



WITH YOU, RIGHT THROUGH

Housing Development Finance Corporation Limited



BUSINESS RESPONSIBILITY REPORT

Ninth Business Responsibility Report 2020-21

HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED

BUSINESS RESPONSIBILITY REPORT 2020-21

[Pursuant to regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

INTRODUCTION

This Business Responsibility Reporting (BRR) is in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the National Voluntary guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, India.



SECTION A :

GENERAL INFORMATION ABOUT THE COMPANY

- | | | | |
|---|---|---|--|
| 1 Corporate Identity Number (CIN) of the Company | L70100MH1977PLC019916 | 8 Listing on Stock Exchanges | <ul style="list-style-type: none">• Equity shares and warrants are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)• Non-convertible debentures and commercial papers are listed on BSE and NSE• Rupee denominated bonds issued to overseas investors are listed on the London Stock Exchange. |
| 2 Name of the Company | Housing Development Finance Corporation Limited
("HDFC/The Corporation") | 9 Sector(s) that the Company is engaged in (industrial activity code-wise) | NIC Code – 64192

The Corporation is a 'Non-Banking Financial Company - Housing Finance Company' regulated by the Reserve Bank of India and supervised by the National Housing Bank. |
| 3 Registered office address | Ramon House,
H. T. Parekh Marg,
169, Backbay Reclamation,
Churchgate, Mumbai 400 020
India | 10 List key products/services that the Company provides | The Corporation's main business is financing by way of loans for the purchase or construction of residential houses in India. The Corporation focuses on affordable housing, including lending to the economically weaker sections, low income group and middle-income groups. |
| 4 Corporate office address | HDFC House,
H. T. Parekh Marg,
165-166, Backbay Reclamation,
Churchgate, Mumbai 400 020
India | | |
| 5 Website | www.hdfc.com | | |
| 6 E-mail id | investorcare@hdfc.com | | |
| 7 Financial Year Reported | April 1, 2020 to March 31, 2021 | | |

GENERAL INFORMATION ABOUT THE COMPANY

- 11 Total number of locations where business activity is undertaken by the Company** As per the applicable regulations all lending activities are done only in India.
- Number of International Locations** To cater to non-resident Indians and persons of Indian origin, the Corporation has overseas representative offices in London, Singapore and Dubai and service associates in the Middle East.
- Number of National Locations** The Corporation has a pan-India presence. As at March 31, 2021, the Corporation had 593 offices in India including outlets of HDFC Sales Private Limited, a wholly owned subsidiary of the Corporation.
- All the Corporation's offices are located in premises which have the requisite building permits, including environmental approvals.
- 12 Markets served by the Company** The Corporation has a pan-India presence. Refer to the list of offices, which forms part of the Annual Report 2020-21 for details.
- Top 3 locations in terms of contribution to total turnover** The top 3 locations of the Corporation in terms of its contribution to the total turnover are as follows:
1. Mumbai Metropolitan Region
 2. National Capital Region
 3. Bengaluru
- 13 Subsidiary and Associate Companies** Refer MGT-7 for the list of subsidiary and associate companies. The hyperlink is <https://www.hdfc.com/investor-relations/#annual-reports>.



SECTION B:

FINANCIAL DETAILS OF THE COMPANY

- 1 Authorised capital** ₹ 457.61 crore
- 2 Paid-up capital** ₹ 360.79 crore
- 3 Total turnover** ₹ 48,175.86 crore
- 4 Total profit after tax** ₹ 12,027.30 crore
- 5 Total spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax** ₹ 189.82 crore (which is more than 2% of the average net profits of the Corporation during the last 3 financial years, computed as per Section 198 of the Companies Act, 2013.)
- 6 List of activities in which expenditure in Sr. No. 5 above has been incurred**

The Corporation undertakes various Corporate Social Responsibility (CSR) activities in accordance with its Policy on Corporate Social Responsibility.

