



INCRD FINANCIAL SERVICES LIMITED (“InCred / The Company”)

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) covers the entire process by which an organization approaches, defines and develops its relationships with stakeholders for the common good and demonstrates its commitment in this regard by adoption of appropriate strategies and projects. Thus, CSR is not charity or mere donations but a way of going beyond business as usual, creating shared value and contributing to social and environmental good.

Purpose

InCred is committed to identifying and supporting programs aimed at:

- Developing and advancing the community and in particular those at the bottom of the pyramid who are unequally enabled
- Reducing any negative impact on the environment
- Supporting Education and Health

This policy serves as a guiding document to help identify, execute and monitor CSR Projects in keeping with the spirit of the policy.

The CSR Policy functions as a self- regulating mechanism for the Company’s CSR activities and enable adherence to laws, ethical standards, and international practices in this regard.

Policy Statement / Vision

The Company’s CSR mission is to contribute to the social and economic development of the community through a series of interventions.

The Company’s strategy is to integrate its activities in community development, social responsibility and environmental responsibility and encourage each business unit or function to include these considerations into its operations.

Definitions

The following terms shall have the following meanings ascribed to it:

- i. “Act” means Companies Act, 2013
- ii. “Board” means the Board of Directors of the Company
- iii. “Committee means the CSR Committee as constituted or reconstituted by the Board
- iv. “CSR” means Corporate Social Responsibility
- v. “CSR Rules” means Companies (Corporate Social Responsibility) Rules, 2014

Scope

This policy applies to all projects/programs undertaken as a part of the Company’s Corporate Social Responsibility activities and will be developed, reviewed and updated by reference to relevant codes of corporate governance and international standards or best practices. This policy is also in line with the Section 135 of Companies Act, 2013, CSR Rules, and Schedule VII of Companies Act, 2013.

Governance

Overall governance of CSR is the responsibility of the CSR Committee of the Board. The Designated person of the Company will be responsible for administering and executing the policy.

CSR Committee

The Company has constituted a CSR Committee of the Board as per the requirements under the Companies Act, 2013. The Committee shall meet atleast twice in a year.

The following shall be the terms of reference of the Committee:

- To formulate the Company's CSR strategy, policy and goals and to review and update them from time to time as the Company's activities evolve further.
- To recommend the amount of expenditure to be incurred on the activities
- To monitor the Company's CSR policy and performance
- To review the CSR project/initiatives from time to time
- To ensure legal and regulatory compliance from a CSR view point.
- To ensure reporting and to stakeholders on the Companies CSR projects/initiatives.

CSR Budget

The overall amount to be committed to CSR will be approved by the Board as a part of the Company's overall Annual Budget / Plan. Within the budgeted amount, specific CSR initiatives/projects will be approved in line with the process approved by the CSR Committee of the Board. All projects undertaken by the Company will be approved / ratified by the Company's CSR Committee.

Supervision

The Company's CSR activities are driven by the personnel identified for the purpose and designated as such under the guidance and support of the Committee members. The CSR Committee and the designated person will play a significant role in ensuring that the CSR Policy is embedded across the Company's operations and CSR projects are in line with the policy.

Implementation

The Company will undertake CSR projects which are closely linked with the principles of sustainable development and shared value, with the involvement of local institutions and the company at large. The designated person would assist in implementation and monitoring of the CSR projects/initiatives. The actual implementation of various initiatives will be broad- based with the involvement of various employees /units of the Company or through implementing agencies like NGO'S, Trusts, Societies or through collaborative projects with other corporates. In case of the implementing agency being a "not for profit" organization, the entity should typically have not less than three years of experience in implementing projects in the respective area. The implementation partner will also be screened based on the Company's internal screening criteria to ascertain the entity's credibility and its ability to execute the proposed projects.

Disbursement

The disbursement of funds will be paid depending on the nature and requirement of the project. The terms, conditions and timing of disbursement will be discussed and agreed to with the CSR Committee, the designated person and project teams, and will typically form part of the Memorandum of Understanding with the entity implementing the project.

Monitoring

The CSR Committee will ensure a transparent monitoring mechanism for ensuring effective implementation of the projects/programs/activities proposed to be undertaken by the Company. The Designated person would have the responsibility of monitoring approved projects and funds disbursements for such projects. Monitoring mechanism will include visits, meetings and progress/status reporting by the project teams. The Company's CSR activities will be reviewed by the CSR Committee. A system will be put in place to maintain a transparent monitoring and reporting mechanism across all the stakeholders involved in the CSR activities of the Company.

