



**SPANDANA SPHOORTY FINANCIAL LIMITED (“SSFL”)  
CORPORATE SOCIAL RESPONSIBILITY POLICY  
 (“CSR POLICY”)**

**Date of Implementation: December 29, 2014**

**Date of Modification: October 14, 2022**

## **PREAMBLE:**

In line with the Company's mission to be the leading Micro Finance Institution by offering a range of financial products and services to low-income households and individuals to improve their quality of life, SSFL CSR Policy (or Program) is committed to community development. The underlying goal of all its interventions is to transform the lives of communities through a result oriented, participatory approach. The efforts are directed towards achieving inclusive growth, to reach out to the vulnerable communities and help them build a better future.

## **CSR Mission**

SSFL CSR Mission is to work with communities under 7 Focus areas including (i) Skill development & Livelihoods (ii) Education (iii) Health and Hygiene (iv) Financial and Digital literacy (v) Water (vi) Promoting clean energy (vii) Disaster Response.

## **CORE VALUES:**

Following are the core values of the Company. It is known as TRICS:

1. **Transparency:** Maintaining simplicity and clarity in all activities and operations, so that high standards of fairness can be established in all the dealings.
2. **Responsiveness:** Constantly working to identify the changing needs of clients and potential clients and developing suitable products and services to address these needs so as to continue as a dominant player in the microfinance industry.
3. **Integrity:** Maintaining high standards of conduct, truthfulness and honesty in all dealings, in order to honor the commitment made to the clients in particular and all stakeholders in general.
4. **Commitment:** Performing all activities and tasks with professionalism and enthusiasm in order to give the highest level of client satisfaction at optimal efficiency.
5. **Team Spirit:** Working together to create synergy that results in accelerated growth.

## **ROLES AND RESPONSIBILITIES OF THE BOARD:**

The Board of Directors will play an important role in driving the CSR initiatives of the Company. The Board shall have the following roles and responsibilities:

- Constitution of CSR Committee.
- Approving the CSR Policy as formulated & recommended by the CSR Committee.

- Approve the budget / annual action plan for CSR activities every year and allocation thereof to various projects.
- Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR programs/ projects.
- Publishing in its Annual Report an annual report on CSR containing particulars as specified in the Companies Act, 2013 (“Act”) and ensure annual reporting of its CSR activities on the Company website and elsewhere as appropriate.
- Ensuring that it specifies the reasons in its report for not spending the allocated amount in case the Company fails to spend such amount.
- Identifying the ongoing CSR projects and approving allocating the CSR spend for such ongoing CSR Projects.
- Ensuring that the Company transfers the unspent CSR amount to a special account to be opened by the Company in any scheduled bank to be called the unspent CSR account within 30 days from the end of the financial year, for the identified ongoing CSR projects.
- Ensuring that the Company transfers the unspent CSR amount to any fund specified in Schedule VII of the Companies Act within a period of six months of the expiry of the financial year, in case there are no ongoing projects being identified in any financial year.
- Monitoring the implementation of the ongoing CSR projects with reference to the approved timelines and year-wise allocation and make modifications, if any, for smooth implementation of such projects within the overall permissible time period in accordance with the Act.

### **CONSTITUTION OF CSR COMMITTEE:**

In compliance with section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended, the Company shall constitute the CSR Committee with comprising of at least 3 Directors out of which one director shall be an Independent Director.

### **SECRETARY:**

The Company Secretary shall be the secretary of CSR Committee.

### **QUORUM:**

The quorum for the meeting of the Committee shall be one-third of the total members of the Committee or two whichever is higher.

### **MEETINGS:**

The Committee shall meet as decided by the Chairperson of the Committee but at least two meeting in a year. However, the gap between two meetings shall not be more than 180 days.

## **ROLE AND RESPONSIBILITIES OF CSR COMMITTEE:**

As per sub section (3) of section 135 of the Act, the duty of the Committee shall be as follows:

- Formulate and recommend to the Board, an annual action plan in pursuance of the CSR Policy, which includes the following.
  - (a) the list of CSR projects or programs that are proposed to be undertaken in areas or subjects specified in Schedule VII of the Act.
  - (b) the manner of execution of such projects or programs.
  - (c) the modalities of utilization of funds and implementation schedules for the projects or programs.
  - (d) monitoring and reporting mechanism for the projects or programs; and
  - (e) details of need and impact assessment, if any, for the projects undertaken by the Company
  - (f) Recommend the modification to annual action plan, if any, to the Board during the financial year
  - (e) Recommend the amount of expenditure to be incurred on such activities.
  - (f) Review the periodical progress in implementing the CSR initiatives and ensure completion as per plan.
  - (g) Assess the impact of the CSR initiatives of the Company including appointment of independent firm/agency to conduct the impact assessment.
  - (h) Identify the ongoing CSR projects and recommend to the Board the CSR spend for such ongoing CSR Projects.
  - (i) Review the periodical progress in implementing the initiatives of ongoing CSR Projects and recommend modifications, if any, to the Board during the financial year for smooth implementation of such projects.

## **CSR BUDGET:**

The Board of Directors shall allocate in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years as prescribed under the Act, in pursuance of its CSR Policy.

## **AREA OF CSR ACTIVITIES:**

The Company shall give preference to the local areas and areas around which it operates, for spending the amount earmarked for CSR.

The CSR Programs shall be in alignment with schedule-VII of the Act as mentioned below:

Reference Sr. No. Of Schedule VII	Schedule details
(I)	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water
(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 centers 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
(x)	Rural development projects
(Xii)	Disaster management, including relief, rehabilitation and reconstruction activities

The Company may also take up any other activities enumerated in the Schedule VII of the Act from time to time subject to approval of the CSR Committee.

#### **MODE OF IMPLEMENTATION:**

The Company shall implement the identified activities in any of the following modes:

1. Jointly with any NGO, Trust, Section 8 Company involved in similar initiatives.
2. Donating to any NGO, Trust, Section 8 Company for identified projects.
3. Directly by the employees of the Company and/or its Subsidiary Companies.



**GENERAL:**

The company will make necessary efforts to adopt the ESG guidelines in line with business.

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