



**IIFL WEALTH & ASSET
MANAGEMENT**

**Corporate Social Responsibility Policy
for IIFL Wealth Management Limited
and its subsidiaries**

Approving Authority	The Board of Directors of IIFL Wealth Management Limited
Approval Date	May 4, 2022
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1. OBJECTIVE AND APPLICABILITY

The objective of the Policy (as defined below) is to ensure that the corporate social responsibility (“**CSR**”) obligations, programmes, projects and activities (“**CSR Activities**”) of IIFL Wealth Management Limited and its subsidiaries are duly planned, approved, implemented and monitored pursuant to the Applicable Laws(as defined below).

The Policy shall apply to CSR Activities of IIFL Wealth Management Limited (“**IWML**”) and/or its relevant subsidiary(ies) which are required to undertake CSR Activities, from time to time (IWML and its subsidiaries are collectively referred to as “**IIFLWAM**” or “**IIFLWAM Companies**” and individually referred to as “**IIFLWAM Company**”).

2. GUIDING ACT / REGULATIONS / RULES

The Companies Act, 2013 and rules made thereunder read with the circulars, notifications, frequently asked questions and other guidance issued thereunder (with amendments or enactments thereof) from time to time (hereinafter referred to as “**Companies Act, 2013**”).

The applicable provisions of the Companies Act, 2013, as amended from time to time, are hereinafter collectively referred to as the “**CSR Provisions**” and the applicable provisions of the CSR Provisions, accounting standards and all other laws, rules, regulations, circulars, notifications etc. are hereinafter collectively referred to as the “**Applicable Laws**”.

3. DEFINITIONS:

- a. “**Board**” means the board of directors of the respective IIFLWAM Company.
- b. “**CSR Committee**” means a committee of the Board of Directors of respective IIFLWAM Company constituted under the CSR provisions as a corporate social responsibility committee.
- c. “**CSR Team**” means one or more persons, including the directors, employees or consultants of IIFLWAM, who are authorised by the Board and/or CSR Committee, and who shall support and carry out inter-alia the execution and implementation of the CSR Policy, annual action plan and CSR Activities.
- d. “**Policy**” or “**CSR Policy**” means this Corporate Social Responsibility Policy.

All terms used in the Policy but not defined herein shall have the meaning assigned to such term in the CSR Provisions or the Applicable Laws, as applicable. In case of any conflict between the applicable meanings assigned to such term under the CSR Provisions and the Applicable Laws, the term shall be interpreted in such manner that ensures compliance with both CSR Provisions and the Applicable Laws.

4. PREAMBLE

IIFLWAM recognizes the importance of contributing to sustainable social transformation. IIFLWAM’s CSR Activities are aligned to the focus of the business, and thereby help IIFLWAM to carve out a reputation for being one of the most committed and responsible companies in the industry.

5. PURPOSE

The Policy has been developed in accordance with CSR Provisions. The key purpose of this Policy is to:

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

6. CSR VISION

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

We, IIFLWAM, 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 Activities, 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 focus will be on interventions across thematic areas with specific four on: education, healthcare, community development, environment, livelihoods and financial inclusion.

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.

7. SCOPE OF CSR POLICY

The Policy applies to all CSR Activities undertaken by IIFLWAM and fulfils all the requirements of CSR Provisions. IIFLWAM shall ensure all CSR Activities are over and above the normal course of business and are in line with Schedule VII of the Companies Act, 2013.

8. NORMAL COURSE OF BUSINESS

IIFLWAM Companies are registered with SEBI inter-alia as merchant banker, stockbroker, depository participant, research analyst, portfolio manager, investment advisor and distributor of financial products. IIFLWAM mainly acts as wealth and asset manager and inter-alia 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.

9. GUIDING PRINCIPLES AND STATEMENT OF COMMITMENT

Following are some of IIFLWAM's key guiding principles towards designing and implementation of its CSR Activities:

- a. IIFLWAM will prefer to implement its CSR Activities in the locations where it has its offices present and other geographies towards communities in need.
- b. Challenges and needs of communities will be a key parameter while designing and implementing IIFLWAM's CSR Activities.
- c. IIFLWAM will implement, monitor, review and evaluate CSR Activities to achieve the desired outcomes.
- d. IIFLWAM will encourage its employees to contribute and volunteer for various community development initiatives.
- e. IIFLWAM will comply with CSR Provisions and will adopt industry best practices, where feasible.

