



**CORPORATE SOCIAL RESPONSIBILITY
POLICY OF
HDFC PENSION FUND
MANAGEMENT LIMITED**

(FORMERLY KNOWN AS HDFC PENSION MANAGEMENT
COMPANY LIMITED)



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CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. Preamble

The Corporate Social Responsibility Policy (hereafter referred to as 'Policy') of HDFC Pension Fund Management Ltd is designed in consonance with Section 135 of The Companies Act, 2013 (hereafter referred to as 'Act') to lay down the guidelines for undertaking CSR initiatives at HDFC Pension in accordance with the Companies (Corporate Social Responsibility Policy), Rules, 2014 (hereafter referred to as 'Rules')

This Policy lays down the guiding principles or rules that shall apply to all CSR programs/projects to be undertaken by the Company, as per Schedule VII of the Act, within the geographical limit of the Republic of India.

2. Vision Statement

HDFC Pension's business philosophy highlights the theme of self-respect and independence. HDFC Pension shall undertake CSR activities with the basic aim of contributing towards easing of distress and aiding in the advancement of society, while engaging with stakeholders; thereby becoming a socially responsible corporate citizen. The vision statement of HDFC Pension's with regard to its CSR activities is as follows:

- i. The Company aspires to be a responsible Corporate Citizen by contributing to nation building through CSR projects/ programmes, in true letter and spirit, as enshrined in the Act.
- ii. The Policy, which has been made in alignment with the vision and values of the Company, lays down guidelines and mechanisms to be adopted by the Company in order to carry out CSR projects/programmes.
- iii. All CSR interventions will be conceived and implemented through a focused approach towards target beneficiaries for generating maximum impact.
- iv. CSR initiatives of the Company will be carried out in partnership with credible implementing agencies and directly through projects executed by project management teams.

3. Objectives of the Policy

1. To define HDFC Pension's framework for CSR.
2. To constitute functions of the Board and CSR operations that will ensure compliance to Section 135 of the Act and oversee implementation of CSR Policy and interventions.
3. To lay down the guidelines & mechanism to carry out CSR projects/ programmes by HDFC Pension and to report the impact and outcome in the reporting format prescribed by the Rules in the Act.
4. To undertake CSR activities as projects/ programmes with specific timelines, implementation and monitoring mechanism.

This Policy is applicable with immediate effect to HDFC Pension.

4. Principles of HDFC Pension's Approach to CSR

At HDFC Pension, we see CSR as the commitment of our businesses to manage and improve the economic, environmental and social implications of our activities at the local, regional and national levels by undertaking various projects.

1. Employee Engagement

There shall be active participation from employees of HDFC Pension in the CSR interventions. Employees shall contribute their time and skills to the initiatives, thereby adding immense value.

2. Focused Beneficiary

Each of HDFC Pension's CSR interventions would be conceived and implemented with a focused approach towards a target beneficiary to achieve maximum impact. Although impact may be felt by more than one beneficiary group, impact measurement would be in terms of assessing the difference made to the intended beneficiaries.

3. Collaboration

1. In order to leverage expertise, build cohesion and achieve greater impact through the activities undertaken, the CSR initiatives of HDFC Pension shall be carried out in collaboration with credible third parties such as NGOs, corporate organizations with aligned interests, incubation centers and other implementing agencies eligible to be appointed as implementation agencies in accordance with the Rules and in particular:

- a. Company established under section 8 of Indian Companies Act 2013, or registered public trust, or registered society (registered under section 12-A and 80-G of the (Indian) Income Tax Act 1961, being established by HDFC Pension, either singly or along with any other company;
 - b. Company established under section 8 of Indian Companies Act 2013, or registered trust, or registered society, being established by (Indian) Central Government or (Indian) State Government;
 - c. Company established under section 8 of Indian Companies Act 2013, or registered public trust, or registered society (registered under section 12-A and 80-G of the (Indian) Income Tax Act 1961, and having an established track record of at least three years in undertaking similar activities; or
 - d. Any entity established under an act of (Indian) Parliament or a (Indian) State Legislature; and in each of the above cases, the institutions having a Unique CSR Registration Number.
- (i) HDFC Pension shall conduct due diligence prior to selection of an entity as its implementation agency, to *inter alia* verify the credentials and ensure that the proposed implementation agency is eligible to be appointed as such.

- (ii) HDFC Pension shall ensure to obtain financial utilization certified by the statutory auditor or independent chartered accountant of the implementing agency at the end of the financial year to ascertain and satisfy itself of the utilization of CSR funds.

