



POLICY ON
BUSINESS RESPONSIBILITY

JULY 2016

Housing Development Finance Corporation Limited

Regd. Office: Ramon House, 169 Backbay Reclamation, Churchgate, Mumbai 400020.

Corp. Office: HUL House, 165-166 Backbay Reclamation, Churchgate, Mumbai 400020.

CIN: L70100MH1977PLC019916

Reviewing Authority:	Executive Director and Business Responsibility Head
Approving Authority:	Board of Directors of the Corporation
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Policy Making Body:	Executive Management
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Review Cycle:	As recommended by the Reviewing Authority

BUSINESS RESPONSIBILITY POLICY

1. INTRODUCTION:

Housing Development Finance Corporation Limited (**‘the Corporation’**) is a public limited company incorporated on October 17, 1977, under the Companies Act, 1956 (Corporate Identity Number L70100MH1977PLC019916). It is registered as a Housing Finance Company with the National Housing Bank (**‘NHB’**) under the NHB Act, 1987.

The equity shares and other securities of the Corporation are listed on the BSE Limited and the National Stock Exchange of India Limited and as such the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**‘Listing Regulations’**) including the listing agreements executed with the recognised stock exchanges for its various listed securities, are applicable and binding on it.

2. SCOPE AND PURPOSE:

This Policy on Business Responsibility (**‘BR Policy’** or **‘Policy’**) has been revised in line with the requirements of Regulation 34 and other applicable provisions of the Listing Regulations and is intended to ensure that the Corporation contributes towards sustainable development and fulfills its social, environmental and economical responsibilities.

This Policy reaffirms the Corporation’s commitment to follow principles laid down in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of Business published by the Ministry of Corporate Affairs towards conducting its business.

In view of the above, the Board of Directors of the Corporation (Board) approved this Policy at its meeting held on July 27, 2016.

3. APPLICABILITY:

This Policy applies to the directors and employees of the Corporation across all its functions and branches.

This Policy shall be effective from August 1, 2016.

4. IMPLEMENTATION:

The Executive Director of the Corporation shall have the authority to oversee the implementation of this Policy. The Business Responsibility Head shall be responsible for implementing the Business Responsibility initiatives and assisted by a team having multi-disciplinary backgrounds. He shall be responsible for, providing clarifications on the policy, guiding the staff in implementation, reviewing the results, audit, impact assessment, etc.

The Executive Director of the Corporation and the Business Responsibility Head shall be the reviewing authority of this Policy, subject to the approval of the Board.

5. KEY PRINCIPLES:

5.1 ETHICS, TRANSPARENCY AND ACCOUNTABILITY

The Corporation is committed to maintain the highest standards of ethics in all spheres of its business activities. The Board of Directors and Senior Management have a responsibility to set exemplary standards of ethical behavior. The Executive Management shall constantly inculcate ethical behavior at all levels across the Corporation so that it becomes an essential part of its work culture. Every employee of the Corporation shall conduct himself and lead on behalf of the Corporation with professionalism, honesty and integrity, while conforming to high moral and ethical ground.

The employees of the Corporation shall also ensure abiding by the Code of Conduct framed by the Corporation from time to time. Any violation of the Code of Conduct shall be viewed strictly and lead to disciplinary action. The employees interacting with the housing loan customers shall follow the Fair Practice Code as framed by the Corporation and amended from time to time. All business decisions and transactions with the customers, depositors and other stakeholders shall be fair, transparent, amenable to disclosure and be visible to the concerned stakeholder. The Corporation shall ensure maximum appropriate disclosure to its various stakeholders.

The Corporation shall strive to ensure that transparent, correct and relevant information, pertaining to its products and services, is disseminated through its advertising material and information displayed on the digital platforms. The Corporation shall display the required information at the branches as prescribed by NHB from time to time.

The Corporation shall ensure that disclosures required to be made in business documents, statutory forms, declarations, advertisements are correct and complete in all sense. Disclosures shall be governed by the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Investor Relations Policy, Determination of Materiality Policy and such other applicable policy as may be framed by the Corporation, from time to time.

The Corporation shall have a zero tolerance for bribery and corruption in its business dealings. All officers and employees of the Corporation shall not, directly or indirectly, solicit or accept any personal fee, commission or any form of remuneration arising out of a transaction involving the Corporation. This includes gifts or other benefits, which might be extended at times, to influence business decisions. Any offer, promise or grant of gift may be made only if it is customary and / or are of a commemorative nature.

The Corporation shall not support any specific political party or candidate for political office. The Corporation's conduct shall preclude any activity that could be interpreted as mutual dependence/ favour with any political body or person.

The Corporation believes in free and open competition and shall not indulge in any anti-competitive or unfair practice or abuse its dominant position in the market.

The Corporation shall avoid complicity with the violative practices by any third party to the extent possible.

5.2 SAFETY AND SUSTAINABILITY OF GOODS AND SERVICES

The Corporation, is a housing finance company and is not engaged in a business concerning design of products/ services that could raise social concerns, economic risks and/or hazardous opportunities. The Corporation shall, however, strive to reduce its own carbon footprints, influence the stakeholders to encourage them to reduce their footprints and engage with the employees to help reduce their personal foot prints.

The Corporation, while lending to real estate developers, shall promote construction as per the guidelines of the National Building Code, as applicable. The Corporation shall undertake technical assessment of properties and projects financed by it as a part of its approval and disbursement procedures.

The Corporation shall at all times create consumer awareness about their rights as borrowers, terms and conditions of loans etc. in the marketing communication as per the regulatory norms and Fair Practice Code as adopted by the Corporation.

