

ANNUAL BUSINESS RESPONSIBILITY REPORT

2015-16

In line with the National Voluntary Guidelines on
Social, Environmental and Economic Responsibilities of Business



Business Responsibility- A journey

The Bank's journey towards business responsibility has made rapid strides over the years. The objective of business responsibility at the Bank is to create a positive impact on society, empower people and build sustainable communities. This objective is being achieved through a range of initiatives; from supporting primary education to providing life skills to underprivileged communities. On this journey, we are working closely with our NGO partners to achieve comprehensive development and improvement in these areas. We have also moved towards enhancing our frameworks to align them with the Business Responsibility Reporting guidelines/standards that have been formalised in the last three years.

At HDFC Bank, governance of Sustainability, Corporate Social Responsibility (CSR) and Business Responsibility is driven from the top. Our Board-level CSR Committee is entrusted with formulating, revising and updating our CSR Policy which governs the implementation of all our CSR initiatives in compliance with Section 135 of Companies Act, 2013. Within the organisation, we work towards integrating community development, responsible governance, stakeholder inclusiveness and environmental responsibility into business practices and operations. We have reflected upon our performance against these aspects in our second Sustainability Report (http://www.hdfcbank.com/assets/pdf/SustainabilityReport_2014-15.pdf, in accordance with Global Reporting Initiative (GRI) G4 guidelines including the Financial Sector Supplement) released during the reporting period.

In our fourth Business Responsibility Report, we have focussed on the four aspects of business responsibility: Responsible Governance, Environmental Responsibility, Social Responsibility and Responsibility towards Stakeholders. This is aligned with the National Voluntary Guidelines (NVG).

Reporting Organisation	: HDFC Bank Limited
Corporate Identity Number	: L65920MH994PLC080618
Registered Address	: HDFC Bank House, Senapati Bapat Marg, Lower Parel, Mumbai - 400013
Website	: www.hdfcbank.com
E-mail Id	: investors.helpdesk@hdfcbank.com
Financial Year Reported	: FY 2015-16

HDFC Bank Limited is a publicly held banking company (Industrial Activity Code: 64191) engaged in providing a range of banking and financial services including commercial banking and treasury operations.

The Bank is governed by the Banking Regulation Act, 1949.

The Director responsible for Business Responsibility at HDFC Bank is:

Name	: Paresh Sukthankar
Designation	: Deputy Managing Director, HDFC Bank
DIN No	: 1843099

For any clarifications regarding this report or Business Responsibility at HDFC Bank, contact the BR head:

Name:	: Nusrat Pathan
Designation:	: Head - Corporate Social Responsibility
Tel:	: 022 30751040
Email ID:	: nusrat.pathan@hdfcbank.com

Ethical Governance



Ethical and transparent behaviour of our employees and other stakeholders is of utmost importance to us. To ensure transparency and accountability in all our business procedures, we adopt practices of the highest governance standards. Corporate governance policies have been established to provide direction, monitor and constantly benchmark our performance against industry standards. Policies and processes are set up at various levels across the Bank to guide different stakeholders and ensure compliance to regulatory and voluntary norms.

The composition of the Board of Directors of the Bank is governed by the provisions of Companies Act 2013, Banking Regulations Act, 1949, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the listing requirements of other stock exchanges overseas where the securities of the Bank are listed.

As of March 31, 2016 the Bank has 11 (eleven) directors on its Board, of which five are independent, five are non-independent and one was appointed by the Board as an additional Director on 1 March 2016. Three members of the Board are Executive Directors.

We ensure compliance with applicable governmental and regulatory rules. Any lapses due to lack of proper understanding or interpretation of a guideline are resolved with utmost priority. We do not engage in policy advocacy, but are actively involved in consultations and discussion forums with the government and other bodies in the Banking industry.

Voted by Investors and analysts as:



In a Poll conducted by FinanceAsia, 2015-2016

To ensure accountability and easy monitoring across the various business sectors, the Board has constituted various committees such as: Audit Committee; Stakeholders' Relationship Committee, Risk Policy and Monitoring Committee; Credit Approval Committee; Premises Committee; Nomination and Remuneration Committee; Fraud Monitoring Committee; Customer Service Committee; Corporate Social Responsibility (CSR) Committee; Review Committee for Wilful Defaulters' Identification; and Review Committee for Non-Cooperative Borrowers. The committees meet periodically during the year to supervise, review performance and advise on the necessary direction to be taken. The CSR Committee has formulated our CSR Policy, and the strategy is in line with the requirements of Section-135 of the Companies Act, 2013.

