



**IIFL** WEALTH & ASSET  
MANAGEMENT

# CSR Policy For IIFL Wealth Management Group

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## **Nomenclature:**

For the purpose of the CSR Policy, the following nomenclature will apply.

### **IIFL Wealth & Asset Management Group of Companies:**

This terminology collectively refers to all the companies that constitute the entire IIFL Wealth & Asset Management group, that fall under the apex holding company - IIFL Wealth Management Limited.

### **IIFLWAM:**

This terminology collectively refers to IIFL Wealth Management Limited and each of its subsidiaries that falls under the ambit of the Section 135 of the Companies Act 2013.

## 1. Preamble

IIFLWAM recognizes the importance of contributing to sustainable social transformation. IIFLWAM's CSR (Corporate Social Responsibility) projects are aligned to the focus of the business, and thereby help IIFLWAM carve out a reputation for being one of the most committed and responsible companies in the industry.

## 2. Purpose

The CSR Policy has been developed in accordance with Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 (hereby collectively referred to as the 'Act' in this CSR Policy document) notified by the Ministry of Corporate Affairs, Government of India.

The key purpose of this Policy is to:

- Define the broad development areas that the IIFLWAM shall undertake.
- Outline the guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.
- Outline the governance structure for CSR management within the IIFLWAM.
- Explain the way the surpluses from CSR projects will be treated.

## 3. CSR Vision

***Our vision is to bring about a positive change in the lives of underprivileged individuals and communities by enabling a strategic and collaborative partnership.***

We strongly believe in enabling inclusion to bridge the gap of available opportunities and equality for both - communities that have not been given an opportunity and for those whom such opportunities are unattainable due to monetary or other reasons.

Through our CSR efforts, we look at collaborative efforts with existing philanthropy to move the needle on impact.

We intend to anchor our CSR approach on three main pillars of strength as under.

**Our People and communities** are at the core of our values and beliefs. All our CSR activities strive to bring about a positive change in the lives of people. As part of our mission, we will focus on the marginalised communities / individuals of the society and will specifically look towards providing them with basic amenities, as well as support and access to healthcare, education, and others.

**Our Proposition** will be tailored for impact and oriented towards outcomes for each of our interventions. Our primary focus will be on interventions across thematic areas with specific four on: education, healthcare, community development and environment.

**Our Platform** will be anchored to enable key stakeholders in the development ecosystem, to join us in this impact journey through collaborations with their strategic philanthropy. We

envision strong participation and partnerships with relevant stakeholders as well as other HNI/ UHNI's who would like to utilise our platform and expertise being built to achieve their philanthropic goals to ensure the sustainability of programmes. With an intent to strategically evolve into a significant contributor in the space, we will constantly seek to play a greater role in design and leverage our strengths for the betterment of society.

#### **4. Scope of CSR Policy**

This Policy applies to all CSR projects undertaken by IIFLWAM and fulfils all the requirements of Section 135 of the Companies Act 2013. IIFLWAM shall ensure all these activities are over and above the normal course of business and are in line with Schedule VII of the Companies Act 2013. The Board shall review the CSR policy once in a year and may amend the same as per the requirement of IIFLWAM. The Board may review and make changes to the policy at any other intervals in case of any change in the Act.

#### **5. Normal Course of Business**

IIFLWAM (including its Group Entities) are registered with SEBI as Stockbroker, Depository Participant, Research Analyst, Portfolio Manager and Distributor of Financial Products. IIFLWAM mainly acts as wealth manager and mainly provides services relating to financial products distribution, advisory, portfolio management services by mobilizing funds and assets of various classes of investors including High Networth Individuals. IIFLWAM conducts its operations in compliance with applicable laws, regulations and standards while conforming to the highest standards in design, procurement, resource management and construction practices.

#### **6. Guiding Principles and Statement of Commitment**

The following are some of IIFLWAM's key guiding principles towards designing and implementing its CSR:

1. IIFLWAM will implement its CSR activities in the locations where it has its offices present and other geographies towards communities in need.
2. Challenges and needs of communities will be a key parameter while designing and implementing IIFLWAM's CSR.
3. IIFLWAM will implement, monitor, review and evaluate CSR initiatives to achieve the desired outcomes.
4. Encourage its employees to contribute and volunteer for various community development initiatives.
5. Comply with all legal provisions applicable for CSR and adopt industry best practices, where feasible.

#### **7. Key focus areas**

The CSR projects at IIFLWAM focus on the following areas of intervention that are aligned with the items listed in Schedule VII of the Companies Act 2013.

##### **7.1. Sustainable Development**

IIFLWAM and/or through IIFLW CSR Foundation will support sustainable development or sustainability activities. IIFLWAM shall provide support to NGOs working towards maintaining ecological balance, protection of flora and fauna, animal welfare, agriculture, agro forestry, forestry, conservation of natural resources and maintaining quality of soil, air and water and

water harvesting to name a few. Further, IIFWAM will extend support to Not for Profit Organizations, NGOs, Institutes, Institutional Bodies, and other such organizations that are committed to and work in areas of Environment-Social Governance (ESG), Sustainability, CSR either through direct activities or in the form of advisory, stakeholder awareness, etc.

