

CIFCL BUSINESS RESPONSIBILITY POLICY

INTRODUCTION

Cholamandalam Investment and Finance Company Limited (**'the Company'**) is a Systemically Important Non Deposit taking Non Banking Finance Company (**'NBFC'**) registered with Reserve Bank of India. Incorporated in 1978, a constituent of the Murugappa Group, the Company is a comprehensive financial services provider that started its business as an equipment financing company and forayed into vehicle finance, home loans, home equity loans, SME loans and other financial services.

The Company's business is indisputably founded on its core values. It owns responsibilities for all its stakeholders alike – customers, shareholders, employees and the community – it aspires to create long term sustainable value for their betterment. Its motto is to enable its stakeholders “enter a better life”.

The Company and its employees are guided by the spirit of the Murugappa Group, “The Five Lights” each light representing one value of the Group, namely, Integrity, Passion, Quality, Respect and Responsibility.

The Company firmly believes in and follows the quote: “The fundamental principle of economic activity is that no man you transact with will lose; then you shall not.”

PURPOSE

Being a public listed company, the Company recognizes that its accountability is not limited only to its investors from a financial perspective but also to the larger society in which it operates. Hence, this Policy on Business Responsibility (**Policy**) lays down the broad principles guiding the Company in delivering its various responsibilities to its stakeholders. The Policy is intended to ensure that the Company adopts responsible business practices in the interest of the social set up and the environment so that it contributes beyond financial and operational performance.

SCOPE

The Policy is formulated in accordance with Regulation 34 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). This Policy also reiterates the Company's commitment to follow the principles laid down in the National Voluntary guidelines on Social, Environmental and Economic responsibilities of Business published by the Ministry of Corporate Affairs while conducting its business to the extent they are relevant.

AUTHORITY & RESPONSIBILITY

The Managing Director of the Company shall have the authority to oversee and implement this Policy. The Business Heads and functional heads are responsible for implementing the Business Responsibility initiatives stated in this Policy.

This policy may be reviewed and amended from time to time by the Managing Director in line with the changes in the regulatory requirements as well as changes in Company policies and all material changes may be placed before the Board for approval.

EFFECTIVE DATE

This Policy shall be implemented with immediate effect from the date of approval by the Board

KEY PRINCIPLES

The Company shall conduct its business practices/ activities in alignment with the following Key Principles which are broadly based on the Principles envisaged in the National Voluntary guidelines in the interest of social set up, environment and governance:

Principle 1: To conduct and govern themselves with Ethics, Transparency and Accountability

The Company is committed to developing governance structures, procedures and practices that ensure ethical conduct at all levels; and promoting the adoption of this principle across its value chain. Communication must be transparent and should assure access to information about its decisions that impact relevant stakeholders.

The Company should not engage in practices that are abusive, corrupt, or anti- competition and should truthfully discharge its responsibility on financial and other mandatory disclosures.

Due care should be taken to avoid complicity with the actions of any third party that violates any of the principles contained in these Guidelines

The Company is committed to the highest standards of corporate governance in all its activities and processes. The Company firmly believes in and follows the below quote:

“The fundamental principle of economic activity is that no man you transact with will lose; then you shall not.”

The above principle is enshrined in the various policies laid down by the Company from time

to time including in the Ethics policy, Code of Conduct for Prevention of Insider Trading, Fair practices code and the Code of Conduct that shall act as a guide and govern the employees.

Principle 2: To provide services that are safe and contribute to sustainability throughout their life cycle

The Company including each Business undertakes to assure safety and optimal resource use over the life-cycle of its products. Efforts will be made to ensure that everyone connected with it be it designers, producers, value chain members, customers and recyclers are made aware of their responsibilities.

Conscious efforts to raise the consumer's awareness of their rights through education, product labelling, appropriate and helpful marketing communication, full details of contents and composition as well as promotion of safe usage and disposal of its products and services will be made. In order to improve upon the process of new technology development, deployment and commercialization, incorporating social, ethical, and environmental considerations there will be regular reviews

The rights of people who may be owners of traditional knowledge, and other forms of intellectual property will be recognized and respected. Duly recognizing that over-consumption results in unsustainable exploitation of the planet's resources Businesses will promote sustainable consumption, including recycling of resources.

The Company being a NBFC is not engaged in a business concerning design of products/ services that could raise social concerns, economic risks and/or hazardous opportunities. The Company however continuously strives to reduce its own carbon footprints, influence the stakeholders to encourage them to reduce their footprints and engage with the employees to help reduce their personal foot prints through various digitization initiatives.

The Company shall at all times create consumer awareness about their rights as borrowers, terms and conditions of loans etc. through the loan application and other documents as required under the regulatory norms and Fair Practice Code as adopted by the Company.

While designing its products that largely pertain to loan customers, the Company shall give due regard to social, ethical and environmental considerations in its credit norms as also respect the rights of people who may be the owners of traditional knowledge and other forms of intellectual property.

The Company, at all times, strive to upgrade the work culture and take such initiatives that work towards the conservation of the surrounding environment.

Principle 3: To promote the well being of all employees

The Company will respect the right to freedom of association, participation, collective bargaining, and will provide access to appropriate grievance Redressal mechanisms. There should be equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation.

Businesses should not use child labour, forced labour or any form of involuntary labour, paid or unpaid. Further, the Company will ensure timely payment of fair living wages to meet basic needs and economic security of its employees. The Company will take cognizance of work-life balance of all its employees especially that of women and arrangements to provide appropriate facilities for the well-being of its employees including those with special needs will be made.

