

## **CORPORATE SOCIAL RESPONSIBILITY POLICY – BofA Securities India Limited**

### **1. Introduction**

---

Being a responsible business is integral to our success and that of the customers, shareholders and communities we serve around the world. Corporate Social Responsibility (CSR) is embedded in our values and informs how we conduct business, develop products and services and deliver on our goals and commitments. As a responsible Company we follow responsible business practices in the communities in which we operate. We rigorously review our business practices and policies and are continuing to simplify information for customers, maintain a strong risk culture and manage our businesses to be accountable to shareholders and stakeholders.

Our CSR approach, aligned to our global strategy, will continue to focus on building strong economies, helping communities thrive, promoting arts and culture and environmental sustainability.

### **2. Objective**

---

The CSR Policy sets out the framework that would guide all CSR initiatives and activities undertaken by the Company. The policy would also ensure compliance with section 135 of the Companies Act, 2013 read with the relevant Rules made there under. It will be further guided by APAC and Global CSR guidelines.

Any project or program that is exclusively for the benefit of the Company's employees would not be considered as CSR. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company. The scope and ownership of this policy will be within India CSR and governed by APAC CSR and Global CSR.

### **3. Scope & Focus Areas**

---

The scope and focus areas of the Company's CSR Policy shall be in alignment with activities enumerated in Schedule VII of the Companies Act, 2013 (Act) and include:

- 1) Eradicating hunger, poverty and malnutrition, ensuring food security, promoting health care including preventive health care and medicines and sanitation and making available safe drinking water;
- 2) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- 3) promoting gender equality, empowering women and differently enabled individuals, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

- 4) ensuring environmental sustainability, addressing climate change, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- 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;
- 6) measures for the benefit of armed forces veteran, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- 7) training to promote rural sports nationally recognized sports, Paralympic sports and Olympic sports;
- 8) contribution to the 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 Central Government for socio-economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- 9) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and  
  
(b) Contributions to public funded Universities like Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- 10) rural development projects;
- 11) slum area development<sup>1</sup>; and

---

<sup>1</sup> For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

12) disaster management, including relief, rehabilitation and reconstruction activities.

The scope and focus of the Policy shall be modified from time to time and will reflect any modifications made in Schedule VII of Companies Act 2013 ('the Act').

#### **4. Governance/Operational Framework**

---

##### **4.1. CSR Committee**

Section 135 of the Companies Act, 2013 ('Act') requires a CSR committee to be constituted by the Board of Directors ('Board') of the Company. The CSR Committee is the governing body that will promote, function, operate and perform all matters related to and/or ancillary with regard to the CSR activities and will ensure compliance with the Policy. The CSR committee can invite individuals in its meetings as invitees for providing assistance with its various functions.

##### **4.2. Modalities**

The CSR Committee of the Company along with the CSR team will screen, vet and shortlist various projects and proposals to be recommended to the CSR Committee. The CSR Committee will select suitable projects and proposals and recommend the same to the Board of Directors for their approval **post** clearance by Global CSR team.

##### **4.3. Implementation, Monitoring, Documentation & Impact Assessment**

The Company shall undertake and implement CSR activities itself or through entities/agencies, as specified in this regard in the Act and/or its Rules, as amended from time to time. To the extent possible, funding for CSR projects will be for such period as may be determined by the CSR Committee, with potential for future funding contingent on programming and outputs assessed from the interim and final reports.

The Company will institute a robust monitoring mechanism for all CSR programs, generating half yearly progress reports. These reports will be reviewed by the CSR Team and CSR Committee and shared with the Board with an aim to assess the impact of our CSR interventions (either new or ongoing), including but not limited to the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism etc. These reports will also form the basis of any external reporting that is required under the Act.

In the event the average CSR obligation of the Company is rupees ten crores or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, the Company shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of rupees one crore or more, and which have been completed not less than one year before undertaking the impact study.

The Board 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.

In case of ongoing project, the Board 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.

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-

- a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
- c) the modalities of utilization of funds and implementation schedules for the projects or programmes;
- d) monitoring and reporting mechanism for the projects or programmes; and
- e) details of need and impact assessment, if any, for the projects undertaken by the company;

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

## **5. Review & Amendments**

---

The CSR Committee shall review and reassess this policy at least annually; the Policy may be amended from time to time by the Board on the recommendation of the CSR Committee.

## **6. Disclosures**

---

The Board's Report shall include an annual report on CSR activities containing below mentioned particulars as prescribed under the CSR Rules:

- i. Brief outline on CSR Policy of the Company;
- ii. Composition of CSR Committee;
- iii. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company;
- iv. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report);
- v. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any;
- vi. Average net profit of the Company as per section 135(5) of the Act;
- vii. (a) Two percent of average net profit of the Company as per section 135(5) of the Act;

- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years;
  - (c) Amount required to be set off for the financial year; and
  - (d) Total CSR obligation for the financial year (vii.a+vii.b- vii.c).
- viii. (a) CSR amount spent or unspent for the financial year;
- (b) Details of CSR amount spent against ongoing projects for the financial year;
  - (c) Details of CSR amount spent against other than ongoing projects for the financial year;
  - (d) Amount spent in Administrative Overheads;
  - (e) Amount spent on Impact Assessment, if applicable;
  - (f) Total amount spent for the Financial Year (viii.b+viii.c+viii.d+viii.e); and
  - (g) Excess amount for set off, if any;
- ix. (a) Details of Unspent CSR amount for the preceding three financial years; and
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s);
- x. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details); and
- xi. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) of the Act.