

Kotak Securities Limited's

Corporate Social Responsibility Policy

[Approved by CSR Committee on July 22, 2020 and Board of Directors on August 18, 2020]

Preamble

Kotak Securities Limited (KSL) recognises the immense opportunity it has to bring about a positive change in the lives of the communities through its business operations and corporate social responsibility (CSR) initiatives.

KSL aspires to be a trusted partner and contributes significantly towards the economic, environmental and social growth of the nation and is also committed to contribute towards United Nation's (UN) Sustainable Development Goals (SDGs). This policy sets out KSL's vision, mission, governance, and CSR focus areas to fulfill its inclusive growth agenda in India.

Further, CSR at KSL is implemented collaboratively by the organisation along with its employees through volunteering programmes.

While ensuring that its CSR Policy, projects and programmes are compliant with the CSR mandate as specified under section 134, section 135 read with schedule VII of the Companies Act, 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time and in line with the Government of India's notifications issued from time-to-time, KSL also endeavours to align its CSR projects and programmes with government initiated social development programmes and interventions and last but not the least, United Nation's Sustainable Development Goals (SDGs).

Vision

To improve the quality of life of the communities through positive impacts on economic, social and environmental parameters and in alignment with India's social development objectives and SDG goals.

Mission

To create a lasting value for communities in need by promoting and supporting education, livelihood, healthcare, sports and environmental and sustainable development initiatives and others including reducing inequalities faced by socially and economically backward groups, relief and rehabilitation, and interventions towards an educated, employed, healthier and a cleaner India with the aim to serve

communities at large and to transform their lives, in a collaborative manner by partnering with internal and external stakeholders.

KSL's CSR Identity



"कर्म " in Sanskrit means performing duty – action, without underlying expectations or returns

कर्मण्येवाधिकारस्ते र्ा फलेषु कदाचनः।
र्ा कर्मफलहेतुर्भमर्ाम ते सङ्गोऽस्त्वकर्मधि॥

Translation:

Karmanye VadhiKaraste Maa Phaleshu Kadachan,
Maa Karmaphale HeturbhuMaar Te Sangostva Karmani.

Meaning: You have a right to perform your prescribed duty, but you are not entitled to the fruits of action. Never consider yourself to be the cause of the results of your activities, and never be attached to not doing your duty. *Source of the Shloka: Shrimad Bhagwat Gita, Chapter 2, Verse 47*

Scope of KSL's CSR Policy

KSL's CSR Policy is within the scope of the CSR mandate as specified under section 134, section 135 read with schedule VII of the Companies Act and as per the Government of India's notifications issued from time-to-time.

1. Eradicating hunger, poverty and malnutrition, "promoting health care including preventive health care" and sanitation including contribution to the *Swachh Bharat Kosh* set-up by the Government of India for the promotion of 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, 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;
4. Ensuring environmental sustainability, ecological balance, 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;

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 art and handicrafts;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
8. Contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
9. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) 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 (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.

Any other CSR activities which the Government of India may notify from time to time, shall constitute as CSR activities for the purposes of section 135 read with schedule VII of the Companies Act, 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time and in line with the Government of India's notifications issued from time-to-time.

Statement of Commitment

KSL, at all times, is committed to:

- Engage with communities to understand their material expectations and concerns, and will consider these material expectations and concerns to design its CSR agenda.
- Implement, monitor, review and evaluate CSR initiatives to achieve the desired outcomes in a transparent manner.

- Undertake projects in the areas of promoting education, enhancing vocational skills and livelihood, promoting preventive healthcare, environment and sustainable development, sports and others including reducing inequalities faced by socially and economically backward groups, relief and rehabilitation, and interventions towards a cleaner India with the aim to serve communities at large and to transform their lives.
- Partner with governmental agencies, non-governmental organisations (NGOs) and/or other institutions to collectively deliver the community development initiatives and support such organisations and institutions with appropriate and necessary resources.
- Encourage its employee to contribute and volunteer for various community development initiatives.
- Ensure that surplus arising out of CSR initiatives is utilised to further augment the CSR agenda and that such surplus does not form part of KSL's profits.
- Comply with all legal provisions applicable for CSR and adopt industry best practices, wherever feasible.

Implementation Mode

KSL's CSR Programme will be implemented significantly through Kotak Education Foundation (KEF) but will not be limited to KEF.

Given the enormity of India's social development requirement, KSL will either directly implement all its CSR projects and programmes, and /or partner* with selected partners who may be either governmental agencies, NGOs and/or other institution, for implementing projects and programmes who have a proven track record to implement cost and process efficient CSR projects and/or programmes that are scalable, sustainable, and have measurable social outcomes and impact.