Key areas of CSR activities in FY21 were:

 1. COVID-19 relief
 2. Healthcare
 3. Education
 4. Livelihoods
 5. Persons with disabilities
 6. Environmental sustainability

Further details are provided in the Annual Report on Corporate Social Responsibility Activities for the year ended March 31, 2021.



SECTION C:

OTHER DETAILS

1. Does the Company have any subsidiary company/companies?

Yes. As at March 31, 2021, the Corporation had 14 subsidiary companies and 4 associate companies.

2. Do the subsidiary company/companies participate in the Business Responsibility (BR) initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

The major subsidiary/associate companies have their own BR initiatives and generally do not participate in the BR initiatives of the Corporation. However, there are instances where the HDFC group of companies make joint commitments to support BR initiatives such as COVID-19 relief measures.

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%]

The number of entities who directly participate in the BR initiatives would be less than 30%.



SECTION D:

BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director responsible for implementation of the BR policy

1. DIN Number	00030248
2. Name	Mr. V. Srinivasa Rangan
3. Designation	Executive Director

b) Details of the BR Head

1. Name	Ms. Anjalee Tarapore
2. Designation	General Manager – Management Services and Investor Relations
3. Telephone number	+91-22-66316516
4. E-mail id	anjalee@hdfc.com

2. Principle-wise as per National Voluntary Guidelines (NVGs) Business Responsibility Policies

The NVGs on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

- P1 Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
- P2 Businesses should provide goods and services in a manner that is sustainable and safe
- P3 Businesses should respect and promote the well-being of all employees, including those in their value chains
- P4 Businesses should respect the interests of and be responsive towards all its stakeholders
- P5 Businesses should respect and promote human rights
- P6 Businesses should respect, protect and make efforts to restore the environment
- P7 Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
- P8 Businesses should promote inclusive growth and equitable development
- P9 Businesses should engage with and provide value to their consumers in a responsible manner

Details on each of the principles are provided in Section E.

Principle-wise Business Responsibility Policies (Yes/No)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Ethics & Transparency	Product Responsibility	Human Resources	Responsiveness to Stakeholders	Respect for Human Rights	Responsible Lending	Public Policy Advocacy	Inclusive Growth	Customer Engagement
1	Is there a policy for	Y	Y	Y	Y	Y	Y	N*	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	-	Y (Refer Note a)	Y (Refer Note a)
3	Does the policy conform to any national/ international standards? If yes, specify?	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	Y (Refer Note a)	-	Y (Refer Note a)	Y (Refer Note a)
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5	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	Y
6	Indicate the link for the policy to be viewed online	Y (Refer Note b)	Y (Refer Note b)	Y (Refer Note b)	Y (Refer Note b)	Y (Refer Note b)	- (Refer Note c)	-	Y (Refer Note b)	- (Refer Note c)
7	Has the policy been formally communicated to all the relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8	Does the Company have an in-house structure to implement the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism to address stakeholders' grievances related to the policy?	Y	Y	Y	-	Y	-	-	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y (Refer Note d)	Y (Refer Note d)	Y (Refer Note d)	Y (Refer Note d)	Y (Refer Note d)	Y (Refer Note d)	-	Y (Refer Note d)	Y (Refer Note d)

* Though there is no specific policy outlined for this principle, the Corporation along with its group companies works closely with various trade and industry associations. This could include industry representations to the government and/or regulators.