10. CSR ACTIVITIES

IIFLWAM shall undertake CSR Activities in the areas as may be permitted under the CSR Provisions and as may be approved by the Board from time to time. Programmes, projects and activities specifically disallowed to be considered as 'CSR' shall not be included and undertaken as CSR Activities.

The duration of the CSR Activities shall be as permitted under the CSR Provisions and as may be approved by the Board from time to time.

11. GOVERNANCE STRUCTURE

IIFLWAM has constituted a governing mechanism to oversee the implementation of this Policy in compliance with CSR Provisions. At the helm of this mechanism, the Board shall be ultimately accountable for the CSR Activities undertaken by IIFLWAM Company. Further, IIFLWAM Company have constituted / shall constitute CSR Committees that report to the Boards for the matters related to CSR. The CSR Team shall provide support for all CSR Activities at IIFLWAM and shall be responsible for ensuring effective implementation of CSR Activities.

11.1 Responsibilities of the Board

The responsibilities of the Board shall be as prescribed under the CSR Provisions from time to time and shall inter-alia include:

- a. Setting up the CSR Committee as per the Act.
- b. Approving / amending the CSR Policy, annual action plan and CSR Activities as recommended by the CSR Committee in accordance with the CSR Provisions.

- c. Ensuring that in each financial year IIFLWAM Company spends such sums and in such manner as may be prescribed under CSR Provisions.
- d. Ensuring that every financial year funds committed for CSR Activities are utilized effectively and are regularly monitored for due implementation.
- e. Ensuring necessary disclosures as per CSR Provisions in the Annual Reports and on the website, if any, of IIFLWAM Company or in such other manner as may prescribed under CSR Provisions.
- f. Ensuring annual reporting of CSR Policy and CSR Activities to any Regulator or any other relevant authority in prescribed format, if applicable / required.
- g. Ensuring that administrative expenses don't increase beyond 5% of total CSR Expenditure or such other percentage as may be prescribed under the CSR Provisions.
- h. Ensure that CSR Activities are undertaken by IIFLWAM Company itself, or through IIFLW CSR Foundation or directly or indirectly through other eligible implementation agencies in accordance with the CSR Provisions.
- i. In case of ongoing project(s), the Board 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(s) within the overall permissible time period as per the CSR Provisions.
- j. The Board may authorize and/or empower the CSR Committee and/or CSR Team, to settle all queries, differences or doubts that may arise in relation to the execution and implementation of the annual action plan and the CSR Activities approved by the Board.

11.2 Responsibilities of CSR Committee

The responsibilities of the CSR Committee shall be as prescribed under the CSR Provisions from time to time and shall inter-alia include:

- a. Formulating and recommending the CSR Policy to the Board in compliance with the CSR Provisions.
- b. recommending annual action plan and the CSR Activities to be undertaken as per CSR Provisions.
- c. Recommending to the Board the CSR Expenditure to be incurred as per CSR Provisions.
- d. Periodic monitoring of the implementation of the CSR Policy and annual action plan.
- e. Reporting to the Board on the progress of the various CSR Activities and spends on a regular basis.
- f. Recommending to the Board, modifications to the CSR policy or annual action plan as and when required.

The CSR Committee shall be constituted as per the CSR Provisions and shall meet as often as its members deem necessary to perform the duties and responsibilities.

11.3 Responsibilities of the CSR Team

The responsibilities of the CSR Team shall be as decided by the Board and/or CSR Committee and may inter-alia include:

- a. Putting together an annual action plan and sharing it with CSR Committee for approval.
- b. Execution of the decisions taken by the CSR Committee/Board.
- c. Identifying and engaging with partners for implementation of the CSR Policy, annual action plan and CSR Activities including project and partner identification and due diligence.

- d. Periodic monitoring of CSR Activities and reporting to the Board and CSR Committee.

