

Mahindra & Mahindra Financial Services Limited Corporate Social Responsibility (CSR) Policy

At Mahindra & Mahindra Financial Services Limited (MMFSL or 'the Company') we sincerely believe that the actions of the organization and its community are highly inter-dependent. Both on its own and as part of the Mahindra Group, through constant and collaborative interactions with our external stakeholders, **MMFSL** strives to become an asset in the communities where it operates.

As our **Corporate Social Responsibility (CSR)** we actively implement Projects and initiatives for the betterment of society, communities, and the environment.

Scope and Applicability:

This policy shall be applicable to all CSR initiatives and activities undertaken by all the employees of MMFSL for the benefit of different segments of the society.

Mission:

Driving positive impact in communities.

Objective of CSR Policy:

The objective of this policy is to continuously and consistently:

1. Generate goodwill in communities where MMFSL operates or are likely to operate;
2. Initiate projects that benefit communities;
3. Encourage an increased commitment from employees towards CSR activities and volunteering.

Resources

Structure



The **Corporate Social Responsibility Committee ('CSR Committee' Board level)** is responsible to formulate and recommend to the Board the CSR Policy indicating the activities falling within the purview of Schedule VII to the Companies Act, 2013, to be undertaken by the Company, to recommend the amount to be spent on CSR activities presented by the Financial Services Sector CSR Council ('FSS CSR Council') and to monitor the CSR Policy periodically. The FSS CSR Council will be supported by the CSR Secretariat at Head Office made up of cross-functional team (CFT), Zonal CSR Secretariat at the zones and the Regional CSR Secretariat at regions, for implementation of the approved projects.

The CSR Committee of the Board of Directors comprises of the following Members:

Mr. Dhananjay Mungale (Chairman) (Independent Director)	Ms. Rama Bijapurkar (Independent Director)
Mr. Ramesh Iyer (Vice- Chairman & Managing Director)	Mr. V. Ravi (Executive Director & Chief Financial Officer)

At present the following members are represented on the FSS CSR Council, Head Office CSR Secretariat, Zonal CSR Secretariat and Regional CSR Secretariat:

FSS CSR Council	
Mr. Anuj Mehra	Dr. Jaideep Devare
Mr. Atul Joshi	
Head-office CSR Secretariat	
Mr. Vinod Nair	Mr. Nikhil Save
Mr. Imtiyaz Isani	Ms. Shaily Singh
Mr. Vishal Bhanushali (Coordinator)	Additional Member (including subsidiaries)
Zonal CSR Secretariat	
Zonal Manager	Zonal Accountant
Zonal HR (Coordinator)	Additional Member (including subsidiaries)
Regional CSR Secretariat	
Regional Manager	Regional Accountant
Regional HR (Coordinator)	Additional Member (including subsidiaries)

Funding and Allocation:

For achieving the CSR objectives through implementation of meaningful and sustainable CSR Projects, the CSR Committee will allocate for its Annual CSR Budget, 2% of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with the relevant Sections of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company may spend upto 5% of the total CSR expenditure in one financial year on building CSR capabilities. The Company may also make contributions to its Corporate

Foundations/Trusts i.e. K. C. Mahindra Education Trust and Mahindra Foundation, towards its corpus for projects approved by the Board. The CSR Committee will approve the CSR budget annually on receiving the recommendations from FSS CSR Council.

Any unspent amount at the end of the financial year will be treated as per the provisions of the existing CSR Law.

Any surplus arising out of the CSR Projects or Programs or activities shall not form part of the business profit of the Company.

The Company has set up the Mahindra Finance CSR Foundation (incorporated on 2nd April, 2019) as a wholly-owned subsidiary company registered under Section 8 of the Companies Act, 2013 to promote and support CSR projects and activities of the Company and its subsidiary companies.

The Company will implement its CSR programs through the Mahindra Finance CSR Foundation.

Volunteering of employees from the organization

The Company will encourage and recognize its employees for volunteering with the spirit of serving and sharing with the community.

