

CORPORATE SOCIAL RESPONSIBILITY POLICY

Edelweiss Retail Finance Limited
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Introduction:

Edelweiss Retail Finance Limited (ERFL) is a non-deposit taking Non-Banking Financial Company whose ultimate holding company is Edelweiss Financial Services Limited (EFSL). Edelweiss Group is one of India's leading diversified financial services Group. EFSL along with its subsidiaries offers a large range of products and services spanning across asset classes and consumer segments.

Edelweiss Group is one of India's leading diversified financial services Group. Edelweiss Group's businesses are broadly divided into Credit including Retail Finance and Debt Capital Markets, Financial Markets including Asset Reconstruction and Asset Management, Commodities and Life Insurance.

Short title & Applicability:

This policy is titled as the '*ERFL CSR Policy*' and it shall apply to all CSR initiatives and activities taken up by the Company for the benefit of the society.

CSR Philosophy and Vision Statement:

To leverage the capacity and capital to equip and enable the social sector achieve the greatest impact on the lives of the poor in India.

Scope of the activities:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;

- vi. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widow;
- vii. Training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports
- viii. Contribution to the prime minister's national relief fund and/or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)
- x. Rural development projects
- xi. Slum area development.
- xii. Disaster management, including relief, rehabilitation and reconstruction activities

The above list is illustrative and not exhaustive. The CSR Committee of Board of Directors is authorized to consider also CSR activities which not included in this list.

It is clarified that, all the aforesaid activities or programs shall be undertaken in India only and also that such programs and activities shall not be designed to benefit only the employees of the Company and their families.

The Annual action plan for selection and implementation of the CSR projects covering one or more of the above list of activities will be formulated by the CSR Committee and approved Board of directions from time to time.

Funding & Allocation:

For achieving its CSR objectives, ERFL shall allocate such amount of its average Net Profits as may be approved by the Board of Directors, as its Annual CSR Budget in each Financial Year.

Allocation of the Annual Budget for CSR activities in any given year shall be as per the provisions of the Companies Act, 2013 and rules made thereof as amended from time to time. Any unspent/unutilized CSR allocation of a particular year for ongoing projects will be transferred to “unspent CSR account” within 30 days of the end of the financial year and utilized for the ongoing projects within a period of 3 years.

It is clarified that, the surplus arising out of CSR projects or activities shall not form part of the business profit of the Company and be ploughed back to the CSR project.

Implementation:

CSR programmes of ERFL may be undertaken by ERFL directly or by the EdelGive Foundation, a subsidiary company, as may be decided by the CSR Committee and the Board of Directors of the Company.

EdelGive Foundation (EdelGive) is the strategic philanthropic arm of the Edelweiss Group and was registered as a charitable company under Section 25 of the Companies Act, 1956. It has been established to drive large-scale sustainable change in the social sector.

EdelGive seeks to build a strong and high impact social sector for a better India by leveraging the capacity and capital of the for-profit world to equip and enable the social sector to achieve the greatest impact on the lives of the poor.

EdelGive makes efficient investments in nonprofits through grant funding. Each investment involves intensive due diligence along with efficient monitoring and evaluation processes. EdelGive works closely with select NGOs to effectively tackle organizational development challenges and as such, utilizes the expertise and skills of Edelweiss Group employees to provide solutions to investee NGOs in the areas of strategic planning, financial sustainability, human resources and technology.

EdelGive Engagement:

EdelGive Foundation shall utilize the funds received from ERFL towards projects undertaken in compliance with this CSR policy. Each project shall be adopted after clearly defining the objectives, activities, key performance indicators, monitoring and evaluating tools, and impact measurement techniques to be used.

EdelGive Foundation shall periodically report to the CSR Committee, details of projects undertaken by it in compliance with Section 135 of the Companies Act, 2013.

The EdelGive Approach:

Grants are used towards both the financial and non-financial needs of the NGO partners that EdelGive work with and support. Apart from adding capacity and scale, grants are used towards building the operating capabilities of this special cohort of NGOs. EdelGive follows four approaches to grant making:

1. EdelGive grants – EdelGive individually funds organisations and their programmes
2. Co-funding – Large funders, foundations and individuals join EdelGive in making grants
3. Pooled funding – EdelGive builds structured and transparent collaborative models for pooled funding
4. Advisory – EdelGive provides strategic counsel to organisations on grant-making

Current sectors of Focus of EdelGive Foundation:

- **Access to Quality Education:** The Foundation is focused to go beyond literacy and enrolment and work on projects seeking to improve the public delivery system, particularly with respect to learning outcomes and competencies and shifts in attitudes and aspirations. The projects shall have high level of involvement with stakeholders and shall include life skills education that is crucial for vulnerable groups in deprived communities.
- **Building Resilient Livelihoods:** EdelGive seeks to enhance income levels and employability through models that aim to reduce the social and economic vulnerability of rural communities. This involves creating and enhancing sustainable livelihood opportunities in the area by harnessing the right resources as well as providing financial inclusion services to rural communities.
- **Social and Economic Empowerment of Women:** EdelGive supports women-centric programmes that are designed to empower both adolescent girls and women through education and livelihood initiatives.

Monitoring:

- i. To ensure effective implementation of the CSR programmes undertaken by EdelGive, a monitoring mechanism will be put in place.
- ii. The progress of CSR programmes undertaken will be reported by EdelGive to CSR Committee on a quarterly basis and the CSR Committee shall review the progress of activities.

- iii. ERFL shall enter into an agreement with EdelGive for the arrangement of undertaking CSR activities on its behalf.
- iv. CSR initiatives of the Company will also be reported in the Annual Report of the Company.

Impact Assessment

Impact assessment, when applicable as per the statutory regulations, will be carried out by an independent agency selected by the CSR committee.

Miscellaneous:

In case of any doubt with regard to any provision(s) of the policy, a reference can be made to CSR Committee of Board of Directors. In all such matters, the interpretation & decision of the CSR committee of the Board of Directors shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Government, from time to time.

The Board may review the policy from time to time and make suitable modifications, as may be necessary.