## **7.2. Sustainable Livelihood**

IIFLWAM recognizes that it is imperative to mainstream the disengaged to participate in the labour force of the country and adapt to a sustainable livelihood to contribute positively to the nation building process. The intervention areas under livelihoods for IIFLWAM encompass two broad verticals: Entrepreneurship and Employment. IIFLWAM will support holistic development in regions identified by engaging with the said communities and enabling them to attain sustainable livelihood opportunities.

### **7.2.1. Entrepreneurship**

IIFLWAM may undertake projects that support small-scale enterprises run by marginalized communities and equip them with skills and resources to run the enterprises.

### **7.2.2. Employment**

Projects that fall under this category focus on enhancing employment potential / employability skills of unskilled or under skilled populations. These may include vocational training, skill development projects and pre-livelihood training.

## **7.3. Promoting Education**

Education is one of the basic building blocks of a great nation. A literate population can catapult the country towards realizing its demographic dividend. For IIFLWAM, education is one of the key focus areas under its CSR. The CSR projects in education may include promoting education and learning outcomes, including vocational education, STEM education, setting up and upgrading educational facilities and supporting institutes of higher education.

## **7.4. Financial literacy**

IIFLWAM believes that individuals with basic financial knowledge can make informed financial decisions and therefore, maintain better financial health. Through its CSR projects, IIFLWAM will endeavour to provide information of financial products, financial literacy, investment education especially of risks and rewards, to better equip the financially excluded to make informed choices with respect to money.

## **7.5. Promoting healthcare and sanitation**

In its endeavour to promote healthcare (including preventive healthcare), CSR projects of IIFLWAM seek to support those healthcare initiatives and medical research institutions that aim to enhance healthcare access. On a case-by-case basis, the IIFLWAM may also support various NGOs working in the fields of healthcare, sanitation, eradication of hunger and malnutrition, and provision of access to safe drinking water.

## 7.6. Rural development

Majority of India's population lives in the rural areas and is still deprived of infrastructure and services required for basic subsistence. With the objective of contributing towards the improvement of the economic and social well-being of the people in rural areas.

## 7.7 Relief and Rehabilitation

In cases of natural calamities and disasters, IIFLWAM may support relief and rehabilitation activities undertaken by the Prime Minister's National Relief Fund, Chief Minister's Relief Fund or any Central or State Government Body / Bodies or NGOs, Corporate entity or a group of Corporates including the IIFLW CSR Foundation directly.

## 7.8 Reducing inequalities faced by socially and economically backward groups:

IIFLWAM may support NGOs working towards rehabilitating socially and economically backward sections of society by providing safe houses through community house building initiatives. IIFLWAM may also support NGOs working towards promoting gender equality, empowering women, setting up homes and hostels for women and orphans, anganwadis, panchayats, community halls, setting up old age homes, day care centres and other such facilities for senior citizens, and reducing inequalities faced by socially and economically backward groups including tribal, marginal / landless farmers, landless labourers, such people who are below the poverty line across all segments.

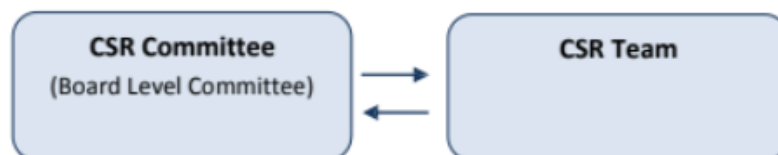
## 7.10 Sports:

IIFLWAM may support rural sports, nationally recognized sports, Paralympic sports, and Olympic sports including the training and development of sportsmen and aspiring athletes.

## 8. Governance Structure

IIFLWAM has constituted a governing mechanism to oversee the implementation of its CSR Policy, in compliance with the requirements of Section 135 of the Companies Act 2013. At the helm of this mechanism the Board of Directors of IIFLWAM are ultimately accountable for the CSR projects undertaken by IIFLWAM. Further, IIFLWAM has constituted a CSR Committee that reports to the Board of IIFLWAM with respect to matters related to CSR.

The CSR Team is at the core of all CSR activities at IIFLWAM and responsible for ensuring effective implementation of CSR projects.



