

A vibrant, flat-design illustration surrounding a central white text box. The illustration includes a hand holding a globe, a lightbulb, a small plant, a trash can, a recycling symbol, a house, a tree, and water droplets, all set against a background of green hills and a blue sky with a pattern of light blue circles.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2020-21



WITH YOU, RIGHT THROUGH

Housing Development Finance Corporation Limited

FOREWORD

The prism through which companies are being looked at is rapidly changing. In the recent period, the resilience of companies has been tested in terms of how they have been able to withstand the turmoil of the COVID-19 induced pandemic. The other issue taking centre stage is a company's commitment towards environmental, social and governance (ESG) parameters.

Each company's experience on dealing with the pandemic is different as is each company's journey on ESG.

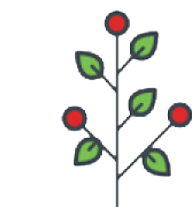
For HDFC, the pandemic has reiterated that there can be no greater security in life than a home. Encouraging home ownership across all income levels has always been our core mission. ESG links together all spheres of activity within HDFC.

Due credit must be given to the Indian capital markets regulator, The Securities & Exchange Board of India (SEBI) for taking the lead in putting together the Business Responsibility & Sustainability Reporting (BRSR) framework. It is a comprehensive framework, which calls for more measureable, quantitative metrics to facilitate better benchmarking.

For the top 1,000 Indian listed companies by market capitalisation, the BRSR is voluntary for FY22 and mandatory from FY23 onwards.

At HDFC, it was a collective decision to adopt the BRSR ahead of schedule for FY21 itself. We remain committed towards deepening our engagement with our stakeholders as we strive towards increasing home ownership in the country.

Keki Mistry
Vice-Chairman & CEO



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Financial Year: April 1 to March 31

1 lac= 100,000; 1 crore =10 million

SECTION A: GENERAL DISCLOSURES

I. Details

1.	Corporate Identity Number (CIN) of the Company	L70100MH1977PLC019916
2.	Name of the Company	Housing Development Finance Corporation Limited ("HDFC/The Corporation")
3.	Year of Incorporation	1977
4.	Registered office address	Ramon House, H. T. Parekh Marg, 169, Backbay Reclamation, Churchgate, Mumbai 400 020, India
5.	Corporate office address	HDFC House, H. T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai 400 020, India
6.	E-mail id	investorcare@hdfc.com
7.	Telephone	+91-22-6176 6000
8.	Website	www.hdfc.com
9.	Financial year for which reporting is being done	April 1, 2020 to March 31, 2021 (FY21)
10.	Name of the Stock Exchange(s) where shares are listed	Equity shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11.	Paid-up capital	₹ 360.79 crore
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Ms. Anjalee Tarapore General Manager – Management Services and Investor Relations Telephone number- +91-22-66316516 E-mail id - anjalee@hdfc.com , investorcare@hdfc.com
13.	Reporting boundary	Disclosures made in this report are on a standalone basis and pertain only to HDFC.

II. Products/services

14. Details of business activities

S. No.	Description of main activity	Description of business activity	% of turnover
1.	Financial and Insurance Service	Other financial activities	100

15. Products/services sold by the entity

S. No.	Product/Service	NIC Code	% of total turn over contributed
1.	The Corporation's main business is financing by way of loans for the purchase or construction of residential houses, commercial real estate and certain other purposes in India. All other activities of the Corporation revolve around the main business. As at March 31, 2021, in terms of the composition of loans on an Assets Under Management basis, 77% were loans to individuals, 10% construction finance, 7% lease rental discounting and 6% to corporates.	64192	100

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	Not Applicable*	590 [#]	590 [#]
International		3	3

*The Corporation is a Non-Banking Financial Company - Housing Finance Company (NBFC-HFC) and hence does not undertake any manufacturing activity.

[#]Includes outlets of HDFC Sales Private Limited, which is a wholly owned subsidiary of the Corporation.

17. Markets served by the entity

a. Number of locations

Locations	Number
National (No. of states)	Pan-India
International (No. of countries)	3

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not applicable.

c. A brief on types of customers

The Corporation is India's first mortgage finance company. As at March 31, 2021, the Corporation had cumulatively financed 8.4 million housing units.

Borrowers:

The Corporation strives to maintain a judicious mix of lending to all income segments. The Corporation makes concerted efforts to focus on loans to the affordable housing segment where the demand for home loans is immense.

Housing Loan Approvals to Customers Based on Income Slabs in FY21

Category	Household Income per annum	Home Loan Approvals in FY21	
		% in Value Terms	% in Number Terms
Economically Weaker Section	Up to ₹ 3 lac	2	6
Low Income Group	Above ₹ 3 lac up to ₹ 6 lac	14	27
Middle Income Group	Above ₹ 6 lac up to ₹ 18 lac	44	48
High Income Group	Above ₹ 18 lac	40	19
Total		100	100

Based on individual loans disbursed during the year, the key characteristics of individual loans were:

- 78% were salaried customers, while 22% were self-employed (including professionals).
- The average size of individual loans stood at ₹ 29.5 lac.
- The average loan to value ratio at origination was 69%.
- The average age of the customer was 38 years.

The Corporation has the largest number of home loan customers at over 2.3 lac who have availed benefits under the Credit Linked Subsidy Scheme (CLSS) – a component of the government's flagship 'Housing for All' scheme. As at March 31, 2021, cumulative loans disbursed by the Corporation under CLSS stood at ₹ 39,333 crore.

In FY21, of the total housing loans disbursed by the Corporation, 48% were to first-time homebuyers. 70% in value terms had women as owners of the property. These loans ensure women's property rights are recognised and protected as their names are registered on their respective properties.

Depositors:

The Corporation also has a large number of depositors, which predominantly comprise retail depositors. As at March 31, 2021, total outstanding deposits stood at ₹ 1,50,131 crore and the number of deposit accounts stood at approximately 21 lac. Deposit partners/key agents source deposits for the Corporation. The Corporation has over 23,000 key agents.

IV. Employees

18. Details as at March 31, 2021

a. Employees (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	3,226	2,399	74	827	26
2.	Other than permanent (E)	2,264	1,120	49	1,144	51
3.	Total employees (D + E)	5,490	3,519	64	1,971	36

Note: The Corporation does not have any workers as defined in the guidance note on BRSR.

b. Differently abled employees

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	2	2	100	-	-
2.	Other than permanent (E)	7	6	86	1	14
3.	Total differently abled employees (D + E)	9	8	89	1	11

19. Participation/inclusion/representation of women

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	10	2	20
Key Management Personnel	4	1	25

20. Turnover rate for permanent employees

	FY21			FY20			FY19		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	4.6%	8.7%	5.6%	4.8%	8.1%	5.6%	4.4%	7.3%	5.2%

V. Holding, subsidiary and associate companies (including joint ventures)

21. (a) As at March 31, 2021

S. No.	Name	Subsidiary/Associate	% of shares held
1.	HDFC Investments Ltd.	Subsidiary	100
2.	HDFC Trustee Co. Ltd.	Subsidiary	100
3.	HDFC Asset Management Co. Ltd.	Subsidiary	52.68
4.	HDFC Holdings Ltd.	Subsidiary	100
5.	HDFC Sales Pvt. Ltd.	Subsidiary	100
6.	HDFC Ventures Trustee Co. Ltd.	Subsidiary	100
7.	HDFC Venture Capital Ltd.	Subsidiary	80.50
8.	HDFC Credila Financial Services Ltd.	Subsidiary	100
9.	HDFC Property Ventures Ltd.	Subsidiary	100
10.	HDFC ERGO General Insurance Co. Ltd.	Subsidiary	50.56
11.	HDFC Education And Development Services Pvt. Ltd.	Subsidiary	100
12.	HDFC Capital Advisors Ltd.	Subsidiary	100
13.	Griha Pte. Ltd.	Subsidiary	100
14.	Griha Investments	Subsidiary	100
15.	HDFC Life Insurance Co. Ltd.	Associate	49.97
16.	HDFC Bank Ltd.	Associate	21.13*
17.	True North Ventures Pvt. Ltd.	Associate	21.51
18.	Good Host Spaces Pvt. Ltd.	Associate	24.79

*Includes the holding of HDFC Investments Limited and HDFC Holdings Limited.

