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CSR Projects  
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“ We  
should

never give the impression to others  
of possessing the ultimate wisdom  
and should **always**

**be willing**

to look at our customers' problems with

**understanding** and  
**empathy.**

We should try to put ourselves in their position and  
ask ourselves how we would like to be regarded.

This is a **never  
ending** process and,  
at all levels of management;  
we must strive, day after day,  
to earn the

**confidence** and  
**goodwill**

of our customers. ”

---

**H. T. Parekh (1911-1994)**  
Founder Chairman, HDFC

# Introduction

For us at HDFC, the Integrated Report has always been a simple narrative of what we do each day at work. Environmental, Social and Governance (ESG) disclosures undoubtedly have become core for all stakeholders. To our mind, assessing our business through an ESG lens helps us articulate a more holistic view of our organisation, it provides us with various risk mitigation tools and more importantly, it enables us to think about new and emerging opportunities.

HDFC has been built on the founding principles of kindness, fairness, efficiency and effectiveness. These principles have held us in good stead over the past 45 years. These are the same principles we have imparted to all our group companies, even though each of them function as separate, independent entities.

Across the world, ESG frameworks are still evolving. We believe that ESG frameworks should be designed in a manner that enables organisations to constantly raise the bar on their disclosures.

Yet, what has become increasingly apparent in the recent period is that prevailing social, political and economic dimensions are inextricably linked with ESG and these factors will increasingly have a bearing on how ESG is perceived.

Our reporting across the pillars of ESG entails a combination of statutory and voluntary reports. These include the Report on Corporate Governance, Report on Corporate Social Responsibility, Business Responsibility and Sustainability Report, Integrated Report and Social Initiatives Report.

We recommend this report be read in conjunction with the Annual Report 2021-22 including the Financial Statements, Directors' Report, Management Discussion & Analysis Report and Report on Shareholders' Information.





## HDFC at a Glance

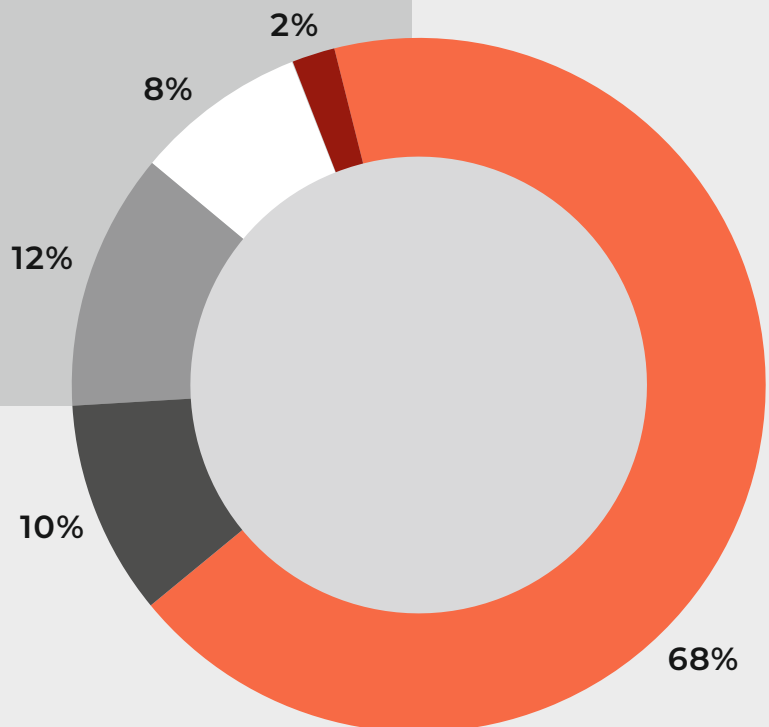
HDFC was incorporated in 1977 as India's first retail mortgage finance company. Over the years, it has evolved as a financial conglomerate with interests beyond mortgages. HDFC has a unique structure of being both, an operating company and a holding company. HDFC is a mortgage finance company and is also the holding company for investments in its subsidiary and associate companies.

As at June 30, 2022, 68% of HDFC's equity shares were held by foreign investors, 20% by domestic institutional investors, 10% by individuals and 2% by companies.

## Shareholding Pattern

as at June 30, 2022

- Foreign Shareholders
- Individuals
- Mutual Funds
- Financial Institutions, Banks & Insurance Companies
- Companies



# Key Strategies



## BUSINESS

- Maintain its position as a leading housing finance institution
- Develop close relationships with individual households and enhance its customer relationships
- Integrate digitalisation strategies in a seamless manner
- Transform ideas for sustainable housing finance into viable and creative solutions
- Grow through diversification by leveraging its client base
- Focus on financing affordable, smart and green homes
- Imbibe responsible lending practices
- Embed ESG practices in all spheres of activity undertaken



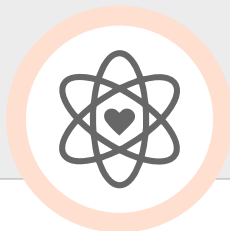
## GROWTH

- Set the pace of loan book growth that is prudent and sustainable
- Maintain an emphasis on asset quality and prudent provisioning
- Focus on operational efficiency, minimising the cost to income ratio
- Manage assets and liabilities so as to minimise risks for the organisation
- Create long-term shareholder value



## ASPIRATIONS

- Remain a preferred choice for home loan customers
- In a calibrated manner, increase the percentage of women employees by at least 2% within the medium-term
- Identify core focus sectors where funding is most needed to help uplift the marginalised and most impacted segments of society through Corporate Social Responsibility activities
- Increase the share of financing affordable, smart, green homes and green commercial buildings
- Reduce carbon emissions in all spheres of operations of the organisation
- Work towards alignment to a net zero emissions pathway
- Increase the number of offices with green accreditation and renewable energy



## INTANGIBLES

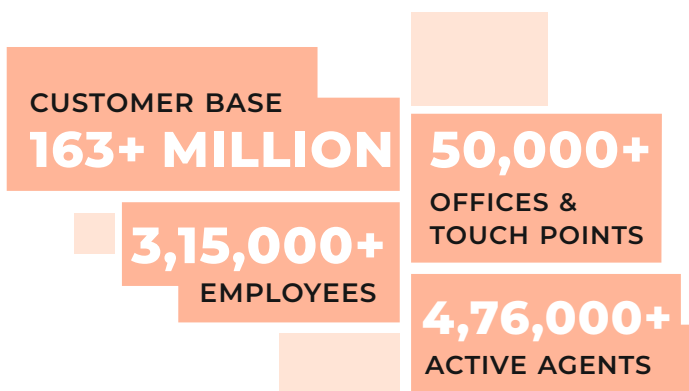
- Adapt to change
- Responsible behaviour
- Work culture based on the principles of kindness, fairness, efficiency and effectiveness
- Build a corporate reputation of trust and quality customer service
- Accord highest priority to governance
- Demonstrate risk management capabilities
- Contribute meaningfully to social causes

# Value Creation at the Group Level

While HDFC and its group companies share strong synergies, each entity operates independently with their own employees and independent boards. The key underlying commonality is the sharing of the HDFC brand. It is on the basis of trust and a shared belief of rendering quality customer service that the HDFC brand has been entrusted in the hands of each of our group companies.

Under the HDFC umbrella, we have a combined customer base of over 163 million, served by around 3,15,000 employees with a reach of approximately 50,000 offices, outlets, ATMs, digital offices and touch points. There are over 4,76,000 active agents supporting business growth across the group. Listed companies within the HDFC group had a combined market capitalisation of US\$ 185 billion as at March 31, 2022.

## — HDFC GROUP COMPANIES COMBINED —



	Year of Incorporation	HDFC's Shareholding (%)	Shareholders <sup>1</sup> (Nos)	Market Capitalisation (US\$ bn)	Employees (Nos)	Location (Nos)	Total Assets / AUM (₹ bn)	CSR Spending (₹ mn)
HDFC	1977	-	8,14,283	57	3,599	464	6,409	1,940
HDFC Bank	1994	21.0	21,51,626	107	2,66,067 <sup>2</sup>	47,745 <sup>2</sup>	21,229	7,748 <sup>2</sup>
HDFC Life Insurance	2000	47.8	10,34,124	15	22,059	372	2,042 <sup>3</sup>	174
HDFC Asset Management	1999	52.6	5,93,113	6	1,187	228	4,080 <sup>3</sup>	290
HDFC ERGO General Insurance	2002	49.9	-	-	8,976	668	41	114
HDFC Credila	2006	100.0	-	-	329	11	91	36
HDFC Capital Advisors <sup>^</sup>	2015	100.0	-	-	19	1	62 <sup>3</sup>	6
HDFC Sales	2004	100.0	-	-	11,859	211	4	2

<sup>1</sup> For listed entities

<sup>2</sup> Includes its subsidiaries

<sup>3</sup> Assets Under Management

Exchange rate: US\$1 at ₹ 75.90

<sup>^</sup> In May 2022, HDFC sold 10% of its stake in HDFC Capital Advisors

# Our Strategy to Sustainability

## OUR INPUTS



### FINANCIAL CAPITAL

- Strong balance sheet
- Shareholders' funds
- Diverse funding profile
- Asset quality
- Prudent lending practices



### HUMAN CAPITAL

- Professionally qualified staff
- Skilled and experienced teams
- Focus on training and skill upgradation



### SOCIAL & RELATIONSHIP CAPITAL

- Facilitate home ownership across all income segments & geographies
- Customer & community engagement

## VALUE CREATION ACROSS STAKEHOLDERS

### STRONG FINANCIAL PERFORMANCE

- Shareholders' funds: Rs 1.2 trillion
- Capital Adequacy Ratio: 22.8%
- Low cost to income ratio
- Highest credit rating

### EMPLOYEES

- Nurture an ethical work culture
- Offer equal opportunities
- Focus on inclusion & diversity
- Employee engagement, training & development
- Health and safety

### CUSTOMERS

- Valued for customer service and transparency
- Reliance on HDFC's due diligence and single-minded focus on housing
- Tailor-made customer experience

Our greatest intangible capital is our corporate culture, built on the principles of fairness, kindness, efficiency and effectiveness. We try to imbibe this in all spheres of our work.



### PHYSICAL & DIGITAL CAPITAL

- 675 offices
- Enhanced delivery of digital services for customers
- Hub and spoke model, processing hubs, call centres, back-office processing units
- Increased reach to deeper geographies
- Endeavour for local sourcing for office requirements



### INTELLECTUAL CAPITAL

- Organisational culture & values
- Brand synonymous with trust & quality service
- Building digital ecosystems for the future



### NATURAL CAPITAL

- Minimise consumption of natural resources
- Supporting and encouraging green buildings

### SHAREHOLDERS

- High level of corporate governance
- Long-term value creation
- Consistent payment of dividends

### COMMUNITY

- Over 9.3 million housing units financed since inception
- Home loans to all income segments
- Funding construction of affordable housing
- Engaging in CSR activities since the 10<sup>th</sup> year of operations

### ENVIRONMENT

- Responsible lending: enhanced environment and social due diligence
- Funding for green buildings
- Increased pool of resources to on-lend for green buildings
- Employee sensitisation on climate change and preservation of natural resources
- Reducing emissions in operations of the Corporation
- Supporting environmental sustainability programmes



# Stakeholder Engagement

We have always maintained that constant engagement with our key stakeholders enables the Corporation to better communicate its strategies and performance. A continuous engagement helps align expectations, thereby enabling the Corporation to better serve its stakeholders.

## SHAREHOLDERS & INVESTORS

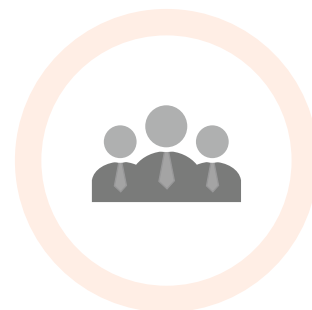
We communicate with shareholders and investors through various ways including quarterly earnings calls, quarterly financial disclosures, investor presentations, annual report and other disclosures made by the Corporation from time to time.

During the year ended March 31, 2022, the Corporation had online interactions with over 1,400 fund managers and analysts representing over 450 institutions/funds/brokerage houses. The Corporation participated in about 50 domestic and international investor conferences. The Corporation has also increased its interactions with various ESG teams of investors. These engagements helped investors understand the Corporation better and stay abreast with key developments. Engaging with investors regularly enables us to get useful feedback, which serve as inputs for our corporate strategy and governance practices.



## EMPLOYEES

Employees remain the most valuable asset of the Corporation. We value feedback from our employees as they are the ones interacting directly with our customers. Hence their inputs are invaluable in designing our products, digital solutions, services and formulating various policies. We believe in an open-door policy for all employees. This enables better communication, teamwork and transparency within the organisation. As per our Code of Conduct, employees are obligated to report any known or suspected violations of the code, corporate policies or regulations.



## CUSTOMERS

The best assurance of the quality of our customer service comes from the feedback we receive from both, our deposit and home loan customers. Customer service remains our key differentiator and we are constantly striving to create new products and services to meet the changing requirements and needs of our customers. The positive feedback from our customer surveys undertaken at various process stages have been encouraging for our frontline staff. It also serves as key learnings to help us improve and raise our benchmark. Both, our borrowers and depositors have responded well to our enhanced digital initiatives.



## STAKEHOLDER ENGAGEMENT



Rural Housing Finance Promotion



Virtual Show for Loans



Engagement with Community & NGOs



Key Partner Meet



Interacting with Customers



Property Expo



Engagement Activity - Builder's Association



Channel Partner's Meet - Rural Housing

## CHANNEL PARTNERS & KEY PARTNERS

HDFC Sales Private Limited, HDFC Bank and third-party Direct Selling Agents (DSAs) source home loans for us. They are our feet on the street. We invest a great deal of time and effort in training our DSAs to ensure that the application is fit for processing. This helps reduce our turnaround time. While our DSAs source loans for us, all the credit, legal and technical appraisals are done in-house by HDFC. All our DSAs are mandated to follow the Model Code of Conduct as approved by the board and stipulated by regulations. We regularly seek feedback from our DSAs.

Our key partners (i.e. deposit agents) source deposits for us. We have over 24,000 active key partners. Key partners also provide us feedback which helps us in improving our products and processes to serve our depositors more effectively. Existing key partners are also offered a DSA partnership to source housing loans for HDFC. This lends flexibility to our key partners, enabling them to offer a wider range of financial solutions and further strengthen HDFC's loan sourcing mechanism.

We continued to conduct a series of training workshops for all our channel partners and key partners to train them on our optimising our digital platforms and keep them abreast of the latest developments in the organisation.

