



Corporate Social Responsibility Policy

Version 2-April 2020

A. Introduction

Corporate Social Responsibility (CSR) is the commitment of companies to provide resources and support activities focused on enhancing economic and social development. It is the effort made by companies to improve the living conditions of the local area in which they operate and the society at large. The activities taken up as part of corporate social responsibility reflect the intent to create a positive impact on society without seeking any commensurate monetary benefits.

CSR has been a long-standing commitment of the ICICI Group (the Group) and forms an integral part of the Group's activities. ICICI Foundation for Inclusive Growth (ICICI Foundation) was established in 2008 with a view to significantly expand the ICICI Group's activities in the area of CSR. Over the last few years ICICI Foundation has developed significant projects in specific areas, and has built capabilities for direct project implementation as opposed to extending financial support to other organizations.

The Company's objective (either directly or through ICICI Foundation) is to pro-actively support meaningful socio-economic development in India and enable a larger number of people to participate in and benefit from India's economic progress. This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society.

The Corporate Social Responsibility Policy (CSR Policy) of the Company sets out the framework guiding the Company's CSR activities. The Policy also sets out the rules that need to be adhered to while taking up and implementing CSR activities.

B. Scope

The Policy would pertain to all activities undertaken by the Company towards fulfilling its corporate social responsibility objectives. The Policy would also ensure compliance with section 135 of the Companies Act, 2013 read with Schedule VII, related rules and circulars (the Act).

C. Governance structure

The Corporate Social Responsibility Committee (CSR Committee) is the governing body that will articulate the scope of CSR activities for the Company and ensure compliance with the CSR Policy. The CSR Committee would comprise three or more Directors including at least one independent Director.

The CSR Committee shall:

- i.** Formulate and recommend to the Board the CSR Policy and any amendments thereto;
- ii.** Indicate to the Board on the activities to be undertaken by the Company as specified in the Act;
- iii.** Review and recommend the annual CSR plan to the Board;
- iv.** Monitor the CSR activities and compliance with the CSR policy from time to time; and

- v. Review and implement, if required, any other matter related to CSR initiatives.

The Committee shall meet at least once in every financial year.

The Board of Directors shall:

- i. Approve the CSR Policy and any amendments thereto based on the recommendations of the CSR Committee;
- ii. Approve the CSR activities and annual CSR plan based on the recommendations of the CSR Committee; and
- iii. Review the CSR activities.

D. Operating framework

- i. CSR activities will be undertaken in areas identified by the CSR Committee. An annual CSR plan shall be presented to the CSR Committee and its recommendations shall be submitted to the Board of Directors of the Company for approval.
- ii. CSR activities may be undertaken by the Company directly or through any not-for-profit entities including ICICI Foundation.
- iii. The Company shall contribute to the ICICI Foundation and such contributions by the Company to ICICI Foundation will form part of the Company's CSR outlay.
- iv. Activities undertaken by the Company may include projects being implemented directly by the Company as well as contributions to not-for-profit entities other than ICICI Foundation for CSR projects that the Company agrees to finance as part of CSR. Such entities & projects shall be supported after ascertaining the credibility of the agency and its track record in implementing CSR projects. The entity shall generally have a track record of three years in implementing such projects.

- v. The responsibility for implementation of identified activities/projects shall be as per the organizational structure approved by the Managing Director & CEO.
- vi. The annual plan shall incorporate the following:
 - a) The prescribed outlay on CSR as per the Act and related rules as amended from time to time;
 - b) Key CSR activities proposed to be undertaken during the year, including analysis of their eligibility for classification as CSR under the Act and related rules as amended from time to time, their conformity with the CSR Policy and their implementation schedule;
 - c) Proposed outlay on each activity;
 - d) Activities to be undertaken by ICICI Foundation and the Company's contribution to ICICI Foundation;
 - e) Activities to be undertaken by the Company directly;
 - f) Activities to be undertaken by other entities and the Company's contribution to such entities; and
 - g) Aggregate proposed outlay and reasons for shortfall, if any, compared to the prescribed outlay.
- vii. The authority to incur expenditure under the above plan shall be as per the approval given by the Board of Directors of the Company.
- viii. Funds would be disbursed either in tranches or as one-time payment. The terms, conditions and timing of disbursement would be conditional upon the nature and requirement of the CSR project or program.
- ix. Surplus arising out of CSR projects or programs or activities shall not form part of the business profit of the Company.
- x. In case there is a conflict between the Policy and the Act, the latter shall prevail.

E. Monitoring

The CSR Committee shall ensure a transparent monitoring mechanism for CSR activities.

- i. The CSR Committee shall review the progress of CSR activities at least once a year.
- ii. The Chief Financial Officer shall be responsible for monitoring expense on CSR activities with respect to the plan and submission of the same to the CSR Committee and the Board.
- iii. The Board of Directors shall review the progress of CSR activities at least annually or at such intervals as it may deem fit.