Do the entities indicated in the above table participate in the Business Responsibility initiatives of the listed entity? (Yes/No)

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

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover: ₹ 48,176 crore

(iii) Net worth: ₹ 1,08,783 crore

(iv) Total amount spent on CSR for FY21: ₹ 190 crore

VII. Transparency and Disclosures Compliances

23. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/No)	FY21			FY20		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	5	1 [^]	-	4	-	-
Employees	Yes	3	0	-	17	0	-
Customers ^{&}	Yes	72,439*	19 [^]	-	25,446*	24 [^]	-
Value Chain Partners	Yes	-	-	-	-	-	-
Others	Yes	14	-	-	17	-	-

[&]Some of the policies guiding the Corporation's conduct with all its stakeholders, including grievance mechanisms are placed on the Corporation's website. The hyperlink is: <https://www.hdfc.com/investor-services#codes-policies>. In addition, there are internal policies placed on the intranet of the Corporation.

^{*}The number of customer complaints are not comparable with that of the previous year. In FY21, owing to the pandemic and offices being intermittently closed, all customer requirements, including follow up queries were routed through the Corporation's 'Customer Connect' platform.

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

[^]Complaints pending as at the financial year end, but subsequently resolved.

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Positive/Negative Implications
1.	Affordable Housing	Opportunity	<ul style="list-style-type: none"> Housing fulfills a key social objective. Immense scope to increase home ownership in the country across all income segments. Will continue to support the government's mission of Housing for All. Encourage developers to build more affordable, green and smart housing. The government has also provided fiscal incentives to developers to build affordable housing units. 	<p>Strong underwriting skills help mitigate credit risks.</p> <p>Access to a diversified pool of funding for on-lending for affordable housing, including borrowings through External Commercial Borrowings which are earmarked for affordable and green housing.</p>	Positive: Given the shortage of housing in the country, there is immense scope to increase home loans in the country.
2.	Social responsibility towards society	Opportunity	<p>The Corporation had formalised a process of earmarking a portion of its profits each year to support projects which fulfill a social obligation in its 10th year of operations in 1987. Thus, returning to society has been ingrained in the Corporation's philosophy.</p> <p>The Corporation primarily implements its CSR initiatives through the H T Parekh Foundation, a charitable institution set up by HDFC. Key areas of CSR activities in FY21 were:</p> <ol style="list-style-type: none"> COVID-19 relief Healthcare Education Livelihoods Persons with disabilities Environmental sustainability 	Kindly refer to the Annual Report 2020-21 -- Report on Corporate Social Responsibility Activities for further details.	Positive: The Corporation recognises the importance of being socially responsible and playing a part in helping to uplift the less fortunate.

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Positive/Negative Implications
3.	Responsible Lending	Risk and Opportunity	<p><u>OPPORTUNITIES</u></p> <ul style="list-style-type: none"> Increased due diligence on the loan portfolio as regards Environmental & Social (E&S) risks. See opportunities to build the green rated housing portfolio and encourage energy efficient homes. MoU signed with the Indian Green Building Council (IGBC) to promote smart, green buildings. Approximately, two-thirds of the lease rental discounting (LRDs) portfolio had green ratings. These entail Grade A commercial property. The demand for such buildings comes largely from companies in the services sector or multinational companies seeking to widen their footprint in India. The added benefit is that overseas companies bring in large investments which helps increase foreign exchange reserves as well as helps create a large number of jobs in the country. Increased efforts through sensitisation of employees, customers and other stakeholders so as to endeavour to reduce the Corporation's overall carbon footprint. Greater disclosures on E&S may help increase access to larger pools of green financing at commercially favourable terms. <p><u>RISKS</u></p> <ul style="list-style-type: none"> Reputational risks in case the Corporation is unable to meet stakeholder expectations on climate related financial disclosures. 	<ul style="list-style-type: none"> E&S frameworks have been put in place for various components of the lending portfolio. To mitigate risks arising from climate change, the Corporation encourages homeowners to take home insurance to guard against risks of rising sea levels, floods, forest fires, natural hazards. Enhanced due diligence and monitoring of E&S risks on certain loans. Recognising opportunities to increase energy efficiency across the organisation which will bring in cost efficiencies over the longer term. The Corporation's ESG disclosures imbibe a combination of statutory and voluntary reporting initiatives. The Corporation is a supporter of the Task Force on Climate-Related Financial Disclosures (TCFD). 	<p>Positive: Scope to build a larger green portfolio and access greater pools of green funding.</p> <p>Negative: Climate risk may entail physical risks i.e. damage to the Corporation's physical assets in case of climate related disasters.</p> <p>There could be transition risks i.e. increased expenses in transiting towards meeting new environmental related standards.</p>

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

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

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Ethics & Transparency	Product Responsibility	Human Resources	Responsiveness to Stakeholders	Respect for Human Rights	Responsible Lending	Public Policy Advocacy	Inclusive Growth	Customer Engagement
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)^	Yes	Yes	Yes	Yes	Yes	Yes	No*	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No) {Refer Note 1}	Yes. The Business Responsibility Policy covering the above-mentioned principles has been approved by the board.								
c. Web link of the policies, if available	https://www.hdfc.com/investor-services#codes-policies Some policies may also include a combination of internal policies of the Corporation which are accessible to all internal stakeholders and policies placed on the Corporation's website.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes. The Corporation has translated the policies as applicable and imbibed the same into procedures and practices in all spheres of activities that the Corporation undertakes.								
3. Do the enlisted policies extend to your value chain partners? (Yes/ No)	Yes. The Corporation's Code of Conduct largely imbibes the above-mentioned principles and the Corporation expects its stakeholders to adhere to the same in all their dealings.								
4. Name the national and international codes/ certifications/ labels/ standards	Not Applicable.								

5. Specific commitments, goals, targets set by the entity

- Housing for All – The Corporation stands committed to partnering and supporting the government's flagship housing programme so as to help more Indians become homeowners. The Corporation will endeavour to remain a leader under this programme.
- Identify core focus areas/sectors where funding is most needed to help uplift the marginalised and most impacted segments of society through Corporate Social Responsibility activities.
- Whilst recruitments will continue to be based on meritocracy, the Corporation upholds the principles of a gender inclusive environment at the workplace. In a calibrated manner, the Corporation is committed to increasing the percentage of women employees in the Corporation by at least 2% within the medium-term.
- Committed to working towards alignment to a net zero emissions pathway. The Corporation is keen to increase its share of financing green homes and commercial buildings.

6. Performance of the entity against specific commitments, goals and targets

- The Corporation has the largest number of beneficiaries under CLSS.
- The Corporation will meet its CSR targets primarily through its core focus areas which will be elucidated each year.
- As at March 31, 2021, women constituted 26% of total employee strength. In terms of new recruits, the share of women employees stood at 34%.
- The Corporation has signed an MoU with IGBC to deepen its footprint in supporting and financing energy efficient and smart green homes and buildings.