As at March 31, 2022, 91% of new loan applications were received through digital channels and 67% of deposits were on boarded digitally.



## REGULATORS

We engage in various interactions with our regulators and stand committed in providing timely and accurate information as and when required. Our senior management commits significant time to interact with our regulators. This enables us to understand their focus areas and concerns and in turn, our inputs are used to apprise regulators of the market scenario and practices pertaining to our business.

As HDFC is the promoter of its subsidiary and associate companies, our senior management also interact with other key regulators in the financial sector, especially in the context of financial conglomerate reporting.



## RESEARCH ANALYSTS

We interact with a number of members from the investment community. We regularly engage with over 40 research analysts from various brokerage houses that cover HDFC. We provide detailed information of the quarterly financial results in an excel format to enable research analysts to easily analyse the financials and work on their own financial models in a time bound manner, which in turn helps investors. The same is placed on our website as well.



## SUPPLIERS & VENDORS

We work with various suppliers that provide us goods and services which help us run our day-to-day operations and enables us to deliver quality customer service. It is our constant endeavour to engage with responsible third party entities who provide goods and services to the Corporation.

We have suitable systems and processes in place to screen vendors and service providers to ensure the identity of the respective person or entity does not appear on sanction lists as identified by the regulators. Besides the negative scrubbing, various databases are also relied upon for requisite screening.

We remain selective in our dealings with our key vendors, with over 95% of our vendors being registered entities under the Goods and Services Tax Network. For third parties that work directly with us, we have Codes of Conduct that are required to be adhered to such as the Code of Conduct for Direct Selling Agents. We expect our third-party providers to adhere to responsible business practices similar to what the Corporation upholds for itself. In addition, our IT vendors are green standard compliant and data centres are certified under Environmental Management System ISO 14001:2015. Our IT vendors hold other certifications under Occupational Health and Safety (OH&S) and Quality Management System namely ISO 45001:2018 and ISO 9001:2015. We exercise discretion in our dealings with vendors and may choose not to associate ourselves with certain vendors on grounds of their conduct.



## COMMUNITIES & NON-GOVERNMENT ORGANISATIONS

We recognise that our role as a responsible corporate citizen entails much more than providing finance for our customers' housing and real estate requirements. While our core focus remains housing, we also believe that communities benefit through high quality, affordable education. Towards this goal, we recognise the importance of education. Currently, we have 'The HDFC School' in three locations- Gurugram, Pune and Bengaluru with over 3,000 students.

We engage with various non-government organisations (NGOs), focusing on diverse social issues. Our efforts towards Corporate Social Responsibility are largely channelled through the H T Parekh Foundation with focus on COVID-19 relief, healthcare, education, livelihoods, persons with disabilities and environmental sustainability. We encourage and support investment in reducing carbon emissions and commitments to tackling climate change through various initiatives and products. We encourage our employees to jointly participate with the Corporation in some of its philanthropic partnerships and support various social causes.



## ESG Indices

As ESG investing has gathered substantial momentum in the recent years, a growing number of investors are relying on ESG indices and benchmarks to help meet their goal of responsible investing. According to Bloomberg Intelligence, total ESG assets surpassed US\$ 35 trillion in 2020.

### MSCI INDIA ESG LEADERS INDEX

Sr. No.	Companies	Sector
1	Reliance Industries	Energy
2	Infosys	Information Technology
<b>3</b>	<b>HDFC Limited</b>	<b>Financials</b>
4	Tata Consultancy	Information Technology
5	Hindustan Unilever	Consumer Staples
6	Axis Bank	Financials
7	HCL Technologies	Information Technology
8	Asian Paints	Materials
9	Mahindra & Mahindra	Consumer Discretionary
10	Kotak Mahindra Bank	Financials

### MSCI AC ASIA EX JAPAN ESG LEADERS INDEX

Sr. No.	Companies	Sector
1	Taiwan Semiconductor Manufacturing	Information Technology
2	Tencent Holdings LI (CN)	Communication Services
3	Alibaba Group Holding (HK)	Consumer Discretionary
4	AIA Group	Financials
5	Meituan B	Consumer Discretionary
6	Reliance Industries	Energy
7	China Construction BK H	Financials
8	Infosys	Information Technology
<b>9</b>	<b>HDFC Limited</b>	<b>Financials</b>
10	Baidu (HK)	Communication Services

## FTSE4GOOD INDEX SERIES

Sr. No.	Companies	Sector
1	Taiwan Semiconductor Manufacturing	Information Technology
2	Reliance Industries	Energy
3	Infosys	Information Technology
4	China Construction Bank	Financials
5	<b>HDFC Limited</b>	<b>Financials</b>
6	Hon Hai Precision Industry	Information Technology
7	Tata Consultancy Services	Information Technology
8	Ping An Insurance	Insurance
9	MediaTek	Information Technology
10	WuXi Biologics	Pharmaceuticals

## NIFTY100 ENHANCED ESG INDEX

Sr. No.	Companies	Sector
1	Infosys Ltd.	Information Technology
2	Tata Consultancy Services Ltd.	Information Technology
3	<b>HDFC Limited</b>	<b>Financials</b>
4	HCL Technologies Ltd.	Information Technology
5	Bajaj Finance Ltd.	Financials
6	Titan Company Ltd.	Gems, Jewellery and Watches
7	Tech Mahindra Ltd.	Information Technology
8	Wipro Ltd.	Information Technology
9	HDFC Bank Ltd.	Financials
10	Kotak Mahindra Bank Ltd.	Financials

## S&P BSE CARBONEX

Sr. No.	Companies	Sector
1	Reliance Industries Ltd.	Energy
2	HDFC Bank Ltd.	Financials
3	Infosys Ltd.	Information Technology
4	<b>HDFC Limited</b>	<b>Financials</b>
5	ICIC Bank Ltd.	Financials
6	Tata Consultancy Services Ltd.	Information Technology
7	ITC Ltd.	Consumer Staples
8	Kotak Mahindra Bank Ltd.	Financials
9	Hindustan Unilever Ltd.	Consumer Staples
10	Axis Bank Ltd.	Financials

# Sustainability & ESG Related Awards and Recognitions

- ★ CRISIL Sustainability Year Book 2022: HDFC amongst the Top 10 companies under 'Leadership' Category
- ★ Awarded as Leading Housing Finance Company at the Dun & Bradstreet BFSI & Fintech Awards, 2022
- ★ Recognition from SEBI, for voluntarily adopting the 'Business Responsibility and Sustainability Report' for FY21, ahead of timelines prescribed by SEBI
- ★ Awarded 'Company with the Best Integrated Report' by the Asian Centre for Corporate Governance & Sustainability
- ★ Awarded 'Leadership in Employee Development' category at ESG India Leadership Awards, 2021 by ESGRisk.ai., India's first ESG rating company
- ★ Recognised amongst India's Top Sustainable Companies by Business World in association with Sustain Labs, Paris
- ★ Accredited Green Certifications for certain offices of the Corporation by Indian Green Building Council (IGBC) and Leadership in Energy and Environmental Design (LEED)
- ★ ISS Governance Score at 1, representing the highest score
- ★ Felicitated under the 'Leadership' category in the Corporate Governance Score Card, 2021 under a joint initiative by IFC-IIAS-BSE



# Embedding ESG: A Collective Responsibility

At HDFC, we believe every person has a role to play on ESG

Role	Key ESG Metrics
Board of Directors + Board Committees	Oversight of the ESG Framework
Executive Directors	Strategy and implementation of the ESG framework
Functional heads	Specific ESG metrics, as identified
Lending Operations: Individual & Non-individual	Increase affordable, smart, green homes, inclusive lending, conduct E&S due diligence, negative screening for E&S, develop and offer lending products that meet identified SDG goals.
Resources: Wholesale & Retail	Raise funds for on-lending towards green, smart affordable housing and other identified SDG goals.
Human Resources	Human rights, diversity, inclusion, equal opportunity, employee well being.
Training & Development	Training and development, skill enhancement, sensitisation on ESG-related issues.
Legal	Anti-money laundering, anti-corruption, KYC, data protection, E&S covenants.
Information Technology/ IT User Support Group and Business Transformation	Data/cyber security, customer privacy, responsible use of digitalisation in products and processes. Procurement of energy efficient IT equipment and safe disposal of e-waste.
Facilities Management	Measuring and reducing GHG emissions, procurement of energy efficient equipment, installations of solar panels, responsible waste disposal mechanisms and facilitating climate conscious practices in office premises.
Management Services & Investor Relations	Engage with investors, ESG analysts and ESG rating providers. Report on ESG parameters on a statutory and/or voluntary basis.
Customer Engagement	Timely response to all customer queries and grievances.
Communications	Internal and external ESG campaigns, brand management.
Compliance & Policy Implementation & Process Management	Ensure statutory compliance on ESG reporting. Review implementation of policies pertaining to ESG and efficacy of data being reported on various non-financial parameters.
Risk Management	Evaluate the impact of ESG risks, including climate risk on the lending portfolio and identify physical and transitory risks and mitigation measures.
ESG Champions	Volunteers who proactively undertake ESG related and community service initiatives, champion sustainable practices in their respective offices and engage in knowledge sharing on ESG.
H T Parekh Foundation	Corporate Social Responsibility initiatives of the Corporation – with key focus sectors being education, health, livelihoods, persons with disabilities and environmental sustainability.



# Highlights

## FINANCIAL HIGHLIGHTS

₹ crore

Performance for the Year: Consolidated		
	FY 2022	FY 2021
Total Assets	9,66,349	8,29,355
Total Equity	1,92,630	1,65,617
Gross Income	1,35,968	1,39,071
Net Profit Attributable to the Corporation	22,595	18,740

Financials: Standalone		
	FY 2022	FY 2021
Loans Under Management	6,53,902	5,69,894
Individuals	5,15,433	4,40,225
Non-Individuals	1,38,469	1,29,669
Borrowings	4,99,681	4,41,365
Term Loans	1,39,851	1,05,179
Bonds & Securities	1,98,930	1,86,055
Deposits	1,60,900	1,50,131
Shareholders' Funds	1,20,251	1,08,783
Gross Income	47,990	48,176
Profit Before Sale of Investments, Dividend and Expected Credit Losses	17,404	15,631
Profit After Tax	13,742	12,027

Key Ratios		
	FY 2022	FY 2021
Cost to Income (%)	8.1	7.7
Interest Coverage (times)	1.6	1.5
Debt: Equity (times)	4.2	4.1
Capital Adequacy (%)	22.8	22.2
Post Tax Return on Average Assets (%)	2.3	2.3

Investors' Information		
	FY 2022	FY 2021
Price Per Share (₹)	2,390	2,499
Market Capitalisation (US\$ bn)	57	61
Dividend Per Share (₹)	30	23
Book Value Per share (₹)	663	603

## NON-FINANCIAL HIGHLIGHTS

### Human Capital

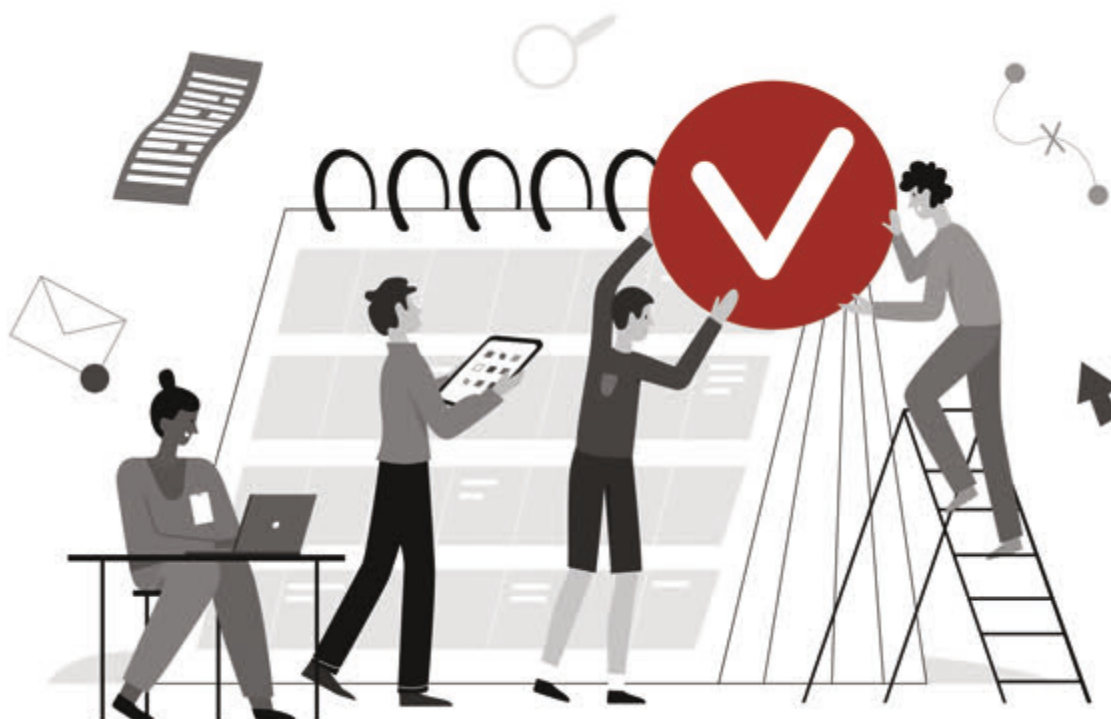
	FY 2022	FY 2021
Number of Permanent Employees	3,599	3,226
Retention Rate (%)	95	94
Average Age of Employees (years)	35	35
Profit Per Employee (₹ cr)	3.8	3.7
Assets Per Employee (₹ cr)	173	171

### Social & Relationship Capital

	FY 2022	FY 2021
Cumulative number of housing units financed (mn)	9.3	8.4
Spend on Corporate Social Responsibility (₹ cr)	194	190

### Manufactured Capital

	FY 2022	FY 2021
Number of Offices	675	593
Service Delivery Model	Phygital model – a matrix of platforms using a mix of physical and digital for all our customer related services.	
Digital Enablers	Digital on-boarding for loans and deposits.	



## Intellectual Capital

### HDFC Brand

A brand synonymous with trust.

'HDFC: With You, Right Through' helping the customer through the entire home buying journey.

Re-imagine and transform the customer journey across the lifecycle to improve customer experience and create market differentiation.