Principle-wise policies

P1	Ethics & Transparency	The Corporation's Code of Conduct for Employees, Executive Directors & Senior Management, Non-Executive Directors, Model Code of Conduct for Direct Selling Agents and Deposit Agents, Code of Conduct for Recovery Agents, Fair Practices Code, Whistle Blower Policy, Policy on Conflict of Interest, KYC and Prevention of Money Laundering Policy, Anti-Bribery and Anti-Corruption Policy, Guidelines for Reporting on Frauds, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Policy for Determining Material Event or Information, Policy on Related Party Transactions and other internal policies elucidate ethical behaviour, transparency and accountability.
P2	Product Responsibility	The Corporation's Fair Practices Code and Most Important Terms and Conditions guides this principle. The Corporation follows inclusive lending policies to facilitate increased homeownership, particularly affordable housing.
P3	Human Resources	The Corporation has various policies to support employee well-being. Besides the Corporation's Code of Conduct, other policies include the Policy on Protection of Women Against Sexual Harassment at the Workplace, Diversity and Inclusion Policy, Policy on Health and Safety of Employees, Comprehensive Employee Health Insurance Policy, Personal Accident Policy, Policy on Parental Leave, Policy on Equal Opportunities, Policy on Self-Education for Employees, Policy on Soft Loans to Employees (for housing, furniture/fixtures, vehicles), Policy for Sponsoring Employees for Training & Development.
P4	Responsive to Stakeholders, particularly the marginalised	The Corporation is focused on affordable housing and lending to the economically weaker sections and low income groups. These policies are part of the Corporation's overall lending business.
P5	Respect for Human Rights	The Code of Conduct details the policy on the respect for human rights. The Corporation through its Human Rights Statement upholds human rights as enshrined in the Constitution of India and supports the principles in the United Nations' Universal Declaration of Human Rights.
P6	Responsible Lending	The Corporation evaluates environmental and social risks in its lending policies and abstains from lending to environmentally irresponsible projects. In addition, employees are sensitised to prevent wasteful usage of natural resources and conserve energy.
P7	Public Policy Advocacy	While the Corporation may share its expertise to help in the formulation of public policy, it does not directly engage in lobbying or advocacy activities and hence, does not have a specific policy for this purpose.
P8	Inclusive Growth	The Corporate Social Responsibility Policy encompasses activities focused on the marginalised and vulnerable sections of society. In its effort towards inclusiveness, the Corporation offers specialised housing finance products that cater to the vulnerable and marginalised segments. These policies are part of the Corporation's lending business.

P9	Customer Engagement	The Code of Conduct, internal policies, benchmarks on customer service and policies as stipulated by the regulators encompass this principle.
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Notes:

- a. The policies have been developed based on best practices or as per regulatory requirements and through appropriate consultation with relevant stakeholders.
- b. May include a combination of internal policies of the Corporation which are accessible to all internal stakeholders and policies placed on the Corporation's website. The hyperlink is <https://www.hdfc.com/investor-services#codes-policies>.
- c. The policies of the Corporation are internal documents.
- d. The policies are a combination of board approved policies and/or policies approved and evaluated by various department heads, business heads and the management.

3. Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year

The executive directors and senior management of the Corporation monitor various aspects of social, environmental, governance and economic responsibilities of the Corporation on a continuous basis.

The Corporation's business responsibility performance is reviewed by the Board of Directors on an annual basis.

The BR performance of the Corporation is assessed by the following committees of the Board: (i) the Audit and Governance Committee (ii) the Corporate Social Responsibility Committee and (iii) the Stakeholders Relationship Committee.

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?

The Corporation publishes a Business Responsibility Report (BRR) on an annual basis. The BR reports are placed on the Corporation's website. The hyperlink is: <https://www.hdfc.com/investor-relations#annual-reports>.

The Corporation also publishes other reports linked to environmental, social and governance such as the Integrated Report, Report of Directors on Corporate Governance, HDFC's COVID-19 Relief Response: Impact Assessment Report, Annual Report on Corporate Social Responsibility Activities and Social Initiatives Report. Further, an Independent Review of HDFC's Sustainability Initiatives is placed on HDFC's website. The hyperlink is: <https://www.hdfc.com/investor-relations#environmental-social-and-governance>.



SECTION E:

PRINCIPLE-WISE PERFORMANCE

Principle 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

- 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the group/joint ventures/suppliers/contractors/NGOs/others?**

The Board of Directors oversee governance practices of the Corporation to ensure protection of all its stakeholders.

The Corporation's code of conduct encompasses ethics and values, anti-bribery and anti-corruption, management of conflict of interest, amongst other related aspects and is applicable to all employees and directors. HDFC has zero tolerance in matters relating to unethical practices, bribery and corruption.