### 9.1.1. Responsibilities of the Board

- Setting up the CSR Committee as per the Act.
- Approving the CSR policy and list of activities as by the CSR Committee.
- Ensuring that in each financial year the companies spend at least 2% of the average net profit made during the three immediately preceding financial years.
- Ensuring that every financial year funds committed by the companies for CSR Projects / Programs are utilized effectively, and regularly monitoring implementation.
- Disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR Projects / Programs on the company website; &
- Ensuring annual reporting of CSR Policy to the Regulator or any other relevant authority in prescribed format, if applicable / required
- Ensuring that administrative expenses doesn't increase beyond 5% of total CSR Expenditure.
- Ensure that CSR activity is undertaken by Company or through registered public trust, registered society, entity registered under section 8, entity registered under act of parliament or state legislature.
- Ensuring that funds disbursed have been utilised for the purposes and in the manner as approved by it
- In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period

### 9.1.2. Responsibilities of CSR Committee

- Formulating the CSR Policy in compliance with the Act.
- Identifying Projects / Programs to be undertaken as per Schedule VII of the Act.
- Recommending to the Board the CSR expenditure to be incurred.
- Periodic monitoring of the implementation of the CSR Policy.
- Reporting to the Board on the progress of the various CSR Projects / Programs and spends on a regular basis; and
- Recommending to the Board, modifications to the CSR policy as and when required.

### 9.1.3. Responsibilities of the CSR Team

- Putting together an implementation plan and sharing it with the Committee for approval
- Execution of the decisions taken by the Board level CSR Committee
- Identifying and engaging with partners for implementation of the CSR Policy; including project and partner identification and due diligence
- Periodic monitoring of CSR activities and reporting to the Board level CSR Committee

## 9. CSR Budget

The CSR Budget of IIFLWAM companies will be allocated as per the provisions of the Act



i.e., at least two per cent of the average net profit calculated as per Section 198 of the Act read with the Companies (Corporate Social Responsibility) Rules thereof ('average net profit') accrued during the three immediately preceding Financial Years.

The Board will endeavour to spend in each Financial Year, at least two per cent of the average net profit on CSR Projects / Programs.

CSR Projects / Programs will be identified, and budgets will be allocated through a process incorporating identification of suitable implementing agencies, need assessment (where required) and clear outlining of desired outcomes.

In the event that the amount indicated above is not spent in its entirety in that Financial Year, the reasons thereof will be outlined as per Section 134(3) (o) of the Act and if linked to an ongoing project, will be transferred to a Unspent CSR Account by the different entities, and if not linked to any ongoing project, will be transferred to any fund referred to in Schedule VII within six months of the end of the financial year.

## **10. Execution, Monitoring and Reporting**

### **Mode of Implementation**

The CSR initiatives will be primarily implemented through IIFLW CSR Foundation (implementing Agency), and other not-for-profit organisations/ NGOs.

Alternatively, IIFLWAM may choose to partner with implementing agencies that qualify all mandatory criteria of Section 135 of the Companies Act 2013.

### **Execution of projects**

At IIFLWAM, the CSR Committee of the Board will work closely with the CSR team to identify projects that are in alignment to the vision and goals set.

Following the approval of the Board of IIFLWAM, the CSR team will formulate implementation plans for the project's basis the following:

- Identify broad thematic areas.
- Identify sectors, geographies, and target group / beneficiaries.
- Milestones / Targets and timelines
- Specification of annual financial allocation
- Governance and monitoring system.
- Reporting framework and system

### **Monitoring approach**

In compliance with the Act and to ensure funds spent on CSR programmes are creating the desired impact on the ground, a Monitoring and Reporting framework will be used. A monitoring and evaluation system will be developed for each project as relevant. As appropriate, third-party evaluations may be built in to assess impact on beneficiaries and progress towards achievement of the objectives of the CSR Policy.

Key objectives of monitoring throughout the implementation period will be to establish whether:

- The projects are making satisfactory and timely progress towards the objectives agreed
- The financial management and reporting are satisfactory
- To flag any course correction required
- Projects will evaluate the success of social investments at the end of their implementation period and document any lessons learned.

The CSR Team will monitor the implementation and progress of the approved projects through appropriate mechanisms such as site visits, review meetings and progress reports. The CSR Team will present monitoring reports of the projects to the Board level CSR Committee on a periodic basis, including the fund utilization report.

### **Reporting**

Based on reports presented by the CSR Team, a report on the CSR projects as a part of the Director's report will be published. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act 2013. The CSR Committee shall submit a responsibility statement to the Board that the implementation and monitoring of the CSR Policy is in compliance with the approved CSR Policy of IIFLWAM.

The CSR Policy on being approved by the Board shall be displayed on the website of IIFLWAM and any modifications carried out from time to time shall also be updated on the website of IIFLWAM respectively.

### **Annual Action Plan**

Further, an annual action plan will be submitted to the Board (reviewed on a periodic basis) and necessary amends maybe made based on reasonable justification provided by CSR Team. The plan is divided into two sections and elaborates on the following components:

#### **Section 1: Summary**

- CSR budget allocated
- CSR budget pending for allocation
- CSR budget utilised by implementation agencies

#### **Section 2 - Detailed plan (covering allocation and utilisation)**

- List of approved projects
- Implementation mode and timeline
- Budget
- Programmatic and Financial utilisation status