4. Linkage to Domain Expertise

HDFC Pension believes in sharing knowledge and domain expertise by integrating business models with social and environmental priorities and processes. HDFC Pension hopes to achieve the same through CSR activities by designing initiatives, the implementation and impact of which shall be linked to its domain expertise.

The CSR activities may be undertaken by the Company as per this Policy as projects, programmes, or activities (either new or ongoing).

5. CSR Framework of HDFC Pension

1. HDFC Pension may undertake CSR activities in any of the following areas, which are in line with Schedule VII of Companies Act, 2013:
 - a. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
 - b. Promoting education, including special education and employment enhancing vocational skills among children, women, elderly, and the differently abled and livelihood enhancement projects;
 - c. 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;
 - d. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, 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;
 - e. 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 arts and handicrafts;
 - f. Measures for the benefit of armed forces veterans, war widows and their dependents;
 - g. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

- h. Contribution to Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund or any other fund set up by Central Government for socio economic development and relief and welfare of the Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women;
 - i. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
 - j. Rural development projects;
 - k. Slum area development
Explanation - For the purpose of this item, the item 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under law for the time being in force;
 - l. The training of Indian sports personnel representing any State or Union territory at national level or India at international level, undertaken outside the geographical limit of the Republic of India;
 - m. Disaster management including relief, rehabilitation and reconstruction activities; and
 - n. Any other project as may be specified under Schedule VII of the Companies Act, 2013, from time to time.
2. HDFC Pension shall give preference to the local areas and the areas around it where it operates for undertaking its CSR activities.

6. CSR Budget

1. The Company will ensure that in each Financial Year (FY), at least two per cent of the average net profit (calculated as per Section 198 of the Act) made during the immediately preceding FYs, is spent on CSR projects / programmes

subject to regulatory requirements as applicable from time to time. The Chief Financial Officer shall certify to the utilization and manner of utilization of the funds disbursed by HDFC Pension for the purposes of CSR.

2. If the amount indicated above is not spent in entirety in that FY, the reasons thereof will be outlined as per Section 134 (3) (o) of the Act read with the Rules and the said unspent amounts shall be dealt with in accordance with the provisions of section 135(5) or s. 135(6) of the Act.
3. In line with the CSR legal framework,
 - a. In case the unspent amount pertains to an ongoing project, such amount shall be transferred to the Unspent CSR Account of HDFC Pension within 30 (thirty) days from the end of the financial year, further such amount remaining unspent for a period of 3 (three) years, shall be transferred to the funds specific in Schedule VII within 30 (thirty) days from the end of the third financial year, and
 - b. In case the unspent amount does not pertain to an ongoing project, such amount shall be transferred to the funds specific in Schedule VII within 6 (six) months from the end of the financial year.
4. Projects/programmes will be identified and budgets allocated through a process, incorporating identification of suitable implementation agencies, need assessment (where required) and clear outlining of desired outcomes.
5. HDFC Pension shall ensure that the administrative overheads shall not exceed 5% (five percent) of the total CSR expenditure of HDFC Pension for the financial year. Further, the expenditure for impact assessment, where impact assessment is mandatory, shall not exceed 2%(two percent) of the total CSR expenditure or INR 50,00,000 (Indian Rupees Fifty lakhs), whichever is higher, for the financial year in which such impact assessment is undertaken.
6. If the Company makes any surplus or profit from pursuing its CSR projects / programmes, including interest accrued from the amount transferred to the Unspent CSR Account of HDFC Pension, these will not form part of the business profit (but instead will be carried forward to the following year / (s) as part of either the CSR corpus or as an additional fund to the following year's CSR budget).
7. When undertaking a CSR project in collaboration with other companies, institutions,HDFC Pension will ensure that it is in a position to report separately on such projects or programmes independent of the collaborating companies andwill report onits share of CSR expenditure only.