The Company shall endeavor to increase employee participation at all levels in the Organization, by encouraging employees to participate in the Company's CSR activities.

CSR Thrust Areas

The Company has identified CSR Thrust Areas for undertaking CSR Projects/ programs/ activities in India. The actual distribution of the expenditure among these thrust areas will depend upon the local needs as may be determined by the need identification studies or discussions with local government/ Grampanchayat/ NGOs. The Company shall give preference to the local area and areas around which the Company operates for CSR spending.

Thrust areas:

- Education
 - o Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Health
 - o Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.
- Environment
 - o 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.
- Others

- 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.
- 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.
- Measures for the benefit of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the central government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women.
- 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 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).
- Rural development projects.
- Disaster management, including relief, rehabilitation and reconstruction activities.
- Any other activity as defined in Schedule VII of the Companies Act, 2013, duly amended from time to time.

Implementation

1. The CSR Committee shall provide guidance on the allocation of the CSR budget among the thrust areas on an annual basis.
2. CSR Projects will be undertaken based on the recommendation of the CSR Committee to the best possible extent, within the defined Thrust Areas.
3. MMFSL's support to any project will depend on the scale of the project and feasibility of the project. The FSS CSR Council has a formal process of evaluating and approving CSR Projects. The FSS CSR Council will evaluate the project progress and impact quarterly.

Monitoring process of CSR activities

- To ensure effective implementation of the CSR activity at each location, a monitoring mechanism will be put in place by the FSS CSR Council.
- Annual CSR Calendar activities will be cleared/ signed off by FSS CSR Council.

- Any other donations will be cleared/ signed off by Managing Director / CFO.
- Regional CSR Secretariat and Zonal CSR Secretariat will submit project requests to HO CSR Secretariat and further necessary route will be followed.
- The CSR Committee will monitor and review on a quarterly basis the progress of CSR activities undertaken/ completed.
- All the CSR initiatives of the Company will form part of the Directors' Report and also be reported in the Sustainability Report of the Company.
- In order to ensure transparency and communication with all stakeholders, the FSS CSR Council and Secretariat will document the details of the Company's CSR initiatives and CSR expenditure and ensure that the same are available in the public domain i.e. the Annual Report and Website of the Company.

Criteria for identifying CSR projects:

While identifying the projects all efforts must be made to the extent possible to define the following:

- a. Project objectives.
- b. Baseline survey – It would give the basis on which the outcome of the Project would be measured.
- c. Implementation schedules- Timelines for milestones of the Project will need to be prescribed.
- d. Responsibilities and authorities.
- e. Major results expected and measurable outcome.

Criteria for identifying Non-Governmental Organizations (NGOs)

While identifying Projects we will also identify the external agency (NGO) who would execute the said Project. In case of Project execution by them the following minimum criteria need to be ensured:

- The NGO / Agency has a permanent office in India;
- The NGO is a registered society under Societies' Registration Act / Public Trust Act/ not-for-profit company under Section 8 of the Companies Act, 2013 (erstwhile Section 25 of the Companies Act, 1956);
- Possesses a valid Income-tax Exemption Certificate;
- The NGO has submitted a detailed project proposal and budget which has been approved by the FSS CSR Council.
- The NGO has an established track record of at least 3 years in carrying out the specific activity.

The Company may also collaborate with other companies to undertake CSR Projects or Programs, provided the CSR Committees of the respective companies are in a position to report separately on such projects or programs.

POLICY GUIDELINES

- All CSR Projects must be aligned as prescribed in Schedule VII of the Companies Act, 2013.
- CSR projects or programmes or activities must be undertaken in India alone.
- CSR activities must not include the activities undertaken in pursuance of normal course of business of the Company.
- Projects or programmes or activities that benefits only the employees of the Company and their families shall not considered as CSR.
- CSR activities should be in project/programme mode. One- off events such as marathons/awards/charitable contribution/advertisement/sponsorship of TV programmes etc. will not qualify as part of CSR expenditure.
- Contribution of any amount directly or indirectly to any political party shall not be considered as CSR.