### Digital Marketing Principles

**Marketing Automation:** Use of technology for identifying, targeting and nurturing leads

**Conversational Marketing:** One-to-one interaction on a real-time basis

**Programmatic Advertising:** Use of AI to automate digital ad buying

**Personalisation:** Tailor-made customer experience for every user

**Geo-Fencing:** Location-based digital marketing

**Video, Voice & Vernacular:** Increasing consumption of video, voice & vernacular content

**Native Advertising:** Non-intrusive form of digital advertising

## Natural Capital

### Responsible Lending and Being Climate Conscious

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.

Raising resources for deployment towards green and affordable housing.

Promotion of green, smart and affordable homes and funding of green commercial buildings.

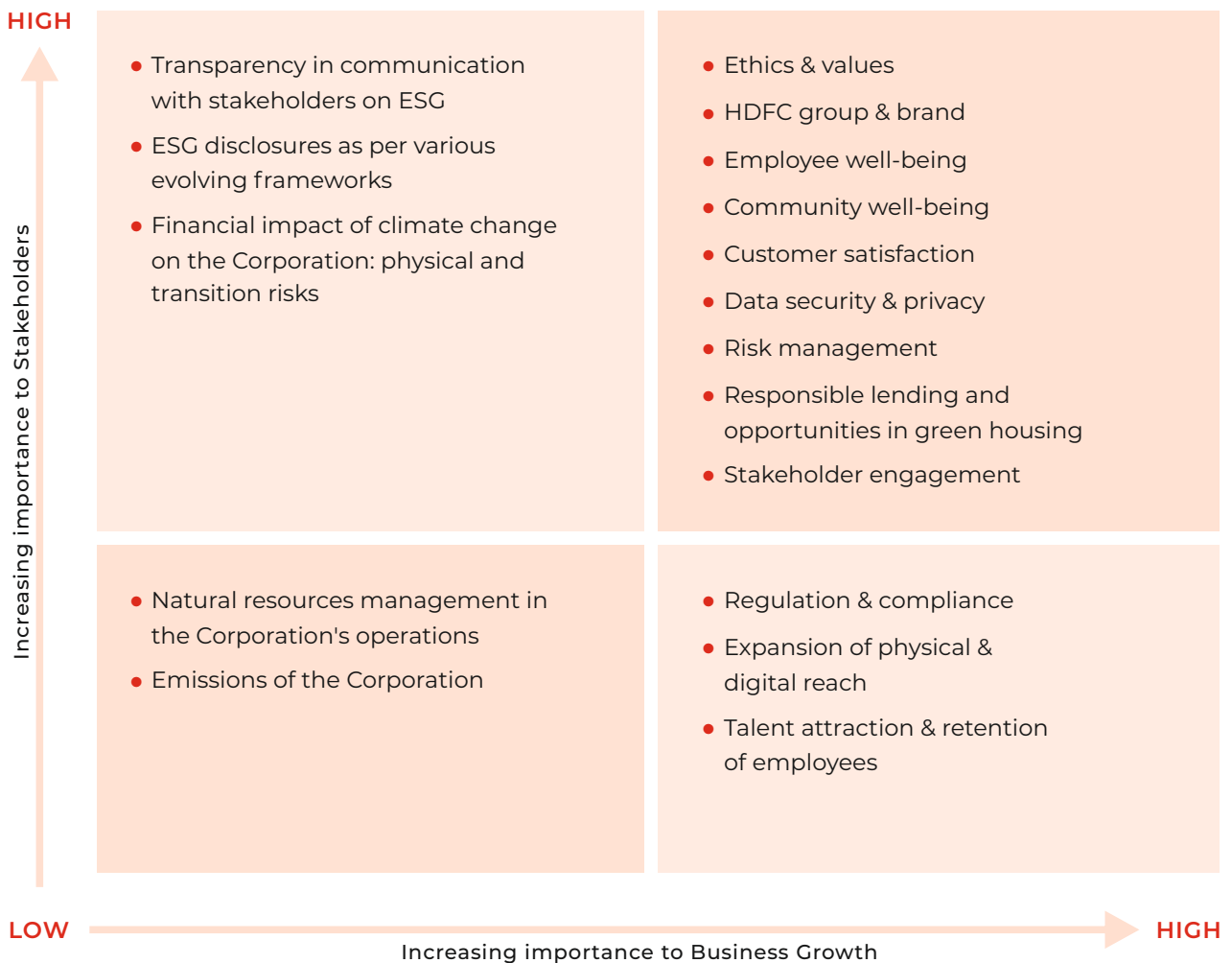
Waste segregation, recycling of e-waste, green procurement of various supplies, installation of solar panels, LED fittings, sensor lighting and taps, water saving devices and other endeavours to minimise the carbon footprint.

Supporter of the Task Force on Climate-Related Financial Disclosures and reporting to the Carbon Disclosure Project (CDP).

# ESG Materiality Map

Materiality Determination: The determination of material matters factored the overall operating, regulatory, legal, risk and macro-economic environment. Factors specific to the housing and finance sector were also considered. The ESG materiality map is illustrative to reflect issues that may have an impact on value creation based on key ESG parameters. This has been determined based on an internal assessment by the Corporation and through the incorporation of feedback from key stakeholders.

## ESG MATERIALITY MAP



# FINANCIAL CAPITAL



FINANCIAL  
CAPITAL

# Financial Capital

As a housing finance company, financial capital by default ranks amongst the most important capitals. Finance is the equivalent of the 'raw material' for the Corporation.

The quarterly financial disclosures, quarterly earnings call for the financial results and the Annual Report FY22 (Directors' Report and Management and Discussion Analysis Report) have details on the financial performance of the Corporation.

The hyperlinks are:

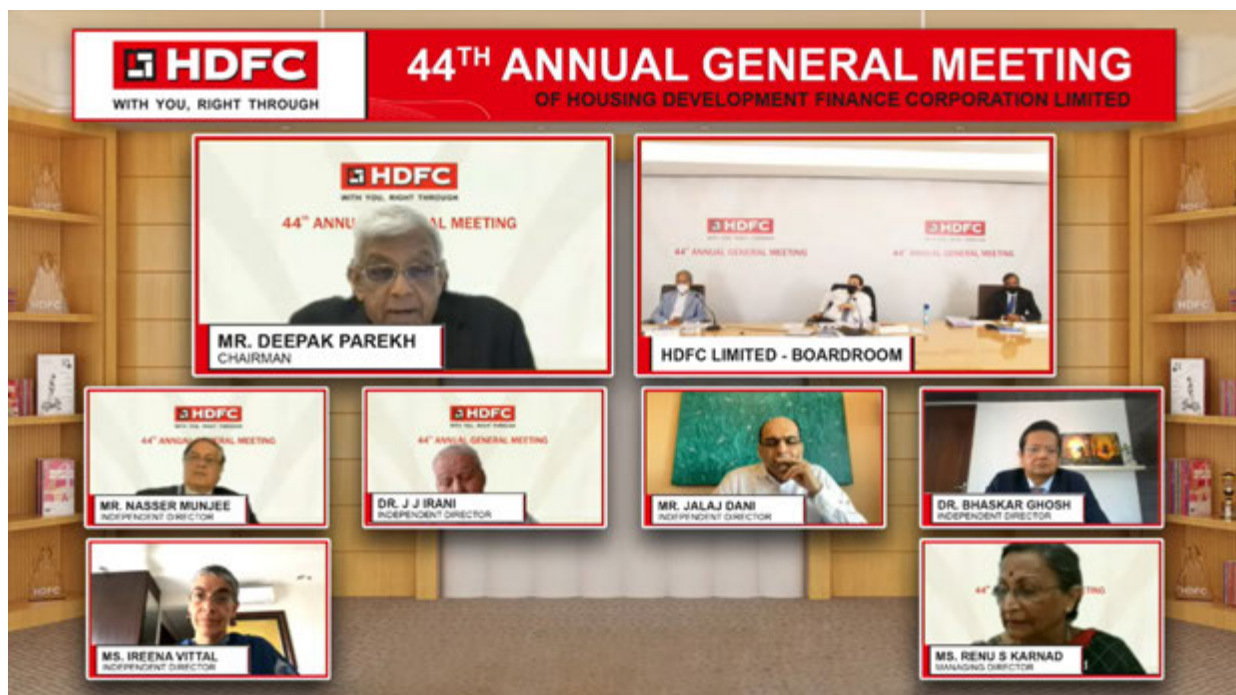
<https://www.hdfc.com/sites/default/files/2022-06/hdfc-shareholder2021-22-v1.pdf>

<https://www.hdfc.com/investor-relations#financials>

<https://www.hdfc.com/investor-relations#investor-presentations>

## KEY FINANCIAL OBJECTIVES

- Set the pace of loan book growth that is prudent and sustainable, keeping in mind the prevailing environment
- Maintain emphasis on asset quality and provisioning
- Have a diversified source of funding
- Focus on operational efficiency in every sphere of activity of the Corporation so as to minimise the cost to income ratio
- Manage assets and liabilities so as to minimise risks for the Corporation
- Create long-term shareholder value





HUMAN  
CAPITAL

HUMAN  
CAPITAL

# Human Capital

At HDFC, people are our biggest asset and are the key enablers of our business. Since inception, HDFC has emphasised on the importance of inculcating honesty, transparency, integrity and accountability in all spheres of work. These attributes define our work culture.

## EMPLOYEE WELL-BEING

Financial <sup>^</sup>	Health	Employee Engagement
<p>No retrenchment of employees or salary reductions</p> <p>Employee stock options have always been granted to each and every employee in the organisation</p> <p>Education allowance for employees' children</p> <p>Staff loans at concessional rates</p> <p>Digital based reimbursements</p> <p>Travel &amp; vehicle allowance</p> <p>Relocation allowance</p>	<p>Prioritising health and safety of employees</p> <p>Following COVID-19 safety and hygiene protocols in office premises</p> <p>Organised vaccination drives for employees and their families</p> <p>Health insurance for employees and immediate family: domiciliary &amp; hospitalisation</p> <p>Maternity/Paternity leave</p> <p>Sensitisation on work life balance</p> <p>Integrated approach towards holistic health and well-being of employees delivered through a curated digital platform. This factors physical, emotional, financial and social well-being. Each pillar dives into a specific aspect of health and wellness to assist employees and their families in their journey towards a healthier lifestyle.</p> <p>'We Care': First aid training prior to arrival of emergency medical services.</p>	<p>Employee engagement helps to ensure bonding outside of the workplace</p> <p>Regular interactions with management through virtual and physical meetings.</p> <p>Friday Club: Entails short duration recreational and talent-based activities to ensure a congenial and happy work environment. This includes cricket, walkathon, tree plantation drives, voluntary visits to NGOs, festival celebrations, amongst others.</p> <p>Mentoring programme for new recruits. This helps the employee to imbibe the work culture of the Corporation.</p> <p>Engage and sensitise employees to be ecologically conscious and make better sustainable choices.</p>

<sup>^</sup> Allowances are grade related



# Human Capital Data Points

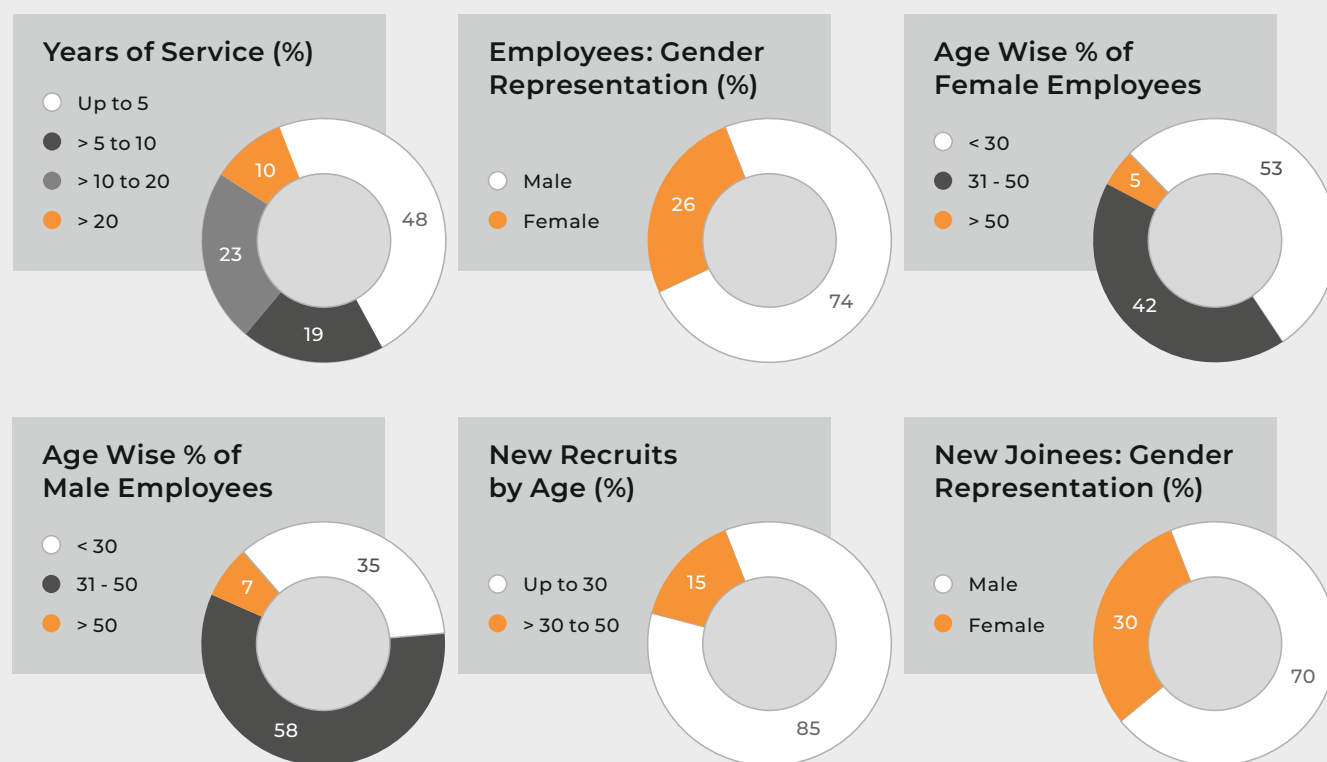
## EMPLOYEE STRENGTH

As at March 31, 2022, the Corporation had 3,599 permanent employees. The average age of employees is 35 years. The retention rate was 95%.