Our Code of Ethics is formulated in accordance with the legal and regulatory requirements. It is also in compliance with the Sarbanes-Oxley Act of 2002 and the rules and regulations framed thereunder by the Securities and Exchange Commission of USA and other statutory and regulatory authorities in India and USA.

This year we have received a 'BB' rating as a part of 'Sustainable Plus Awards'. The BB rating corresponds to a **"Gold label"** which is well above the industry standards in aspects of Environment, Social and Corporate Governance. 'Sustainable Plus' is an initiative by CII-ITC Centre of Excellence for Sustainable Development to recognize and award good practices in the field of sustainability.



Partnering with Stakeholders



We believe that building a strong relationship with our internal as well as external stakeholders by continuously engaging with them on an equitable basis helps grow our business. We acknowledge their contribution in building our reputation and helping us attain a leadership position in the Banking industry.

Internal Stakeholders

Employees

As of March 31, 2016, the HDFC Bank family comprised 87,555 permanent employees. Our workforce has a healthy mix of diverse groups as we are an equal opportunity employer. Any kind of discrimination on the basis of gender, class, caste, religion or ethnic background is strictly prohibited. We stand against any form of child labour or forced labour.

The Banking and Financial Services Industry is a dynamic sector with trends like market forces, customer requirements and regulatory compliance driving change. It is therefore paramount for the employees to stay relevant with the advancements. This can be attained by active learning support. At HDFC Bank, our focus is on providing concentrated learning for new hires as well as existing employees with customised training programmes. These programmes are designed for technical training as well as on behavioural aspects to support the employees in managing customer relationship effectively. During the year 2015-16, the average number of training hours per employee was 35.32

The Code of Conduct and Ethics covers guidelines on Human Rights, Ethics, Corruption, Bribery, Transparency and Environment. These guidelines cover only HDFC Bank and do not extend to the Group/Joint ventures/Suppliers/Contractors/NGOs/Others.

Our Bank strives to strengthen its connect with employees and has created multiple employee engagement events through the year. These activities are conducted across locations, at local and national levels.

Our annual sports event, **Josh Unlimited** was conducted in 26 cities with participation by over 13,000 employees. The event was launched in 2012 as a means to promote fitness and build team spirit.

Stepathlon, is a 100 days Inter Corporate pedometer-based race owned and organised by Stepathon Lifestyles (I) Pvt. Ltd. (SLPL). Approximately 2,300 employees across the Bank participated in Stepathon in 2015. Our Bank was awarded as the Most Active Company (2nd Place) in the banking sector and Most Active Company (6th Place) among all corporate participants.

Xpressions, a drawing/painting competition for employees and their children was started in 2015-16 to bring out the creative side of the employees of the Bank. Another employee engagement initiative we started in 2015-16 was Hunar, an in-house talent hunt programme. It provided a platform to employees to showcase their talent in 4 categories-singing, solo dancing, group dancing, and acting. Hunar was launched in 9 cities covering 31,700 employees. After a series of qualifying rounds, 10 winners were declared across the 4 categories.

We have also conducted other initiatives such as HDFC Bank Voice Hunt Contest, Xpressions and Photography contest. We have provided employees with an online library to avail books from iRead. Over 4,600 employees have benefited from this service till date.

Gender Inclusion

The strength of our women employees stood at 15,041 as of March 31, 2016. The Bank maintains a gender-inclusive environment in the workplace, and ensures that women are given equal opportunities.

To create an inclusive work culture for women, we have facilities like extended maternity leave, onsite crèche for young wards in one of our hub location, special workshops and seminars. We have also instituted the Tejaswini Awards, to recognise the contribution of women employees in the Bank's success.

On the occasion of International Women's Day, the Bank organised health check-up camps; not just for women employees, but also for the womenfolk in villages across India. Further, women from the Bottom of Pyramid marketed their products across 400 branch locations in 20 states.

While the safety of the women employees is paramount for the Bank, the direct responsibility of ensuring a safe environment for the women employees lays with the immediate supervisor. All cases of harassment are treated with great sensitivity and are escalated in time for resolution. The Internal Complaints Committee (ICC) investigates complaints/instances that are reported and ensures resolution through a fair and transparent process. In the reporting year, all reported cases were investigated by the ICC and successfully resolved.

Employee Wellness

One of the core values of the Bank is People. We believe that employees are our greatest asset and a healthy, motivated workforce is the key to achieving our business goals. Employee well-being is therefore a focus area at the Bank.