The Corporation's governance framework ensures that all its daily operations, including outsourcing arrangements and dealings with contractors and vendors are conducted with transparency, integrity and accountability. The Corporation's Model Code of Conduct for Direct Selling Agents ensures that business is conducted as per policies and procedures as laid down by the Corporation. Further, the Corporation does not deal with any party that supports child, forced or compulsory labour.

Similar to the Corporation, the HDFC group companies also have their individual codes of conduct, upholding governance standards.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

No stakeholder complaints were received by the Corporation during the financial year pertaining to bribery, corruption, child, forced or compulsory labour.

Principle 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

- 1. List up to 3 products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Corporation is the pioneer in retail housing finance in India. The Corporation has cumulatively financed 8.4 million housing units in the country.

Lending to economically weaker sections and low income groups:

The Corporation has remained steadfast in its continued efforts towards lending to the Economically Weaker Section (EWS), Low Income Group (LIG) and Middle Income Segments (MIG). The Corporation has the largest number of home loan customers of over 2.3 lac who have availed benefits under the Credit Linked Subsidy Scheme (CLSS) – a component of the government's flagship 'Housing for All' scheme. As at March 31, 2021, cumulative loans disbursed by the Corporation under CLSS stood at ₹ 39,333 crore.

Inclusion, Security and Well being

A home is a single largest investment a person makes in his or her lifetime. Housing has a strong multiplier effect on the economy, it is a large job creator and people are healthier, better educated, more prosperous and feel they have a stake in society when they are homeowners. During the year, of the total housing loans disbursed by the Corporation, 48% were to first-time homebuyers. Further, of the loans disbursed during the year, 33% in volume terms and 16% in value terms were to customers belonging to the economically weaker sections and low income groups.

The Corporation also offers concessional interest rates to women seeking home loans with a view to empower and encourage them to be financially independent. During the year, of the housing loans disbursed, 70% in value terms had women as owners of the property. These loans ensure women's property rights are recognised and protected as their names are registered on their respective properties.

Towards facilitation of rural housing, HDFC provides housing finance facilities to farmers, agriculturists, planters and horticulturists.

Digitalisation Initiatives

The digitalisation initiatives undertaken by the Corporation has enabled business continuity even during lockdowns owing to the COVID-19 induced pandemic. The Corporation has undertaken several digitalisation initiatives in its business that brings in time and cost efficiencies for both, borrowers and depositors. During the

year, 81% of customers were on-boarded digitally. Customers have appreciated the convenience that the Corporation's 'Customer Connect' platform offers to service both, existing and new customers. In the case of retail deposits, 52% of transactions were through the online platform. Channel partners who source loans and key partners who source deposits have been trained extensively to use the Corporation's online platforms. Shareholders too have adopted the 'green initiative' to go paperless for all communications. All these digitalisation initiatives have helped the Corporation to substantially reduce its paper consumption.

2. For each product, provide the following details in respect of the resource use (energy, water, raw material etc.) per unit of product(optional):

I. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Not applicable.

II. Reduction during usage by consumers (energy, water) has been achieved since the previous year.

Not applicable.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.

As the nature of the business is providing housing finance, at a corporate level, consumption of resources is limited to running the operations.

The Corporation, however, remains cognisant of reducing its resource consumption through ensuring better energy efficiency standards whilst procuring electronic equipment, lighting devices, computers, HVACs, sensors, amongst others. In certain office locations, to gradually reduce the dependence on grid electricity, the Corporation has installed solar power roof panels, which are certified as per the norms and technical standards of the Central Electricity Authority. This initiative will bring in energy savings over the medium to long-term.

The Corporation has installed automated power factor control panels in junction/distribution boards to reduce power distribution losses. Sensors are installed to economise power and water consumption only when these facilities are being used.

4. Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?

Given that the Corporation has a pan-India presence, the offices generally procure products and services required in the normal course of operations from local vendors. However, as per the Corporation's policies, standard procurement norms and procedures have to be adhered to.

5. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Being a housing finance company, which is a service oriented business and not material resource intensive, the Corporation does not procure goods for further processing. Thus, this may not be directly applicable to the type of suppliers that the Corporation engages with.

