INDIA CORPORATE SOCIAL RESPONSIBILITY POLICY			
☐ Group Policy		Policy Owner:	India CSR Committee
☐ Business Policy		Approving Authority:	India ExCo
☒ Country Policy		Effective Date:	1st April 2023
Version:	V03_March 2023	Next Review Date:	1st April 2025

Policy on Corporate Social Responsibility (CSR)

1. Introduction

First Abu Dhabi Bank (FAB Group) is the UAE's largest bank and one of the world's largest financial institutions. The First Abu Dhabi Bank is committed to a strong Corporate Social Responsibility and Sustainability culture across all the geographies in which it operates.

First Abu Dhabi Bank P.J.S.C – Mumbai Branch (FAB) set up operations in India in 2015. FAB aims to be a part of India's dynamic economic progress and to strengthen the trade and investment relations between the two countries.

2. Corporate Social Responsibility Policy

FAB is committed to firmly embedding sustainability within the Bank's organisational culture and conducting business in a responsible way. In this context, the term 'sustainability' refers to ensuring long-term business success while creating economic, environmental and social value for future generations through the identification of new opportunities and active risk management of current and future risk.

FAB has developed a CSR Policy (hereinafter referred to as Policy) in alignment with its objective, principles and values, for delineating its responsibility as a socially and environmentally responsible corporate citizen. The Policy lays down the principles and mechanisms for undertaking various programs in accordance with Section 135 of the Companies Act 2013, and the CSR Rules, 2014 framed thereunder. The Policy shall apply to all the CSR programs and activities undertaken by FAB at various locations for the benefit of diverse sectors of the society.

FAB's social responsibility objectives focus on three tactical and community areas – People, Environment and the Economy for community and social investment. All investment in community and social projects are evaluated against the three pillars – People, Planet and Profit, together with ROI in terms of both benefits to the local community and potential increase in the market share in the banking sector.
Tactical and Community Focus Areas within each pillar are as follows:

- ***People:*** Social variables dealing with the community, education, equity, social resources, health, well-being and quality of life.
- ***Planet:*** Environmental variables relating to natural resources, water and air quality, energy conservation et al.
- ***Profit:*** Economic variables dealing with the bottom line and cash flow.

FAB aims to make a meaningful and measurable positive impact on the **environment and the education status of vulnerable communities.**

3. CSR Focus Areas and Programs

Globally, FAB Group is committed to sustainable development and inclusive growth and has been focusing on issues relating to the environment, community development, healthcare and education. Whilst the Company will continue to support activities as per Schedule VII of the Act; the Company will focus its efforts on key areas of focus, i.e., environment and education. The specific projects and activities under these pillars are being worked on and more specifics will be finalised in due course. In terms of the CSR rules issued by the MCA the Company will be focusing on undertaking the project /programs /activities listed below, as specified in Schedule VII to the Act excluding activities undertaken in pursuance of the normal course of business of a Company:

3.1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the "*Swachh Bharat Kosh*" set-up by the Central Government for promotion of sanitation and making available safe drinking water;

3.2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and differently abled and livelihood enhancement projects;

3.3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

3.4. Ensuring environmental sustainability, ecological balance, and protection of flora and 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 Government for rejuvenation of river Ganga;

3.5. 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;

3.6. Measures for the benefit of armed forces veterans, war widows and their dependents;

3.7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

3.8. Contribution to Prime Minister's National Relief Fund or any other fund 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;

3.9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

3.10. Rural development projects;

3.11. Slum area development.

Fab will ensure that its CSR activities are in line with permissible activities covered under the Companies Act 2013, and will not support projects that cover activities that are not recognized as CSR eligible under law.

FAB will also ensure that the CSR Activities shall neither include activities undertaken by FAB during the normal course of its business, nor such activities shall benefit the business or the employees of the Bank

4. Implementation

Guiding principles for the implementation of FAB's CSR activities:

4.1. CSR program will be undertaken by FAB in areas selected for interventions. FAB will choose to undertake need assessments as and when, it deems necessary.

4.2. The time period/duration over which a particular program will be spread will depend on its nature, the extent of coverage and the intended impact of the program.

4.3. The mode of implementation of CSR programs will include a combination of direct implementation and partners such as government schools and college, training institutes, NGOs, business partners, registered societies, etc. FAB will select its activity partners after appropriate due diligence.

4.4. FAB may also implement the CSR programs through registered trust/foundation/society/company set up by FAB or its holding or subsidiary or associate company under Section 8 of the Companies Act, 2013 or through other registered trust/society/company having an established track record of three years in undertaking the projects or programs proposed to undertaken by FAB.

4.5. FAB may use the services of internal teams, expert agencies, consultancy firms etc., wherever required for carrying out baseline surveys, guidance on project design and implementation, due diligence of implementation partners, impact assessment surveys, etc.

4.6. The Annual CSR Budget will be approved by the Board of Directors of FAB upon recommendation by the CSR Committee.

4.7. The administrative overheads of the CSR department at FAB will not exceed five percent of total CSR expenditure of the Bank for the financial year.

4.8. Surplus arising out of the CSR activities and programmes supported by FAB will not form a part of the business profits and will be treated in accordance with the provisions of Companies Act 2013 and /or any rules and regulations issued in relation to the same.

4.9. Unspent CSR funds of a financial year will be treated in accordance with the provisions of Companies Act 2013.

5. Annual Action Plan

At the start of a financial year, the India EXCO will formulate and recommend to the CSR Committee an Annual Action Plan to be followed for that FY in pursuance of the Bank's CSR policy.