Further, KSL through its present and past employees, and stakeholders will also implement projects and programmes by procuring products and services directly from vendors and market at large.

[*Partner in the CSR context means KSL joining-hands (partner) with an NGO to implement its CSR Programme i.e., KSL's CSR Programmes will be funded by KSL (thus, CSR funding partner) and implemented by/through the partner (thus, an implementing partner). It is clarified that KSL's responsibility and liability is restricted to impact outcomes of its CSR Programmes only and in no manner will KSL be responsible or held liable for any acts of omission and commission, and such other civil and criminal liabilities]

Implementation Partners

Charitable bodies in the form of KEF, government agencies, Not for Profit Organisations (NPO), trust, foundations, companies under section 8 of the Companies Act (previously companies under Sec 25 of the Companies Act, 1956) and such other agencies who work in the interest of the community in this space. As per development sector practice and for convenience, KSL will refer to all its implementing partners as NGOs unless otherwise specified in this CSR Policy.

Boundary

While KSL will endeavour to implement its projects and programmes in the area where it carries on its business and operations, with due approval of the KSL's Board CSR Committee (CSR Committee) and the Kotak's Board of Directors (Board), KSL may also implement its CSR programmes and/or projects either directly or with partner NGOs within the geography of India to serve and support the needy people (children, youth, women, war widows, war veterans, elderly, and the differently-abled including school and college dropouts or anyone who never had any formal education (illiterate), destitute, homeless) and/or towards nation building.

Philosophy

KSL has defined CSR Focus Areas to make a concerted effort to achieve a meaningful and measurable social impact. On a case-to-case basis, the CSR programmes and/or projects which are outside KSL's defined four CSR Focus Areas but are eligible CSR activities section 135 read with schedule VII of the Companies Act, 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time and in line with the Government of India's notifications issued from time-to-time, and as may be approved by the CSR Committee.

Key Focus Areas

(I) CSR Focus Area: Education & Livelihood

Through its CSR focus area - Education & Livelihood, KSL will endeavor to enhance the accessibility and affordability of quality education for deserving underprivileged sections of society including special education for the differently abled children and youth.

KSL's programmes and/or projects on Education will focus on providing financial and other resource support to educational institutions comprising infrastructure, buses, scholarships and coaching to children, teachers, headmasters, principals, administrators and trustees and parents and guardians to cater a holistic learning environment for children at school and home. The activities will also include providing mid-day meals and creating relevant infrastructure such as specialized food delivery vans, utensils, kitchens, warehouses etc. and other required nutrition and health related support to the children.

KSL's Livelihood programmes and/or projects will work towards imparting vocational skills and development training courses to children, youth, women, war widows, war veterans, elderly, and the differently-abled including school and college dropouts or anyone who never had any formal education (illiterate) through technical, soft and trade and commerce skills which will help them earn a livelihood and/or enhance their livelihood in rural, semi urban.

KSL may also undertake any other programmes and/or projects which would focus on the education sector and/or livelihood sector, as may be approved by the CSR Committee.

(II) CSR Focus Area: Healthcare

Through its CSR focus area – Healthcare, KSL will undertake projects and programmes directly and/or through implementing partners working in the healthcare and sanitation domain including but not limited to improving access to healthcare facilities by providing ambulances, screening vans and mobile health units etc.

KSL will undertake projects and programmes in the fields of healthcare, sanitation, eradication of hunger and malnutrition, and provision of access to safe drinking water. The CSR projects and/or programmes will aim to provide preventive and curative care and also palliative care, health check-up camps to various age groups to spread awareness for prevention and cure of cancer, HIV/AIDS, tuberculosis, malaria, and other communicable and non-communicable diseases and illnesses. KSL will also undertake projects and programmes to sensitise communities on personal and community health and hygiene. To give life a fighting chance, KSL will promote, encourage and implement blood and organ donations.

KSL may also undertake any other programmes and/or projects which would focus on the healthcare sector, as may be approved by the CSR Committee.

(III) CSR Focus Area: Environment and Sustainable Development

Through its CSR focus area – Environment and Sustainable Development, KSL will partner with NGOs working in the area of maintaining ecological balance, protection of flora and fauna, animal welfare, agriculture, agro forestry, forestry, conservation of natural resources and maintaining quality of soil, air and water.