The Company will strive to keep the workplace environment safe, hygienic humane, upholding the dignity of the employees including conducting trainings and sending suitable communications on regular basis.

The Company will concentrate on continuous skill and competence upgrading of its employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis besides promoting employee morale and career development through human resource interventions.

Due systems and practices will be created to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities.

The above Principles shall be appropriately enshrined in the following policies put in place by the Company to ensure well being of its employees:

- Diversity and Vision policy
- Drive safely policy
- whistle blower policy
- Leave guidelines
- Emergency Loan policy
- Transfer policy
- Sexual harassment Policy
- Incident reporting Policy

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

The Businesses should acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, product & services and associated operations on the stakeholders and should resolve differences with stakeholders in a just, fair and equitable manner. The systems and process in place to systematically identify stakeholders and for understanding their concerns and for engaging with them will be reviewed from time to time. Special attention to stakeholders in areas that are underdeveloped may be given

The Company's Corporate Social Responsibility (CSR) policy that drives the initiatives undertaken by the Company towards the benefit of the disadvantaged, vulnerable and marginalized stakeholders shall ensure the above principles.

The Customer Grievance Redressal Policy of the Company and the feedback mechanism available for shareholders and customers to assess the services levels and other complaints shall follow the spirit laid down herein.

Principle 5: Businesses should respect and promote human rights

The Company appreciates that human rights are inherent, universal, indivisible and interdependent in nature. Conscious efforts to understand the human rights content of the Constitution of India, national laws and policies and the content of International Bill of Human Rights will be undertaken.

Care will be taken to integrate respect for human rights in management systems, wherever applicable, in particular through assessing and managing human rights impacts of operations. Access to Grievance redressal mechanisms set up for all individuals impacted by the business will be provided.

The Company will recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups and the business units within their sphere of influence, endeavor to promote the awareness and realization of human rights across their value chain and will not be complicit with human rights abuses by a third party.

The Company in its business of lending shall treat all customers with fairness and shall adhere to the Fair Practices Code and the Collections code of conduct laid down by the Company.

The Company will recognize and respect the human rights of all relevant stakeholders, including that of its customers, shareholders, investors, public at large.

The Company will strive to abide with the aforesaid principle and discourage violating practices by any third party to the extent possible.

Principle 6: Business should respect, protect, and make efforts to restore the environment

Being in financial services business, people is the most vital resource of the Company. The Company shall facilitate and adhere to the principle of respecting, protecting and restoring environment by responsible lending. The Company shall promote ecological sustainability and green initiatives by adopting energy saving mechanisms, sensitising employees to reduce carbon footprint of the Company.

The Company shall commit itself to take all necessary initiatives towards continued reduction in the utilisation of natural resources and also manmade resources. The Company shall proactively promote the same across the value chain by mandating compliance by various stakeholders.

The Company shall also persuade and encourage its customers mainly vehicle owners to reduce the carbon footprint.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

While pursuing policy advocacy, the Company will ensure that its advocacy position is consistent with the Principles and Core Elements contained in these Guidelines. To the extent possible, the trade and industry chambers and associations and other such collective platforms be utilized to undertake such policy advocacy.

As a corporate citizen, the Company shall operate within the democratic setup and constitutional framework.

The Company, being a NBFC as a part of various chambers and associations shall strive to make recommendations/ representations before regulators and associations for advancement and improvement of financial services industry in India.

The Company shall strive to perform the function of policy advocacy in a transparent and responsible manner while engaging with all the authorities and will take into account the Company's as well as the larger national interest.

Principle 8: Businesses should support inclusive growth and equitable development

Every business should understand the impact of its operations on social and economic development take appropriate action to minimise negative impact, if any. They should innovate and invest in products, technologies and processes that promote the well-being of society.

Businesses operating in regions which are underdeveloped should be especially sensitive to local concerns.

The Company has always been known for its tradition of philanthropy and community service long before it was even mandated under the Companies Act, 2013. The Company shall continue with its philosophy to reach out to the community by supporting service-oriented philanthropic institutions in the field of education and healthcare as the core focus areas. The Company shall be guided by its Corporate Social Responsibility Policy for inclusive growth and equitable development.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

The overall well-being of the customers and that of society must be taken into account while serving the needs of customers. Businesses must refrain from restricting the freedom of choice or free competition while designing, promoting and selling their products.

Care should be taken that all requisite information will be truthfully and factually, disclosed through labelling or other means, including wherever required, the risks to the individual, to society and to the planet from the use of the products, so that the customers can exercise their freedom to consume in a responsible manner. Where required, businesses should also educate their customers on the safe and responsible usage of their products and services.

Businesses should promote and advertise their products in ways that do not mislead or confuse the consumers or violate any of the principles in these Guidelines

Businesses should exercise due care and caution while providing goods and services that result in over exploitation of natural resources or lead to excessive conspicuous consumption.

There should be adequate grievance handling mechanisms to address customer concerns and feedback.



The Company through the Customer Grievance Redressal Policy and the Stakeholder Servicing Policy that have been laid down shall provide a facility to its customers and shareholders, respectively, to record their grievances/ feedback. Senior personnel has been deputed as Grievance Redressal Officer to ensure redressal of grievances within the prescribed turnaround times. The Company also has a grievance redressal mechanism in place under the Fair Practices Code.

The Company shall ensure that the promotion and advertisement of its products do not mislead or confuse the customers and other stakeholders or in any way violate the principles of this Policy.