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.

Given the nature of the business, the Corporation has limited scope to use recycled material as processed inputs. However, the Corporation has systems in place at an all-India level to manage e-waste. The Corporation engages with certified e-waste handlers for disposal of e-waste. Approximately 7,016 kg of e-waste generated has been disposed through authorised recyclers. The Corporation has received green, disposable and re-cycling certificates from the respective e-waste vendors.

The Corporation uses local vendors for disposal of paper for recycling. For several years, the sale value of paper scrap of the Corporation is being donated to Cancer Patients Aid Association. In an endeavour to reduce consumption of plastics, the Corporation, as a policy does not procure any plastic water bottles.

Principle 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

As at March 31, 2021

1	Total number of permanent employees	3,226
2	Number of employees on temporary/contractual/casual basis.	2,264
3	Number of permanent women employees	827 The female:male ratio stood at 26:74. The Corporation maintains a gender inclusive environment and believes in equal opportunities at the workplace.
4	Permanent employees with disabilities	The Corporation upholds the importance of being an equal opportunity employer. HDFC has an Equal Opportunity Policy which seeks to empower and protect the rights of persons with disabilities. As at March 31, 2021, the Corporation had 9 persons (permanent and temporary employees) with disabilities.
5	Is there an employee association that is recognised by management?	No. However, the Corporation recognises the right to freedom of association and does not discourage collective bargaining.
6	Percentage of permanent employees that are members of this recognised employee association	Not applicable.

1. 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.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as at the end of the financial year
1	Child labour/forced labour, involuntary labour	Nil	Nil
2	Sexual harassment	2	1*
3	Discriminatory employment practices	Nil	Nil
4	Health & Safety	Nil	Nil

*The pending case was received in the month of March 2021 and hence as at March 31, 2021, the internal complaints committee was in the process of examining the same.

2. What percentage of employees were given safety and skill up-gradation training in the last year?

HDFC has always believed that its employees are its most valued resource and hence ensures their all-round development through regular training.

Owing to the pandemic, during the year, most trainings happened through blended learning which entails virtual classroom initiatives along with e-learning modules.

Various trainings were undertaken during the year such as Prohibition of Insider Trading, Prevention of Sexual Harassment at the Workplace, Information and Cyber Security Awareness, Code of Conduct, Know Your Customer guidelines. Other trainings included induction programmes for new recruits, leadership training, IT and cybersecurity and modules on soft skills.

Given below are the details of training imparted during the year:

1	Permanent employees to whom training has been imparted	3,344*
2	Total training man days per employee	10.47
3	Permanent women employees to whom training has been imparted	881*

*Includes training given to employees who have resigned/retired during the year

Health and Safety

The Corporation focused on both, the physical and mental well-being of its employees and organised various workshops and discussions with well-being experts and medical practitioners.

As far as sanitation and hygiene measures were concerned, to prevent the spread of COVID-19, the Corporation took necessary precautions at all its offices, which included sanitisation facilities, social distancing, installation of thermal scanners, removal of biometric scanners and installation of air purifiers which do not use chemicals or produce ozone. Detailed standard operating procedures and guidelines/advisories were issued periodically to the employees of the Corporation. The Corporation adhered to directives issued by the government/local authorities pertaining to COVID-19. The Corporation is in the process of putting in place a plan to have designated first-aid marshals in offices, with minimum basic training so as to be aware of procedures to be followed in case of medical emergencies.

Employees are given training on fire safety and evacuation drills. During the year, there were no accidents of any employee of the Corporation whilst on duty.

Principle 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes. For more details on the internal and external stakeholders of the Corporation, refer to the Integrated Report. The hyperlink is <https://www.hdfc.com/investor-relations#environmental-social-and-governance>.

2. Out of the above, has the company identified the disadvantaged, vulnerable and marginalised stakeholders?

Yes.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof.

The Corporation supports the government's endeavour towards its flagship scheme, 'Affordable Housing for All'. The Corporation has given housing loans to customers belonging to the economically weaker sections and low income groups and continues to have the largest number of beneficiaries under the government's Credit Linked Subsidy Scheme, which provides homes to first-time homebuyers.