Under the ‘**HDFC Bank Cares**’ initiative, we relay health-related information and tips through newsletters to all our employees. The objective is to encourage our employees to maintain a healthy lifestyle. As a part of this initiative, we also have a maternity care programme, wellness programme (Doc on call), health check-up camps, eye check-up camps, health talks and FHPL Mobile Sparrow (app for mediclaim information). In 2015-16, over 23,733 employees participated in various programmes via personal visits as well as by accessing some of these facilities online.

A further testament to the Bank’s philosophy of caring is extending mediclaim facilities to parents. Employees have found this a boon as it can be difficult to secure mediclaim in an individual capacity for senior citizens.



CareNineSM

The Healthy Pregnancy Program is a complete and structured telephone based and online program design to educate, guide and reassure the mother to be and father to be with the help of specialists.

Personalised support and scheduled interventions

Customised education material

Gynecologist

- Educates regarding caution signs
- Advices on tests and scans
- Diet plan

Case Coordinator

Management graduate with medical background

- Complete tracking & monitoring of member's progress
- Hand holds the member through the pregnancy one month post-partum

1800 300 48424

To enroll for the program email us at carenine@uhcindia.com with your employee id, phone number and LMP. www.carenine.in

Share your experience and mingle with other parents to be on www.facebook.com/UHCIndiaCareNine



Finance PAD initiative



External Stakeholders

Customers

Customers are crucial stakeholders and we ensure that we provide them with the highest level of service quality and satisfaction. Our Citizen's Charter details our products and services. It also offers information on general banking facilities, our policy on customer information, time standards for various banking transactions and the process followed for the redressal of grievances.

Our Bank's distribution network is spread far and wide. As of March 31, 2016, we have a total of 12,000 ATMs, and 4,517 branches. We have extended our reach to rural and under-banked areas of the country as a part of our business scope. As part of our customer-centric approach, we cater to the diverse financial needs of our customers ranging from buying a two-wheeler, to availing of a gold loan or opening a "no-frills" account. In order to make basic banking facilities available in a more comprehensive manner across the system, we offer customised solutions to suit the needs of different customer segments.

Our digital innovations allow us to offer an enhanced customer experience across geographies and banking channels. Customers can now access almost all banking products and services round-the-clock, at the time and place they choose. This digital journey began with the launch of our '*Bank Aapki Muthhi Mein*' campaign two years ago and since then, it has rapidly gained momentum.

Today, customers get a personal loan disbursed in 10 seconds through net banking and also through the ATM. PayZapp with Smartbuy is our comprehensive, convenient and secure payment solution which allows customers to link their cards once and then pay through one click, while accessing a host of merchant offers. It is a complete payment and shopping eco-system the bank provides to its customers. Chillr, a third-party app, allows customers to send and receive money instantly to any phone book contact. Virtual relationship managers engage with our customers remotely, doing away with the need to visit a branch. Missed call banking services are a hit in rural India and HDFC Bank is the only bank to enable standing instruction for pre-paid mobile services without an internet connection through missed call recharge.

As part of the '*Bank Aapki Mutthi Mein*' campaign, we also launched a musical logo or MOGO which can be used across multiple touch points like ATMs, phone banking, mobile banking app and the website. The objective is to create a distinct brand imagery using music, where the musical logo helps form a powerful emotional connect with consumers and recall among stakeholders across platforms.

The Bank has also actively participated in social security schemes launched by the Government in May 2015. These schemes were launched with the objective of providing risk cover for the common man at minimal cost. We have emerged No. 1 private sector bank for enrolments under Atal Pension Yojana, among the leading private sector banks in Pradhan Mantri Jeevan Bima Yojana as well as the Pradhan Mantri Suraksha Bima Yojana.

Overall, we have enrolled 24.5 lakh customers in these schemes. We have received the Best Performing Private Sector Bank by PFRDA for the Atal Pension Yojana in February 2016 (for period June '15 - Jan '16) and, again have been adjudged the "Best Performing Bank - Maximum APY subscribers" and "Best Private Sector Bank" in April 2016 (for period Feb'16 - Mar'16).

In addition to these initiatives, we also understand the importance of cyber security and have thus launched Cyber-Crime responder workshops for law enforcement authorities. The programme covers various aspects of investigating economic offences in the banking space, such as how to identify and deal with skimming scams, vishing, phishing, data counterfeiting, identity theft, ecommerce trends, retail assets fraud, SIM duplication and email threats among others. Close to 70 police officers attended a seminar in Thane. The workshops were also conducted for HDFC Bank customers at various branches under its Secure Banking initiative. These workshops aim to educate customers and raise awareness about precautions they need to take while conducting banking transactions; be it using a cheque, transacting at ATMs, using debit or credit cards at POS terminals, merchant outlets, net banking and mobile banking. Internal awareness campaigns regarding cyber security are also conducted on a regular basis.