7. Governance Mechanism

1. HDFC Pension has constituted a robust governance mechanism to oversee the implementation of its CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013 and the Rules.
2. The governance for the CSR interventions of HDFC Pension will be led by the Board of Directors, Internal CSR Management Committee.
3. The Board of Directors, and the internal team shall be responsible for executing the CSR Projects as per HDFC Pension's CSR Policy.
4. The Board of Directors of HDFC Pension shall operate through the three pillars of trusteeship – viz. appropriate accounting; transparent disclosures and reporting and internal and external controls through the CSR Management Committee, Chief Financial Officer and the auditors of the implementation agencies as well as auditors of HDFC Pension. The Board of Directors of HDFC Pension shall *inter alia*:
 - i. After taking into account the recommendations made by the CSR Management Committee, the Board of Directors of HDFC Pension, approve the CSR policy.
 - ii. Publish CSR policy, and projects approved by the board on the website of the company of HDFC Pension.
 - iii. Ensure that the CSR activity undertaken by the company is included in the CSR policy.
 - iv. Ensure that CSR activities undertaken by the company do not contravene prevailing laws of the land including Cigarettes and Other Tobacco Products Act, 2003.
 - v. Ensure that HDFC Pension spends, in every financial year, the prescribed CSR contributions as per the provision of Section 135 of the Companies Act, 2013.
 - vi. Satisfy that the funds disbursed have been utilised for the purposes and in the manner as approved by it, and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
 - vii. Provide reasonable justification in case project initially not approved as multi-year is extended beyond 1 (one) year.
 - viii. Monitor implementation of the project with reference to the approved timelines and year-wise allocation, and make modifications, if any required, for smooth implementation of the project within the overall permissible time period.
 - ix. Approve the annual action plan during the financial year, as per recommendation of the CSR Management Committee team, based on reasonable justification.
 - x. Assess the efficacy of the annual action plan and consider and approve any revisions to the annual action plan based on the recommendations of the CSR Management Committee Team.
 - xi. Ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
 - xii. Ensure appropriate reporting of the CSR activities by inclusion of annual report on CSR and impact assessment reports, if any, when such assessment is undertaken by HDFC Pension.

The CSR Management Committee shall be responsible for *inter alia* the following activities:

- a. Formulate, review, revise and recommend the CSR Policy to the Board of Directors for approval and adoption
- b. Formulating and recommending CSR projects / programs to the Board of Directors;
- c. Recommend to the Board of Directors, the amount of CSR expenditure for each of the CSR projects/programs;
- d. Monitor the implementation of CSR activities and report the observations to the Board of Directors for noting and seeking guidance for improvements, suggestions and counsel for implementation of the CSR Policy; and
- e. Formulate annual action plan in pursuance of the CSR policy in accordance with the applicable law, and inclusive of the following items:
 - i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - ii. the manner of execution of such projects or programmes;
 - iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - iv. monitoring and reporting mechanism for the projects or programmes; and
 - v. details of need and impact assessment, if any, for the projects undertaken by HDFC Pension.

Functions of the CSR Management Committee:

- a. Considering and recommending to the Board of Directors variances, if any, in payouts to CSR projects / programs up to a limit of Rs.25 lakhs per project,
 - b. The Internal CSR team, subject to post facto approved by Board of Directors, approve variances in payouts to the CSR projects up to an amount of Rs.25lakhs per project.
 - c. Undertaking diligence on the proposed CSR implementation agency and report to the Board of Directors
 - d. Suggesting and scouting CSR activities that may be undertaken by HDFC Pension from time to time.
 - e. Overlook and supervise monitoring and evaluation of CSR projects, and report the updates to Board of Directors, which may undertake further scrutiny as it deems fit.
5. Projects approved by the Internal execution team post through due diligence will be ratified by the Board of Directors in the subsequent meeting, and further recommended to the Board for its approval.

8. Monitoring & Evaluation

1. The CSR Management Committee team, comprising of an in-house team of experts, reporting to the Board of Directors, will play a critical role in routine monitoring and analysis of the CSR project through various steps including impact assessment, progress of the project vis-à-vis the prescribed timelines / budget etc. The monitoring mechanism may include visits, meetings, and progress / status reports.
2. A comprehensive monitoring mechanism will be devised by the company to ensure that the CSR process functions as mandated by the Act and the Rules, ensuring that all projects/programmes, as budgeted and scoped, are duly implemented.

3. The CSR Management Committee team shall report and update to the Board of Directors twice a year. The team may visit the CSR project and carry out inspections from time to time for purposes of monitoring and evaluating the CSR project(s).

9. Impact Assessment

1. In order to assess the impact of its CSR projects and programmes, the company shall institute appropriate mechanisms to maximize outcomes and build-in sustainability, scalability and replicability of the projects.
2. In the instance, the average CSR obligation of HDFC Pension in the three immediately preceding financial years is Rs.10 crores or more, it shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of Rs.1 crore or more, and which have been completed not less than one year before undertaking the impact study.

10. Reporting

1. The company shall follow and comply with the requirements for disclosure of the CSR Policy, and CSR projects approved by the Board on the website of the company.
2. Further, the Board shall disclose the composition of the Board of Directors and the CSR activities in the Board's Report, in the manner prescribed in the Rules.

11. Policy Review

The Policy shall be subject to review by the Board on an Annual basis or as per the requirement, including change in law.

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Ver. Rev	Date	Author	Approved By	Description
1.0	April 16, 2025	Mr. Ganesh Ithape	Board of Directors in the Board Meeting held on April 16, 2025.	Baseline Version

REVISION HISTORY