KSL will also invest in projects and programmes for water conservation, rain water harvesting, adopting green technologies, waste reduction and recycling including effluent treatment, and reusing (3Rs) and promote, encourage and use alternate energy. Further, KSL will undertake projects and/or programmes with NGO partners that are committed to and work in areas of Environmental, Social and Governance (ESG), Sustainability, SDGs and CSR either through direct activities or in the form of advisory, policy advocacy and stakeholder awareness programmes either directly or with eligible institutions under the CSR mandate.

KSL may also undertake any other programmes and/or projects which would focus on the environment and sustainable development sector, as may be approved by the CSR Committee.

IV) CSR Focus Area: Relief & Rehabilitation (COVID-19)

Corona Virus (COVID-19) has been declared as pandemic by the World Health Organisation (WHO), and Government of India has treated this as a notified disaster. The spread of COVID-19 in India has been widespread. Economic and social impact of the pandemic has been equally significant. Many of these issues require sustained and long term CSR support. Thus KSL may undertake and support various relief and rehabilitation activities related to COVID-19 including item nos. (i) and (xii) of Schedule VII relating to promotion of health care, preventive health care and sanitation, and disaster management. Such CSR projects and/or programmes may aim to provide immediate response to reduce or avoid potential spread of disease and losses resulting from same, assure prompt and appropriate assistance to victims of the pandemic or resulting lockdowns. KSL may also undertake projects and programmes that engage with the community for long-term rehabilitation solutions including but not limited to focusing on livelihood enhancement, providing shelter and infrastructure for education and health services to achieve rapid and effective recovery.

In case of other calamities, pandemic or a notified disaster, KSL may commit significant portion of the CSR funds towards disaster management projects and programmes for dealing with humanitarian aspects of emergencies in particular preparedness, response and recovery in order to lessen the impact of disaster either directly and/or through implementing partners working in relief, rehabilitation and

reconstruction domain, providing immediate and long term solutions, during and after a disaster with the purpose to avoid a disaster, reduce its impact or recover from its losses including but not limited to providing essential relief material such as safe drinking water, meals, clothes, medical aid & camps, and supply of daily essentials to the affected communities.

KSL may also undertake any other programmes and/or projects which would focus on the sports Relief & Rehabilitation (COVID-19), as may be approved by the CSR Committee.

(V) CSR Focus Area: Sports

A significantly high percentage of Indian children and youth are from the underprivileged and less privileged segment where basic education and sports education including training and coaching is not available. Sport is an activity for children and youth, and is often used as a draw card to recruit children and young people to health and education programmes. Sport development projects that focus on educational outcomes use sport as a means to deliver educational messages to participants and spectators in some cases.

The United Nations (UN) is using sport and games related projects and programmes to encourage young people, particularly girls and young women, to attend school within refugee camps across the world. The United Nations Children's Fund (UNICEF) also lays strong emphasis on 'sport' while campaigning for girls' education, promoting education through events and other awareness campaigns.

India has a severe dearth of training and coaching facilities for sports training for the underprivileged and less privileged segment. Through its CSR Programme on Sports, KSL will either directly or with/through NGOs impart training and coaching programmes as well as work towards development of infrastructure and training facilities to enable children, youth and adults who cannot play get training opportunities for them to take up rural sports, nationally recognised sports, international and world championships, Olympics and Para Olympics.

KSL may also undertake any other programmes and/or projects which would focus on the sports sector, as may be approved by the CSR Committee.

(VI) CSR Focus Area: Others

KSL's priority will be to implement CSR projects and programmes which come under CSR Focus areas as defined in this CSR Policy statement, but it will not be restricted to these defined CSR focus areas only. On a case to case basis, KSL may also consider undertaking CSR programmes and/or projects on CSR focus areas which are eligible under section 135 read with schedule VII of the Companies Act, 2013

along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time and in line with the Government of India's notifications issued from time-to-time and as may be approved by the CSR Committee.

Governance Framework

KSL has an established Board appointed Corporate Social Responsibility Committee which is responsible for the overall governance of CSR. KSL's Board CSR Committee (CSR Committee) comprises of three (3) or more directors, out of which atleast one (1) is an independent Director.

While, the CSR Committee will be responsible to review and approve KSL's CSR Policy and Programmes, Kotak Mahindra Group CSR Head and his/her team will be responsible for execution of CSR Programmes within the scope of KSL's CSR policy and the Companies Act.

KSL's CSR Expenditure payments will be published in its Annual Report as per the CSR reporting format mentioned in the Companies Act and the same shall be available at www.kotak.com

This CSR Policy Statement is effective from 1st April, 2020 and supersedes all earlier KSL's CSR Policy Statements.

For Further information, write to CSR@kotak.com

18th August, 2020
Mumbai

Kotak Securities Limited's
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Version 2.0

Proposed by

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Approved by

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