

Conduct Philosophy

Introduction

The five core values Customer Focus, Operational Excellence, Product Leadership, People and Sustainability are the guiding principles in the journey of the bank towards excellence

Customer Focus:

The customer reposes tremendous trust in us, and each of us must be customer centric in our approach which means understanding the customer needs and ensuring to assist the customer in choosing the product and services that suit his requirement the best. Market the bank's products and services on its merits without attempting to demean similar products by competition. Interact with customers in a professional and efficient manner without making exaggerated claims / false promises about the bank's product and services. Customer complaints and grievances must be taken seriously and resolved with urgency. Provide customer with all relevant information including legal prohibitions / legal implications. Strictly refrain from soliciting or advising customer on financial transactions that could violate any regulatory guideline or statute or legal provision.

Operational Excellence:

Operational excellence is a key element of our culture which constantly reminds us to strive for the highest standards of quality. We strongly believe and advocate adherence to process for consistent & defect free service delivery. Consistent focus on improvement and seamless execution and seeing something through to the last mile is a basic principle of our operating system. Strict adherence to process and working within the rules and regulations is mandatory. We encourage continuous

improvement by listening to feedback and analysing our processes. Staff must inculcate a sense of pride in adhering to the highest standards which include ethical standards, professional integrity, corporate governance and regulatory and statutory compliance. Compliance with all applicable laws and regulations, in letter and spirit and strictly abide with laws that prohibit / curb corruption and money laundering.

Product Leadership:

HDFC Bank has consistently developed innovative products and services that attract its targeted customers. The Bank actively tracks the performance of various products and depending on the feedback received, tweaks product features, to better address customer needs. It is therefore important that we regularly seek feedback from customers and various stakeholders in order to improve our product and services and remain competitive in the market place. Our approach to product development involves understanding the market by scoping it properly, analysing customer needs across various segments and conforming rigidly to regulatory guidelines and statutory norms. While we strive to be amongst the “top 3” players in every product / market segment, we will never compromise on quality and ethical standards or do any act that is even remotely likely to impact the bank’s reputation.

People:

We at HDFC Bank believe that the ultimate identity and success of our Bank resides in the exceptional quality of our people and their extra-ordinary efforts. For this reason, we are committed to hiring, developing, motivating and retaining the best people in the industry. As employees we will be able to go the extra mile if we take great pride and ownership in our jobs and have the dedication to succeed in the larger interests of the bank. Focus on achieving business and team goals by following an objective performance management system that places emphasis on results, processes and behavioural competencies. We strive to update our knowledge and skills to provide the best product and

services with complete adherence to internal processes and strict compliance to regulatory and legal provisions. To be an equal opportunity employer promoting meritocracy (no discrimination on grounds of race, caste, religion, colour, marital status, gender, etc.) and encourage diversity at the workplace. Treat every individual with dignity and respect.

Sustainability:

We recognize that a long-term sustainable business model must take social and environmental factors into consideration during every decision making process, viewing these aspects as opportunities rather than risks. Every employee must be aware of his responsibility towards environmental sustainability, actively participate in reducing waste and carbon footprints, be aware of and fulfil his civic and social obligations and involve himself in community development initiatives.

We also do our best to prevent waste of natural resources and are committed to improving the environment. Particularly when it comes to mitigating the effect of climate change by cutting down on emission of greenhouse gas.

At the same time we recognise that only an organisation that is sustainable financially can work towards creating sustainable communities. Employees have to balance these twin objectives in the course of their work.

The Conduct philosophy is based on the three tenets of: Complying with the law, Being consistent with our Bank's long term goals/values and Safeguarding reputation.

Complying with the law

Employees of the Bank shall adhere to the law of the land in their personal and professional capacities.

No list is exhaustive but to be indicative, employees are expected to comply with the following laws: Taxation, AML, Anti-Corruption and Bribery or any laws in force at certain point of time

Insider trading

The Securities and Exchange Board of India (Insider Trading) Regulations, 1992, prohibit dealing, communication of counseling on matters relating to Insider Trading (See Appendix I to this chapter for details). The insider trading clause is to highlight need of employees abiding by the share dealing code of the bank in letter and spirit.

Financial reporting and records

As an organisation our Bank seeks to live the values it believes in. This means that we will prepare and maintain our accounts fairly/accurately and in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines principles, standards, laws and regulations of the country in which the bank conducts its business affairs. While we are largely India based we also have overseas branches in Bahrain, Dubai, Hong Kong and the Dubai International Finance Centre. Apart from the domestic stock exchanges: BSE and NSE we are also listed on the NYSE.

Any wilful material misrepresentation of and / or misinformation on the financial accounts and reports shall be regarded as a violation of the code apart from inviting appropriate action under the relevant laws.

Customer Transactions

Customers are of course the very reason for our existence. Naturally, Customer Focus is a core value. In order to ensure a satisfied customer the following has to be adhered to:

The Bank is committed to providing products and services which offer value in terms of both price and quality. And of course, meet the guidelines/ applicable standards guidelines of the regulators and other authorities.

Products/services have to be sold on merit and not by misrepresentation of facts.

Employees while selling do have the right to point out merits of the product/service vis- a- vis competition.

Products/services cannot be marketed in a way that hurts the religious sentiments of people or pander to gender stereotypes.