12. CSR EXPENDITURE AND CSR BUDGET

12.1 CSR Expenditure

Basis the applicability pursuant to Section 135(1) of the Companies Act, 2013, in every financial year, IIFLWAM Company shall allocate such sums as per CSR Provisions towards CSR Activities ("**CSR Expenditure**")¹. CSR Expenditure may include such sums of the nature and extent as may be permitted by the CSR Provisions e.g. administrative overheads, expenses towards impact assessment etc., but shall not include such sums which are specifically disallowed under the CSR Provisions.

Any (a) unspent CSR Expenditure amount, (b) excess amounts spent in respect of CSR Activities, and (c) any surplus arising out of CSR Activities, shall be dealt in the manner prescribed under the CSR Provisions and as the Board may approve.

12.2 Annual Action Plan (i.e. CSR Budget)

In accordance with provisions of the CSR Provisions, an annual action plan shall be formulated and presented to the CSR Committee for its review and recommendation to the Board. The annual action plan shall include such details as prescribed under the CSR Provisions. The Board considering the recommendations of the CSR Committee shall approve the annual action plan and the CSR Team shall implement the same as per the directions of the Board. Board may alter the annual action plan in accordance with provisions of the CSR Provisions.

13. IMPLEMENTATION, EXECUTION, MONITORING, ASSESSMENT AND REPORTING

13.1 Implementation

The CSR Activities can be implemented by IIFLWAM Company itself, or through IIFLW CSR Foundation or directly or indirectly through other implementation agency(ies) eligible to undertake CSR Activities as per the CSR Provisions appointed after appropriate due diligence by the CSR Team.

IIFLWAM may engage the services of external expert agencies, consultancy firms etc. for carrying out any survey, assessment or report with regards to any CSR Activities.

13.2 Execution

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

¹ Presently as per Section 135 of the Companies Act, 2013, a company meeting the criteria specified under Section 135(1) shall spend at least 2% of average net profit of the company made during the three immediately preceding financial years as CSR expenditure (or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years). For this purpose, 'net profit' shall be calculated in accordance with Section 198 of the Companies Act, 2013 and shall not include such sums as may be prescribed thereunder.

Following the approval of annual action plan by the Board, the CSR Team will formulate implementation strategy for the annual action plan basis the following:

- a. identify the implementation agencies basis the thematic areas / programmes approved by the Board under the annual action plan.
- b. Identify sectors, geographies and target group / beneficiaries.
- c. Milestones / targets and timelines.
- d. Specification of annual financial allocation.
- e. Governance and monitoring system.
- f. Reporting framework and system.

CSR Team shall update the status of execution of the annual action plan and the CSR Activities to the CSR Committee and Board from time to time.

13.3 Monitoring

In compliance with the CSR Provisions and to ensure funds spent on CSR Activities 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 deemed 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:

- a. The projects are making satisfactory and timely progress towards the objectives agreed
- b. The financial management and reporting are satisfactory
- c. To flag any course correction required
- d. The projects lead to 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 CSR Committee and Board on a periodic basis, including the fund utilization report.

In order to satisfy the Board that the funds so disbursed towards CSR Activities have been utilised for the purposes and in the manner as approved by it, the Chief Financial Officer or the person responsible for financial management of the concerned IIFLWAM Company, shall certify to the effect in the form and manner acceptable to the Board.

13.4 Assessment

IIFLWAM shall undertake and report the impact assessment of CSR Activity, as and when required under CSR Provisions and in the manner prescribed under the CSR Provisions or if the Board deems it necessary.

13.5 Reporting

Based on reports presented by the CSR Team, reviewed by CSR Committee and approved by the Board, a

report on the CSR Activities as a part of the Board's report will be published. The report will disclose information in the format as prescribed by the CSR Provisions.

IIFLWAM Company shall disclose following on its website, if any:

- a. The CSR Policy, as amended from time to time,
- b. Composition of CSR Committee
- c. Details of CSR projects approved by the Board
- d. Such other details / documents as may be prescribed under the CSR Provisions.

14. AMENDMENTS TO THE POLICY

The Board shall review and amend this Policy as and when required and as per CSR Provisions. Any subsequent amendment / modification in the Applicable Laws, shall automatically apply to this Policy and the Policy shall stand amended to that extent.