The Corporation's CSR activities focus on the disadvantaged, vulnerable and marginalised segments of society. Refer to the Corporate Social Responsibility Report and Social Initiatives Report. The hyperlink is <https://www.hdfc.com/investor-relations#environmental-social-and-governance>.

Principle 5: BUSINESSES SHOULD RESPECT AND PROMOTE 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?

HDFC upholds the principles of being an organisation that respects human rights, is non-discriminatory amongst employees and provides for a redressal mechanism to the key constituents that it deals with. HDFC's Code of Conduct respects and promotes human rights.

The Corporation has adopted a Human Rights Statement to ensure that all the stakeholders are treated with respect and dignity and ensures that the Corporation does not condone human rights violations or abuses.

The Corporation is committed to maintaining a safe business environment and workplace for everyone, irrespective of the ethnicity, region, sexual orientation, race, caste, gender, religion, disability, work, designation and other such parameters.

HDFC has adhered to laws and guidelines on human rights as per the Constitution of India, national laws and policies and treats all its stakeholders and customers with dignity, respect and due understanding.

HDFC strives to be just, patient and understanding while dealing with delinquent customers who have availed housing loans. HDFC has also put in place an internal culture and work ethics where delinquent customers are treated with fairness and empathy.

While the key subsidiary and associate companies of the Corporation have their own independent policies, they all respect and promote human rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Corporation has not received any complaint in the nature of human rights violation from any stakeholder.

Principle 6: BUSINESSES SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. Does the policy related to Principle 6 cover only the company or extends to the group/joint ventures/suppliers/contractors/NGOs/others?

The applicability of the policy related to Principle 6 is only for the Corporation. The key subsidiary and associate companies of the Corporation have their own independent policies.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Yes/No. If yes, please give hyperlink for webpage etc.

The Risk Management Committee of the Corporation recognises physical and transitory risks posed by climate change and global warming and the impact it may have over the longer term on both, the Corporation's lending activities and its own assets and is putting in place various mitigation measures.

The Corporation has initiated the mapping of its carbon footprint and will continue to intensify its efforts. Disclosures on its Scope 1, 2 and 3 emissions are available in the Integrated Report. The hyperlink is https://www.hdfc.com/sites/default/files/2020-07/integrated-report-2019-20_0.pdf.

Further, for rural housing, HDFC does not allow use of asbestos sheets and encourages usage of corrugated galvanised iron sheets. For low cost housing, HDFC encourages NGOs to procure environment friendly building materials from the local building centres. HDFC as a policy, finances only self-contained tenements which provide for toilets/sanitation facilities within the housing unit. This leads to a cleaner environment and reduces health hazards in the villages.

3. Does the company identify and assess potential environmental risks? Yes/No

The Corporation has put in place an Environment and Social Policy Framework along with a Social and Environment Management System for screening certain loans for their social and environment risk and impact. The Corporation has identified pools of capital exclusively earmarked for lending towards green housing or affordable housing with specific environment related covenants which entail tagging of loans with enhanced E&S monitoring. Two-thirds of the Corporation's lease rental discounting portfolio has been certified as green buildings by either the Indian Green Building Council or Leadership in Energy and Environmental Design.

The Corporation has refinanced housing loans under the Promoting Green Housing Refinance Scheme. This scheme is under the aegis of Agence Francaise de Développement, France and National Housing Bank. The objective of the refinance scheme is to promote green and affordable residential housing in India.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?

Not applicable.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.?

The Corporation has an on-going solar electrification project. Under this project, solar panels are being installed, where feasible, in offices where the Corporation owns the premises. The 2-way meter allows the solar electric system to send excess electricity generated by solar panels back through the electric meter into the main grid, while allowing electricity to be consumed from the grid when solar electricity is not available.

The Corporation's thrust on digitalisation has not only helped reduce paper usage, but also facilitated reach into deep geographies and brought in efficiencies in processes and systems.