Meaningful Engagement

Regular engagement with customers helps us understand their expectations and accordingly improve our service. We use feedback channels such as daily internal checks, quarterly call evaluations and service quality assessments to understand customer issues. Our Quality Initiative Group (QIG) is responsible for conducting surveys to measure and analyse the satisfaction of our customers with our products and services. These surveys are a means of assessing customer relationship.

Customers who have complaints/grievances are encouraged to approach designated authorities who handle the procedure covering all aspects related to recording and resolution of complaints. Our grievance redressal mechanism ensures that complaints are resolved in a timely manner and recurrence of complaints is prevented where possible. In case of no response within one month from date of complaint or in case of dissatisfaction with the response received from the bank, customers can approach the Banking Ombudsman appointed by the Reserve Bank of India (RBI).

Responsible Service

At HDFC Bank, we have in place, effective systems that ensure transparency and accuracy. Responsible service encompasses following ethical practices, ensuring data privacy and security, communicating effectively, seeking regular feedback, and addressing grievances to satisfaction. Regular engagement with customers helps us achieve each of the above while understanding their expectations and accordingly improving our service. Complete and correct information available is passed to our customers helping them make informed decisions. All applicable terms and conditions are also explained for better understanding and confidence building with the customers. We are a member of the Banking Codes and Standards Board of India (BCSBI) and are committed to

follow the prescribed standards of banking practices as detailed in the 'Code of Bank's Commitment to Customers'. Effective systems have been put in place to ensure transparent and accurate communication with customers. Complete and correct information is passed onto customers to help them make informed decisions. Adequate terms and conditions are also explained as and when required.

The Communication and Awareness Committee (CAAC) monitors compliance with the RBI guidelines on customer education. The main objective of this committee is to help customers prevent fraud attempts and to strengthen data security. The CAAC is responsible for conducting awareness and training programmes and reaching out to our wide network of customers.

Customer complaints other than ATM transaction disputes	ATM transaction disputes on HDFC Bank's ATMs	ATM transaction disputes on other Banks' ATMs	Total Number of Complaints and ATM transaction disputes
Received - 62,224 Redressed - 62,069 Pending at the end of the year- 651	Received - 13,170 Redressed- 13,140 Pending at the end of the year- 101	Received - 89,975 Redressed- 90,191 Pending at the end of the year- 1,118	Received -165,369 Redressed - 165,400 Pending at the end of the year- 1870

Our Customer Compensation Policy enables a system to compensate customers for financial losses they might have incurred due to service deficiencies such as unauthorised debiting of account and payment of cheques after acknowledgement of stop payment instructions.

During the year 2015-16, the Bank has received 4 cases, where customers have alleged unfair trade practices against the Bank. The total value of probable claims in these cases is around Rs.9.18 lakh. The Bank is defending these cases in the courts of law and the same are pending for decisions by the courts as on the date of this report.

Investors

The investor complaints received through SEBI and Stock Exchanges are resolved by our Legal and Secretarial Department. In 2015-16, we received 2,668 complaints of which only 14 were pending for resolution as on March 31, 2016.



The Bank constantly aims to reduce the impact on the environment by identifying ways to optimise resource consumption in its operations although the very nature of its business has limited impact on the environment. Since 2010, we have been undertaking the estimation of our carbon footprint each year and have been disclosing our environmental performance through the Carbon Disclosure Project (CDP). To ensure minimal carbon footprint, we have incorporated environmental friendly installations such as energy efficient equipment. In addition to this, we also promote a multi-channel digital delivery through Net Banking, Phone Banking and Mobile Banking.



Digital Banking

- Conversion of statements into E-statements
- Numerous other initiatives focussed on paperless exchanges



Energy Efficiency

- Star Rated and energy efficient ACs and Diesel Gensets
- Replacement with LED lights in the office, replacement of Old Chillers



IT Initiatives

- Automated server and desktop shutdown to reduce consumption of energy
- Video conferencing, video chatting to reduce emissions as a result of air travel
- Responsible E-waste disposal methods



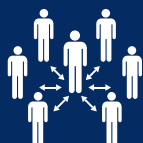
Renewable Energy

- ATMs with Solar powered/ Lithium UPS installation in areas of fluctuating power supply



Waste Management

- Strong emphasis on recycling of paper and plastic at all the locations
- Waste water recycling facility at one of the Hub locations



Resource Efficiency

- Washrooms installed with proximity sensors
- Usage of reusable cups and plates
- Motion sensors to switch off the lights in unoccupied rooms

