for CSR Project(s)/Program(s)

The Company shall establish an effective mechanism with regard to the following:

1. Monitoring and reporting the status of usage of funds allocated for CSR Project(s)/Program(s) and ensure that such funds are being spent for stated objectives and in the manner as set out in the Annual Action Plan as approved by the Board.
2. The Company shall ensure that relevant documentary evidences in respect of the funds disbursed for the said CSR Project(s)/Program(s) are duly submitted by Implementing Partner(s) to facilitate such review/ monitoring.

## X. Monitoring Mechanisms

The Company shall, on an ongoing basis, monitor the following aspects from a regulatory as well as good governance perspective.

1. Every entity that intends to partner with the Company for undertaking CSR Project(s)/Program(s) has registered itself with the Central Government by filing the Form CSR-1 electronically with the Registrar, post 1<sup>st</sup> April 2021;
2. Objectives for each Project/Program are developed out of societal needs and are in line with the CSR Policy of the Company.
3. Targets, milestones and other measurable parameters, are prescribed, wherever possible.
4. A progressive monitoring and reporting framework, aligned to the requirements under the Act and the Rules made thereunder, is put in place.
5. Such monitoring framework may include site visits by members of the CSR Committee and senior officers of the Company, Officers of Axis Bank Foundation, third party agencies, due diligence of Implementing Partner(s) and CSR Project(s)/Program(s), and such other interventions as deemed appropriate by the Company.
6. Site visits will be conducted at least once during the year, additional visits will be done on need basis, if required.
7. Undertake financial audit annually and place the report before the CSR Committee for their review.

The Company shall ensure that the aforesaid matters are placed for the review of the CSR Committee on a half-yearly basis to enable the CSR Committee to make appropriate recommendations to the Board, in compliance with the CSR norms and this Policy. Financial audit to be undertaken annually.

## XI. Impact Assessment

Pursuant to the CSR Rules, Every company having average CSR obligation of Rs.10 Cr. or more, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of 1 crore rupees or more, and which have been completed not less than one year before undertaking the impact study

As on date the Impact Assessment is not applicable to the Company. However, once the same will be applicable, Company will strive to measure the impact of its CSR Project(s)/Program(s) at regular intervals through appropriate mechanisms and undertake impact assessments in alignment with the prevalent CSR Rules.

1. The Company shall undertake impact assessments through independent agencies for CSR Project(s)/Program(s) which have an outlay of Rs. One crore or more, and which has completed not less than one year before commencement of such impact assessment, as stipulated in the Rules.
2. The impact assessment report for each such CSR Project/Program shall be placed before the Board for its review and annexed to the Annual Report on CSR of the Company.

## XII. Reporting Framework

1. The CSR Committee shall review, at least on a half-yearly basis:
  1. Details of the CSR Project(s)/Program(s) that have been undertaken by the Company as per the Annual Action Plan and duly approved by the Board
  2. Status of its implementation vis-à-vis the Individual Implementation Plans (IIPs) under the Board approved Annual Action Plan for each such CSR Project/Program
  3. The CSR Funds allocated and utilized as per the Annual Action Plan
  4. Outcomes of the impact assessments undertaken, whenever applicable.
  5. Amounts which remain unutilized at the end of every half-year/financial year as per the Annual Action Plan
  6. The Company shall ensure that the said details as reviewed by the CSR Committee along with their recommendations are placed for the review of the Board annually.
2. The status of the usage of the CSR Funds so allocated for CSR Project(s)/Program(s) as approved by the Board shall be reviewed and certified by the Chief Financial Officer of the Company and such certificate shall be placed before the Board annually.

## XIII. Capital Assets:

In the course of implementation of the Company's CSR Project(s)/Program(s), the Company 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.

## XIV. Disclosures and related Compliances:

1. The Company shall ensure that requisite disclosures are made in its Annual Report in the prescribed format, containing details relating to the CSR Committee, impact assessments conducted, CSR spends carried forward and/or set off, and such other information, as prescribed in the Companies Act, 2013 and the Companies (CSR Policy) Rules, as amended and notified from time- to-time;
2. The Company shall perform such other duties with respect to its CSR activities as may be required under any law, statute, rules, regulations etc. as may be enacted by Government of India, SEBI, the Reserve Bank of India or by any other regulatory statutory authority or as mandated by the Board, from time to time.

## XV. Authority and Review:

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

The revised CSR Policy has been reviewed by the CSR Committee and reviewed and approved by the Board of Directors (the Board) of the Company. The revised CSR Policy shall be deemed to have come into effect from 15<sup>th</sup> July, 2025.

## ANNEXURE I:

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

1. Poverty alleviation and measures to reduce inequalities
  1. 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. The Company 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.
  2. Financial literacy and inclusion: The Company 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 Company 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 Company may also facilitate the access to Government benefit schemes and social security schemes through banking channels.
  3. 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
  1. 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 counselling support.
  2. 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.
  3. Skills program, talent program and learning program for children and students: Undertake / support programs that are designed to have the skills and talent of children, students including persons with multiple disabilities (Children and adults) through talent competitions, scholarships and learning programs.

4. 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
  1. 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.
  2. Renewable energy and emissions reduction: Ensure environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Govt. for rejuvenation of river Ganga through pursuance of projects that enhance sustainability of environment such as renewable energy, emissions reduction projects. Create carbon sinks through afforestation and plantation programs.
  3. Water harvesting: Support initiatives to conserve water through water harvesting, construction of water sheds, bunkers and related infrastructure.
4. Sanitation & Healthcare
  1. 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.
  2. Healthcare: Support preventive and curative healthcare initiatives, including conducting health screening and awareness camps.
5. MSME Sector Growth
 

MSME sector capability enhancement: Provide support to MSME sector through dissemination of knowledge and training leading to enhancement of their capabilities.
6. Humanitarian Relief
 

Humanitarian Relief: Support relief measures during natural and other calamities which may include contribution to Prime Minister's National Relief Fund or any other such prescribed funds.
7. Armed Forces and Paramilitary Forces Veterans and War Widows and their Dependents:
  1. 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).
  2. 'Armed Forces' comprise of the Indian Army, Navy and Air Force while the 'Armed Forces Veterans' are retired members of these forces.
  3. '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).

4. The 'Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans are retired members of these forces.
  5. '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:
1. Build the capabilities of the CSR Team of the Company, ABF and other Implementing Agencies through training, conferences and knowledge sharing programs.

## ANNEXURE II:

Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in Section 135 of the Companies Act, 2013, in accordance with the Rules, but shall not include the following, namely:-

1. Activities undertaken in pursuance of normal course of business of the company:
  1. Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that -
    1. such research and development activities shall be carried out in collaboration with any of the institutes or organizations mentioned in item (ix) of Schedule VII to the Act;
    2. details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
  2. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
  3. Contribution of any amount directly or indirectly to any political party under section 182 of the Act;
  4. Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
  5. Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
  6. Activities carried out for fulfilment of any other statutory obligations under any law in force in India;

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