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

Note 1

Principle-wise policies^

P1	Ethics & Transparency	The Corporation's Code of Conduct for Employees, Executive Directors & Senior Management, Non-Executive Directors, Model Code of Conduct for Direct Selling Agents and Deposit Agents, Code of Conduct for Recovery Officers, Fair Practices Code, Whistle Blower Policy, Policy on Conflict of Interest, KYC and Prevention of Money Laundering Policy, Anti-Bribery and Anti-Corruption Policy, Guidelines for Reporting on Frauds, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Policy for Determining Material Event or Information, Policy on Related Party Transactions and other internal policies elucidate ethical behaviour, transparency and accountability.
P2	Product Responsibility	The Corporation's Fair Practices Code and Most Important Terms and Conditions guides this principle. KYC and Prevention of Money Laundering Policy is also a critical component of product responsibility for the Corporation. The Corporation follows inclusive lending policies to facilitate increased homeownership, particularly affordable housing and women home ownership.
P3	Human Resources	The Corporation has various policies to support employee well-being. Besides the Corporation's Code of Conduct, other policies include the Policy on Protection of Women Against Sexual Harassment at the Workplace, Diversity and Inclusion Policy, Policy on Health and Safety of Employees, Comprehensive Employee Health Insurance Policy, Personal Accident Policy, Policy on Parental Leave, Policy on Equal Opportunities, Policy on Self-Education for Employees, Policy on Soft Loans to Employees (for housing, furniture/fixtures, vehicles), Policy for Sponsoring Employees for Training & Development. In addition, employees are sensitised to prevent wasteful usage of natural resources and conserve energy.
P4	Responsive to Stakeholders, particularly the marginalised	The Corporation is focused on affordable housing and lending to the economically weaker sections and low income groups. These policies are part of the Corporation's overall lending business.

P5	Respect for Human Rights	The Code of Conduct details the policy on the respect for human rights. The Corporation through its Human Rights Statement upholds human rights as enshrined in the Constitution of India and supports the principles in the United Nations' Universal Declaration of Human Rights.
P6	Responsible Lending	The Corporation evaluates environmental and social risks in its lending policies and abstains from lending to environmentally irresponsible projects.
P7	Public Policy Advocacy	While the Corporation may share its expertise to help in the formulation of public policy, it does not directly engage in lobbying or advocacy activities and hence, does not have a specific policy for this purpose.
P8	Inclusive Growth	The Corporate Social Responsibility Policy encompasses activities focused on the marginalised and vulnerable sections of society. In its effort towards inclusiveness, the Corporation offers housing finance products that cater to the vulnerable and marginalised segments. These policies are part of the Corporation's lending business.
P9	Customer Engagement	The Code of Conduct, internal policies, benchmarks on customer service and policies as stipulated by the regulators encompass this principle.

Note: The policies have been developed based on best practices or as per regulatory requirements and through appropriate consultation with relevant stakeholders. Policies may include a combination of internal policies of the Corporation which are accessible to all internal stakeholders and policies placed on the Corporation's website. The hyperlink is <https://www.hdfc.com/investor-services#codes-policies>.

GOVERNANCE, LEADERSHIP AND OVERSIGHT

7. Director's Statement

HDFC's key objective is to increase homeownership in the country. The Corporation's focus on ESG parameters is best reflected through core values that are imbibed in all spheres of activity of the Corporation. The Corporation believes in meeting a critical social objective with an endeavour to provide housing finance solutions across all income categories. Given the acute shortage of housing in India and low mortgage to GDP penetration in the country, the demand for housing in India is immense.

The Corporation has been built on the founding principles of kindness, fairness, effectiveness and efficiency. The Corporation believes that sound principles of governance are a necessary tool for creating long-term value for all its stakeholders and to promote sustainability. HDFC regards respect for human rights as one of its fundamental and core values.

HDFC undertakes its developmental and welfare activities directly or through the H T Parekh Foundation, which is an institution set up by the Corporation. During FY21, the Corporation partnered with non-government organisations that focused on supporting vulnerable communities affected by COVID-19. Other focus areas of the Foundation included healthcare, education, livelihoods, persons with disabilities and environmental sustainability.

The Corporation recognises that climate change is not just an environmental issue but also a business risk. The Corporation is increasing its due diligence on environmental and social risks in its lending policies. Employee sensitisation on E&S risks is crucial. The Corporation discourages wasteful usage of natural resources and has installed solar panels in certain office premises which are owned by the Corporation. There is a recognition of the medium to long-term benefits that accrue from renewables. The Corporation will continue to monitor its greenhouse gas emissions and endeavours to reduce its carbon footprint.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility (BR) Policy	Mr. V. Srinivasa Rangan Executive Director DIN: 00030248
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<p>9. Does the entity have a specified committee of the board/ director responsible for decision making on sustainability related issues? (Yes/ No). If yes, provide details.</p>	<p>Yes.</p> <p>The directors and senior management of the Corporation monitor various aspects of social, environmental, governance and economic responsibilities of the Corporation on a continuous basis.</p> <p>The Corporation's business responsibility performance is reviewed by the Board of Directors on an annual basis. An executive director is in charge of overall BR of the Corporation.</p> <p>The BR performance of the Corporation is assessed by the following committees of the board:</p> <p>(i) the Audit and Governance Committee;</p> <p>(ii) the Corporate Social Responsibility Committee; and</p> <p>(iii) the Stakeholders Relationship Committee.</p> <p>In addition, the Risk Management Committee also assesses risks pertaining to certain principles of BR as identified by the Chief Risk Officer of the Corporation.</p>
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10. Details of Review of the National Guidelines on Responsible Business Conduct (NGRBC)

Subject for Review	Review of principles undertaken by and frequency
Performance against above policies and follow up action	As a practice, BR policies of the Corporation are reviewed periodically or on a need basis by department heads, business heads and executive directors. During this assessment, the efficacy of the policies are reviewed and necessary changes to policies and procedures are implemented.
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Corporation is in compliance with the extant regulations as applicable.

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

The processes and compliances, however, may be subject to scrutiny by internal auditors and regulatory compliances, as applicable. From a best practices perspective as well as from a risk perspective, policies are periodically evaluated and updated by various department heads, business heads and approved by the management or board.

An internal assessment of the workings of the BR policies has been done and in due course, the Corporation shall have an external assurance on the same.

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1:

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors/ Key Managerial Personnel (KMP)	During the year, the Board of Directors and KMPs of the Corporation spent approximately 30 hours on various familiarisation programmes comprising matters relating to an array of issues pertaining to the business, regulations, economy and environmental, social and governance parameters. In addition, a monthly chronicle is shared with all the board members apprising them on developments in the Corporation, key regulatory changes and case laws.		100
Employees other than Board of Directors or KMPs	<p>All employees of the Corporation undergo various training programmes throughout the year. Owing to the pandemic, during the year, most trainings happened through blended learning which entailed virtual classroom initiatives, along with e-learning modules.</p> <p>Various trainings were undertaken during the year such as Prohibition of Insider Trading, Prevention of Sexual Harassment at the Workplace, Information and Cyber Security Awareness, Code of Conduct, Know Your Customer guidelines and a learning module on ESG. Other trainings included induction programmes for new recruits, leadership training, IT and cyber security and modules on soft skills, programmes on mental and physical well-being, amongst several others.</p> <p>Total training man days per employee: 10.47</p>		100

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings with regulators/ law enforcement agencies/ judicial institutions in FY21

Monetary				
	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	National Housing Bank	1,50,000	In September 2020, National Housing Bank imposed a monetary penalty of ₹ 1,50,000 on the Corporation for non-compliance with two provisions of the Housing Finance Companies (NHB) Directions, 2010 pertaining to FY19. The Corporation paid the penalty. The Corporation maintains that this was not significant or material in nature.	No
Settlement	-	-	-	-
Compounding Fee	-	-	-	-
Non-Monetary				
	Name of the regulatory/ enforcement agencies/ judicial Institutions	Brief of the case	Has an appeal been preferred? (Yes/No)	
Imprisonment	Nil			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed.