Promoting Digital Banking

Today customers can access the Bank's services across traditional touch points like branches, ATMs as well as the digital ones like the Internet and Mobile. We began our digital journey by launching net banking services in 1999, and SMS banking in 2000. Digitization has been a theme for the Bank in the last two years, and it gained substantial momentum in 2015-16. Nothing captures this story better than the '*Bank Aapki Muthhi Mein*' campaign, launched in December 2014. The concept of banking at the finger tips has gained wide currency amongst customers with majority of transactions in terms of volume now taking place over the Internet and Mobile channels. The Bank has launched a musical logo "MOGO" to reflect this change in customer behaviour.

What is more, the Bank has a Digital Innovation team, perhaps the only such group in the Indian banking context, to scout for and experiment with technology both contemporary and even futuristic.

We hosted a Digital Innovation Summit in March 2016 to tap into emerging technological trends that are shaping the financial technology space. Five companies have been chosen as potential partners for the Bank. These companies have been drawn from the domains of Artificial Intelligence, Marketing, Mobile Payments, Quality Assurance and Biometric Payments.

Some of the key digital innovations of the Bank are

10 second personal loan

Our Bank has an option of disbursing personal loans to customers in just 10 seconds, one of the fastest loans to be sanctioned by any Bank. With this, select customers, will have a pre-approved loan amount available to them 24x7. The entire loan process is completely paperless, with users being able to avail this loan by simply logging into their Bank accounts via net banking or mobile banking.



PayZapp

PayZapp is a mobile wallet ensuring paperless and digital transactions for all purposes. The app allows customers to buy groceries, to pay for movie tickets, book flight tickets and various other features increasing convenience and reducing paper consumption at the same time.



Tax Payment Portal

The first of its kind payment gateway for online payment of urban development tax was launched in Jodhpur. This initiative will reduce the time spent commuting and queuing up to make tax payment. It will also allow people who have moved out of the city to make their payment in a timely manner from the comfort of their homes or offices. The initiative reaffirms HDFC Bank's position as one of the largest facilitators of tax payments for the union and state governments.

Chillr

Chillr, launched in March 2014 is a mobile app which allows customers to instantly transfer money to any contact in their phonebook, at the click of a button, once linked to the customer's bank account. Chillr acts as an important tool for financial inclusion in rural markets, allowing migrant workers to remit money to their families back home in a secure manner. The app has also been used as a part of the Sustainable Livelihood Initiative (SLI).



Social and Environmental Risk Management System (SEMS)

Environmental aspects are paramount at HDFC Bank. This is monitored through our Social and Environmental Risk Management System (SEMS). Under this system, all projects for a period of more than five years and INR 10 crore are assessed for risks related to negative social and/or environmental impacts before an approval is given.

Our Social Responsibility



Sustainability is one of the core values of the Bank. Building sustainable communities, especially in rural India, and empowering them financially, socially and environmentally is a key CSR objective.

In this context we have facilitated better infrastructure for sanitation, livelihood opportunities, education, designing plans for soil and water conservation, improving surface and ground water availability, distribution systems, and biogas productivity amongst other things. Women are fundamental stakeholders in our initiatives. We therefore ensure active participation of women and the marginalised in decision making to have equal rights over access and distribution of resources.

We believe that sustainable growth is achieved by holistic development and as a part of this, we intend to nurture and handhold the community through our various initiatives.

Rural Development: Being socially responsible is a pre-requisite for being sustainable. As a result, we have a shared value approach towards economic value creation by addressing society's needs and challenges. One of our participatory programmes has been the adoption of a cluster of villages in Mandla district of Madhya Pradesh.



Check-dam construction under watershed management in Bothali, Wardha district, Maharashtra

The primary objective was to educate the community on the benefits of organised banking, to wean them from unorganised sources of lending. A National Resource Management programme was undertaken, where a thorough needs assessment and capacity building was undertaken in the cluster of villages jointly with our NGO partner. We designed a detailed plan in consultation with the villagers for soil and water conservation, maintenance of water harvesting structures for improving surface and ground water availability.

We also set up street lights, sanitation facilities and water wheels, a cylindrical container carrying water in the villages.



Solar Street Light installed in Salhedanda, Mandla district, Madhya Pradesh



Water wheels in the village

Sanitation: In line with the Swachh Bharat Abhiyan, one of our focus areas is creating conducive environment for children in schools through school sanitation and behavioural change. We have reached out to more than 800 schools. The intervention not only focuses on construction and or

renovation of sanitation infrastructure in government schools but also encompasses behavioural change programme under WASH (Water, Sanitation and Hygiene). The WASH programme is a scheme launched by UNICEF to relate to the interdependence of the three sectors. Hence, besides intervention on Livelihood, Water, Environment and Health, our intervention also covers sanitation and behavioural change at the school level.