While designing its products that largely pertain to loan customers and depositors, the Corporation shall give due regard to social, ethical and environmental considerations as also respect the rights of people who may be the owners of traditional knowledge and other forms of intellectual property.

The Corporation shall always strive to treat all its stakeholders and customers with dignity, respect and due understanding

The Corporation shall, at all times, strive to upgrade the work culture and take such initiatives that work towards the conservation of the surrounding environment.

5.3 WELL BEING OF ALL EMPLOYEES

The Corporation shall ensure better flow of information and understanding among its employees and provide all relevant employee benefits. The Corporation shall adopt a culture that facilitates a sense of belonging, loyalty and commitment amongst the employees and

facilitates free access to the members of senior management for sharing ideas, suggestions and grievances.

The Corporation shall refrain from employing child labour, forced labour or any form of involuntary labour, paid or unpaid in any of its offices. The Corporation shall advocate a business environment that favors the concept of equal employment opportunities for all without any discrimination with respect to caste, creed, gender, race, religion, disability or sexual orientation. The Corporation shall strictly abide with the rules and regulations stipulated by local governments on minimum wages to be paid to employees.

The Corporation shall promote work-life balance among all its employees. The Corporation shall provide a safe working environment to all employees and protect them from sexual harassment by all means. Any such instance shall be dealt promptly, sensitively and confidentially in the most judicious and unbiased manner.

Attracting and retaining talent involves many facets including employee engagement, mentoring, training and career development, empowerment and providing various perquisites as per the policies of the Corporation.

The Corporation shall identify needs and grant necessary training to the employees to develop their skills and overcome such gaps as may be identified during the appraisal processes. On-the-job training, job rotation or training through various programmes – internal, external or international shall be offered to employees to upgrade their competencies.

The knowledge so acquired by the individual should supplement his/her domain expertise as well as blend with the business goals of the Corporation. Employees mentoring would help in spreading and blossoming talent.

The Corporation shall provide a workplace environment that is safe, hygienic, humane, comfortable and which upholds the dignity of the employees. It shall provide facilities for the well being of its employees including those with special needs. The Corporation shall comply with the statutory provisions with regard to health, safety and well being of its employees. Specific provisions contained in the labour laws ensuring health, safety, hygiene, comforts and well being of employees shall be complied in letter and spirit.

5.4 PROTECTION OF STAKEHOLDERS' INTEREST

The Corporation follows ethical practices so as to ensure that no inconvenience is caused to any of its internal and external stakeholders. The Corporation shall proactively engage with and respond to those sections in the society that are disadvantaged, vulnerable and marginalized.

The Corporate Social Responsibility (CSR) initiatives undertaken by the Corporation shall be driven towards the benefit of the disadvantaged, vulnerable and marginalized stakeholders.

The website of the Corporation shall provide for feedback mechanism for stakeholders to assess the impact of the Corporation's policies, decisions and services. The feedback shall be given to the concerned person or Committee.

The Corporation shall have continuous engagement with its various stakeholders to understand their concerns and assess their requirements and respond to their needs in a most effective manner.

5.5 RESPECTING AND PROMOTING HUMAN RIGHTS

Human rights being inherent, universal, indivisible and interdependent in nature, the Corporation shall comply and adhere to all the human rights related laws and guidelines as prevailing in its area of operation.

The Corporation shall practice the culture of responsible lending and treat delinquent customers with fairness.

The Corporation shall recognize and respect the human rights of all relevant stakeholders, including that of its customers, depositors, shareholders, investors, public at large and the vulnerable and marginalized section of the society.

The Corporation shall strive to abide with the aforesaid principle and discourage violating practices by any third party to the extent possible. The Corporation shall also not be complicit with human rights abuses by a third party.

5.6 RESPECTING AND PROTECTING THE ENVIRONMENT

The Corporation shall promote ecological sustainability and green initiatives by adopting energy saving mechanisms, sensitising employees to reduce carbon footprint of the Corporation.

The Corporation commits itself to take all necessary initiatives towards continued reduction in the utilisation of natural resources and also manmade resources. The Corporation shall proactively promote the same across the value chain by mandating compliance by various stakeholders.

The Corporation shall also persuade and encourage the builders and developers that have business interest with it, to move towards environmentally friendly constructions.

5.7 PUBLIC AND REGULATORY POLICY

As a corporate citizen, the Corporation understands its responsibility to operate within the democratic setup and constitutional framework.

The Corporation, being in the business of housing finance, shall strive to be a part of various chambers and associations and make recommendations/ representations before regulators and associations for advancement and improvement of housing finance in India. The executives of the Corporation shall, upon invitation, participate and play an active role in committees, associations etc constituted for financial sector reforms, housing finance and infrastructure development.

The Corporation shall perform the function of policy advocacy in a transparent and responsible manner while engaging with all the authorities and shall take into account the Corporation's as well as the larger national interest.

The Corporation believes that policy advocacy must preserve and expand public good and thus shall never advocate any policy change to benefit itself alone or a select few in a partisan manner.

5.8 INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

The Corporation shall undertake CSR initiatives in the areas of education, healthcare, sanitation, community development etc. that promote the well being of the society. The Corporation shall strive to increase its presence in the rural parts of the country.

5.9 ENGAGING AND ENRICHING CUSTOMER VALUE

The Corporation shall provide a facility to its customers to record their grievances/ feedback as required under regulatory norms which also enables the Corporation to redress the same and maintain high service standards. Senior personnel shall be deputed to ensure redressal within the prescribed turnaround times.

Wherever required, the Corporation shall escalate the complaints to the level of business heads, regional heads/ functional heads and the Managing Director.

The Corporation also ensures that the promotion and advertisement of its products do not mislead or confuse the customers and other stakeholders or in any way violate the principles of this Policy.