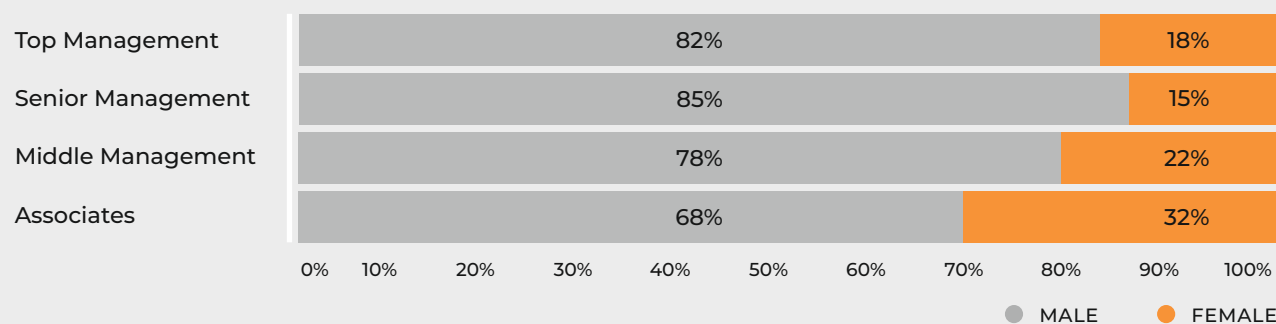
## GEOGRAPHY-WISE EMPLOYEE DISTRIBUTION

NORTH	SOUTH	EAST	WEST	OVERSEAS	TOTAL
1,008	1,043	154	1,391	3	3,599

## OTHER EMPLOYEE DETAILS



## ROLE-WISE GENDER REPRESENTATION



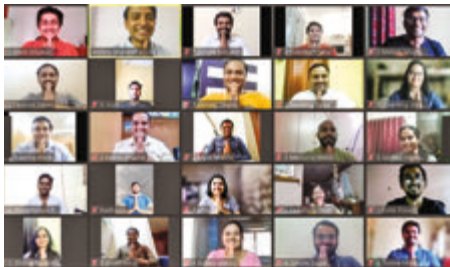
## DIVERSITY, INCLUSION & EQUAL OPPORTUNITY

HDFC strives to create and foster a supportive and understanding environment in which all individuals realise their maximum potential, regardless of their differences and where everyone can feel a sense of belonging.

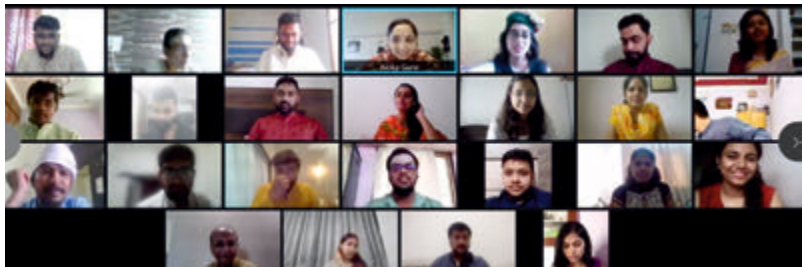
The objective of HDFC's Diversity and Inclusion Policy is:

- To ensure HDFC continues to be an employer for all diversity groups - gender identity, disability, caste, creed, colour, religion, marital status, age, sexual orientation and expression, medical condition, language and any other aspects as applicable;
- To create and foster an open culture of inclusion for all its stakeholders; and
- To create an environment which has zero tolerance for discrimination.

### — LEARNING TOGETHER - IN PERSON AND VIRTUALLY —



Employee Engagement



Training for New Recruits - Parichay



Digital Transformation - Launch of Customer Connect 2.0

EMPLOYEE ENGAGEMENT



Badminton, Kolkata



Vaccination Drive



Box Cricket, Vadodara



Celebrations, Nashik



Fire Safety Training



## EMPLOYEE TRAINING

We have a dedicated vertical to ensure that employees are sufficiently trained in functional and behavioural skills to ensure high standards of service to internal and external stakeholders.

Training is based on the identified needs, competency, or job-specific knowledge gaps, skills, and attitudes as identified jointly by the employee, department and branch heads, and the human resources department. We also use customer feedback which often acts as a base to identify learning and development needs.



In FY22, over 2,000 training programmes were undertaken for employees. This translated into a total of 9.21 man-days per employee. The key objective of these training programmes is to constantly upskill employees and ensure they stay abreast with new developments pertaining to the organisation.

## TRAINING PROGRAMMES FOR EMPLOYEES

During the year, trainings were done both, physically and through blended learning modes, which entailed virtual classroom initiatives along with the e-learning modules.

Some of the trainings conducted during the year included:

Skill-Based Training Programmes	
Customer Centricity	Negotiation and Communication Skills
Skill Up 2 Scale Up - Cross Functional Training	IT Training Skills Programme
Time & Stress Management	Mentoring / Coaching Programme
Train The Trainer	Soft Skills Training
Leadership Skills Programme	Growth Mindset - Customer Sales
HDFC Aspire: E-Learning Courses	
Assessment on Sustainability	Know Your Customer (KYC) Quiz
Training on Anti-Corruption and Anti-Money Laundering and KYC	Credit Risk Management, Loan Accounting, Online Disbursements & Deposits
Code of Conduct, Human Rights and HR Compliance Training	Customer Connect 2.0 – Project DASH ( <b>D</b> igital First, <b>A</b> gile Methods, <b>S</b> eamless, <b>H</b> DFC for You)
Know Your Business Quiz	Information & Cyber Security Awareness

External Training Programmes/Workshops	
Programme on Artificial Intelligence and Deep Learning	Affordable Housing Finance Challenges; Shifts Post COVID-19 and Need to Re-orient Credit Perspectives
Environmental and Social (E&S) Assessment for Non-individual Loans	Frauds in Housing Finance & The Insolvency and Bankruptcy Code
Business Forecasting, Predictive Analysis & Machine Learning	Prevention of Sexual Harassment at Work Place - Training for the Internal Complaints Committee
Thomas' Personal Profile Analysis	Securitisation and Transfer of Loans
Sensitisation on Energy Efficiency	Rural Housing Finance
HR Analytics Programme	Certified Professional in Energy Efficiency
Neuro Linguistic Training (NLP)	ESG Summit Green ratings: Indian Green Building Council

### TRAINING PROGRAMMES FOR NEW RECRUITS

All new recruits undergo an intensive induction programme to familiarise themselves with the organisation. This entails training and orientation programmes conducted by senior management across all departments.

### MENTORING PROGRAMME

HDFC facilitates a mentoring programme for all new recruits. Mentoring is a process wherein a senior person in an organisation can be a role model/guide/counsellor to a less experienced person. The purpose of mentoring is to develop a strong two-way learning relationship between the mentor and mentee. This relationship helps the mentee and the mentor to progress towards their personal and professional goals. Mentoring has been a core part of HDFC. Our experience indicates that great benefits have been achieved through mentoring relationships.

The human resources department closely monitors the effectiveness of the mentorship programme through feedback from the mentor and mentee.

### ZEST TO SERVE: CUSTOMER SERVICE WORKSHOP

We have a customised programme, 'Zest to Serve', to re-ignite the mind-set of serving with a smile and from the heart. This is a customer service workshop designed with the objective of revisiting our roots and reinforcing service standards set at inception as it was felt this could be one of the key differentiators in today's times.

The emphasis is on creating a connection with a home loan customer, rather than merely a transactional relationship. Customer service has to be viewed as a business need which requires all employees to have a mind-set of serving. Nearly 8 workshops were conducted and more than 250 employees were trained under this programme with the objective of sensitising them to ensure a better tomorrow.

## EMPLOYEE PRODUCTIVITY

	FY 2022	FY 2021
Number of Permanent Employees	3,599	3,226
Total Number of Outlets <sup>^</sup>	675	593
Profit Per Employee (₹ cr)	3.8	3.7
Assets Per Employee (₹ cr)	173	171
Spend on Staff Training & Welfare (₹ cr)	32	18
Total Training Man-days per Employee (Days)	9.21	10.47

<sup>^</sup> Includes offices of HDFC Sales

## JOB ROTATION AND SUCCESSION PLANNING

The objective of our job rotation policy is to enable our employees to enhance their knowledge, develop new skills and have a broader understanding of various functions across the Corporation. This ensures a well-balanced career development path. Job rotation aids in creating a stronger talent pipeline which in turn helps in succession planning as there is a larger pool of multi-skilled employees.

In the case of the regional business heads, branch heads and department heads, we recognise that succession planning is a continuous process rather than a one-time event. We have in place a systematic mechanism to identify high performers and groom them to take on higher responsibilities thereby mitigating vacancy, readiness and transition risks.

## OPEN-DOOR POLICY

We have always believed in the importance of an open-door policy and this helps our employees to address grievances and concerns at an early stage. There are various mechanisms in place for recording and redressing complaints raised by employees.

## TRAINING FOR CHANNEL PARTNERS

In order to ensure that our digital platforms are well leveraged, a great deal of time and effort was taken to train our channel partners and deposit agents to use the Corporation's digital platforms. This not only ensured business continuity during the pandemic induced lockdown, but also brought in cost efficiencies in overall operations. During the year, over 2,100 third party DSAs underwent training by the Corporation. Similarly, key partners and agents who source deposits also underwent similar training to optimise the digital platforms. The online platforms have been well received by our channel partners.

## TRAINING FOR VALUE CHAIN PARTNERS

Other programmes conducted by the Corporation for some of its value chain partners in facilities management included awareness programmes covering issues like improving service levels, security measures across offices, safety protocols of support services and improving health and hygiene measures through effective housekeeping, amongst others. These awareness programmes spanned 60% of the Corporation's value chain partners for facilities management.

## HUMAN RIGHTS

HDFC regards respect for human rights as one of its fundamental and core values and strives to support, protect, and promote human rights to ensure that fair and ethical business and employment practices are followed. HDFC believes that every workplace shall be free from violence, harassment, intimidation and/or any other unsafe or disruptive conditions, either due to external or internal threats. Accordingly, HDFC has aimed to provide safeguards for all people at its workplace, while having due regard for their privacy and dignity.

HDFC also has zero tolerance towards and prohibits all forms of slavery, coerced labour, child labour, human trafficking, violence or physical, sexual, psychological or verbal abuse.

HDFC strives to ensure that its vendors and suppliers uphold human rights and abide by the labour laws and human rights – including prohibition of child labour, forced labour and trafficked labour.

In FY22, there were no complaints with respect to discrimination at the workplace, child labour, forced labour/involuntary labour, wages and other human rights-related issues.



# SOCIAL & RELATIONAL CAPITAL



**SOCIAL &  
RELATIONSHIP  
CAPITAL**



# Social & Relationship Capital

We strive to engage with our stakeholders on a continuous basis. This enables us to understand their expectations and serve them better. Stakeholder engagement is an important driver for building long-term relations.

## CUSTOMER CAPITAL

Given the shortage of housing in India, the demand for housing continued to be strong. Housing also has several multiplier effects on an economy given its strong backward and forward linkages with various industries. The housing and real estate sector in India is also the second largest employment generator in the country. At HDFC, we are bound by a shared purpose of increasing home ownership in India.

Customers form the core of our business. In a competitive housing finance market, the key differentiator is the quality of customer service rendered. We remain driven to constantly find ways to enhance the quality of our customer service.

## CUSTOMER PROFILE

As at March 31, 2022, 79% of assets under management were individual loans and 21% were non-individual loans, comprising loans to corporates, construction finance and commercial lease rental discounting.

HDFC strives to maintain a judicious mix of lending to all income segments. We believe in cash-flow-based lending and not asset-backed lending practices. We continue to widen our efforts to reach out to customers across all income segments and expand our reach through rural housing loans, loans to self-employed customers and those belonging to the informal sector.

Individual Loans	FY 2022
Average Loan Size	₹ 33 lac
Average Loan to Value Ratio	70% (at origination)
Average Loan Term	12 years
Average Age of Customer	38 years

## CREDIT LINKED SUBSIDY SCHEME – WORKING TOGETHER WITH THE GOVERNMENT TO PROMOTE HOMEOWNERSHIP

The Honourable Prime Minister of India envisaged 'Housing for All' as a flagship government programme to enable more Indians to become homeowners. To achieve this objective, the government has undertaken various initiatives both, at the centre as well as state level to provide housing to citizens of India.

Various incentives were provided to beneficiaries under these schemes to promote the mission. The Credit Linked Subsidy Scheme (CLSS) is one of the verticals under the Pradhan Mantri Awas Yojana (PMAY) – Urban.

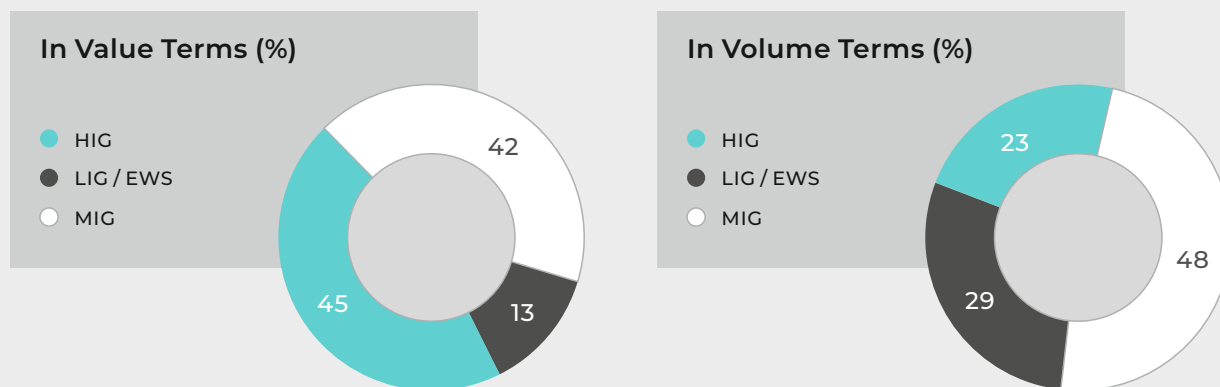
The government's thrust on affordable housing has seen fruition through the increased number of beneficiaries under CLSS. CLSS has been the catalyst in deepening our endeavours towards affordable housing.

The Corporation has the largest number of home loan customers – of over 3.14 lac who have availed benefits under the CLSS. As at March 31, 2022, cumulative loans disbursed by the Corporation under CLSS stood at ₹ 52,144 crore and the cumulative subsidy amount stood at ₹ 7,228 crore. The Corporation remains committed to supporting the government's mission of Housing for All to enable more Indians become homeowners.

### SERVING ALL INCOME SEGMENTS

In FY22, in volume terms 48% of our loans approved were to the middle income group, 29% to the low income group and economically weaker section and 23% to the high income.