School Code: 22041907902
Government Middle School, Rajghata,
Block Kharsiya, Distt Raigarh

School Code : 22041907902 Government Middle School, Rajghata, Block Kharsiya, Distt Raigarh.

Education

In education, our programmes focus on providing quality education and we have reached out to more than 59,000 students and 5 lakh teachers across India.

We partnered with Sri Aurobindo Society to train over 5 lakh school teachers in Uttar Pradesh under the Zero Investment Innovation in Education Initiative (ZIIIEI). The training familiarised school teachers with 'Innovation' as a concept, while also giving them a platform to come up with new solutions. The teachers have now come up with 2 lakh ideas that have the potential to bring about path breaking changes in education for over 2 crore students spread across the length and breadth of the state.

This is expected to result in improved education delivery in classrooms, and reduced drop-out rate, creation of a conducive learning environment for girls and children with special needs, greater involvement of teachers, parents and the community in improving quality of education and effective implementation of government programmes like the Sarva Shiksha Abhiyan. By this programme, nearly 1.7 lakh schools received an 'Inspection Management System (IMS)'.

Financial Literacy and Inclusion

Financial Literacy and Inclusion is an important element of the Bank's CSR mandate. The objective is to empower people across various sections of the society, bring them into the organised banking fold and create a positive impact. We have undertaken various rural financial literacy initiatives across the country wherein camps were conducted to impart a conceptual understanding of financial products and services using educational materials provided by the Reserve Bank of India (RBI). Further, we also use Financial Literacy guides and posters, as the standard curriculum to educate the target audience. This material is available in Hindi and English, allowing participants to learn the material in the language they are more comfortable with.

We have also launched the Financial Literacy Initiative for Small, Medium and Micro Enterprises in Jammu under the aegis of RBI. Under this initiative, we have conducted financial literacy camps across various districts in the state. These camps complement the Bank's efforts to support inclusive growth and take formal banking services, across segments; from the general public to entrepreneurs in the Small, Medium and Micro Enterprises and Agri business.

To impart basic education and understanding of subjects like mathematics, history and science, we partnered with 'Meljol', an NGO. Through this programme, we reached more than 30,000 students across India.

In 2015-16, we also launched 'Dhanchayat: Financial Literacy on Wheels', a film to educate people in rural India on the perils of borrowing from unorganised sources. This film was launched under the aegis of Swacch Banking campaign by the Bank. Dhanchayat branded video vans covered 4,900 villages and it was watched by close to 10 lakh viewers. The aim was to encourage the local populace to become part of the organised banking sector, in line with the government's vision of financial inclusion.

Regions	No. of Branches	No. of Villages	Total Viewers
SOUTH	110	494	1,23,547
EAST	36	211	42,690
NORTH	526	3,353	5,73,805
WEST	179	842	2,54,514
GRAND TOTAL	851	4,900	9,94,556

Skills Training and Livelihood Enhancement

For lakhs of youth, acquiring occupational skillsets, which help them earn a livelihood, remains a challenge.

Our livelihood initiatives are therefore aimed at training and capacity development of youth and women from economically weaker sections of society. Our work-bolster projects are engaging competency-based, specialised training. We have helped more than 500 youth train in various business enterprises, while more than 600 youth have acquired skillsets to increase their employability. Various training activities in farming and associated business support have helped more than 4,000 families.



Entrepreneurship Training for Women-SHG in Khargone District, Madhya Pradesh

Healthcare

Across rural India, we have organised health camps to create awareness among women on the importance of healthcare.

Blood Donation drive:

In 2007, we organised a one-day nationwide blood donation drive and encouraged people to support a single social cause across our vast network. Since then, this initiative has grown by leaps and bounds. The ninth edition of the event was held on December 11, 2015. We have expanded to many more towns and cities in order to encourage greater number of people to come forward to be a part of this life-saving initiative. The Bank set up blood donation camps at over 2,300 centres in more than 975 locations across India.

The blood donation camps were also held in over 800 college campuses. Participation from college students in the Bank's blood donation has increased significantly over the last 3 years. In 2015, colleges successfully collected over 55,000 units of blood.