Nil.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Corporation has an anti-bribery and anti-corruption policy. The policy has been developed in alignment with HDFC's code of conduct, various existing policies (including whistle blower policy, policy on management of conflict of interest, amongst others) and rules and regulations on anti-bribery and anti-corruption in India.

The policy reiterates HDFC's stance of zero tolerance towards bribery and corrupt practices. The policy facilitates ethical decision making and reinforces HDFC's culture of transparency in all its dealings.

This policy applies to all stakeholders or persons associated with HDFC and who may be acting on behalf of HDFC and sets out conduct that must be adhered to at all times.

The policy is placed on the Corporation's website, <https://www.hdfc.com/investor-services#codes-policies>.

Number of Directors/KMPs/employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption

	FY21	FY20
Directors	Nil	Nil
KMPs		
Employees		

5. Details of complaints with regard to conflict of interest

	FY21		FY20	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of directors	1	Settled	-	-
Number of complaints received in relation to issues of conflict of interest of KMPs	-	-	-	-

6. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

The Corporation ensures that it discusses various issues with its regulators where there could be lapses in compliance and ensures that necessary policies, processes, systems and monitoring mechanism are put in place.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year.

During the year, owing to the pandemic and the shift to digital platforms, the Corporation spent a great deal of time and effort in training programmes both, its key partners/ deposit agents and direct selling agents so as to enable them to effectively use the Corporation's digital platforms. This helped increase digital onboarding of both, depositors and borrowers. This proved to be cost effective, efficient and convenient for customers and also helped reduce paper consumption by the Corporation.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the board? (Yes/No) If yes, provide details of the same.

Yes. The Corporation has a policy on management of conflict of interest to identify actual or potential conflict of interest of HDFC with its directors and employees, which may arise during the course of its business activities. The Corporation has implemented organisational and administrative processes to mitigate and prevent conflicts of interest that may arise. There are appropriate safeguards and systems to prevent or manage conflicts along with escalation mechanisms.

The Corporation has a guidance mechanism in place for directors/senior management to address potential conflict of interests that may arise in recommending/approving proposals for investments/granting loans.

The policy is placed on the Corporation's website. The hyperlink is <https://www.hdfc.com/investor-services#codes-policies>.

PRINCIPLE 2:

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

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Given the nature of business of the Corporation, the relevance of the above is largely restricted to information technology (IT) capex. In FY21, capex incurred towards IT hardware and software, which facilitated the enhanced digital initiatives of the Corporation was 0.06% of total revenue. Greater adoption of digital platforms not only brings in increased efficiencies of operations but also ensures substantially reduced consumption of paper.

2. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

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

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

The Corporation has installed automated power factor control panels in junction/distribution boards to reduce power distribution losses. At most of the Corporation's offices, there are LED light fittings to conserve energy and conscious endeavours have been made to replace electronic equipment with high energy star ratings. Sensors are installed to economise power and water consumption only when these facilities are being used.

The major suppliers of hardware are green standard compliant and data centres are certified under Environmental Management System ISO 14001:2015.

The Corporation endeavours to engage with suppliers who integrate environmental and social considerations into their products and services. At an all-India level, preference is always given to sourcing from local suppliers.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Given the nature of the business, the Corporation has limited scope to use recycled material as processed inputs. However, the Corporation has systems in place at an all-India level to manage e-waste. The Corporation engages with certified e-waste handlers for disposal of e-waste. Approximately 7,016 kgs of e-waste generated was disposed through authorised recyclers in FY21. The Corporation received green, disposable and re-cycling certificates from the respective e-waste vendors.

The Corporation uses local vendors for disposal of paper for recycling. For several years, the sale value of paper scrap of the Corporation is being donated to Cancer Patients Aid Association. In an endeavour to reduce consumption of plastics, the Corporation, as a policy does not procure plastic bottled water in its offices as such plastics are not biodegradable and micro plastics release toxic chemicals into the environment.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Not applicable.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

The primary business activity of the Corporation is providing housing finance. The loan cycle is a sequential process ranging from sourcing of the loan to loan approval, disbursement, servicing and repayment of the loan. Details are elucidated below:

Sourcing of Loans

Individual home loans are sourced directly as walk-in applications at HDFC offices, through the online portal or

through any channel partner/entity which has a formal sourcing agreement with HDFC. The majority of the loans are being sourced by the Corporation or through its affiliates such as HDFC Sales Private Limited and HDFC Bank. Third party direct selling agents also source business for HDFC.

Loan Processing

• Credit Appraisal

All loans are processed by the credit hubs post initial document fulfillment by channel partners. The appraisal process for determining the loan eligibility involves underwriting of the submitted documents and undertaking various checks to ensure authenticity of the documents, genuineness of the transaction and compliance with all regulations. The credit underwriting process is digitally enabled. Supporting documentation for loan appraisals are digitally enabled. This has helped to reduce paper consumption. Capitalising on technology has enabled increased scale and speed in processing and digital fetch tools helps in faster authentication of supporting documentation such as income tax returns and GST returns, bank analyser statements amongst others.

• Legal Appraisal

The required title and other documents pertaining to the individual property being financed are verified to ensure that the title is clear and marketable and can be mortgaged to HDFC.

• Technical Appraisal

Post the appraisal process, the technical appraisal process involves collection and compilation of the project related documents and verification of the stage of construction of the project to ascertain the amount that can be disbursed.

Disbursement

Disbursement process commences after approval of the loan and verification of requisite documents.

Repayment & Closure

Once the loan is fully repaid / prepaid, the original / copy of title documents for the property with any other documents if procured during the legal process are then released and handed over to the customer with a mortgage release letter stating that all dues towards the loan has been fully repaid.

Deposits

In a similar vein, the lifecycle of deposits is also a critical component for the Corporation. This begins with sourcing of the deposit which could be directly by the customer or through a deposit agent/key partner. The requisite KYC checks and other information details of customers are collected and reviewed to ensure compliance with extant regulations. Post this, a deposit certificate is issued to the customer. Periodic intimations are sent to customers and upon maturity, the deposits are either renewed or repaid to the customer. The Corporation has a robust online deposit platform, <https://www.hdfc.com/deposits>.

Grievance Redressal Mechanism

As part of the Grievance Redressal policy, the Corporation has a complaint management system to record and redress grievances/feedback from customers, which helps in ensuring standard operating procedures and enhancing service standards. The customer engagement department is in charge of ensuring that customer grievances are addressed in a timely manner and that responses sent are appropriate and meets the requirements of the customers.

- 2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Not applicable.

- 3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Not applicable.

- 4. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Not applicable.

PRINCIPLE 3:**BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS****Essential Indicators****1. Details of measures for the well-being of employees**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
PERMANENT EMPLOYEES											
Male	2,399	2,399	100	2,399	100	-	-	2,399	100	-	-
Female	827	827	100	827	100	827	100	-	-	827	100
Total	3,226	3,226	100	3,226	100	827	26	2,399	74	3,226	26
OTHER THAN PERMANENT EMPLOYEES											
Male	1,120	1,039	93	816	73	-	-	-	-	-	-
Female	1,144	1,104	97	989	86	1,144	100	-	-	1,144	100
Total	2,264	2,143	94	1,805	80	1,144	51	-	-	1,144	51

2. Details of retirement benefits for the current and previous financial year

Benefits	FY21		FY20	
	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)*	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	Y	100	Y
Gratuity	100	Y	100	Y
Employee State Insurance (ESI)	-	N.A.	-	N.A.
Others	-	-	-	-

*The Corporation has a separate Provident Fund Trust and Gratuity Trust.