Reporting

The CSR team of the Company shall report to the CSR Committee on the various ongoing projects and the budget outstanding on a periodic basis.

The Directors' Report under section 134(3) of the Act shall disclose details as prescribed under the CSR Rules.

CSR Programs/Projects

The Company is highly supportive of the involvement of its employees in its CSR initiatives and in community activities/ charities of their choice and will therefore proactively engage with employees and other key stakeholders to solicit their active involvement in the Company's CSR programs.

In order to provide a focused and structured approach to the program, the Company will focus its support and CSR spends on specific pre-determined causes and areas of intervention as outlined in the Annexure to the policy.

The Designated CSR Officer for CSR would put up to the Committee appropriate details of proposed projects including implementation year, modalities of execution in the areas / sectors chosen, implementation schedules for the same etc.

The CSR Committee will consider and approve (in line with the guidelines given below), CSR projects/ programs to be undertaken during the year -

- a. The Company will ensure that its CSR projects are non-discriminatory in nature and do not have any restrictive political or religious affiliations.
- b. The programs/ projects will be within the areas recommended/ listed by the CSR Committee and mentioned in the Policy.
- c. The programs/ projects will be beyond business as usual.
- d. The programs/ projects will be implemented within the country and preferably in areas where the Company has its presence.
- e. The Company will actively consider Programs/ Projects that have been identified by employees and also those where employees are directly involved through volunteering efforts.
- f. Programs/Projects that integrate business models with social and environmental priorities and processes in order to create shared value will be encouraged.
- g. The Company will consider Programs/Projects closely linked with the principles of sustainable development.
- h. Programs/Projects should not be exclusively for the benefit of employee of the company or their family members or those that are conducted / undertaken exclusively in pursuance of the normal course of business.



- i. Any surplus generated out of the CSR activities of the Company, will be ploughed back to the CSR initiatives of the Company and shall in no case form a part of business profits of the Company.

POLICY REVIEW

The CSR Committee may amend the Policy as may be required to ascertain its appropriateness as per the needs of the Company.

Any other regulatory changes in this regard will stand updated in the policy from time to time



AREAS OF CSR INTERVENTION **(Annexure1)**

Enumerated below are the areas under which the Company will implement its CSR Projects. This will be reviewed from time to time by the CSR Committee of the Board and specific initiatives under these will be undertaken in line with the CSR policy to meet the overall objectives of these interventions.

1. Promoting Education

Category: Companies Act - 2013, Schedule VII (ii) Promoting Education

Education is one of the building blocks of any nation. With the aim of having 'every child in school and learning' the Company's interventions will aim at mainstreaming children and improving the quality of education they receive. A multitude of interventions such as educational sponsorships to students belonging to economically/ socially/ physically challenged categories, supporting the infrastructure or running cost of reading programs, libraries, supportive classes, Computers, science laboratories, etc. will be undertaken to create a conducive learning environment and to promote learning.

Within the scope of education, programs aimed at bridging the skill gap in particular in the financial services sector and transforming candidates into job ready professionals will also be covered.

2. Promoting Public Health

Category: Companies Act - 2013, Schedule VII (i) Promoting Preventive Healthcare

The Company believes that a good public health is the key to sustained livelihood options. The company will support public health projects such as provision of primary health centers, medical camps, amenities in public areas.

3. Environmental Sustainability

Category: Companies Act - 2013, Schedule VII (iv) Ensuring Environmental Sustainability, Conservation of Natural Resources and maintaining the quality of soil.

The company will initiate projects implemented directly or through consultant partners and introduce environment friendly practices. Social Communication will be used as an effective tool in influencing behavior and creating a sustainable environment for the community.

4. Eradicating Poverty

Category: Companies Act - 2013, Schedule VII (i) Eradicating Poverty, Hunger and Malnutrition

The Company recognizes the need to reach out to those at the bottom of the pyramid by providing them with need-based assistance. The Company will also encourage employees to continue to contribute to society by undertaking projects in their respective areas.

The Company aims to support its employee's endeavor to become responsible citizens and support their charitable causes. Employee's may choose a charity of their choice and donate time or money to causes close to their heart. The Company will match the contribution (or money equivalent to time) to support and encourage the employees. The donations could be in the form of money, materials or time to support education, orphanages, old age homes, hospitals, assisted living, medical care to poor, disadvantaged, elderly etc.