#### Housing Loan Approvals to Customers Based on Income Slabs in FY22



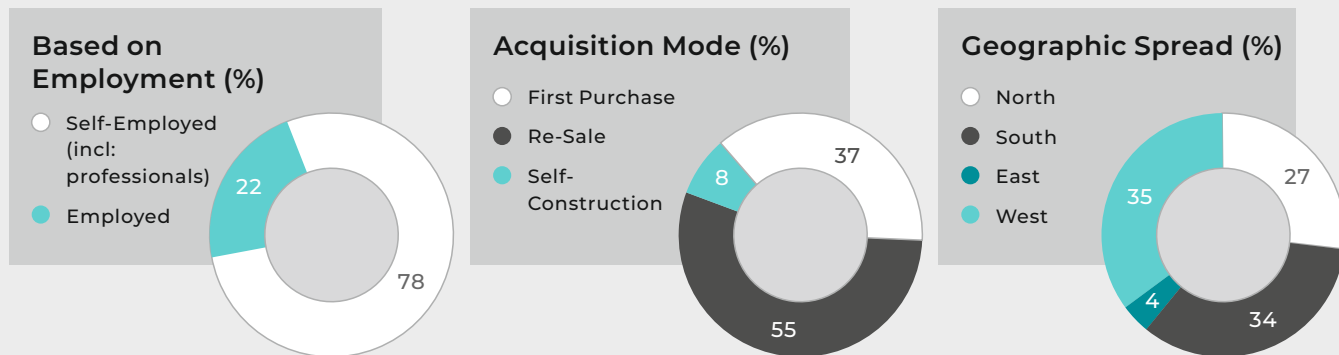
Economically Weaker Section: (EWS)  
Up to ₹ 3 lac p.a.

Low Income Group: (LIG)  
Above ₹ 3 lac to ₹ 6 lac p.a.

Middle Income Group: (MIG)  
Above ₹ 6 lac to ₹ 18 lac p.a.

High Income Group: (HIG)  
Above ₹ 18 lac p.a.

### INDIVIDUAL LOANS – BASED ON VALUE OF APPROVALS



## EFFORTS TOWARDS ENCOURAGING WOMEN HOME OWNERSHIP

HDFC believes in women empowerment. In order to encourage more women to become home owners, the Corporation has a product for women home buyers. Under this product, women have to be an owner/co-owner in the property for which the home loan is being availed as well as an applicant/co-applicant in the home loan to avail a concession on the home loan interest rate as applicable.

To help increase women homeownership, we have a partnership with a company focused on encouraging women to become home owners. The objective of this arrangement is 'safe and affordable housing by women, for women'. The company works with select developers and helps women through the process of purchasing a home. Under this business sourcing arrangement, HDFC is able to reach out to more women home loan borrowers.

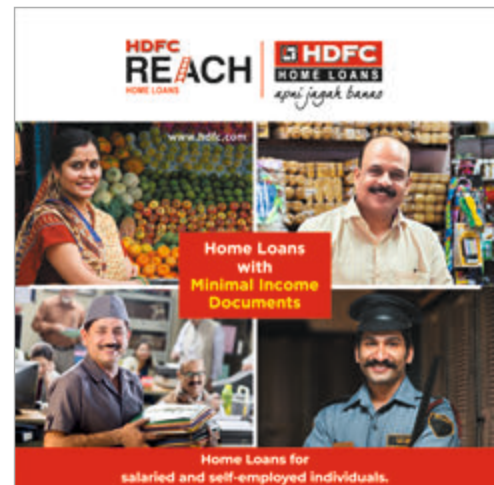
In FY22, of the total loans disbursed, 70% in value terms had women as owners of the property. These loans ensure that women's property rights are recognised and protected as their names are registered on their respective properties.

Further, certain states too have offered concessional stamp duty rates for women home owners.

## CUSTOMER INCLUSIVITY

Since inception, HDFC's lending policies do not discriminate on grounds of sex, caste, religion or persons with disabilities, amongst others.

As part of the orientation process for new recruits, sensitisation and training is done to ensure customers and other stakeholders are dealt with understanding and empathy.



Meeting Customers



All products, services and facilities are available to all customers without discrimination, including those using their thumb impression.

We adhere to the guidelines on loan facilities to visually impaired persons and persons with disabilities. A copy of the application form is also maintained in Braille, to cater to the special needs of visually impaired customers.

## SUPPORTING THE UNDERSERVED AND INCLUSIVITY

We have always believed that we need to support underserved sections of society. We were amongst the early equity investors in microfinance in India. Presently, our support to the microfinance and micro, small and medium enterprises (MSME) sectors are through a combination of equity investments and funding lines for on-lending to these sectors.

We have also supported social initiative projects such as education buildings, senior citizen housing and hospitals, amongst others.

In terms of inclusivity:

- 29% of loans approved in volume terms and 13% in value terms were to customers from economically weaker section and low income group
- Of the total housing loans disbursed in FY22, 64% were to first-time home buyers
- Under rural housing finance, we have provided housing finance facilities to farmers, agriculturists, planters and horticulturists
- Our niche housing product, 'HDFC Reach' addresses the housing needs of those in the informal sector
- Our focus is also on identifying deep geographies to expand our reach to customers



## RESPONSIBLE LENDING PRACTICES

Our consumer charter is enshrined in our Fair Practices Code and Most Important Terms and Conditions. Further, the Prevention of Money Laundering Policy is also a critical component of product responsibility for the Corporation.

We ensure that our lending policies do not discriminate in extending products and services to any persons. We also communicate to customers as to why a new loan application or other existing loan related request is rejected by the Corporation if it does not meet with our lending norms. This ensures transparency and fairness in our dealings.

In our non-individual lending, HDFC ensures that at the time of appraisal of certain loans, environmental and social (E&S) risks are assessed. We have E&S covenants embedded in our legal documents/offer letters for these loans. Enhanced E&S due diligence is done through a combination of internal or external assessments.

As part of our Environment and Social Policy Framework and Environmental and Social Risk Management System, we do not fund controversial activities and/or provide loans where the end use is towards:

- Production and distribution of pornographic materials
- Manufacturing, marketing or dealing in banned drugs, narcotics and other chemicals of concern
- Standalone manufacture and marketing of tobacco
- Production/trade in alcoholic beverages (excluding beer and wine)
- Dealing in banned wildlife related products
- Production/trade in weapons & ammunitions
- Production/trade in radioactive materials
- Production/trade in unbonded asbestos fibres
- Gambling, casinos and equivalent enterprises
- Polluting industries, unless the unit has explicit clearance from pollution control authorities and has installed effluent treatment plants
- Any other activity deemed as illegal or construed as being harmful to the environment and/or society

*Note: The above is not exhaustive, but an illustrative list*

## GRIEVANCES

HDFC believes that customers are one of the most important stakeholders and hence it is essential to engage with them, understand their expectations and accordingly, provide the desired service standards. We have in place a sophisticated centralised team for managing customer grievances called Customer Engagement, headed by the Chief Grievance Redressal Officer (CGRO) to record, monitor and redress grievances/feedback received from customers.

The Corporation has upgraded its grievance redressal mechanism by implementing a new omni channel customer service platform to improve service and reduce customer grievances due to which communication from all the touch points -- website, emails, letters, social media, phone calls amongst other are on a single platform. This provides a holistic view of the customer's interactions and profile to provide better service. This has led to heightened efficiency and ensures a reduction in complaints along with maintaining higher service standards.

## CORPORATE WHISTLE BLOWER INITIATIVE

HDFC has in place a Corporate Whistle Blower Initiative (CWI) portal, a third-party web-based reporting initiative. This is an extension of the Code of Conduct formulated with an aim to promote good corporate governance, instil faith and make stakeholders feel confident to voice their concerns or grievances on various matters pertaining to any malpractice, actual/suspected fraud, financial irregularities, violation of the Corporation's Code of Conduct, instances of leakage of unpublished price sensitive information, breach of any policy, abuse of power and authority by any official of the company or any other act with an intention of unethical personal gain or to cause damage to the Corporation or its employees or public interest without fear of reprisal.

## CORPORATE SOCIAL RESPONSIBILITY & COMMUNITY ENGAGEMENT

It was the belief of HDFC's Founder, Mr. H. T. Parekh that all successful corporations owe a responsibility to give back to society. This sensitisation since inception was the reason a 'Shelter Assistance Reserve' was created to support worthwhile social projects and communities in 1987 -- the tenth year of operations of the Corporation.

Since then, HDFC has been committed to engage and support the community at large, especially the segments of the population that are not served by the business. The H T Parekh Foundation was set up in 2012 to mark the birth centenary year of HDFC's founder chairperson and is the primary implementing agency of HDFC.

HDFC's CSR projects are undertaken with a conscious effort to have an equitable presence across the country. The Corporation has supported projects, both in rural settlements as well as in urban areas. The approach has been to partner with organisations that have a demonstrated track record and strong community presence which enables them to effectively assess needs on the ground and implement programmes.

The key focus areas in FY22 included:

### COVID - 19 RELIEF

response formed 23% of the total CSR expenditure during the year and the primary focus was on creating resilient health infrastructure, ensuring increased readiness for any future health disaster and facilitating vaccination of the most vulnerable.

### OTHER SECTORS

contributed 20% of the CSR expenditure during the year and comprised the Corporation's support for persons with disabilities, livelihoods, environmental sustainability, urban sanitation, promotion of arts and community development.

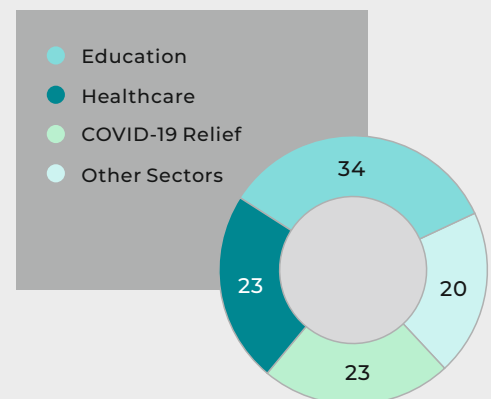
### EDUCATION

projects constituted 34% of HDFC's CSR expenditure during the year. Given that both *Anganwadis* (centres for early childhood education) and schools continued to remain shut for the major part of the year, the education partnerships focused on ensuring continuity of learning across both, pre-primary and elementary grades. In addition, the Corporation's scholarship programme - *HDFC Badhte Kadam* provided financial support to students from grade 9 onwards up to graduation to ensure their education is not jeopardised due to COVID-19 induced economic distress.

### HEALTHCARE

formed 23% of the total CSR expenditure during the year. The core focus of the healthcare programmes was on cancer support and access to nutrition. Additionally, the Corporation also supported programmes for enabling access to crucial medical interventions including eye surgeries and life-saving surgeries for children.

### CSR SPEND SECTOR-WISE SHARE (%)



## SUSTAINABLE DEVELOPMENT GOALS

Through our CSR initiatives we have touched upon 9 Sustainable Development Goals prescribed by the United Nations. Kindly refer to Annex 1 in this report which maps our CSR projects against the Sustainable Development Goals.

## COMMUNITY DEVELOPMENT PROJECTS

### COVID-19 Response

HDFC's COVID-19 response was focused on helping the poorest and most marginalised people as they faced the rising tide of infections in the second wave. The Corporation's COVID-19 strategy during the second wave shifted from providing immediate relief to building more resilient health infrastructure, with the objective of reaching the most vulnerable and increasing preparedness for any future health crisis.

Some of the key interventions included:

- a) COVID-19 vaccination drives;
- b) Provision of healthcare infrastructure in the form of oxygen generation plants, ventilators, a 50-bedded pre-fabricated hospital, ambulances and portable cold storage units for vaccines;
- c) Distribution of nutritious meals & essential supplies to frontline health workers; and
- d) Essential supplies in hard-to-reach geographies in the country and underserved communities.



### Redevelopment and upgradation of a crematorium

HDFC supported the redevelopment and upgradation of Mumbai's largest public crematorium located in Worli through Hiralal Parekh Parivar Charity Trust's Antim Prasthan project. Once the project is completed by the end of 2022,



the trust will continue to maintain the crematorium under an agreement with the Municipal Corporation of Greater Mumbai. Aesthetically designed by India's leading architects with state-of-the-art facilities, the 9 acre facility will include energy-efficient building practices, retain green cover and open spaces, introduce solar electrification, rainwater harvesting, new sanitation facilities and waste composting in keeping with the overall environment friendly and low carbon objectives.

## Rural Livelihoods

For livelihood enhancement, especially among vulnerable women, HDFC partnered with organisations that have a strong regional presence and context specific models. Projects for training and capacity building of rural women entrepreneurs by providing support for their credit needs, market linkages and business planning were supported. HDFC also partnered with an incubator that focuses on identifying and building capacities of local entrepreneurs providing sustainable energy driven solutions for livelihood enhancement in their local area. The programme works with entrepreneurs in the north-eastern states of Assam, Meghalaya and Manipur. The objective is to impact not just the direct incubates, but also other micro enterprises that are supported by these entrepreneurs.



## Healthcare

To improve the crucial indicators of mother and childcare, access to cancer care for children and supporting cancer institutions for diagnostic and treatment equipment, HDFC has been working with organisations who have a presence in tribal, rural and urban areas. HDFC supported programmes that included providing age appropriate nutritious food supplements to address malnutrition in children in Karnataka and building capacities of frontline health workers and providing them with tools and resources for efficient delivery of mother and child care services in Madhya Pradesh, Haryana and





Maharashtra. The Corporation also supported cancer care institutions for providing financial assistance to patients for treatment of childhood cancer in Varanasi, Guwahati and Mumbai. The objectives of the programme included ensuring treatment completion and improving treatment success rate.

**Sanitation**

HDFC supported much needed interventions primarily for urban sanitation by partnering with NGOs having significant experience in this domain. Closely aligned to the Swachh Bharat Mission, partners worked with government and municipal authorities to empower local communities in Bhubaneshwar, Odisha in identifying and solving sanitation issues in the slums.

In Jodhpur and Kolhapur, projects for construction of 500+ individual household toilets reduced the dependency on community toilet blocks. In Trichy, HDFC supported the renovation of community toilet blocks across 4 zones. In Chennai and Kolkata, projects focused on improving school sanitation were supported in 24 schools resulting in assurance of privacy, improved menstrual hygiene, and increased/regularity in attendance of the girl students.

In Odisha, an innovative pilot for e-toilets integrated with livelihood for local women entrepreneurs in high footfall areas addressing both sanitation and livelihood was supported. In Delhi, in partnership with Sulabh, new toilet blocks were constructed at key stations of the Delhi Metro Rail Corporation (DMRC) for general public use.