3. Accessibility of workplaces

Are the premises/offices accessible to differently abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Various offices of the Corporation, including the registered and corporate offices have ramps for easy movement of differently abled people. Most offices are located in commercial premises which are either on the ground floor or have elevators and infrastructure for differently abled individuals. Wheelchair accessible restrooms are available in certain premises of the Corporation.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Corporation has adopted an Equal Opportunity Policy in accordance with the provisions of the Rights of Persons with Disabilities Act, 2016 and the rules framed thereunder and provides a framework which is committed towards the empowerment of persons with disabilities. This policy aims to provide practical guidance on the management of disability issues in the workplace in accordance with the provisions of the act and its rules.

The Corporation believes in equal opportunity for all its employees, wherein the Corporation is committed to providing an inclusive work culture and an environment free from any discrimination. HDFC values and welcomes diversity and does not treat anybody differently based on their race, sex, religion/beliefs, disability, marital or civil partnership status, age, sexual orientation, gender identity, gender expression, caring responsibilities, or any other class of person protected by laws in the country.

At HDFC, the vision is to be "Disability Confident". HDFC, as an inclusive employer actively encourages the recruitment, development and retention of people with disability and ensures they have equal opportunities at workplace and strives to provide a safe, accessible and healthy work environment.

The policy is on the Corporation's intranet and is available to internal stakeholders.

5. Return to work and retention rates of permanent employees that took parental leave.

Permanent employees		
Gender	Return to work rate	Retention rate
Male	100%	100%
Female	100%	100%
Total	100%	100%

Note: Owing to the pandemic, the Corporation has permitted all women employees with children up to the age of one year to work entirely from home.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees	Yes
Other than Permanent Employees	

The Corporation has always believed in open and transparent communication. Employees are encouraged to share their concerns with their business heads, HR or the members of the senior management. The Corporation has always followed an open door policy, wherein any employee irrespective of hierarchy has access to the senior management.

In addition, the Corporate Whistleblower Initiative (CWI) provides a formal platform to share grievances on various matters. The details of the grievance mechanism and CWI are shared with employees through a specific module. New recruits are also sensitised on the CWI mechanism and forms part of the employee induction programme.

The Corporation has a policy on prevention, prohibition and redressal of sexual harassment of women at the workplace and has an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Corporation's policy on the same is placed on the Corporation's website. The ICC comprises majority of women members. Members of the Corporation's ICC are responsible for conducting inquiries pertaining to such complaints.

The Corporation on a regular basis sensitises its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programmes which are held on a regular basis.

7. Membership of employees in association(s) or unions

The Corporation does not have any employee associations. The Corporation, however, recognises the right to freedom of association and does not discourage collective bargaining.

8. Details of training given to employees

Category	FY21					FY20				
	Total (A)	On health and safety/wellness measures		On skill upgradation		Total (A)	On health and safety measures/wellness		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES										
Male	2,463	2,463	100	2,463	100	2,330	2,330	100	2330	100
Female	881	881	100	881	100	820	820	100	820	100
Total	3,344	3,344	100	3,344	100	3,150	3,150	100	3,150	100

Note: Includes training given to employees who have resigned/retired during the year. Some of the training programmes offered under health and safety and skill upgradation are mandatory. Hence, all employees have been considered under such training programmes.

9. Details of performance and career development reviews of employees

Category	FY21			FY20		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
EMPLOYEES						
Male	2,399	2,399	100	2,304	2,304	100
Female	827	827	100	791	791	100
Total	3,226	3,226	100	3,095	3,095	100

All employees of the Corporation undergo an annual performance appraisal process as determined by the Corporation. Further, the Nomination and Remuneration Committee and the board evaluates the performance of the members of executive management (one level below the board) and the company secretary on an annual basis.

The underlying philosophy of the performance management system is to have a fair and transparent system of appraisal, which ensures an objective mechanism to measure each employee's performance and potential and implement a reward system which recognises merit.

The performance appraisal system has been designed to achieve the following objectives:

- Review the previous year's performance with specific reference to achievement of targets and give constructive feedback on performance;
- Provide an opportunity for communication and interaction between the appraiser and appraisee regarding the previous year's performance and setting of performance targets for the next appraisal period; and
- Reward employees who have performed well during the appraisal period and those who demonstrate the ability to handle higher responsibilities with promotions/increased job responsibilities.

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Owing to the nature of the business, per se there are no occupational health and safety risks due to the nature of the work.

The Corporation has a policy on health and safety for its employees. Periodic internal communication and alerts are sent out to employees and awareness sessions are conducted on safety related aspects. Employees on a pan-India basis are given periodic training on basic and advanced fire safety, including evacuation drills. HDFC has tie-ups with vendors to educate and demonstrate the use of fire-fighting equipment.

The Corporation is focused on both, the physical and mental well-being of its employees and has organised various workshops and discussions with well-being experts and medical practitioners. The Corporation is in the process of putting in place a plan to have designated first-aid marshals at offices, with minimum basic training so as to be aware of procedures to be followed in case of medical emergencies.

Training programmes on the safety of women employees at the workplace is mandatory for all employees. During the year, there were no accidents of any employee of the Corporation whilst on duty.

Owing to COVID-19 induced pandemic, health and safety issues became paramount for both, employees/visitors in the office premises and for field staff, details of which are given elsewhere in this report.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Given the nature of business, this is not directly applicable. However, in light of the pandemic, the Corporation recognises the risks of infections that could take place in the office premises. To minimise these risks, the Corporation took necessary precautions at the offices, which included sanitisation of all office premises, removal of biometric scanners, installation of thermal scanners, daily communication updates, restricted movements in common areas, closure of recreational facilities and avoidance of large gatherings. The Corporation also adhered to all the government directives and issued travel and health advisories to its employees and advised all its employees to work from home as required or on a rotational basis to ensure employee safety and business continuity.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Given the nature of business, this is not directly applicable. However, in light of the pandemic, the Corporation has necessary protocols and systems in place to ensure employees' safety is not compromised at the workplace and

intimation of symptoms/infections by employees/their family is done. The Corporation has organised vaccination camps for its employees in an endeavour to urge all employees and their families to get vaccinated.

d. Do the employees have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. All employees of the Corporation are covered under the company's health insurance and personal accident policy.

11. Details of safety related incidents

Safety Incident/Number	Category	FY21	FY20
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Permanent Employees	Nil	Nil
Total recordable work-related injuries			
No. of fatalities (safety incident)			
High consequence work-related injury or ill-health (excluding fatalities)			

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Corporation emphasises on the importance of maintaining a safe and healthy workplace for all employees and third-party employees who work on its premises.

The Corporation assesses the health, safety and environmental performance across all its offices. Certain employees are given training on fire safety and evacuation drills. Fire drills and audits are conducted in the office premises to ensure maintenance of safety standards.

During the year, there were no accidents of any employee of the Corporation whilst on duty.

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

13. Number of complaints on the following made by employees

	FY21			FY20		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	Nil	Nil	-	Nil	Nil	-
Health and safety	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%^
Working Conditions	Nil

^The Corporation has various annual maintenance contracts which deals with various safety practices for its offices.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.

Against the backdrop of the pandemic, the Corporation has been following standard operating procedures so as to comply with state/local level extant regulations and ensure safety and hygiene protocols and necessary social distancing is being followed by employees, customers and other visitors on any of the premises of the Corporation.

An all-India COVID-19 taskforce team has been set up to extend assistance to infected staff /family for quarantine facilities, medical emergencies and hospitalisation.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of Employees (Y/N)

Yes. The Corporation covers medical expenses if any, and in addition, the Corporation may offer employment to the spouse/dependent of the deceased employee. Benefits like provident fund, gratuity, superannuation and employees' deposit linked insurance, as applicable, are settled on a priority basis. Further, employee stock options granted immediately vest with the employee's immediate family/person(s) nominated by such employee. The Corporation assists the family in exercising such options.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Corporation ensures that statutory dues as applicable to the transactions within the remit of the Corporation are deducted and deposited in accordance with extant regulations. This activity is also reviewed as part of the internal and statutory audit. The Corporation expects its value chain partners to uphold business responsibility principles and values of transparency and accountability.