F. Disclosure

The Company shall include in its annual report, commencing with the annual report for the year ending March 31, 2015, the following information on CSR:

- i.** A description of contents of the CSR policy;
- ii.** An overview of the CSR activities;
- iii.** The composition of the CSR Committee;
- iv.** Average net profit for the preceding three financial years;
- v.** Prescribed CSR expenditure;
- vi.** Details of amount spent in the prescribed format;
- vii.** Amount unspent, if any, and reasons for not spending the amount;
- viii.** Responsibility statement of the CSR Committee that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and CSR Policy; and
- ix.** Such other matters as may be specified from time to time for inclusion in the annual report.

The above information shall also be displayed on the Company's website.

G. Corporate Social Responsibility Activities

The CSR Committee of the Company would consider and approve the projects or programs that the Company should undertake as CSR in India. The Company could also contribute to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief. Any project or program that is exclusively for the benefit of the Company's employees would not be considered as CSR.

In terms of Schedule VII of the Act, the Company's primary focus areas for CSR activities are:

i. Skill development and sustainable livelihood

Enabling India's youth to gain skills that can provide employment is key to realizing the potential of India's demographic dividend and driving inclusive growth. Improving employability of the youth from lower-income sections of society is hence an important focus area.

The ICICI Academy for Skills (ICICI Group Initiative) has been set up across the country to provide job-oriented skill training to youth. Several centres have been set up across the country. In this initiative, ICICI Foundation is also leveraging the skills and training capabilities of large corporates in developing training modules in their respective domains. ICICI Foundation is also liaising with corporates and businesses to get the trained youth employed, through a job portal.

The Company shall also offer skills in financial literacy to the trained youth.

ii. Education

Education represents a critical area of action to realise India's growth potential as also makes it inclusive, by enabling children from all sections of society to have access to quality basic education that equips them for taking up higher education or job-oriented skill training. At the same time, India's institutions of higher learning also require investment in capacity building to support India's growing and evolving needs and become global centres of excellence.

The Company, either directly or through not-for-profit entities including ICICI Foundation, shall work with state governments and other not-for-profit organisations to improve the quality of education in government and municipal schools, which account for the vast majority of school-going children in the country.

iii. Financial Inclusion

The Company believes that to improve the overall economic condition of the low-income population and to empower them with means to overcome adversities or inequalities, access to financial services is an important factor. Increasing the participation of the rural population as well as the urban poor and migrant workers in the economic mainstream and the formal financial system is imperative for India to leverage its growth potential.

The Company's initiatives in this area include using various channels like its distributor network, and leveraging technology to spread awareness about financial services.

iv. Health care

The healthcare challenge in India spans a number of dimensions, including access to affordable healthcare for the poor; awareness of health issues and available facilities/benefits among the less privileged segments of society and specific vulnerable sections of the population, and child malnutrition, which impairs the capacity of a child to lead a healthy and productive life. Addressing these challenges is essential to achieve the objective of inclusive growth.

The Company shall either directly or tie-up with ICICI Foundation to enhance the availability of affordable healthcare to low income households, improve health seeking behaviour among low- income and vulnerable groups through higher awareness and improve child nutrition. The Company will support initiatives to make available clean and safe drinking water.

v. Sanitation

Assuring basic hygiene for one and all in India is a major task. Poor sanitation affects the health of the people of the country. Women are the most affected by lack of proper sanitation. Majority of the diseases arise due to lack of clean water and sanitation and due to improper solid and liquid waste management. The Company believes in promoting better human health and improved quality of life among people through improved sanitation measures.

The Company shall either directly or tie-up with ICICI Foundation to improve sanitation levels in various regions through the schools and/or through participation in 'Swatch Bharat Mission' or through any other program.

vi. Natural Calamities and disasters

The Company will continue to provide support to specific needs during calamities/ disasters/pandemics/epidemics, through financial as well as logistical support which would also include relief, rehabilitation and reconstruction activities.

vii. Other areas

In addition to the above, the Company shall consider and approve, as needed, support to other activities falling within the purview of Schedule VII of the Companies Act, 2013 including any modifications thereof issued by the Ministry of Corporate Affairs from time to time through circulars/notifications/clarifications.

H. Employee Engagement and Capacity Building

i. Support employee engagement in CSR activities

The Company supports the involvement of its employees in CSR activities. The Company will encourage employees to participate in CSR activities of the Company and or ICICI Foundation.

ii. Capacity building for corporate social responsibility

ICICI Foundation will promote incubation of expertise for implementing corporate social responsibility initiatives. It will also work towards providing a platform for organisations engaged in social initiatives, and discussion and thought leadership on critical challenges to inclusive growth. The Company will support ICICI Foundation in its initiatives that promote individual and corporate philanthropy.

I. Policy review:

The Policy shall be reviewed once in two years, or earlier if required.