

BUSINESS RESPONSIBILITY REPORT

SECTION



GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : L65191TN1997PLCO37415

2. Name of the Company :
IDFC Limited

3. Registered address:
4th Floor, Capitale Tower,
555 Anna Salai, Thiru Vi Ka Kudiyiruppu,
Teynampet, Chennai - 600 018
TEL: +91 (44) 4564 4201 /4202 / 4223

4. Website:
www.idfclimited.com

5. E-mail id:
mahendra.shah@idfclimited.com

6. Financial Year reported
2021 - 2022

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

IDFC Limited holds a certificate of registration bearing no. B-07.00718 issued by the Reserve Bank of India ("RBI") to carry on the activities of a Non-Banking Financial Company ("NBFC") under Section 45 IA of RBI Act, 1934 in the category of Investment Company.

8. List three key products / services that the Company manufactures / provides (as in balance sheet)

IDFC provides services in the following domain through its subsidiaries:

- Public market assets management: Mutual Fund

9. Total number of locations where business activity is undertaken by the Company

- a) Number of International Locations: IDFC Limited has no operations in International Locations.
- b) Number of National Locations: IDFC Limited has 2 offices in India located at Chennai and Mumbai. Our group companies have 44 offices / branches across the country.

10. Markets served by the Company:
Local / State / National / International
IDFC Limited serves national market only. Our subsidiaries serve international market too (namely through a Mauritius subsidiary).

SECTION **B** FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (Rs.)

1596.44 crore

2. Total Turnover (Rs.)

54.68 crore

3. Total Profit after taxes (Rs.)

21.86 crore

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):

Please refer **Annexure 4** of Board's Report.

5. List of activities in which expenditure in 4 above has been incurred:

Please refer Annexure 4 of Board's Report.

SECTION **C** OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

• YES

2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

BR initiatives of the parent company are
also participated by its subsidiaries.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

• NO

SECTION **D** BUSINESS RESPONSIBILITY REPORT

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy / policies

DIN Number: **03055561**

Name: **Mr. Sunil Kakar**

Designation: **Managing Director & CEO**

b) Details of the BR head

DIN Number: **N.A.**

Name: **Mr. Mahendra N Shah**

Designation: **Company Secretary**

Telephone number: **022 2282 1549**

E-mail id:

mahendra.shah@idfclimited.com

2. Principle-wise (as per NVGs) BR Policy / policies (See Table 01)

NOTE 1

- The 10 Principles of the United Nations Global Compact
- E&S Policy
- Equator Principles Financial institution
- Signatory to Equator Principles

NOTE 2

Web-link for the policy

P1 ETHICS, TRANSPARENCY & ACCOUNTABILITY • YES

Code of Conduct: http://www.idfclimited.com/pdf/code_of_conduct.pdf

Whistle Blower policy: http://www.idfclimited.com/pdf/whistle_blower_policy.pdf

P2 SUSTAINABILITY IN LIFE CYCLE OF PRODUCT • NO

P3 EMPLOYEE WELL-BEING • YES

All policies listed for this section are on
our internal portal.

P4 STAKEHOLDER ENGAGEMENT - PARTIAL

Fair Practices Code: <http://www.idfclimited.com/pdf/fairPracticeCode.pdf>

CSR Policy: <http://www.idfclimited.com/pdf/csrapolicy.pdf>

The web-link to Code of Conduct has been
provided above;

01

PRINCIPLE-WISE (AS PER NVGs) BR POLICY / POLICIES

A DETAILS OF COMPLIANCE (REPLY IN Y / N)

NO.	DETAILS OF COMPLIANCE (REPLY IN Y / N)	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N.A	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? Please refer to Note 1	Y	Y	Y	N	Y	Y	N.A	N	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	N.A	Y	Y
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N.A	Y	Y
6	Indicate the link for the policy to be viewed online?	Please refer to Note 2								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	N.A	Y	Y
8	Does the company have in-house structure to implement the policy / policies.	Y	Y	Y	Y	Y	Y	N.A	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	N	Y	Y	Y	N	N.A	N	N
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	N	Y	Y	Y	Y	N.A	Y	N

B IF ANSWER TO THE QUESTION AT SERIAL NUMBER 1 AGAINST ANY PRINCIPLE, IS 'NO', PLEASE EXPLAIN WHY: (TICK UP TO 2 OPTIONS)

NO.	DETAILS OF COMPLIANCE (REPLY IN Y / N)	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task		✓				✓		✓	✓
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify) Currently, IDFC does not have any policies pertaining to Principle 7; the Company already has taken several initiatives in the field of responsible lending and actively engages with clients, regulators, lenders and other business partners. The Company had published the 'India Infrastructure Report' with specific insights. Hence, the need for a separate policy on public policy advocacy has not been felt. If necessity arises, a specific policy will be developed in the future.							✓		

P5 PROMOTION OF HUMAN RIGHTS

• YES

The Web-link for Whistle Blower Policy has been provided above; other policies are available on our internal portal.

P6 ENVIRONMENTAL PROTECTION

• NO

P7 RESPONSIBLE PUBLIC POLICY ADVOCACY

• N.A.

P8 INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT • YES

CSR Policy: <http://www.idfclimited.com/pdf/csrpolicy.pdf>

P9 CUSTOMER VALUE • YES

<http://www.idfclimited.com/pop.html>

5 Governance related to Business Responsibility

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Company reviews its BR performance annually.