3. Provide the number of employees having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees		No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY21	FY20	FY21	FY20
Employees	Not applicable. There were no work-related injuries.			

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Since inception, the Corporation has not undertaken any retrenchment of employees owing to business exigencies or employees not having the requisite skills to do the required job. Skilling upgradation of all employees remains a continuous activity in the Corporation. Given the low attrition rates and long duration of service of most employees, transition assistance programmes for retirees are not found to be compelling as the employees are mostly high skilled.

5. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	The Corporation expects all its value chain partners to follow extant regulations, including health and safety practices and working conditions. These parameters are not explicitly captured or measured other than certain loans where there is enhanced environment and social (E&S) due diligence being monitored and health and safety and working conditions form an integral component of these monitorables.
Working conditions	

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No corrective action plan has been necessitated on the above mentioned parameters.

In certain loans where there is enhanced E&S monitoring as part of the covenants, the Corporation has necessary safeguards in case of non-compliance. The Corporation may provide a reasonable timeframe for compliance. On a case-by-case basis, the Corporation may evaluate the respective loan and may call for a corrective action plan from the customer.

If non-compliance persists, wherein it raises potential risks/liabilities on the Corporation, the respective committee of management discharged with loan approval authority, along with the legal department of the Corporation may take measures, including enforcing the right to recall the loan.

PRINCIPLE 4:**BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS****Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the entity.**

Any individual or group of individuals or institution that adds value to the business chain of the Corporation is identified as a core stakeholder. This *inter alia* includes employees, shareholders and investors, customers, channel partners and key partners, regulators, lenders, research analysts, communities and non-governmental organisations, suppliers amongst others.

List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Key Stakeholders	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Direct & other communication mechanisms	Daily	Corporation follows an open door policy.
Shareholders/ Investors	No	Email, SMS, newspaper advertisement, notice board, website, Annual General Meetings, intimation to stock exchanges, annual/ quarterly financials and investor meetings/ conferences	Frequent and need based	To stay abreast of developments in the Corporation and its subsidiary companies
Customers	Yes, if they qualify based on specified criteria such as income, gender etc.	Multiple channels – physical and digital	Frequent and need based	Stay in touch with the customer throughout the life cycle of the loan and address any issues that the customer may have.
Channel Partners and Key partners	No	Multiple channels – physical and digital	Frequent and need based	Helps to increase reach and enhance business
Regulators	No	Email, one-on-one meetings, concalls, video-conference	Need based	Discussions with regard to various regulations and amendments, inspections, approvals
Research Analysts	No	Email/ concalls, meetings, video-conferences	Frequent and need based	Keep abreast of developments of the Corporation and its group companies
Communities and NGOs	Yes	Directly or through the H T Parekh Foundation	Frequent and need based	Support socially high impact projects

Leadership Indicators**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Corporation has always maintained that a constant and proactive 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. The board is kept abreast on various developments and feedback on the same is sought from the directors.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

The Corporation believes that housing *per se* fulfills a critical social objective. The Corporation engages with various stakeholders in helping to expand the housing market and enable more Indians to become homeowners.

In addition, the Corporation has been engaging with a number of ESG teams of investors/ shareholders and consultants and experts in this field, which helps to better understand expectations of stakeholders and benchmark against best practices. The Corporation recognises that it is still in a 'learning phase' on various evolving aspects of ESG and hence stakeholder interactions are important.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

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

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

Essential Indicator

1. Employees who have been provided training on human rights issues and policy(ies)

Category	FY21			FY20		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees covered (D)	% (D/C)
EMPLOYEES						
Permanent	3,226	3,226	100	3,095	3,095	100
Other than permanent	2,264	2,264	100	2,194	2,194	100
Total Employees	5,490	5,490	100	5,289	5,289	100

Note: The training pertains to the Code of Conduct and the Human Rights Statement of the Corporation.

2. Details of minimum wages paid to employees

Category	FY21					FY20				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
EMPLOYEES										
Permanent	3,226	-	-	3,226	100	3,095	-	-	3,095	100
Male	2,399	-	-	2,399	100	2,304	-	-	2,304	100
Female	827	-	-	827	100	791	-	-	791	100
Other than Permanent	2,264	78	3	2,186	97	2,194	66	3	2,128	97
Male	1,120	42	4	1,078	96	1,083	37	3	1,046	97
Female	1,144	36	3	1,108	97	1,111	29	3	1,082	97

3. Details of remuneration/salary

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (₹)	Number	Median remuneration/ salary/ wages of respective category (₹)
Board of Directors (BoD) (Whole-time directors)	2	13,16,69,079	1	14,08,49,235
Key Managerial Personnel (other than BoD)	1	74,17,908	-	-
Employees other than BoD and KMP*	2,205	11,41,600	726	9,05,167

*Includes only employees who have worked for the entire 12-month period.

Note: Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall basis at the end of each year and accordingly, have not been considered in the above information. Perquisite value of stock options is excluded.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Managing Director of the Corporation oversees the human resources function in the Corporation. In addition, the director in charge of business responsibility along with the executive directors are responsible for addressing any human rights issues caused or contributed by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues

The Corporation 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.

The Corporation is committed to maintain a safe and harmonious business environment and workplace for everyone, irrespective of the ethnicity, region, sexual orientation, race, caste, gender, religion, disability, work, designation and such other parameters. 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 reasonable safeguards for the benefit of employees at the 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. As a matter of policy, HDFC does not hire any employee or engage with any agent or vendor against their free will.

6. Number of complaints on the following made by employees

	FY21			FY20		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	2	1	The pending case was received in the month of March 2021 and hence as at March 31, 2021, the internal complaints committee was in the process of examining the same.	2	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/ Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The Corporation is committed to providing equal opportunities to all individuals and is intolerant towards discrimination and / or harassment based on race, sex, nationality, ethnicity, origin, religion, age, disability, sexual orientation, gender identification and expression (including transgender identity), political opinion, medical condition, language as protected by applicable laws.

The Diversity & Inclusion Policy and the objective of the policy is to ensure that the Corporation 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.

HDFC also has a policy on prevention, prohibition and redressal of sexual harassment of women at the workplace and has an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Members of the Corporation's ICC are responsible for conducting

inquiries pertaining to such complaints. The Corporation on a regular basis sensitises its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programme which are held on a regular basis.

8. Do human rights requirements form part of your business agreements and contracts?

Yes, in certain business agreements and contracts where relevant.

9. Assessments for the year

	% of offices that were assessed (by entity or statutory authorities or third parties)
Child labour	The Corporation is in compliance with the laws, as applicable.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

The Corporation is of the belief that it has upheld the basic principles of human rights in all its dealings. This is in alignment with its Human Rights Statement. The Corporation regularly sensitises its employees on the Code of Conduct through various training programmes as well.

2. Details of the scope and coverage of any human rights due-diligence conducted.

See response above.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The registered and corporate office of the Corporation have ramps for easy movement of differently abled visitors. Most of the offices are located in commercial premises which may be on the ground floor or have elevators and infrastructure for differently abled visitors. Wheelchair accessible restrooms are available in certain offices of the Corporation.

The Corporation also maintains application forms in Braille to cater to the special needs of visually impaired customers.

4. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The Corporation expects its value chain partners to adhere to the same values, principles and business ethics upheld by the Corporation in all their dealings. No specific assessment in respect of value chain partners has been carried out other than certain covenants where some of these parameters are being monitored closely in certain lending arrangements.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No corrective actions pertaining to Question 4 was necessitated by the Corporation during the year under review.

PRINCIPLE 6:**BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT****Essential Indicators****1. Details of total energy consumption (in Joules or multiples) and energy intensity**

Parameter*	FY21		FY20	
	MWH	TJ	MWH	TJ
Total electricity consumption (A)	3,254.70	11.72	3,473.59	12.51
Total fuel consumption (B)	2,951.63	10.63	3,243.25	11.68
Energy consumption through other sources (C)	-	-	-	-
Total energy consumption (A+B+C)	6,206.33	22.35	6,716.84	24.19

*Based on select offices and where the Corporation owns the premises.

The organisational boundary has been established using the 'Operational Control Approach'.

The GHG emissions across the two financial years may not be comparable due to the COVID-19 induced pandemic and associated restrictions.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

Yes. The assessment was carried out by Centre for Environmental Research & Education on behalf of the Corporation.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable.

3. Provide details of the following disclosures related to water.

The Corporation's usage of water is restricted to human consumption purposes only. Efforts have been made to ensure that water is consumed judiciously in the office premises. In various offices, sensor taps are installed in office washrooms to economise on water consumption. The Corporation ensures that the domestic waste (sewage) from offices and branches are not let into water bodies.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No.

5. Please provide details of air emissions (other than GHG emissions) by the entity.

Not applicable.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity

Parameter*	Unit	FY21	FY20
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	966.1	1,340.1
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	2,684.1	2,864.6

*Based on select offices and where the Corporation owns the premises.

	Scope 1: Summary FY21			
Source	GHG Emissions			
	CO2 (MT)	CH4 (MT)	N2O (MT)	CO2e (MT)
Generator Sets (Diesel)	3.56	<0.1	<0.1	3.58
Company Cars & Petro Cards (Petrol)	12.67	-	-	12.67
Fuel Allowance (Petrol)	720.35	-	-	720.35
Air Conditioner - Refrigerant Leaks	229.46	-	-	229.46
	Total			966.06

	Scope 2: Summary FY21			
Source*	GHG Emissions			
	CO2 (MT)	CH4 (MT)	N2O (MT)	CO2e (MT)
Purchased Electricity	2,240.50	-	-	2,240.50
Electricity for Data Centres	443.62	-	-	443.62
	Total			2,684.12

*Based on select offices and where the Corporation owns the premises.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

Yes. The assessment was carried out by the Centre for Environmental Research & Education.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

The Corporation is endeavouring to reduce its own GHG emissions pertaining to its office activities through installation of solar panels where feasible. Further, through its Corporate Social Responsibility initiatives, the Corporation has undertaken various projects on environmental sustainability such as ecological restoration, waste management and clean energy projects.

Based on solar panel installations by the Corporation, the investment including the cost of solar panels, installation costs and net metering would likely be recovered over a period of 6.5 years. Listed below are the overall savings that could accrue:

Savings	Electricity (kWh)	Cost (₹ in crore)	Carbon Reduction (MT CO2e)
Annual	5,11,614	0.56	419.53
Over 10 Years	42,68,282	4.68	3,499.99
Over 25 Years	1,02,61,200	11.29	8,414.18

Note: As estimated by CERE

8. Provide details related to waste management by the entity

Parameter (in metric tonnes)	FY21	FY20
WASTE GENERATED /RECYCLED		
Plastic waste	0.214	0.291
E-waste recycled	7.016	9.130

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Plastic waste generated was based on select offices and the assessment was carried out by the Centre for Environmental Research & Education.

E-waste recycling is carried out by various e-waste vendors across all offices of the Corporation. Form 2 (for maintaining records of e-waste handled/generated), green certificates and disposal and recycling reports have been received by the Corporation.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Given the nature of the business, there is no usage of hazardous and toxic chemicals by the Corporation.

The Corporation has various systems in place at an all-India level to manage e-waste. The Corporation engages with certified e-waste handlers for disposal of e-waste. Approximately 7,016 kg of e-waste generated has been disposed through authorised recyclers in FY21. The Corporation has received green, disposable and re-cycling certificates from the respective e-waste vendors.

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

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details.

All the Corporation's offices are located in premises which have the requisite building permits, including environmental approvals.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

Not applicable.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances.

Based on the nature of business, the Corporation is in compliance with applicable environmental norms.

Leadership Indicators

1. Provide break-up of the total energy consumed from renewable and non-renewable sources

Scope	Emission Source*	Activity Data	FY21 Emissions (MT CO2e)	Contribution (FY21)	FY20 Emissions (MT CO2e)	Contribution (FY20)
Scope 1	Diesel Generator Sets	Diesel Consumption (L)	3.5	0.1%	5.7	0.1%
Scope 1	Fuel Allowance (Provided to employees)	Petrol Allowance (L)	720.4	18.6%	769.7	14.7%
Scope 1	Company Cars	Petrol Consumption (L)	12.7	0.3%	34.1	0.7%
Scope 1	HVAC (Heating Ventilating and Air conditioning Systems)	Number of AC Carriers & Refrigerant refills (kg)	229.5	5.9%	530.6	10.2%
	Scope 1		966.1	24.9%	1,340.1	25.7%
Scope 2	Purchased Electricity	Electricity Consumption (kWh)	2,240.5	57.8%	2,525.0	48.4%
Scope 2	Electricity for Data Centres	Electricity Consumption (kWh)	443.6	11.4%	339.6	6.5%
	Scope 2		2,684.1	69.2%	2,864.6	54.9%
Scope 3	Business Travel – Air	Class, Sector & Passenger (km)	0.2	0.0%	271.6	5.2%
Scope 3	Business Travel – Road	Sector Travel & Car Type (km)	4.5	0.1%	20.1	0.4%

Scope	Emission Source*	Activity Data	FY21 Emissions (MT CO2e)	Contribution (FY21)	FY20 Emissions (MT CO2e)	Contribution (FY20)
Scope 3	Hotel Stays – Business	Number of Overnight Stays per Room & Occupancy	1.2	0.0%	83.5	1.6%
Scope 3	Company Organised Road Transport	Sector, Number of Trips per day (km)	23.9	0.6%	23.5	0.5%
Scope 3	Employee Commute^	Based on survey (km)	-	-	295.1	5.7%
Scope 3	Paper Consumption	Quantities of Paper Products (Metric Tonne - MT)	178.3	4.6%	282.4	5.4%
Scope 3	Canteen Fuel	Number of LPG Cylinders, Cost (₹)	12.8	0.3%	19.9	0.4%
Scope 3	Packaged Water Consumption	Number of Jars, Capacity (L)	2.8	0.1%	5.6	0.1%
Scope 3	Food-Upstream Logistics (Distribution to offices)	Number of Trips per Day & Distance (km)	-	0.0%	3.9	0.1%
Scope 3	Water-Upstream Logistics (Distribution to offices)	Number of Trips per Day & Distance (km)	0.4	0.0%	0.9	0.0%
Scope 3	Waste (Cardboard, Plastic, Food etc.)	Weight (kg)	4.9	0.1%	7.2	0.1%
	Scope 3		229.0	5.9%	1,013.7	19.4%
			3,879.2	100%	5,218.4	100%

*Based on select offices and where the Corporation owns the premises.

COVID-19 has had an impact on FY21 emissions – largely on purchased electricity, HVAC and reduction in Scope 3 emissions.

^Owing to the pandemic and resultant lockdowns, the employee commute for FY21 was not computed.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. The assessment was carried out by the Centre for Environmental Research & Education.

2. Does the entity have a business continuity and disaster management plan?

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

Disaster drills and table top 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.

3. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Given the nature of the business, there has been no adverse impact to the environment.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

The Corporation is a member of 9 trade and industry chambers/ associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/affiliated to:

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers/ associations (State/National)
1.	Bombay Chamber of Commerce and Industry	State
2.	Confederation of Indian Industry	National
3.	Federation of Indian Chambers of Commerce and Industry	National
4.	Bombay Management Association	State
5.	Indo-German Chamber of Commerce	International
6.	Indian Merchants' Chamber	National
7.	International Union for Housing Finance	International
8.	National Real Estate Development Council	National
9.	Association of Financial Professionals of India	National

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

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

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not applicable.

Leadership Indicators

1. Details of public policy positions advocated by the entity

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

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

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

PRINCIPLE 8:**BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT****Essential Indicators**

- 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**
Not applicable.
- 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.**
Not applicable.
- 3. Describe the mechanisms to receive and redress grievances of the community.**
The Corporation has various mechanisms to receive and redress grievances of various stakeholders. Details of such mechanisms and policies is detailed elsewhere in this report.
- 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.**
Not applicable.

Leadership Indicators

- 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above)**
Not applicable.
- 2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies**

S. No.	State	Aspirational Districts	Amount spent (₹ in crore)
1.	Maharashtra	Gadchiroli	1.00
2.	Jharkhand	Dumka, Purbi Singhbhum, Palamu, Ranchi, Hazaribagh, Pakur	1.84
3.	Madhya Pradesh	Barwani	0.70

Note:

CSR Project in Maharashtra: A comprehensive maternal, child and new-born health project with a focus on nutrition in 48 villages of the Gadchiroli district.

CSR Project in Jharkhand: An education project that trains government school teachers to use low-cost innovative teaching kits in maths and english.

CSR Project in Madhya Pradesh: An education project that engages with communities of Barwani to prevent girls from dropping out of school.

- (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)**
 - (b) From which marginalised /vulnerable groups do you procure?**
 - (c) What percentage of total procurement (by value) does it constitute?**

Whilst the Corporation has always endeavoured to provide housing finance solutions for all income groups including the economically weaker sections and low income groups, given the nature of the business, purchases from suppliers under the above-mentioned groups are limited.

Through the Corporation's relationships with various non-governmental organisations, the Corporation supports the marginalised and vulnerable segments by inviting these organisations to exhibit their products in the office premises/online so as to enable employees to make direct purchases and help support livelihoods.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

Not applicable.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not applicable.

6. Details of beneficiaries of CSR Projects

S. No.	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalised groups
1.	CSR Projects for Education <ul style="list-style-type: none"> • Foundational Learning • Early Childhood Education • Higher Education & Research • Career Readiness & Life Skills 	Students: 3,28,200 Educators: 31,900	The primary objective of the CSR projects of the Corporation is to reach the most vulnerable and marginalised communities which include persons with disabilities, migrant workers, women and children from weak socio-economically backgrounds in rural, urban and the tribal population.
2.	CSR Projects for Healthcare <ul style="list-style-type: none"> • Cancer Support • Nutrition • Eye Care • Paediatric Surgeries • Other Interventions 	Children: 41,000 Adults: 90,200	
3.	Urban Sanitation	Children: 47,200 Adults: 66,600	
4.	CSR Project for Skilling & Livelihood <ul style="list-style-type: none"> • Migrants Welfare • Women focused Livelihoods 	Migrants: 1,06,000 Women: 9,400	
5.	Support for Persons with Disabilities	Educators and Caregivers: 3,600 Adults & Children with Disabilities: 2,780	
6.	COVID-19 Support Projects <ul style="list-style-type: none"> • Preventive and curative healthcare equipment and supplies • Community based relief activities and aid at COVID-19 health facilities 	Individuals: 1,86,600	

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

To ensure customer grievances are redressed promptly and effectively, the Corporation has put in place a grievance redressal policy and has a centralised team called Customer Engagement which is responsible for managing customer grievances. The team works closely with the management and various vertical teams and provides regular feedback on process, policies and people related complaints. This leads to improvements and ensures complaints are reduced. The Corporation has a digital complaint management platform to upload, respond and monitor customer grievances.

Grievance Redressal Mechanism: Key Highlights**i. Easy upload and creation of complaints**

All complaints received from website, emails and social media are auto uploaded on the complaint management platform. The complaint letters/emails are scanned/uploaded by the central team and branch employees. Complaints received from the regulator, National Consumer Helpline and the government are downloaded from their respective platforms and assigned by central team.

ii. Verification of customer credentials, customer information security

Customer posting complaints from the website need to authenticate their customer credentials via a one-time password. On social media, customer credentials are verified using a direct/private message. Thereafter, the complaints of verified customers are auto uploaded on the complaint management platform. Responses to customer complaints are sent to the registered email ids to ensure customer information security.

iii. Complaint ID acknowledgement mail and advisory to customers

Complaints are uploaded on the complaint management platform and an acknowledgement email is sent immediately to the customer with an assurance that there will be a response within 7 working days.

iv. Assignment of Complaints

Complaints are assigned depending on the category of the complaint. As per the grievance redressal policy, the Corporation has an assignment matrix to ensure complaints are resolved effectively and promptly. Escalated complaints to management and under certain category are assigned and responded by Customer Engagement team.

v. Monitoring and Analysing Complaints

The customer engagement team carries out root cause analysis on a regular basis. Feedback is given to the management, vertical teams and branches to ensure complaints are not repeated. This leads to improvement in process, policy and people development.

The customer engagement team monitors pendency and quality of responses, shares MIS and analysis of complaints on a regular basis. This visibility ensures that complaints are resolved.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information

100%.

3. Number of consumer complaints in respect of the following:

	FY21		Remarks	FY20		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising						
Cyber-security						
Restrictive Trade Practices						
Unfair Trade Practices						
Others						

4. Details of instances of product recalls on account of safety issues

Not applicable.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The Corporation has in place board approved policies such as Cyber Security Policy, Social Media Security Policy and Information Security Policy to ensure sufficient safeguards are in place to prevent any data leakage. The policies are also aligned with the Master Direction – Information Technology Framework for the NBFC Sector, ISO 27001 and the National Institute of Standards & Technology guidelines.

The Corporation has also constituted an Information Security Steering Committee (ISSC) to monitor the progress and status about Information and Cyber Security. Further, the Corporation has also constituted an Information Technology (IT) Strategy Committee comprising two independent directors, a whole-time director and few senior officials of the Corporation which assess the implementation of cyber and information security.

The policy is available to internal stakeholders and is placed on the intranet of the Corporation.

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

No penalties/regulatory action has been levied or taken on the above-mentioned parameters.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information relating to all the loan products and services provided by the Corporation are available on the Corporation's website, www.hdfc.com. In addition, the Corporation actively uses various social media and digital platforms to disseminate information on its loans and deposits.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Most Important Terms and Conditions (MITC) provides extensive information and ensures transparency on lending products. The Fair Practices Code and Code of Commitment to Customers is accessible on the Corporation's website. The hyper link is <https://www.hdfc.com/tnc>.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Kindly refer to details on Business Continuity and Disaster Management which has been elucidated under Principle 6. During the year, there were no major disruptions of critical services of the Corporation.

Owing to COVID-19 related disruptions, customers were intimated of the same through the call centres, electronic communications or through the Corporation's website. The online portals also ensured that customers could continue to be served during the lockdowns.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

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

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

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

5. Provide the following information relating to data breaches

a. Number of instances of data breaches along with impact

b. Percentage of data breaches involving personally identifiable information of customers

The Corporation did not witness any instances of data breaches during the year. External agencies have assessed and confirmed that requisite security level checks put in place by the Corporation are appropriate. The Corporation also has cyber risk insurance policies.



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