Through the Corporation's CSR efforts, various projects have been undertaken during the year such as forest habitat restoration, conversion of wet waste to biogas, institution of photovoltaic systems in some schools and at a training centre for the police.

6. Are the emissions/waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The Corporation complies with requisite environmental regulations in respect of its premises and operations.

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.

There were no show cause/ legal notices received from CPCB/SPCB in FY21.

Principle 7: BUSINESSES WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. Whether the company is a member of any trade and chamber or association? If Yes, name only those major ones that the business deals with:

The Corporation is a member of *inter alia* the following chambers and associations:

- Bombay Chamber of Commerce and Industry
- Confederation of Indian Industry
- Federation of Indian Chambers of Commerce and Industry
- Bombay Management Association
- Indo-German Chamber of Commerce
- Indian Merchants' Chamber
- International Union for Housing Finance
- National Real Estate Development Council
- Association of Financial Professionals of India

Representatives of HDFC are members of the committees of these industry bodies. HDFC regularly offers its inputs to these associations for the advancement and improvement of housing finance in India.

HDFC will continue to support and advocate for the further development of the housing industry, as its primary objective is to enhance residential housing stock in the country.

2. Has the company advocated/lobbied through above associations for the advancement or improvement of public good?

HDFC executives have, over the years, played a key role in formulating national housing policies and strategies at a national level. Recognising HDFC's expertise, regulators, industrial bodies and governments have invited HDFC's executives to join a number of committees and task forces related to financial sector reforms, housing finance, infrastructure development, capital markets and corporate governance. Members of the senior management of HDFC are associated with various committees constituted by the government, regulators and industry bodies from time to time, including for the purpose of legislating regulations related to capital markets and corporate governance.

The above, however, has been in the nature of using expertise to help shape public policy, primarily in the areas of corporate governance, economic reforms, inclusive development, housing and housing finance. As such, the Corporation does not take part in any lobbying.

HDFC makes various recommendations/representations before regulators and associations regarding the new enactments that impact the Corporation, housing finance industry and other related areas.

Principle 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, provide details thereof.

HDFC undertakes its development and welfare activities directly or through the H T Parekh Foundation. During FY21, HDFC and the H T Parekh Foundation partnered with institutions that focused on supporting and building the resilience of vulnerable and marginalised population groups affected by the COVID-19 health crisis.

The COVID-19 relief work undertaken was immediate, timely and focused on need-based interventions. HDFC, through the H T Parekh Foundation undertook efforts to reach out to a wide range of stakeholders including state governments, urban local bodies, hospitals and community-based organisations. The response was aimed at addressing the crisis faced by socio-economically vulnerable sections of society, healthcare workers and frontline personnel, such as the police and sanitation workers. Based on insights received from these wide-ranging stakeholder groups, relief measures were categorised broadly under the areas of distributing dry ration, supporting cooked meals and providing preventive and curative healthcare equipment.

To address the livelihood crisis, especially for vulnerable populations such as migrant workers, the Corporation supported programmes that help them access government labour welfare schemes including health insurance and support schemes for their families. Support also included offering immediate relief and medical aid to displaced migrants, increased access to social security benefits, access to job placements that match their skills and hand-holding those who were at the bottom of the labour chain, such as women migrants.

Further, the Corporation continued its commitment towards creating positive societal impact by partnering with and supporting organisations in the focus areas of education, healthcare and sanitation, livelihoods and persons with disabilities.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?

HDFC undertakes a majority of its social welfare activities through the H T Parekh Foundation, which is a non-profit company. The Foundation supports non-profit organisations in the medium to long term, across all its focus sectors.

3. Has the company done any impact assessment of its initiative?

Monitoring and evaluation of CSR projects were regularly undertaken which included site visits (mainly virtual in FY21 due to travel restrictions caused by the pandemic), quarterly and half yearly reports on the progress of the programmes and evaluation of projects against the planned objectives. Some of the partners have undertaken impact assessments at an organisational / thematic level through external assessors. A monitoring and evaluation framework along with dashboards for the core sectors has been developed at the H T Parekh Foundation during the year.