For further details, kindly refer to Corporate Social Responsibility Activities in the Annual Report 2021-22 and the H T Parekh Foundation website, <http://www.htparekhfoundation.com>





# PHYSICAL & DIGITAL CAPITAL

PHYSICAL  
& DIGITAL  
CAPITAL

# Physical & Digital Capital

Physical and digital capital essentially entails our tangible infrastructure like physical assets and also includes information technology-related assets wherein these platforms enable value creation for all our business activities.

## PHYSICAL INFRASTRUCTURE

As at March 31, 2022, we had 464 offices of our own and 211 offices of our wholly owned subsidiary, HDFC Sales Private Limited. Thus, we have a physical reach across 675 locations. Some of our offices are owned premises while most are leased premises.

Our offices follow a fairly standardised physical layout and are designed keeping the customer in mind. We try to ensure that our offices are conveniently located for customers and that they are well maintained with energy efficient lighting and equipped with energy saving/energy star devices.



We follow a hub and spoke model to optimise efficiencies. Most of our offices are small format offices, staffed by few individuals who act as the interface for our customers. The loans are processed at their respective processing hubs, spread over 30 locations across India. The hubs in turn have specialised clusters – for instance, salaried, self-employed, non-resident Indian loans, online applications, amongst several others. This hub and spoke model enables faster turnaround time.

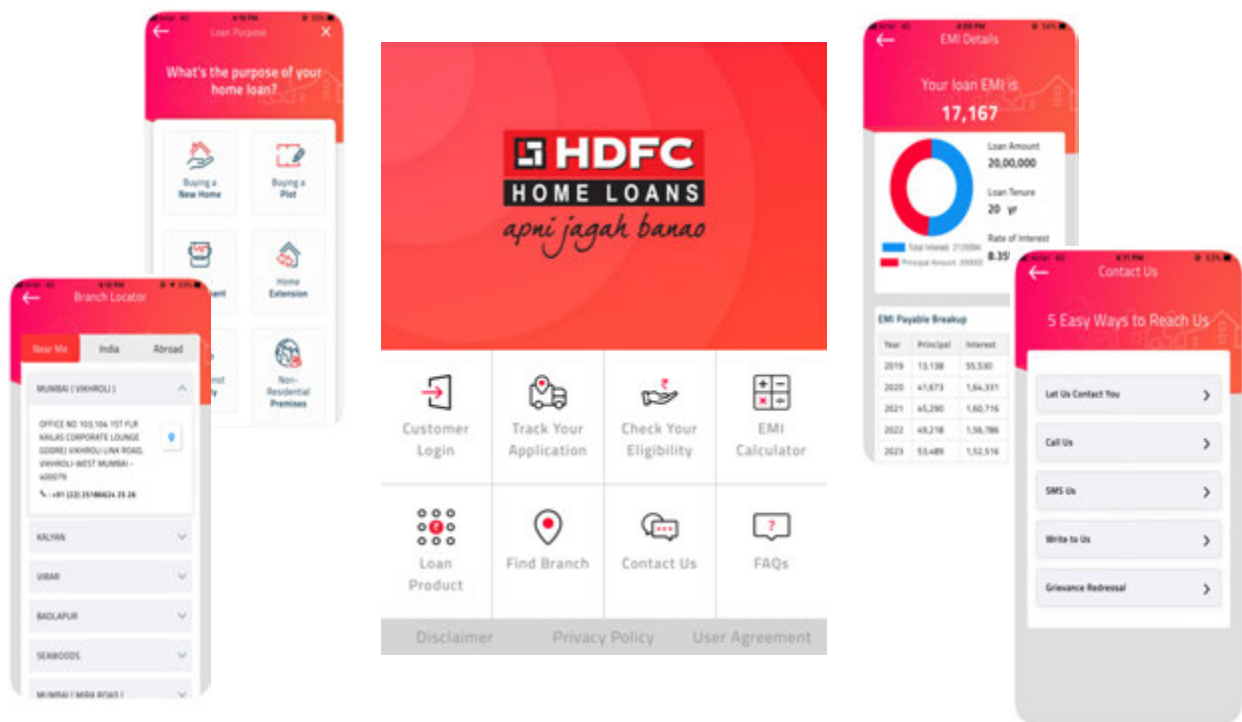
Through a combination of digital and physical presence, we are focusing on entering deeper geographies and micro emerging markets across India in order to reach out to more customers in a cost efficient manner.

## DIGITAL INFRASTRUCTURE

A large part of our low-cost operating structure is attributable to our strong technology-based platforms, particularly for our home loan and deposit customers.

Information Technology (IT) is the backbone of all functions within the Corporation and thus the IT team plays a crucial role in the overall functioning of the organisation. Our team of IT professionals is responsible for delivering and maintaining all applications, networks and IT infrastructure, including IT security and providing end user support.

As per our Corporation's Asset Management Policy, our IT assets are classified into three key components – software assets, hardware assets and information assets. Our software assets are a combination of both, home grown and licensed technologies.



“Cloud based solutions are central to powering exceptional experiences that are intuitive and customised in our journey of reimagining the customer.”

- Renu Sud Karnad, Managing Director, HDFC

Digital platforms not only enables business continuity, but also helps process larger volumes with greater speed and efficiency. The Corporation has adopted a 'One HDFC' strategy which capitalises on using technology seamlessly and facilitates redeployment of manpower wherever it is most required. Thus, if there is a particular geography where there is an increase in business volumes, the Corporation optimises its use of resources so as to ensure that high customer service standards are maintained. Customers have responded well to the Corporation's online platforms and have appreciated the ease of using such platforms.

### **Bridging IT and Business Operations**

Since inception, it has been our constant endeavour to automate several operating processes which has enabled us to gain scale and efficiency.

We have a core team, referred as the IT-User Support Group (IT-USG), which acts as the bridge between the IT and business operations teams. The members of the IT-USG group have a combination of skills of being technology savvy and a strong understanding of business operations as well.

The IT-USG team tests the systems for logic, processes, ease of usage and data hygiene. Another key role played by the IT-USG is to assist in training the frontline staff to use the systems efficiently. This in turn helps us serve our customers in a more efficient manner.

### **Business Transformation**

The Business Transformation team works towards future-proofing the business to enable systems and processes to increase scale, speed, efficiency and meet the changing needs of our customers.

The focus is on digital technology integration to attain operational agility and workforce enablement, thereby enhancing the overall customer experience. This team is constantly on the lookout for new technologies and proactively evaluates fintech partners, works with system integrators, assesses the fitment of technology solutions based on business requirements, implements new processes and solutions and works with trainers across the organisation.

### **Digitalisation Expansion**

The last few years has seen a considerable technological transformation in the home loan landscape which was brought about primarily due to three factors:

- Pandemic induced increase in online activity;
- Increased number of fintech companies showcasing capabilities which help reduce the overall time for processing a home loan; and
- Support by regulators by simplifying processes and issuing policies enabling digital lending.

In India, smart phone and internet penetration has been on the rise and has helped HDFC as well to grow the home loan and deposit business digitally. HDFC today has mobile applications which are used by our channel partners (home loan sourcing agents and deposit sourcing key partners). We have more than 25,000 channel partners using our mobile applications. More than 95% of our channel partners are active on mobile apps for sourcing business for HDFC.

HDFC also has a mobile application which is used by customers for transactional purposes like downloading statement of accounts, income tax certificates amongst others. A large majority of our customers are currently using the mobile application. HDFC also has a customer online portal which is accessed regularly by customers.

In FY22, HDFC 91% of loans were on-boarded digitally and 68% of retail deposits used the digital platform.

To facilitate digital processing of home loan applications, HDFC has integrations with over 40 fintech solutions.

## Rural Outreach due to Digitalisation Expansion

With digitalisation expansion, HDFC is able to penetrate efficiently to rural regions as well. The benefits of digitisation to rural areas include:

- Easy access to home loans: Customers can apply for a rural housing loan using a smart phone or a computer with an internet connection. This eliminates time consuming paperwork.
- Direct fetch of key documents like KYC, bank statements, income documents, amongst others enables an automated process which reduces time, effort and costs.
- For the customer, it means reduced number of visits to branch offices.

HDFC's rural housing app has been well received by customers.

In addition, for the rural housing portfolio, HDFC has tie ups with companies that use deep technologies, satellite and drone imagery and geospatial solutions to get real time, location specific insights in areas of agriculture, infrastructure and climate change actions.

The government's thrust on Digital India Land Records Modernisation Programme has also helped grow the rural housing portfolio due to digitalisation of cadastrals, land records and geotagging of land parcels.

## Data Protection & Customer Privacy

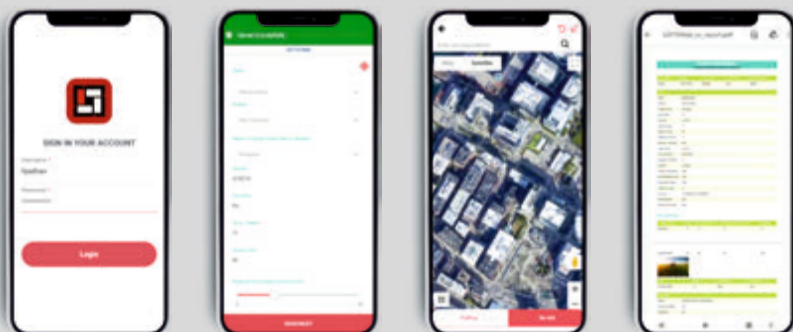
We understand the obligations we have towards the financial and personal information of all our customers. We continue to strengthen our operational risk management framework and ensure the stability and security of our information technology platforms.

Data governance is of paramount importance as is data protection. Data protection is required for both, data at rest (data encryption for customer data) and data in transit (protected by way of secured communication practices). In addition, we have implemented data leakage prevention across the organisation along with document rights management solutions.

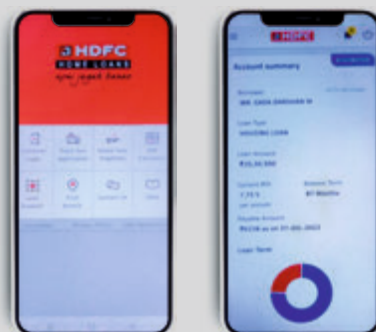
We have an information privacy policy which forms a part of the information security policy of the Corporation. For our website users, our privacy policy is published on our website.

During the year, we have had no instances of any breach of customer privacy.

### HDFC RURAL APP



### HDFC CUSTOMER APP

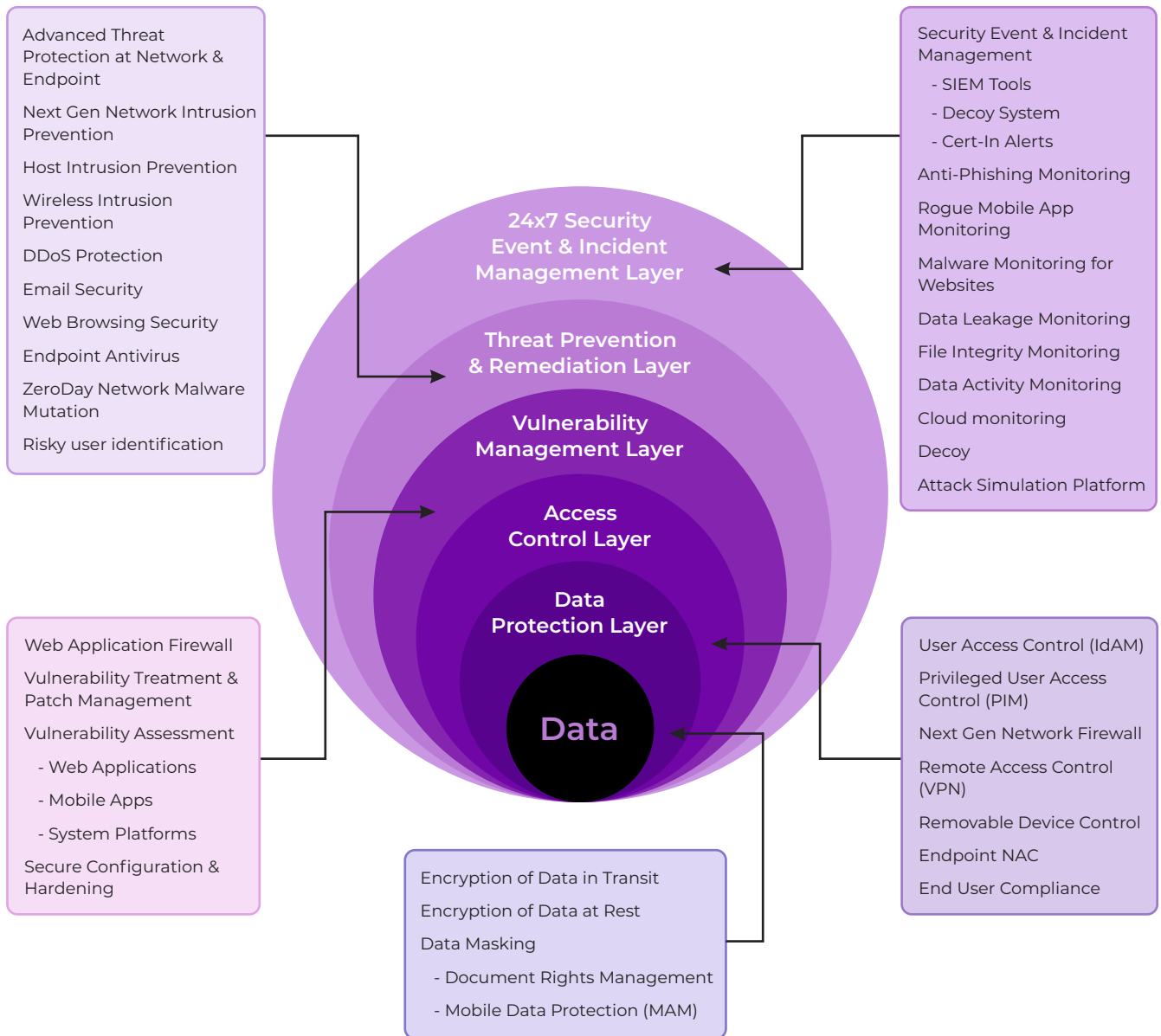


### Cyber Security Framework

Protection of our IT infrastructure from cyber security risks calls for increased vigilance and risk mitigation measures.

We have various board approved policies on information security and cyber security. These are in line with the Reserve Bank of India's directions on Information Technology Framework, ISO 27001 and National Institute of Standards and Technology (NIST) guidelines.

## Cyber Security Framework



The Corporation has an IT Strategy Committee, which is a board level committee. In addition, there is the IT Steering Committee and an Information Security Steering Committee (ISSC). These committees monitor the progress and status of various IT initiatives, information and cyber security on a periodic basis.

