



Corporate Social Responsibility (CSR) Policy

Version 2.0

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Version History		
Version	Issued	Revision Description
1.0	2020	First version of IIFL HFL – CSR Policy
1.1	August 2021	Update of regulation and rules; Compliance with 'Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021' has been added
2.0	March 2024	Update of regulations and rules

Table of Contents

Preamble	4
Purpose	5
Policy statement	6
Scope of CSR policy	6
Normal course of business	6
Mode of implementation.	6
Key focus areas	6
a. Sustainable Livelihood	
b. Education	
c. Financial literacy	
d. Healthcare	
e. Rural development	
f. Awareness on Green Building	
g. Promote Sustainable Development Goals	
Governance structure .	8
Responsibilities of CSR committee	8
Responsibilities of CSR team	8
Responsibilities of CSR advisory committee	8
CSR budget	8
Project life-cycle	9
Volunteering of employees	9
Treatment of surpluses	9

Preamble

IIFL Home Finance Limited (hereafter ‘IIFL HFL’ or ‘Company’) is guided by IIFL Group’s (hereafter ‘IIFL’) vision to become the most respected brand in the financial services space in India. To realize this vision, IIFL HFL recognizes the importance of contributing to sustainable social transformation.

The approach to the business focuses on building trust, knowledge and delivering quality service to its customers along with providing timely assistance to its customers. We believe that there exists a strong inter-connection between us and the communities where we operate. With our efforts for social and economic advancement, we want to foster sustainable social transformation and have a positive impact on community.

OUR MISSION

The mission of IIFL Home Finance Ltd. Social Impact and CSR activations is:

- ~ to support communities access healthy and sustainable housing
- ~ to facilitate financial inclusion amongst the Economic Weaker Section (EWS) and Lower Income Groups (LIG)
- ~ to foster social transformation and have a positive impact on community, by encouraging diversity, education, health and awareness

through Propagation, Capacity Building and Innovation.

Housing

Sustainable Housing

Involves capacity building, resource creation, and research and innovation. Stakeholders are made aware of the same through workshops, events, and other media channels.

Healthy Housing and Living

Encompasses workshops focused on health and hygiene, cleanliness, and engagements including plantations, etc.

Inclusionary Housing

Includes creation and adoption of green colonies, villages, and cities through gap assessment for the implementation of green measures such as solar installations, WASH, etc., and/or certification. Prototypes and case studies are also built for the reference of stakeholders.

Financial Inclusion

Innovation

Involves innovations related to products, credit policy, and other technical advancements.

Reach

Expanding the reach through an extensive branch network, tech innovations like digital onboarding, campaigns, and workshops, facilitated by resource creation and propagation through various media.

Financial literacy

Creation of awareness around financial literacy, banking, etc., and corresponding skill development through various engagements like digital campaigns, workshops, etc.

Social Transformation

Diversity and inclusion

Creating a gender-inclusive housing, and financial ecosystem through skill development programs and initiatives.

Education

Creating opportunities and ensuring formal education for underprivileged children and women by supporting measures towards existing schools, set-ups, etc.

Health

Involves health awareness campaigns, workshops, vaccination drives, support to hospitals, etc.

Purpose

The key purpose of this Policy is to:

- Define the broad development areas that the IIFL HFL shall undertake
- Outline the governance structure for CSR management within the IIFL HFL
- Serve as a guiding document to help identify, execute and monitor CSR projects
- Explain the manner in which the surpluses from CSR projects will be treated
- Encourage an increased employee volunteering engagement towards CSR activities

Policy statement

IIFL HFL's CSR Policy and projects are steered by the same values, i.e., Fairness, Integrity, Transparent (FIT), that guide the business of the IIFL Group of Companies. The acronym FIT stands for:

- Fairness in all our transactions
- Integrity and Honest in letter, in spirit and in all our dealing with people
- Transparency in all our dealings

We aim to imbibe and apply these values on a continuous and consistent basis in our CSR projects, thereby, creating sustainable growth and empower underprivileged sections of the society.