An impact assessment was conducted by a third party agency on HDFC and the H T Parekh Foundation's COVID-19 relief work undertaken during the period from April-June 2020. The assessment report is placed on the Corporation's website.

4. What is the company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

In FY21 the Corporation has spent ₹ 189.82 crore (which is more than 2% of the average net profit of the preceding three financial years) on community development initiatives. Further details are in the Corporation's Annual Report 2020-21 on Corporate Social Responsibility Activities.

5. Has the company taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes. Programmes and development initiatives supported have ensured that the community is at the centre of the planning and execution strategy. Stakeholder discussions, need assessment, training and sensitisation workshops for members of the community are key components across all community development projects and similar practices are followed in other projects as well. Regular feedback from stakeholders and monitoring of the community development initiatives helps in making further modifications of the programmes as required.

For instance, HDFC supported a project in Ahmedabad (Gujarat) for the restoration of 'Dhal ni Pol', one of the oldest heritage precincts, which marks the genesis of the city of Ahmedabad (a UNESCO World Heritage site). Community members and local residents were involved in the project from the beginning and played a crucial role in its implementation. The project strikes a balance between restoration of the old structures and improving the civic facilities in the area, after taking feedback from local households. The women from the community have been trained to organise heritage walks along the precinct for tourists showcasing their culture and heritage thereby also providing an additional means of livelihood for them.

The rural livelihoods programmes supported by HDFC in partnership with strong grass root level community organisations have context specific regional projects. For example, HDFC is supporting a project in the drought prone regions of Maharashtra to identify and train women in a goat-rearing livelihoods programme with the aim to make the households financially sustainable. The programme has a deep engagement with the community involving baseline studies, introductory trainings and formation of joint liability groups. The programme also has a planned exit strategy once the outcomes of increase in average annual income and improved market linkages are seen, thereby ensuring economic empowerment of marginalised women and making the intervention sustainable.

The HDFC supported programme in Sonitpur (Assam) is seeing returning migrant youth take up agro-forestry as a livelihood option in their villages. Seeing the success and growing interest, many tribal leaders have come forward to offer community land to promote agro-forestry in the region.

HDFC's sanitation programmes have always included the local community and volunteers who take on the responsibility of sensitisation, awareness and behaviour change workshops for users of community toilet blocks. For example, in Trichy (Tamil Nadu), the partner organisation uses Sanitation Hygiene Education (SHE) teams for overall responsibility for maintenance of refurbished toilet blocks, awareness and hygiene education including menstrual hygiene education and sessions for school children.

Principle 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. What percentage of customer complaints/consumer cases are pending as at the end of the financial year?

During the year, the Corporation has resolved 99.97% of complaints received from customers.

Sr. No.	Nature of complaints	No. of complaints received during the year	Pending as on March 31, 2021
1	Complaints received from home loan customers and depositors	72,439 * (1.6% of the customer and depositor base)	19^
2	Investor complaints	5	1^
3	Complaints received under Corporate Whistle blower Initiative (CWI) Mechanism	17	0

*Loan moratorium requests and Credit Linked Subsidy Scheme related issues are excluded.

^ Resolved as of date of this report.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

HDFC has always believed in being transparent with its customers by providing all the relevant details. HDFC also has documents such as 'Most Important Terms and Conditions'(MITC) which is displayed prominently in each office and on the website of the Corporation with information on service charges, interest rates, product information, service standards for various transactions and grievance redressal mechanisms for its home loan customers. All potential customers are required to read and sign-off the same along with their application forms. Loan application forms are also available in Braille to cater to needs of visually impaired customers.

The Corporation strives to ensure customer data privacy and security through robust information security systems.

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 on end of financial year? If so, provide details thereof.

No.

4. Did the company carry out any consumer survey/ consumer satisfaction trends?

The Corporation continuously conducts customer satisfaction surveys to seek feedback from its borrowers at various stages of the loan transaction such as at the time of the loan application, approval, disbursement and closure. This feedback is used to improve systems, processes and enable better focus on training and development of staff.



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