The Sustainable Livelihood Initiative (SLI) of the Bank is a unique model aimed at financial and social empowerment of women at the Bottom of Pyramid by providing a holistic package of financial and non-financial services. The endeavour is to look beyond just providing credit to this segment but help them lead a better life by imparting vocational training and also bring them into the organised banking fold through financial education. We are making a difference by helping these women acquire occupational skill sets through capacity building, financial literacy, credit counselling and also market linkages. Capacity building and training enable them to acquire skills thus leading to increased income and market linkage is aimed at providing better market opportunity for the products produced by them.

Financial literacy and credit counselling delves on the benefits of banking habits and exposes the women to cash flow smoothening, meeting life cycle/consumption needs, insurance cover aiming at managing uncertainties arising out of loss of life and assets and credit support mainly for enterprise development.

SLI today covers over 670 locations across 25 states of India with more than 6,000 dedicated employees. More than 56 lakh households have been empowered through this initiative.

In the time ahead, we will continue to widen our reach and support under SLI across India. Intervention at the Bottom of the Pyramid has its own set of challenges, both social and economic. However, we believe that our approach allows us to turn these challenges into opportunities which benefit the society by empowering lakhs of women.



SLI training in progress



As a part of our firm commitment to building sustainable communities, we strive to identify and incorporate innovative and path breaking ideas to empower and inspire society. In an effort to promote inclusive growth in the country, we are focussing on intervening in rural communities on multiple avenues to lead to sustainable development. This includes empowerment through our Sustainable Livelihood Initiatives as well as our community enhancement initiatives, creating a strong foundation for holistic development. We have spent 1.6% of the average net profit for the last three financial years towards these initiatives in 2015-16. With Section 135 enacted by the Companies Act 2013, we have formulated our CSR policy and identified areas of inclusive intervention. With the aim to drive sustainability in our value chain, we are engaging with all our stakeholders to ensure that they understand the social and environmental impact of the Bank's operations and the fundamentals of sustainability, all towards the endeavour to further reaffirm our position as an organisation known for its business, social and environmental responsibility.

Annexure 1: NVG Principles

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have policies for:	Y	N	Y	Y	Y	Y	N	Y	Y
Has the policy been formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	Y	Y	-	Y	Y
Does the policy conform to any national / international standards? If yes, specify?	Y#	-	Y#	Y#	Y#	Y#	-	Y#	Y#
Is it a board approved policy?	Y	-	Y	Y	Y	Y	-	Y	Y
If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	-	Y	Y	Y	Y	-	Y	Y
Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	-	Y	Y	Y	Y	-	Y	Y
Indicate the link for the policy to be viewed online	NOTE 1	-	NOTE 1	NOTE 1	NOTE 1	NOTE 1	-	NOTE 3	NOTE 2
Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	Y	Y	-	Y	Y
Does the company have an in-house structure to implement the policy?	Y	-	Y	Y	Y	Y	-	Y	Y
Does the Company have a grievance redressal mechanism related to the policy to address stakeholders' grievances related to the policy?	Y	-	Y	-	Y	-	-	-	Y
Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y*	-	Y*	-	Y*	-	-	Y*	Y*

- P1** We have a Whistle Blower policy and guidelines on anti -bribery and anti -corruption, transparency and ethical behaviour. These form part of our Code of Conduct and Ethics Manual.
- P2** We have internal guidelines on procurement of energy efficient equipment. Considering the nature of our business, this principle has limited applicability for us.
- P3** Our Code of Conduct and Ethics Manual details policies for Equal Opportunity and Prohibition of Sexual Harassment in the workplace.
- P4** We adhere to the RBI guidelines on Priority Sector Lending and Financial Inclusion, which are aimed at marginalised and vulnerable stakeholders. We do not have a specific policy to address this principle.
- P5** Our Code of Conduct and Ethics Manual details a policy on Respect for Human Rights, which adheres to the principles in the United Nations' Universal Declaration of Human Rights

- P6** Considering the nature of our business, this principle has limited applicability for us. Segments of our business are guided by policies which incorporate elements of environmental risk and opportunities in them. For example, our Wholesale Credit Risk Policy details a Social and Environmental Management System (SEMS) for screening and monitoring social and environmental risks associated with projects. As part of our Code of Conduct and Ethics Manual, we encourage employees to prevent any wasteful use of natural resources and to be committed to improving the environment, particularly with regard to the emission of greenhouse gases, and to endeavour to offset the effect of climate change in all spheres of activities.
- P7** We do not take part in any lobbying or policy advocacy.
- P8** We have a CSR policy which guides all our CSR activities and includes activities we undertake for marginalised and vulnerable stakeholders. While there is no formal policy in place specifically for equitable growth and development, we have a comprehensive Sustainable Livelihood Initiative (SLI) aimed at achieving this objective.
- P9** Our Code of Conduct and Ethics Manual details policies to ensure privacy and confidentiality of customers data, to provide products and services which offer value in terms of price and quality and meet the applicable standards / guidelines as decided by the regulator and other authorities, to provide reliable and meaningful information and not make exaggerated claims about our products and services. Some of the policies addressing customer welfare include the Customer Compensation Policy, Grievance Redressal Policy, and the Customer Acceptance, Customer Care and Customer Severance Policy.
- #** All policies have been developed as a result of detailed consultations and research on the best practices adopted by banks and organisations across the industry, and as per the requirements of HDFC Bank.
- *** All policies of the Bank are evaluated internally.