Scope of CSR policy

The Company's Corporate Social Responsibility (CSR) Policy has been adopted from the Group CSR policy. This Policy applies to all CSR projects undertaken by IIFL HFL and fulfills all the requirements in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (including any statutory modifications, amendments, or re-enactments of any of them for the time being in force). IIFL HFL shall ensure all these activities are over and above the normal course of business and are in line with Schedule VII of the Companies Act, 2013. This Policy will be periodically reviewed and updated in line with relevant codes of legislation and international standards and best practices

Normal course of business

IIFL HFL is engaged in the businesses of housing finance and related financial products distribution. IIFL HFL is committed to providing quality services to its customers while continuously undertaking measures to grow the business by expanding IIFL HFL's reach and through other innovative measures. IIFL HFL conducts its operations in compliance with applicable laws, regulations and standards while conforming to the highest standards in design, procurement, resource management and construction practices.

Mode of implementation

IIFL has constituted the 'IIFL Foundation' (hereafter Foundation), a public charitable trust to act as the principal arm that undertakes CSR initiatives. The Foundation is entrusted with managing and implementing CSR projects on behalf of IIFL and IIFL HFL. The Foundation partners with implementation agencies that best fit the Company's values and priorities.

Alternatively, IIFL HFL may choose to partner with implementing agencies that qualify all mandatory criteria of Section 135 of the Companies Act, 2013.

Key focus areas

The CSR projects at IIFL HFL focus on the following areas of intervention that are aligned with the items listed in Schedule VII of the Companies Act, 2013.

a. Sustainable Livelihood

IIFL HFL recognizes that it is imperative to mainstream the disengaged to participate in the labour force of the country and adapt to a sustainable livelihood in order to contribute positively to the nation building process. Th

intervention areas under livelihoods for IIFL HFL encompass two broad verticals: Entrepreneurship and Employment. IIFL HFL will support holistic development in regions identified by engaging with the said communities and enabling them to attain sustainable livelihood opportunities

- **Entrepreneurship**

IIFL HFL undertakes projects that support small-scale enterprises run by marginalized communities and equips them with skills and resources to run the enterprises. These projects are further divided into: agro-based and non- agro based enterprises.

- **Employment**

Projects that fall under this category focus on enhancing employment potential of unskilled or under-skilled populations. These include pre-livelihood training, which involve career counseling for school children that focuses on reducing drop-out rates of students.

- b. **Education**

Education is one of the basic building blocks of a great nation. A literate population can catapult India towards realizing its demographic dividend. For IIFL HFL, education is one of the key focus areas for CSR. The CSR projects in education will include promoting education, setting up and upgrading educational facilities and supporting institutes of higher education.

- c. **Financial literacy**

IIFL HFL believes that individuals with basic financial knowledge can make informed financial decisions and therefore, maintain better financial health. Through its CSR projects, the Company will endeavor to provide information of financial products, especially of rewards and risks, in order to better equip the financially excluded to make informed choices with respect to money. The Company has undertaken projects that focus on educating school students and women in this respect. The school children targeted are largely those who are studying in 8th or 9th standard, and include students both from urban schools (both private and municipal schools) and rural schools.

- d. **Healthcare**

In its endeavor to promote healthcare (including preventive healthcare), CSR projects of IIFL HFL seek to support those healthcare initiatives and medical research institutions that aim to enhance healthcare access, especially to the disadvantaged and underprivileged.

- e. **Rural development**

Majority of India's population lives in the rural areas and is still deprived of infrastructure and services required for basic subsistence. With the objective of contributing towards the improvement of the economic and social well-being of people in rural areas, IIFL HFL will adopt villages and undertake projects that focus on all aspects of rural area development. These projects primarily focus on tribal villages across the country.