The Corporation regularly conducts Vulnerability Assessment and Penetration Testing (VAPT), red teaming (ethical hacking) and e-mail phishing drills at regular intervals. Various cyber security drills are conducted to check the effectiveness of processes defined in the cyber crisis management plan. Training on cyber security awareness is mandatory for all employees.

The Corporation has an 'advance' category BitSight Score. This is an outside view of the Corporation's cyber security posture. The Corporation's cyber security maturity assessment score is above the average score for BFSI companies in India. IT system audits and cyber security audits are also conducted on annual basis.

Our total IT spend for the year ended March 31, 2022 stood at ₹ 135 crore compared to ₹ 73 crore in the previous year.

### **Business Continuity and Disaster Recovery**

The Corporation has a Business Continuity Management (BCM) Committee and has a board approved Business Continuity Plan (BCP).

A detailed Business Impact Analysis (BIA) has been carried out considering various conventional threat vectors and cyber threats. This BIA identifies core business functions and critical business sites that are covered under the resiliency programme. Most of the business functions are supported through automation with the help of technology. Hence IT resiliency forms a critical component of BCP.

Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO) are defined for all critical business processes. The IT Disaster Recovery Plan ensures that the defined RTO and RPO are met.

The BCP defines the overall governance and monitoring of the business continuity function, including setting up of Emergency Response Teams (ERT) and Function Recovery Teams (FRT).

Business continuity spans across people, processes and technology. Requisite training programmes have been conducted for the teams to be prepared to respond in a crisis.

Disaster drills and tabletop exercises are conducted at regular intervals to test whether the set procedures are working as defined within the pre-defined RTO and RPO and people understand and follow it appropriately. Such drills are audited through external CERT-In (Indian Computer Emergency Response Team) certified auditors. Observations received from such audits are considered as a part of continuous improvements.

The plan is reviewed at periodic intervals and the management and board are kept abreast of any developments or changes in the BCP.



# INTELLECTUAL CAPITAL



**INTELLECTUAL  
CAPITAL**

# Intellectual Capital

## VALUES

HDFC was built on the founding values of kindness, fairness, efficiency and effectiveness. Our daily endeavour is to remain true to these values in every sphere of activity that we undertake. We believe that our value and culture is our strongest capital.

## BRAND VALUE

We have not ascribed a value to our brand. However, we believe we derive immense value as our brand name is perceived as being synonymous with trust and quality customer service. All our group companies have in good faith, been entrusted with the 'HDFC' brand.

The HDFC group has emerged as a diverse conglomerate with a footprint across banking, life insurance, non-life insurance, pension funds, asset management, property funds, education finance and schools.

As an organisation, HDFC is unique - it is both, a mortgage finance company and the holding company for investments in its subsidiary and associate companies.



## IN-HOUSE VALUE-ADDED SERVICES

In India, land is a state subject. Each state has different regulations. Real estate markets require local level knowledge and expertise. HDFC is a single product company and this has enabled us to stay focused and deepen our understanding and nuances of local real estate markets.

We have always believed that when a customer comes to us for a home loan, funding is not their only requirement. They derive comfort knowing that a housing project has been pre-approved by HDFC. They seek our advice on the legal title of the property or seek our inputs on technical appraisals to ensure the building structure is sound or turn to us for fair valuations of properties. These value-added services have been our key differentiator. Housing finance products are fairly standardised across the industry and we believe that the only product patent a home financier has is the quality of customer service.

## CASE STUDY: INNOVATION AND COLLABORATION

### HDFC's Collaboration with Google Business Messages (GBM)

#### **Background**

*May 2021:* During the pandemic, the demand for housing and the need for home loans increased substantially. HDFC wanted to expand its online presence while maintaining a conversational dialogue with its new loan prospects.

HDFC Limited partnered with Cogno AI to enhance its reach with the help of Google's Business Messages. The objective was to distribute product information, engage with users through various tools and help customers complete home loan applications quickly and easily.

#### **The Challenge**

In May 2021, as India faced a second wave of Covid-19 infections, the country saw a substantial increase in the demand for housing. With everyone sheltered at home and spending more of time online, there was a significant surge in the number of people using digital platforms to apply for home loans.

HDFC made the strategic decision to offer its customers personalised online support across the entire purchase and customer support lifecycle.

#### **The Approach**

To ease the process for first-time home loan applicants, HDFC integrated Google's Business Messages, which enabled users to apply for home loans directly from within Google Search and over 300 Google Maps listings.

With a single click, prospective customers were now able to connect with HDFC advanced conversational chatbot. This enabled the company to stay open for business around the clock, using automated live chat to seamlessly address customers' servicing and new loan requirements. Additionally, HDFC continued to add use cases to address various users' needs, allowing them to complete various tasks pertaining to the home loan. This customer journey was also integrated with marketing campaigns to maximise their effectiveness.

#### **The Results**

Google's Business Messages enabled HDFC to drive higher-quality conversations with its prospective customers in a more efficient and scalable manner.

Google's Business Messages solution resulted in 300,000 customer questions being answered, averaging 5 messages received from users per chat session, and most significantly, generating more than 12,000 new high-quality leads. HDFC continues to drive exceptional performance through Google's Business Messages platform.

The case study can be viewed on: <https://businessmessages.google/success-stories/hdfc/>

## SHARING OF EXPERTISE GLOBALLY

We have been recognised for our deep understanding and knowledge of mortgage finance and this has helped us establish housing finance companies and render consultancy services and technical assistance in countries with nascent mortgage finance markets, especially in Asia and Africa. We also have a large pool of expert trainers and various global institutions reach out to us for consultancy services and training programmes.

The Corporation has in the past conducted its own international training programme, 'Housing Finance Management' at its training centre, Centre for Housing Finance. The Frankfurt School of Finance & Management and HDFC have jointly organised 'Housing Finance Summer Academy' in Germany. In light of the pandemic, these international training programmes have been kept in abeyance.

# NATURAL CAPITAL

## NATURAL CAPITAL



# Natural Capital

The Government of India stands committed to a low carbon emission pathway. In November 2021, at the 26<sup>th</sup> Conference of Parties, India announced a five-fold strategy as follows:

1. Increase non-fossil fuel energy capacity to 500 GW by 2030
2. By 2030, 50% of energy requirements will be through renewable energy
3. By 2030, reduce carbon intensity by more than 45%
4. Cut net projected carbon emissions by 1 billion tonnes from 2021 till 2030
5. Achieve carbon neutrality by 2070

HDFC has articulated that it remains strongly committed to a low carbon emission pathway and towards this has initiated a number of measures and steps to reduce its overall carbon footprint.

Unprecedented weather patterns may have devastating effects on natural ecosystems, biodiversity, water resources and people. We recognise that some of the key climate related risks on the mortgage portfolio include flood risk and conversely water stress. For instance, coastal inundation can have a devastating impact on housing and surrounding communities. Hence, we strongly encourage our customers to take both, home loan insurance and home insurance, which is insurance against fire, earthquake, floods, natural disasters, bush fire, landslides, amongst others.

At HDFC, we understand that climate change is not just an environmental issue but is also a business risk. Thus, the Risk Management Committee of the Corporation incorporates climate risk amongst various risks which need to be closely monitored. There are both, risks and opportunities for the organisation as far as natural capital is concerned.

- Environmental and social (E&S) risk framework has been put in place for various components of the lending portfolio.
- We have certain pools of funding from multilateral agencies wherein the proceeds are to be used for on-lending to developers for green and affordable housing where there is enhanced E&S due diligence on aspects like pollution prevention, water permits, reporting on fatalities or injuries, labour codes, crèche facilities, or resettlements, amongst others.
- We have got refinance from the National Housing Bank and the French Development Agency (AFD) under the SUNREF scheme “Sustainable Use of Natural Resources and Energy Finance”. The objective of the scheme is to promote affordable, green housing.
- HDFC signed a Memorandum of Understanding (MoU) with the Indian Green Building Council (IGBC). Under the MOU, HDFC and IGBC jointly promote green housing by organising training and awareness programmes to facilitate capacity building.
- In August 2021, the Corporation launched green and sustainable deposits for retail depositors. These funds are raised from individual depositors and earmarked to on-lend for green housing and sustainability initiatives in line with Sustainable Development Goals. This initiative, though still at an incipient stage has been well received by depositors.
- We engage with developers to sensitise them on E&S best practices.

- Three-fourths of our Lease Rental Discounting (LRD) portfolio has green ratings from various accredited green rating institutions such as (Leadership in Energy & Environmental Design) LEED, Green Rating for Integrated Habitat Assessment (GRIHA), IGBC, amongst others.
- As at March 31, 2022, HDFC had cumulatively disbursed ₹ 27,889 crore of individual housing loans to home buyers in certified green building projects across the country.
- The Corporation supports Task Force on Climate-Related Financial Disclosures (TCFD) and has reported environmental disclosures through CDP.

## EVALUATION OF ENVIRONMENTAL AND SOCIAL RISKS

**Initial Screening :** Screening the loan proposal to ensure that there is no funding of controversial activities i.e., exclusion list criteria

**Due Diligence :** Review and identification of E&S risks pertaining to the loan

**Loan Agreements :** Incorporation of E&S covenants in the legal documentation and offer letters

**Performance Monitoring :** Periodic engagement with borrowers to assess the performance of the loan

**Reporting :** Where mandated, provide necessary disclosures and reporting on end use of funds

## E&S ASSESSMENT – KEY CONSIDERATIONS

Social Impact Assessment	Environment & Climate Assessment	Health & Safety Management	Other Details
Fair wages, equal remuneration, hours of work, employee grievances, prevention of sexual harassment, child labour/forceful employment, gender diversity, accessibility for differently abled, PF and insurances	Vulnerability to natural and climate related disasters  Mapping: Earthquake Hazard Map; Cyclone Occurrence Map; Flood Zone Map  Compliances on environment, water, pollution, hazardous wastes, construction & demolition waste management, & solid waste management  GHG emissions - Scope 1 & Scope 2	Safe work practices, waste management, training of workers, incident management, emergency preparedness & response, fire emergency infrastructure, housekeeping, worker accommodation conditions, and community grievance redressal	Layout approvals, building design  Green certification or third-party accreditations  Insurance: general, environmental liability, group health, contractors' risk



## OUR CARBON FOOTPRINT

The Corporation has partnered with a leading environment and research institution, Centre for Environmental Research & Education (CERE) to help measure and monitor HDFC's carbon footprint. CERE provides technical and domain expertise and assists the Corporation in determining its carbon emissions pertaining to its own operations.

The Corporation has measured its carbon footprint across all offices. The carbon footprint is in accordance with the GHG Protocol Corporate Accounting Standard and accounts for the following greenhouse gas emissions: Carbon Dioxide (CO<sub>2</sub>), Methane (CH<sub>4</sub>), Nitrous Oxide (N<sub>2</sub>O) and Hydrofluorocarbons (HFCs, HCFCs).

**Scope 1** : Direct emissions that resulted from activities and operations under HDFC's control.

**Scope 2** : Indirect emissions from the external production of energy, consumed by HDFC; and

**Scope 3** : Indirect emissions that are a result of HDFC's activities, but are not under the direct control of the Corporation.

The sources of emissions for our offices were as follows:

Scope	Emission Source	Activity Data	FY22 Emissions (MT CO <sub>2</sub> e)	Contribution (FY22)	FY21 Emissions (MT CO <sub>2</sub> e)	Contribution (FY21)
Scope 1	Diesel Generator Sets	Diesel Consumption (L)	177.68	0.88%	281.92	1.42%
Scope 1	Fuel Allowance (Provided to employees)	Petrol Allowance (L)	2,339.97	11.65%	2,408.70	12.13%
Scope 1	Company Cars	Petrol & Diesel Consumption (L)	52.44	0.26%	24.07	0.12%
Scope 1	HVAC (Heating Ventilating and Air conditioning Systems)	Number of AC Carriers & Refrigerant refills (kg)	512	2.55%	665.47	3.35%
Scope 1	Cooking Fuel – Self managed	LPG/PNG Consumption	4.37	0.03%	1.48	0.01%
	<b>Scope 1</b>		<b>3,086.46</b>	<b>15.37%</b>	<b>3,381.64</b>	<b>17.03%</b>
Scope 2	Purchased Electricity	Electricity Consumption (kWh)	11,656.51	58.05%	10,700.97	53.89%
Scope 2	Electricity for Data Centres	Electricity Consumption (kWh)	486.06	2.42%	443.62	2.23%
	<b>Scope 2</b>		<b>12,142.57</b>	<b>60.47%</b>	<b>11,144.59</b>	<b>56.12%</b>
Scope 3	Cooking Fuel – Third party	LPG/PNG Consumption	33.94	0.17%	12.83	0.06%
Scope 3	Diesel Generator Sets – Rented Spaces	Diesel Consumption	111.68	0.56%	68.18	0.34%
Scope 3	Business Travel – Air	Class, Sector & Passenger (km)	27.73	0.14%	0.91	0.005%
Scope 3	Business Travel – Road	Sector Travel & Car Type (km)	-	-	4.51	0.02%



Scope	Emission Source	Activity Data	FY22 Emissions (MT CO <sub>2</sub> e)	Contribution (FY22)	FY21 Emissions (MT CO <sub>2</sub> e)	Contribution (FY21)
Scope 3	Hotel Stays – Business	Number of Overnight Stays per Room & Occupancy	85.60	0.44%	29.20	0.15%
Scope 3	Company Organised Road Transport	Sector, Number of Trips per day (km)	59.07	0.29%	23.91	0.12%
Scope 3	Employee Commute	Based on survey (km)	1,225.46	6.10%	1,225.46	6.17%
Scope 3	Paper & Printed Paper Products Consumption	Quantities of Paper Products (Metric Tonne - MT)	3,240.18	16.14%	3,508.81	17.67%
Scope 3	Packaged Water Consumption	Number of Jars, Capacity (L)	13.02	0.06%	19.67	0.10%
Scope 3	Upstream Logistics (Distribution to offices)	Water - Number of Trips per day & Distance (km)	0.88	<0.00%	2.22	0.01%
Scope 3	Waste (Cardboard, Plastic, Food etc.)	Weight (kg)	52.79	0.26%	52.98	0.27%
Scope 3	Work From Home	Electricity Usage (kWh)	-	-	382.46	1.93%
	<b>Scope 3</b>		<b>4,850.35</b>	<b>24.16%</b>	<b>5,331.14</b>	<b>26.85%</b>
	<b>TOTAL</b>		<b>20,079.38</b>	<b>100%</b>	<b>19,857.37</b>	<b>100%</b>

Kindly refer to the Business Responsibility and Sustainability Report – Principle 6 for further details on the Corporation's emissions & GHG Emission note on the website

The hyperlinks are [https://www.hdfc.com/sites/default/files/2022-06/brsr-21-22\\_0.pdf](https://www.hdfc.com/sites/default/files/2022-06/brsr-21-22_0.pdf)  
[https://www.hdfc.com/sites/default/files/2022-07/GHG\\_Emissions\\_Note.pdf](https://www.hdfc.com/sites/default/files/2022-07/GHG_Emissions_Note.pdf)

## SUPPORTING ENVIRONMENTAL PROJECTS

HDFC and the H T Parekh Foundation partnered with various NGOs to implement several environmental projects under the sub-themes of clean energy, waste management and ecological restoration. The endeavour is to alleviate environmental degradation through pollution on one hand and propagate conservation and protection of the natural environment on the other. The overall goal is to improve the environment for people and planet.