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

The Company publishes BR Report Annually which is available on the website

www.idfclimited.com/investorrelations/annual_report.htm

SECTION **E** PRINCIPLE WISE PERFORMANCE

PRINCIPLE 1

ETHICS, TRANSPARENCY & ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

IDFC has developed its Code of Conduct and Whistle Blower Policy which pertain to ethics, bribery and corruption. The Code of Conduct and the Whistle Blower policy are applicable to IDFC and our group companies. Furthermore, all our major suppliers are also required to agree to conform to the Code of Responsible Business Conduct (which covers ethical business practices) for the duration of their contract with IDFC.

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

There were no stakeholder complaints received in the reporting period with regard to ethics, bribery and corruption.

PRINCIPLE 2

SUSTAINABILITY IN LIFE CYCLE OF PRODUCT

a. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

IDFC is an Investment Company holding investment in its subsidiaries.

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

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

Reduction during usage by consumers (energy, water) has been achieved since the previous year? - N.A.

c. Does the Company have procedures in place for sustainable sourcing (including transportation)? If Yes, what percentage of your inputs was sourced sustainably?

IDFC, being a Financial Institution, is relatively less resource intensive in term of material inputs. Our major material requirements are office, communications and IT related equipment. Despite the limited scope of our procurement needs, we continue to take initiatives to ensure responsible sourcing in our supply chain. We have a Code of Responsible Business Conduct for our major suppliers, which outlines our expectations from them in the areas of labour standards, environment and ethical business practices. It would not be possible to ascertain the percentage of inputs that are sourced sustainably.

d. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If Yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The company has minimal operations & sources. We will prefer locally available goods and services.

e. Does the Company have a mechanism to recycle products and waste? If Yes what is the percentage of recycling of products and waste (as <5%, 5-10%, >10%).

Not applicable.

PRINCIPLE 3

EMPLOYEE WELL-BEING

1. Please indicate the total number of employees - 6 at holding company & 328 at group level

2. Please indicate the total number of employees hired on temporary / contractual / casual basis - 4

3. Please indicate the number of permanent women employees - 3

4. Please indicate the number of permanent employees with disabilities - NIL

5. Do you have an employee association that is recognised by management? - NO

6. What percentage of your permanent employee(s) is a member(s) of this recognised employee association? N.A.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

e) Child labour / forced labour / involuntary labour - NIL

f) Sexual harassment - NIL

g) Discriminatory employment - NIL

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

Permanent Employees: N.A.

Permanent Women Employees: N.A.

Casual / Temporary / Contractual Employees: N.A.

Employees with disabilities: N.A.

PRINCIPLE 4

STAKEHOLDER ENGAGEMENT

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

YES

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

YES

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?

YES, IDFC regularly undertakes initiatives to engage with its internal and external stakeholders. These are briefly described below.

EMPLOYEES STAKEHOLDER GROUP

- We have processes in place to ensure upholding of the rights of our employees and protect them against any form of discrimination.
- We conduct regular learning and development activities for our employees for their skill enhancement.

SHAREHOLDERS / INVESTORS STAKEHOLDER GROUP

We have robust mechanisms in place which ensures full, fair, accurate, timely and understandable disclosures to all our Shareholders and investors.

CLIENTS STAKEHOLDER GROUP

Our Fair Practices Code specifies the ethical principles to be followed in all our services, products and client interactions and also provides for a grievance redressal mechanism to our clients.

PRINCIPLE 5

PROMOTION OF HUMAN RIGHTS

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

IDFC is a signatory to UNGC since 2001. All our business operations are guided by a set of principles outlined in UNGC and this include principles on human rights as well. This is applicable to all our group companies and service providers.

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

PRINCIPLE 6

ENVIRONMENTAL PROTECTION

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?

Our policy pertaining to environmental protection is applicable to all our group companies.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.?

NO

3. Does the Company identify and assess potential environmental risks?

YES

4. Does the Company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?

NO

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.

NO

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

N.A.

7 Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
NIL

PRINCIPLE 7

RESPONSIBLE PUBLIC POLICY ADVOCACY

1 Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

IDFC group is an active member of several trade bodies and associations. Some of the major ones are listed below:

- Bombay Chamber of Commerce & Industry
- Indian Merchants Chamber

2 Have you advocated / lobbied through above associations for the advancement or improvement of public good?

NO

PRINCIPLE 8

INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1 Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8?

NA

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

During the financial year 2021-22, all programs/ projects were undertaken with help of following external NGOs:

- Goonj
- Social Action for Manpower Creation (SAMPARC)
- YosAid
- IIMPACT
- Indian Cancer Society.

The projects or programs that would include promoting and development of

- livelihoods,
- rural development projects,
- promoting healthcare including preventive health care,
- education,
- community engagement / development,
- environmental sustainability,
- disaster relief,
- research and studies in all or any of the activities mentioned in Schedule VII of the Companies Act, 2013 and
- Others;

3 Have you done any impact assessment of your initiative?

NO

4 What is your Company's direct contribution to community development projects—Amount in Rs. and the details of the projects undertaken?

Please refer to **Annexure 4** of Board's Report.

5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Steps are taken by external NGO's for the same.

PRINCIPLE 9

CUSTOMER VALUE

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

All the customer complaints that were received in the reporting period have been resolved and there are no complaints pending as at the end of FY22.

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

N.A.

3 Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year?

There are no cases filed / pending as at the end of FY22.

4 Did your Company carry out any consumer survey / consumer satisfaction trends?

NO