

CORPORATE SOCIAL RESPONSIBILITY POLICY

PREAMBLE

The Shriram Group to which the Company belongs to, over the years, as part of its CSR activities, initiated/contributed towards several social welfare projects aimed at benefitting the “Aam Aadmi”. Such efforts have been focused on providing education and health care facilities to the economically weaker/underprivileged section of the society.

Shriram Group strongly believes that it can contribute to the common cause of the society by bring the same level of competence and efficiency in the management and administration of its CRS activities with which it handles its corporate activities.

DEFINITIONS

- **Act:** Companies Act, 2013 amended from time to time.
- **Board:** Board of Directors of the Company.
- **Company:** Shriram Housing Finance Limited (hereinafter referred to as SHFL).
- **Corporate Social Responsibility (“CSR”):** Corporate Social Responsibility as defined in the Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014.
- **Corporate Social Responsibility Committee:** A Committee constituted by the Board as per Section 135 of the Companies Act, 2013.
- **Director:** A Member of the Director of the Board of the Company.
- **Policy:** Corporate Social Responsibility Policy.

CORPORATE SOCIAL RESPONSIBILITY PURPOSE STATEMENT

The Company shall seek to positively impact the lives of the disadvantaged by supporting and engaging in activities that aim to improve their wellbeing. We are dedicated to the cause of empowering people, educating them and in improving their quality of life. While we will undertake programme based on the identified needs of the community, education and healthcare shall remain our priority.

Across the different programme areas identified by the company, it would be our endeavour to reach the disadvantaged and the marginalised sections of the society to make a meaningful impact on their lives.

SHFL is committed to identifying and supporting programmes aimed at:

- Empowerment of the disadvantaged sections of the society through education, access to and awareness about financial services and the like;
- Provision of access to basic necessities like healthcare, drinking water & sanitation and the like to underprivileged;
- Work towards eradicating hunger and poverty, through livelihood generation and skill development;
- Supporting environmental and ecological balance through afforestation, soil conservation, rain water harvesting, conservation of flora & fauna, and similar programme;
- Promotion of sports through training of sportspersons;
- Undertake rural development projects;
- Any other programme that falls under CSR Policy and which are aimed at the empowerment of disadvantaged sections of the society.

SCOPE

This policy will apply to all projects/programmes undertaken as part the Company's Corporate Social Responsibility and will be developed, reviewed and updated periodically with reference to relevant changes in corporate governance, international standards and sustainable and innovative practices. The policy will maintain, at all times, compliance and alignment with the activities listed in Schedule VII and Section 135 of the Companies Act 2013 and the rules framed thereunder.

GOVERNANCE

The approval of the CSR policy and oversight is the responsibility of the Company's Board of Directors. The responsibility of the CSR committee is to formulate the policy and to administer the policy through implementing partner(s) or via self-implementation. The CSR Committee shall provide guidelines for projects/partner selection to the respective HR or CSR teams, wherever applicable. The CSR committee is to ensure that projects/programmes are compliant with regulations and are monitored and reported effectively. As the Company's CSR activities evolve, the policy may be revised by the CSR committee and approved by the Board of Directors.

CSR SPEND

The CSR Committee shall recommend to the Board the amount of expenditure to be incurred on the CSR activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013, as amended from time to time.

In case of any surplus arising out of CSR projects, the same shall not form part of business profits of the Company.

IMPLEMENTATION

The Company shall undertake CSR project/programmes identified by the CSR Committee and approved by the Board of Directors in line with the CSR Policy.

The Company shall implement its CSR programmes/projects:

- i. Through an implementation partner that can be a public charitable trust or a society registered under applicable Acts or a Company registered under Section 8 of the Companies Act 2013; or
- ii. On its own, through the relevant HR or CSR department: or
- iii. Through its own foundation (if applicable) specifically created for implementing its CSR initiatives.

The Company may enter into partnerships or alliances with NGOs, Trusts, or other Corporate Foundations etc. to effectively implement its CSR programmes/projects.

The Company can also implement programme in collaboration with other company (ies), if permissible and feasible.

The Company shall formulate criteria and procedure for selection, screening and due diligence of its implementing partners.

CSR PROGRAMMES / PROJECTS

The Company would be adopting a focused and a structured approach towards implementing its CSR initiatives. It has identified broad programme areas with focus on quality service delivery and empowerment.

The programme areas are:

- Providing basic health care facilities to economically backward societies across geographical areas,
- Improving access to education,
- Provision of Skill Development/Vocational Training,
- Rural Development,
- Environmental sustainability,
- Promoting Sports, arts & culture,
- Sustainable livelihood

MONITORING AND REPORTING

The CSR Committee will oversee the implementation and monitoring of all CSR projects/ programmes and periodic reports shall be provided for review to the Board.

The Company will institute a well-defined, transparent monitoring and review mechanism to ensure that each CSR project/ programme has:

- a) The CSR policy of the Company shall be displayed in the website of the Company.
- b) Clear objectives developed out of the societal needs that may be determined through need assessment studies and research (secondary or primary);
- c) Clear targets, time lines and measureable indicators, wherever possible;
- d) A progress monitoring and reporting framework that is aligned with the requirements of Section 135 of the Companies Act 2013 and the CSR Rules.
- e) The Boards Report under Section 134 (3) of the Act 2013 shall disclose the Composition of the Committee, shall give web link to the website of the Company, where the CSR policy is displayed and the reasons for the Company's failure to spend such amount on CSR as specified under the Act 2013 and Rule 2014.

EFFECTS AND AMENDMENTS:

The policy shall come into effect from April 01, 2014 and shall automatically stand amended to the provisions of the Law or Rule in case of any conflict of the Policy with the Law or Rule. It can also be amended by the Committee with the approval of the Board.