- f. **Awareness on Green Building**

Ensuring environmental sustainability through spreading awareness on green building initiatives and the activities ancillary and incidental thereto. (Inserted in the Board meeting of the Company held on May 13, 2019)

- g. **Promote Sustainable Development Goals**

Creating and organizing programme for awareness on green affordable housing, undertaking research and development, imparting or arranging training for personnel of Housing Boards and staff of developers of green buildings, advertising, publication to promote Sustainable Development Goals (SDGs) and to undertake such other activities ancillary and incidental thereto.

Governance structure

IIFL HFL has constituted a robust and transparent governance mechanism to oversee the implementation of its CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. At the helm of this mechanism is the Board of Directors (hereafter 'Board'), which is ultimately accountable for the CSR projects undertaken by the company.

IIFL HFL has constituted a CSR Committee at the Board-level. The CSR Committee is supported by the CSR Team, comprised of representatives from the company as well as IIFL Foundation, which is henceforth guided by the CSR Advisory Committee.

Responsibilities of CSR committee

The CSR Committee reports to the Board of the Company with respect to matters and progress related to CSR.

- To formulate and update IIFL HFL's CSR Policy, to be approved by the Board
- To suggest areas of intervention to the Board
- To approve projects that are in line with the CSR Policy of the Company
- To establish robust monitoring mechanisms to track the progress of each project
- To recommend the CSR expenditure for the fiscal year to the Board for approval
- To periodically meet at least once a year to review the progress made

Responsibilities of CSR team

The CSR Team is at the core of all CSR activities at IIFL HFL with the responsibility for ensuring effective implementation of CSR projects.

- To execute the decision taken by the Board-level CSR Committee on approved projects
- To identify projects to be undertaken and partners for supporting in its implementation
- To report periodically to the Board-level CSR Committee
- To review the progress on CSR activities every quarter
- To implement the CSR initiatives and assess the impact, wherever applicable, or as decided by the CSR Committee/the Board
- To report periodically to the CSR Committee on the progress

Responsibilities of CSR advisory committee:

The CSR Advisory Committee provides inputs to the CSR Team to help them plan the execution and implementation of the CSR projects.

CSR budget

The total budget for the CSR projects will be decided annually in accordance with the goals and priorities of IIFL HFL.

Project life-cycle

At IIFL HFL, the CSR Committee of the Board will work closely with IIFL Foundation, the CSR Team and the CSR Advisory Committee to identify projects that are in alignment to the vision and goals of the Company. Following the approval of the Board, the CSR Team will formulate implementation plans for the projects specifying the following:

- Activities to be undertaken
- Budgets proposed
- Time frame of implementation
- Responsibilities and authorities for implementation
- Results expected to be achieved post implementation

The project will be implemented by IIFL Foundation or the implementing agency that has been identified by IIFL HFL for the specific project.

a. Monitoring of the CSR activities:

The CSR Team will monitor the implementation and progress of the approved projects through appropriate mechanisms such as site visits, review meetings and progress reports. Mechanisms to track data and monitor projects will be established to ensure the transparency and efficiency of the implementation process. The projects will be evaluated against the milestones defined in the implementation plan of the project. The CSR Team will present monitoring reports of the projects to the Board level CSR Committee on a periodic basis.

b. Reporting of the CSR activities:

The CSR Committee of the Board, based on reports presented by the CSR Team, will annually publish report on the CSR projects as a part of the Director's report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act, 2013. The CSR Committee shall also submit a responsibility statement to the Board that the implementation and monitoring of the CSR Policy is in compliance with the approved CSR Policy of the Company.

The CSR Policy on being approved by the Board shall be displayed on the website of the Company and any modifications carried out from time-to-time shall also be updated on the website of the Company respectively.

Impact Assessment

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

Volunteering of employees

IIFL HFL shall endeavour to increase employee participation at all management levels in the Company by encouraging employees to participate in the Company's CSR initiatives with the spirit of serving and contributing towards social transformation of the communities.

Treatment of surpluses Any surplus arising out of CSR activities shall be dealt in the manner prescribed under the CSR Rules and will not be added to the normal business profits.

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