NOTE 1 These policies of the Bank are internal documents and are not accessible to the public.

NOTE 2 <http://www.hdfcbank.com/personal/customer-centre> (Corporate Commitment)

NOTE 3 http://www.hdfcbank.com/assests/pdf/CSR_Policy.pdf

Annexure 2: SEBI Framework

Question	Reference Section
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Section A: General Information About the Company

1. Corporate Identity Number (CIN) of the Company 2. Name of the Company 3. Registered Address 4. Website 5. E-mail id 6. Financial Year Reported 7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Business Responsibility- A journey
8. List three key products/services that the Company manufactures/ provides (as in balance sheet)	Our Environmental Responsibility
9. Total number of locations where business activity is undertaken by the Company i. Number of International Locations (Provide details of major 5) ii. Number of National Locations 10. Markets served by the Company – Local/State/National/International	Partnering with Stakeholders

Section B: Financial Details of the Company

1. Paid up Capital (INR) 2. Total Turnover (INR) 3. Total profit after taxes (INR) 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) 5. List of activities in which expenditure in 4 above has been incurred	Annual Report
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Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?	Yes
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No

Question	Reference Section
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

Section D: BR Information

<p>1. Details of Director/Directors responsible for BR</p> <p>a) Details of the Director/Directors responsible for implementation of the BR policy/policies</p> <ul style="list-style-type: none"> • DIN Number • Name • Designation <p>b) Details of the BR head</p> <ul style="list-style-type: none"> • DIN Number (if applicable) • Name • Designation • Telephone number • E-mail ID 	Business Responsibility- A journey
<p>3. Governance Related to BR</p> <ul style="list-style-type: none"> • Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year • Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? 	Business Responsibility- A journey

Section E: Principle-wise Performance

Principle 1: Ethics, Transparency and Accountability

<p>1. Does the policy relating to ethics, bribery and corruption cover only the company?</p> <p>2. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?</p>	Ethical Governance
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Question	Reference Section
3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	Partnering with Stakeholders

Principle 2: Sustainable Products and Services

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Our Environmental Responsibility
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): 3. Does the company have procedures in place for sustainable sourcing (including transportation)? 4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? 5. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Not Applicable
6. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Our Environmental Responsibility

Principle 3: Employee Well Being

1. Total number of employees. 2. Total number of employees hired on temporary/contractual/casual basis. 3. Number of permanent women employees. 4. Number of permanent employees with disabilities 5. Do you have an employee association that is recognised by management? 6. What percentage of your permanent employees is members of this recognised employee association? 7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. 8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?	Partnering with Stakeholders
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Question

Reference Section

Principle 4: Valuing Marginalised Stakeholders

<p>1. Has the company mapped its internal and external stakeholders?</p> <p>2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?</p> <p>3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders.</p>	Our Social Responsibility
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Principle 5: Human Rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	Ethical Governance
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Partnering with Stakeholders

Principle 6: Environment

<p>1. Does the policy relate to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.</p> <p>2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?</p> <p>3. Does the company identify and assess potential environmental risks?</p>	Our Environmental Responsibility
4. Does the company have any project related to Clean Development Mechanism?	No
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N.	Our Environmental Responsibility
<p>6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?</p> <p>7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.</p>	Not Applicable

Principle 7: Policy Advocacy

<p>1. Is your company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with.</p> <p>2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?</p>	Ethical Governance
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Principle 8: Inclusive Growth

<p>1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?</p> <p>2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?</p> <p>3. Have you done any impact assessment of your initiative?</p> <p>4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.</p> <p>5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?</p>	Our Social Responsibility
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Principle 9: Customer Welfare

<p>1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.</p> <p>2. Does the company display product information on the product label, over and above what is mandated as per local laws?</p> <p>3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as of end of financial year</p> <p>4. Did your company carry out any consumer survey/ consumer satisfaction trends?</p>	Partnering with Stakeholders
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