## CLEAN ENERGY (SOLAR)

In the wake of the pandemic, HDFC looked closely at the potential of intervening at the intersection of health and environment by undertaking a comprehensive project for solar electrification of the public healthcare infrastructure in Karnataka and Odisha. Through this project solar powered water pumps and water heaters were installed in a total of 161 Primary Health Centres & Community Health Centres across 4 districts in Karnataka and 1 in Odisha.

In Gujarat, similar projects were undertaken in educational institutions and urban slums for solar electrification, providing critical access to uninterrupted power supply. Solar rooftop systems were installed in 11 Ashramshalas (schools in remote areas) impacting 1,699 school children and staff and 100 solar street lights were installed in urban slum areas, benefiting 4,400 individuals.



## WASTE MANAGEMENT

Following the principles of circularity and with an aim to demonstrate waste as a resource, HDFC partnered on projects that implemented solutions at the community and city level.

- 1) In Dharamshala, a project implemented waste management systems with improved segregation efficiency across the city with a focus on developing 2 'model wards' that resulted in an improvement in the Swachh Survekshan (framework to improve urban sanitation) rankings for the city.
- 2) In demonstrating holistic solid waste management in Mumbai, HDFC piloted projects for bulk waste generators to process wet waste at source by using waste-to-compost technologies and linking dry waste to appropriate channels for recycling.
- 3) HDFC supported a project that equipped waste entrepreneurs with mentoring oversight to further develop their innovative products for reducing and reusing waste in packaging, textile and construction sectors.
- 4) HDFC partnered with well-established NGOs to build Faecal Sludge Treatment Plants in Hyderabad and Satara along with Faecal Sludge & Septage Management plans for the cities. In line with Swachh Bharat Mission 2, the interventions in these cities helped to move the needle from Open Defecation Free (ODF) to ODF+<sup>1</sup> and ODF++ at the city level.

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<sup>1</sup> ODF+: A city, ward or work circle could be declared ODF+ if at any point of the day, not a single person is found defecating and/or urinating in the open, and all community and public toilets are functional and well-maintained. The ODF++ protocol adds the condition that faecal sludge/septage and sewage is safely managed and treated, with no discharging and/or dumping of untreated faecal sludge/septage and sewage in drains, water bodies or open areas.



## ECOLOGICAL RESTORATION



HDFC's support for a reforestation programme in Assam with the local communities has injected the promise of a better future especially for people returning from cities during the lockdown. Plantation on a large scale over five years has slowed down deforestation in these areas and provided additional incomes to the community to reinvest in social mobility and economic opportunities.

The Corporation continued support to an NGO working in drought prone villages of Maharashtra that empowered local communities to build water conservation structures and improve their agricultural needs through intense training programmes.

In Mumbai, HDFC supported a unique project with Chhatrapati Shivaji Maharaj Vastu Sangrahalaya (CSMVS) that focused on educating the larger public about our natural heritage and the means to protect it. The project is aesthetically and creatively designed to create an experiential interaction through gardening while learning about plants and the need to preserve nature.



## CARBON SEQUESTRATION

Carbon sequestration is one of the measures to mitigate climate change by absorption of greenhouse gases into carbon sinks.

Afforestation is one of the effective ways to increase carbon sinks in the form of trees. As the trees grow their potential to sequester (absorb) carbon also increases. Every plant species has a carbon sequestration potential, however, this potential differs depending on the species and the age of the plant.

HDFC through the H T Parekh Foundation supported the afforestation drive of 13,36,192 trees carried out by the Balipara Foundation across five locations in the state of Assam from the year 2018 to 2021. The project focused on the involvement of the local communities in Assam for ecological restoration of the region through afforestation and agro-forestry activities.

The Centre for Environment Research and Education (CERE) is a non-profit organisation, that works to promote environmental sustainability through education, research, awareness and advocacy. CERE's team of experienced botanists and taxonomists conducted the geotagging and carbon sequestration study for the plantation on-ground to determine the survival rate and its carbon sequestration potential.

Before the commencement of the geotagging exercise, the estimated number of trees to be surviving on the ground was 9,49,169. However, post the geotagging and sequestration exercise, the surviving plantation was estimated at 4,08,370 trees.

Further, species like grasses, shrubs and non-woody category of plants could not be considered for the carbon sequestration calculations as they generally do not survive for more than 2 to 5 years.

After an on-ground survey and detailed data analysis, the cumulative carbon sequestration potential as determined by CERE for the above-mentioned plantation project was assessed to be 81,412.93 MT CO<sub>2</sub> over the next 15 years.



# HDFC's ESG Champions

Several initiatives were voluntarily undertaken by our employees during the year, a few of which are showcased below:

Under the initiative of promoting “*Each One, Plant One*” the Chandigarh office distributed plant saplings to over 500 of its borrowers and channel partners.



Employees from the Kanpur office visited an orphanage and old age home to distribute daily essentials and plant tree saplings.

The branch has terminated contracts of diesel gensets in two service centers and has installed battery inverters instead.



Jaipur is a water deficit area. The Jaipur office took the initiative for water conservation by designing a piping network that collects drainage water from air conditioners and further transfers it into a water tank. This water is then used to clean offices and water indoor plants. Further, new water meters were installed.



Surat branch went for a beach clean-up drive at Dumas Beach. All plastic bags, non-biodegradable waste, cement sacks, glass bottles, pieces of clothing and shoes amongst others were collected and responsibly disposed of.





## ESG Champions



# Response to COVID-19 Through CSR

In the previous financial year, the Corporation focused its COVID-19 response on immediate relief measures, including protective equipment for frontline health workers and essential supplies for families impacted by stringent lockdowns through community-based organisations. In FY22, the severity of the second wave brought to the fore the need to strengthen and build resilient health infrastructure and support the nation's efforts to ensure increased vaccinations, especially in communities that are hard to reach such that severity of the disease is reduced. Additionally, community based programmes focused on health workers, neglected communities and children in distress. Some of HDFC's COVID-19 support included the following initiatives:

## COVID-19 VACCINATION DRIVES

Like several parts of the world, India experienced a massive surge of COVID-19 cases and deaths during the second wave of the pandemic. In order to better manage positivity rates, hospitalisation and mortality rates, vaccination was deemed essential. Through 8 partner organisations of the H T Parekh Foundation the programme was able to facilitate 4,69,000+ COVID-19 vaccination jabs across 7 states. This included nearly 10,000 Persons with Disabilities (PwDs), 13,000 construction workers, 1,41,000 jabs in urban slums and 3,05,000 jabs in rural and tribal pockets.



## HEALTHCARE INFRASTRUCTURE

The surge of COVID-19 cases in the second wave highlighted the need to augment the oxygen supply and availability of ventilators across hospitals. HDFC supported 80 ICU ventilators for hospitals in Maharashtra, Gujarat, Tamil Nadu and Karnataka and 10 oxygen Pressure Swing Adsorption (PSA) plants in hospitals across Delhi, Jammu & Kashmir, Bihar, Andhra Pradesh, Assam, Maharashtra, Karnataka, Tamil Nadu, Telangana and Uttar Pradesh with the objective of enhancing the long-term health infrastructure of the public healthcare system. HDFC's support also included the development of 2 extension hospitals (100 beds at Kakching, Manipur and 50 beds in Chennai), 3 life support ambulances in the underserved geographies of 2 north-eastern states i.e. Manipur & Nagaland and 250 portable cold storage units to be used for vaccination drives across various districts in the states of Assam and Manipur.







## NUTRITIOUS MEAL & ESSENTIAL SUPPLIES DISTRIBUTION








Through 8 community-based partners, nutritious cooked meals and take-home kits were provided healthcare workers across hospitals and COVID care centres. Additionally, over 22,800 families were supported through mixed use ration and hygiene kits.

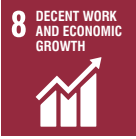

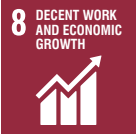







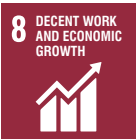


## CSR PROJECTS UNDERTAKEN MAPPED AGAINST SUSTAINABLE DEVELOPMENT GOALS

	CSR Project /Activity	Sector	Sustainable Development Goals (SDGs)	Amount Spent in FY22 (₹ Crore)
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p><b>1 COVID-19 Support</b></p> <p>Preventive and curative healthcare equipment and supplies and Community based relief activities</p>	<p><b>COVID-19 Support</b></p>	<p><b>Goal 3 :</b> Ensure healthy lives and promote well-being for all at all ages</p>	<p><b>43.81</b></p>
 <p><b>4</b> QUALITY EDUCATION</p>	<p><b>2A Higher Education &amp; Research</b></p> <p>Programmes targeting institutional support and need based scholarships</p>	<p><b>Education</b></p>	<p><b>Goal 4 :</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p><b>40.83</b></p>
 <p><b>4</b> QUALITY EDUCATION</p>	<p><b>2B Foundational Learning</b></p> <p>Programmes focused on systems strengthening, teacher capacity building, school infrastructure support and development of resources to address learning gaps</p>	<p><b>Education</b></p>	<p><b>Goal 4 :</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p><b>15.91</b></p>
 <p><b>4</b> QUALITY EDUCATION</p>	<p><b>2C Early Childhood Education (ECE)</b></p> <p>Programmes addressing holistic development of pre-school children to ensure better school readiness</p>	<p><b>Education</b></p>	<p><b>Goal 4 :</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p><b>2.29</b></p>



	CSR Project /Activity	Sector	Sustainable Development Goals (SDGs)	Amount Spent in FY22 (₹ Crore)
 <b>4</b> QUALITY EDUCATION	<b>2D Career Readiness &amp; Life skills</b> Programmes for secondary school students, especially girls to stay in & complete school, develop leadership skills and career readiness	Education	<b>Goal 4 :</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all  <b>Goal 5 :</b> Achieve gender equality and empower all women and girls	<b>6.63</b>
 <b>5</b> GENDER EQUALITY				
 <b>3</b> GOOD HEALTH AND WELL-BEING	<b>3A Cancer Support</b> Programmes for prevention, healthcare equipment, early diagnosis, treatment & care	Healthcare	<b>Goal 3 :</b> Ensure healthy lives and promote well-being for all at all ages	<b>25.56</b>
 <b>2</b> ZERO HUNGER	<b>3B Nutrition</b> Programmes for capacity building of frontline workers and access to nutritious food supplements for maternal & child health	Healthcare	<b>Goal 2 :</b> End hunger, achieve food security and improved nutrition and promote sustainable agriculture	<b>8.54</b>
 <b>3</b> GOOD HEALTH AND WELL-BEING	<b>3C Eyecare</b> Programmes to support avoidable blindness	Healthcare	<b>Goal 3 :</b> Ensure healthy lives and promote well-being for all at all ages	<b>7.00</b>
 <b>3</b> GOOD HEALTH AND WELL-BEING	<b>3D Paediatric Surgeries</b> Programme to support heart surgeries and related treatment for children	Healthcare	<b>Goal 3 :</b> Ensure healthy lives and promote well-being for all at all ages	<b>1.65</b>
 <b>3</b> GOOD HEALTH AND WELL-BEING	<b>3E Healthcare - Other Interventions</b>	Healthcare	<b>Goal 3 :</b> Ensure healthy lives and promote well-being for all at all ages	<b>1.69</b>

	CSR Project /Activity	Sector	Sustainable Development Goals (SDGs)	Amount Spent in FY22 (₹ Crore)
	<b>4A Migrants Welfare</b> Programmes for access to social security & entitlements, job link support for migrant workers	<b>Skilling &amp; Livelihoods</b>	<b>Goal 8 :</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<b>5.52</b>
	<b>4B Women focused Livelihoods</b> Programmes for job-linked skilling & livelihood enhancement in rural & urban locations, focusing on women	<b>Skilling &amp; Livelihoods</b>	<b>Goal 5 :</b> Achieve gender equality and empower all women and girls	<b>5.40</b>
			<b>Goal 8 :</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	
	<b>5A Solid &amp; Liquid Waste Management</b> Programmes for effective waste management in urban settlements	<b>Environment</b>	<b>Goal 11 :</b> Make cities and human settlements inclusive, safe, resilient and sustainable	<b>2.69</b>
	<b>5B Clean (Solar) Energy</b> Programmes for clean energy primarily solar energy	<b>Environment</b>	<b>Goal 7 :</b> Ensure access to affordable, reliable, sustainable and modern energy for all	<b>5.53</b>
	<b>5C Other Ecological Interventions</b>	<b>Environment</b>	<b>Goal 15 :</b> Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	<b>6.23</b>

	CSR Project /Activity	Sector	Sustainable Development Goals (SDGs)	Amount Spent in FY22 (₹ Crore)
	<b>6 Urban Sanitation</b> Project for creating access to & improvement of sustainable sanitation infrastructure for cities	<b>Sanitation</b>	<b>Goal 6 :</b> Ensure availability and sustainable management of water and sanitation for all	<b>3.43</b>
	<b>6 Programmes targeting healthcare, education &amp; livelihoods to improve quality of life for PwDs</b>	<b>Supporting Persons with Disabilities (PwDs)</b>	<b>Goal 4 :</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<b>8.52</b>
			<b>Goal 8 :</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	
			<b>Goal 3 :</b> Ensure healthy lives and promote well-being for all at all ages	
	<b>7 Solid &amp; Liquid Waste Management</b> Programmes for effective waste management in urban settlements	<b>Arts</b>	<b>Goal 11 :</b> Make cities and human settlements inclusive, safe, resilient and sustainable	<b>2.30</b>
	<b>Amount spent on Impact Assessment</b>			<b>0.50</b>
	<b>Total</b>			<b>194.03</b>



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