Confidentiality of customer information is sacrosanct. The bank and its employees will treat confidential information with care to avoid disclosure of such information, unless this is authorised or legally required.

Confidential information in case of **corporate clients** includes, financial information, intention of declaration of dividend, issue of securities by way of public, rights, bonus, preferential allotment, QIP, major expansion plan, major fund raising plans, amalgamation/ merger/ takeover, share buyback, delisting, strategic /non-strategic JV/ tie-up, acquisition of any entity in India or abroad, disposal of whole/substantially whole of undertaking, investment/ disposal of investment, significant changes in policies/ plans.

In the course of discharging his/her duties, no employee shall part with sensitive information and/or grant access to sensitive information to anyone other than those who are authorised to receive it.

The employee will not disclose, use, lecture upon or publish any of the bank's confidential information, except as such disclosure, use or publication may be required in connection with his/her work on a “need-to know” basis or unless the bank expressly authorises such disclosure in writing. And is obliged to maintain the confidentiality, privacy and security of confidential information even after his/her employment with the bank ceases so long as such confidential information remains a secret.

Independence of policies / functions

Within the Bank, the flow of unpublished price sensitive information and personal client information is controlled by creating demarcation and classifications. Such information is shared on a strict need to know basis.

Confidential documents in general and those which contain Unpublished Price Sensitive Information (UPSI) in particular are securely maintained with access granted only to bona fide recipients.

Prevention of Anti Money Laundering

Today one of the biggest problems facing us as a nation and the world is the illegal money that finances illegal and terrorist activities. This is often disguised as money earned from legal operations. This has given birth to the Anti Money Laundering (AML) and Combating Financing of Terror (CFT) policies. Our Bank's policies are based on RBI guidelines/provisions of the Prevention of Money Laundering Act, 2002), incorporating the key elements of Customer Acceptance Policy, Customer Identification Procedures, Risk Management and Monitoring of Transactions.

Is it consistent with the Bank's long term values and goals?

All employees are expected to be not only above suspicion but also seen to be above suspicion. In this context the following are the guidelines:

Employees will not offer gifts, donations, bribes to secure business or further the business agenda of the Bank.

- a) Gifts should normally not be accepted from customers or suppliers. All exceptions have to signed off by the **concerned** authority.

Employees not to borrow from customers or lend to them or engage in any other financial transaction. No employee of our bank shall enter

into any kind of financial transaction (lending, borrowing, availing of a service) with customers/ vendors of the Bank except with the approval of the **concerned** authority.

Conflict of Interest:

Our Bank is renowned for its corporate governance. This has not been just due to the exemplary conduct of the Board and Senior Leadership but also each and every one of us. We must therefore continue to ensure that there is no Conflict of Interest.

A possible conflict of interest may arise, whenever we (or a member of our immediate family) have either a direct or indirect interest in any transaction or proposed transaction involving HDFC Bank that might affect our decision.

It is therefore, absolutely imperative for each of us as an employee of the bank, to keep customer information confidential, conduct business prudently, be objective in making decisions, candid with our fellow-employees, and not enhance our personal position by virtue of our affiliation with HDFC Bank

Concurrent Employment

An employee of our Bank shall not, without the requisite officially written approval of the concerned authority accept employment or a position of responsibility (such as a consultant or a director) with any other company / entity nor provide freelance services to anyone with or without remuneration.

This is also applicable in case they seek to create an alternative source of income by leveraging any of their skillsets. This is not applicable in the case where employees provide their services free of cost to an NGO or a social/charitable organisation

To reiterate what was said earlier we must conduct ourselves in a way that we are seen to be above suspicion.

Equal Opportunity and Prohibition of Sexual Harassment at work place.

We are an equal opportunity employer and do not discriminate on the basis of race, caste, religion, colour, marital status, gender, sexual orientation, age, nationality, ethnic origin

Diversity in workplace is promoted and all local labour laws towards gender equality strictly adhered to. No employee to indulge in any act of sexual harassment at the work place. The POSH policy clearly explains what constitutes harassment and the remedies available

The link to the policy is given below:

Whistle-blower Policy:

Bank has an effective Whistle-blower policy. This as the name suggests enables employees/outsideers to highlight/report malpractices/alleged malpractices in the Bank.

Employees can raise their concern by mailing to whistleblower@hdfcbank.com or it can be sent in a closed/sealed envelope. The envelope to be addressed to The Chief of Internal Vigilance, The HDFC Bank Ltd, HDFC Bank House, Senapati Bapat Marg, Lower Parel, and Mumbai 400013. No acknowledgement will be shared in order to maintain confidentiality.

Please find pasted below the link to the Whistle-blower Policy:

<https://www.hdfcbank.com/content/bbp/repositories/723fb80a-2dde-42a3-9793-7ae1be57c87f/?path=/Footer/About%20Us/Corporate%20Governance/Codes%20and%20Policies/pdf/Whistleblower-Policy-2019.pdf>

Human Rights

As a Bank we are completely committed to Human Rights. It starts with the basic of treating everyone around us with respect and courtesy.

We do not employ child labour nor do we force people to work with us. Employment cannot be obtained by either paying us or other agents. As employees all of us are strictly expected to adhere to these standards.

In case of any query / clarification that you may need, please contact Mr. Arun Mohanty, Chief Compliance Officer of the bank on arun.mohanty@hdfcbank.com