The Annual Action Plan, inter alia, will prescribe: -

5.1. the 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;

5.2. the manner of execution of such projects or programmes;

5.3. the modalities of utilisation of funds and implementation schedules for the projects or programmes;

5.4. monitoring and reporting mechanism for the projects or programmes; and

5.5. details of need and impact assessment, if any, for the projects undertaken by the Bank.

Once satisfied with the recommended Annual Action Plan, Fab's CSR Committee will present the Plan to the Board for its approval. If required and on the basis of recommendations from the CSR Committee, the Board may alter such a plan at any time during the financial year, based on the reasonable justification to that effect.

The CSR Committee will ensure periodic review and adherence to the Action Plan formulated for the financial year and will mobilize resources and personnel required to fulfil it in the manner satisfactory to the Board.

6. Monitoring and Reporting Framework

FAB will institute a well-defined monitoring and evaluation mechanism to ensure that each CSR project has:

6.1. Objectives developed out of community needs.
6.2. Targets, timelines and measurable parameters wherever possible.
6.3. A progress monitoring and reporting framework aligned to the requirements of Section 135 of the Companies Act, 2013 and the Rules framed under that.
6.4. The progress of CSR projects and expenditure will be reviewed by the CSR Committee. FAB will report on CSR performance in its Annual Report as per the structure and format prescribed in the notified Corporate Social Responsibility Policy Rules.

7. Governance Structure

CSR governance structure is headed by the CSR Committee of the Board of Directors of FAB. This committee reports to the Board of Directors of FAB.

FAB will institute a CSR Committee consisting of three or more India EXCO members along with participation from India employees.

The following shall be the Terms of Reference of the Committee:

7.1.1. The Committee will meet at least three times a year.
7.1.2. The Committee will provide guidance to formulate FAB's CSR strategy, policy and goals
7.1.3. The Committee will provide oversight on performance of CSR programmes and monitor compliance with the CSR policy and statutory regulations
7.1.4. The Committee reviews effectiveness of the CSR policy and activities included in the policy

The India EXCO team monitors and reviews the performance and impact of the CSR programmes and provides input and course corrections if required.

Approving authority under this policy will be India CSR committee and India EXCO.

The Chief Financial Officer of FAB will ensure and certify that the CSR Obligation of FAB for a given financial year is spent and utilized in the manner as prescribed and approved by the Board. India EXCO will work in tandem with the CFO in ensuring effective financial monitoring of all ongoing CSR projects supported by FAB to this effect.

8. Budget

The India EXCO endeavors to spend, in each financial year, 2% of the average net profit made during the three consecutive preceding financial years. The CSR Committee will recommend the annual budgeted expenditure to the India EXCO for its consideration and approval.

A provision to be made in the financials and then CSR expenditure can be tracked.

No unspent money is used for business activities and remain outstanding in the provision

Net Profit means the net profit as per its financial statements prepared in accordance with the provisions of Section 198 of the Companies Act, 2013 but shall not include:

- Any profit arising from any overseas branch(es) of FAB whether operated as a separate company or otherwise; and
- Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.

9. Related Regulations And/Or Group Policies/Processes

- Group Community & Social Investment Policy
- Group Occupational Health and Safety Management Policy System Policy
- Group Sustainability Policy
- Group Environmental Policy
- Group Procurement & Commercial Management Policy
- Group Environmental Management System Policy

10. Relevant Frameworks, Guidelines And Standards

FAB Group is a signatory to the following:

10.1.1. United Nations Global Compact (UNGC) principles -The UN Global Compact is the world's largest corporate social sustainability initiative with over 12,000 signatories across 170 countries. By signing the UN Global Compact, FAB has agreed to align its strategies and operations with the UNGC's 10 Principles – encompassing human rights, labour, the environment and anti-corruption and the UN Sustainable Development Goals (SDGs) which apply to all countries.

10.1.2. Equator Principles (EP) – the global benchmark that requires the Bank to follow international best practice in relations to environmental and social risk analysis and management.

10.1.3. The Bank also publicly reports its environmental and sustainability performance annually, in accordance with the Global Reporting Initiative (GRI) Standards, UN Global Compact principles, ICMA Green Bond Principles (GBP), Equator Principles, CDP (formerly the Carbon Disclosure Project) and Dubai Declaration on Sustainable Finance.

10.1.4. The standard ISO 26000 is used as a reference point as it provides guidance on how businesses and organisations can operate in a socially responsible way. It clarifies what social responsibility is and helps to translate principles into effective actions and shares best practices from around the world relating to social responsibility.

11. Definitions

Corporate Social Responsibility	The responsibility of an organization for the impacts of its decision and activities on society and the environment, through transparency and ethical behaviour that: ▪ Contribute to sustainable development, including health and welfare of society ▪ Takes into account the expectations of its stakeholders ▪ Is in compliance with applicable law and consistent with international norms of behaviour ▪ Is integrated throughout the organization and practices in its relationship This implies the willing inclusion by business of social and environmental concerns in the commercial (economic) activities and their relationship with their stakeholders.

12. Where To Get Help

For any clarifications on this policy, or if further help is required, please contact CSR Committee India (CSRCommittee-India@bankfab.com)

13. Version Control

Version	**Approved by:**	**Changes to previous version**
V01 May 2019	INDIA EXCO	Initial Release
V02 May 2020	INDIA EXCO	Applicability to MCA guidelines
V03 March 2023	INDIA EXCO	No Changes