

Policy on Corporate Social Responsibility 2019-2020

Introduction

Corporate Social responsibility (CSR) has always been a key component of the operating philosophy of the Federal Bank Limited (hereinafter referred to as “the Bank”), as evidenced by the activities of the public charitable trust, set up by the Bank in 1996, in the fond memory of its Founder Shri. K.P.Hormis and the voluntary adoption of a formal Policy on CSR by the Bank in 2011-12.

Legal Framework of CSR Policy

Section 135 of the Companies Act 2013 (hereinafter referred to as the Act), effective from 1.4.2014, read with the Companies (Corporate Social Responsibility Policy) Rules 2014, as amended from time to time, lays down the legal framework for the Bank’s CSR policy, guided by the core values of quality, reliability and trust, and passion for excellence pursued by the Bank at all levels.

Corporate Vision and objective of the Policy

The Bank desires to make a meaningful contribution for the improvement of those people who are at the bottom of the social pyramid, and thereby act as socially conscious, well governed and successful corporate citizen of the country, maintaining highest standards of corporate governance with the cooperation and involvement of its employees, constituents, society, shareholders and other stakeholders including the Government.

The Bank would be ensuring that the activities are undertaken in a manner that every rupee spent for this purpose will ultimately bring maximum relief to the intended beneficiaries, and thereby contribute to the long term development of the society. The Bank aims to do this by engaging in activities that provide socially and environmentally sustainable benefits for the beneficiaries, measurable in economic terms. This would demonstrate the social commitment of the Bank, in the same manner as it services the interest of the customers, employees and shareholders, integrating the social and business goals.

CSR through Employee Volunteering

Bank Ensures employee engagement and encourages employee involvement in the social responsibility activities of the Bank through various programmes every year. Bank budgets a specific amount under Employee Volunteering and the same would be reached out to the needy through well planned team activities. The Executive Committee would take required decisions and give necessary guidance and also would monitor the Employee volunteering activities.

The activities will be only carried out in India, in areas of operation of the Bank.

Organization structure for CSR activities

The CSR activities will be undertaken in compliance of and within the legal framework referred above by the Board of Directors (herein after referred to as “the Board”) on the basis of the CSR policy formulated and recommended (on a long term, medium term and short term basis along with specified timelines) by the CSR Committee of the Board (herein after referred to as “the Committee) constituted within the frame work of the Act. The Bank has a specially designated CSR Department that shall coordinate monitor, ensure, inspect and report to the Committee, that the benefit reaches the intended beneficiaries.

The Bank will constitute an Executive Committee that will be responsible for review and sanction of CSR projects and activities.

The constitution of CSR Committee of the Board and CSR Committee of executives is given as Annexure I.

Most of the activities would be implemented by the Trust set up the Bank, which will act as a special vehicle for the implementation of CSR Activities, with due compliance of the applicable statutory provisions.

The activities will be executed directly or through the Trust set up by the Bank, which will act as a special vehicle for the implementation of CSR activities.

Connect with Local Community and Linking Business with CSR

Most thrust will be given on geographical areas where Bank is having more presence so that Bank will get good opportunity to connect with the local community, resulting a boost in the goodwill of the Bank.

CSR initiatives covered by the Policy

In accordance with the corporate philosophy outlined above, and the frame work of the Act as amended from to time, the thrust areas of CSR activities of the bank would be:

1. **Poverty Alleviation:** Eradicating hunger, poverty, and malnutrition; Providing safe drinking water, Housing to economically backward sections of society; Healthcare including preventive healthcare and Trauma-care in high-ways; Improved sanitation

and hygiene and other measures for reducing inequalities faced by socially economically backward sections of society including contribution to funds set up by central Government for promotion of sanitation

2. **Education and skill development:** Promoting education including special education and vocational education including skill development for children, women elderly and differently abled and livelihood enhancement projects and other activities within the overall objective of promoting education
3. **Gender equality and welfare of Senior citizens:** Undertaking activities for gender equality including but not limited for empowerment of women, self-help groups and similar organizations; setting up homes and hostels women and orphans; setting up old age homes, day care centers and such other facilities for Senior citizens.
4. **Ensuring environmental sustainability and ecological balance:** Undertaking activities with the overall objective of ensuring environmental sustainability and ecological balance; protection of flora and fauna; animal welfare; Agro-forestry: conservation of natural resources including maintaining quality of soil, air and water; renewable energy and other activities within this overall objective of environmental sustainability including contributions to funds set up Central Government rejuvenation of river Ganga .
5. **Protection of national heritage:** Providing protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries; promotion and development of traditional arts and handicrafts.
6. **Benefit of armed forces veterans:** Taking up projects or activities intended for providing benefit of armed forces veterans, war widows and their dependents.
7. **Promote rural, nationally recognized, Paralympic and Olympic sports** by supporting training for attaining excellence in all areas of sports.
8. **Contribution to the Prime Ministers National Relief Fund or and other Funds** set up by the Central Government for socio economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women.
9. **Providing financial assistance to technology incubators,** located within academic institutions duly approved by the Central Government for this purpose
10. **Development projects** for rural areas and areas declared by Government as slum areas.
11. **Prevention of child abuse and child labour** to ensure education for all kids and providing them facilities/support to the families to help them sending kids to the schools and thereby prevent child abuse & child labour.
12. **Support to Swatch Bharat Mission** by constructing toilets for the poor, e-toilets at public places, support for re-cycling of plastic, e-waste etc.

13. Promotion of Digitization: In line with the Government of India's move towards higher digitization, with focus digitization in rural and semi urban areas.

The above objectives are broad based, and will be construed in a liberal manner within the framework of the Act.

Core CSR activities for the Financial Year 2019-20

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| Youth engagement |
| Education |
| Promoting Vocational Skills |
| Healthcare |
| Women empowerment |
| Digitization |
| Support to Swach Bharat Mission |

Validity of this policy

This policy shall be valid from 25th February 2020 and will be valid until 24th February 2021, or earlier, if any amendments are required to be made.