



WITH YOU, RIGHT THROUGH

HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED



Business Responsibility & Sustainability Report 2022-23

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Financial Year: April 1 to March 31

1 lac= 100,000; 1 crore =10 million

SECTION A: GENERAL DISCLOSURES

I. Details

1.	Corporate Identity Number (CIN) of the Company	L70100MH1977PLC019916
2.	Name of the Company	Housing Development Finance Corporation Limited ("HDFC/The Corporation")
3.	Year of Incorporation	1977
4.	Registered office address	Ramon House, H. T. Parekh Marg, 169, Backbay Reclamation, Churchgate, Mumbai 400 020, India
5.	Corporate office address	HDFC House, H. T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai 400 020, India
6.	E-mail id	investorcare@hdfc.com
7.	Telephone	+91-22-6176 6000
8.	Website	www.hdfc.com
9.	Financial year for which reporting is being done	April 1, 2022 to March 31, 2023 (FY23)
10.	Name of the Stock Exchange(s) where shares are listed	Equity shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11.	Paid-up capital	₹ 366.91 crore
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Ms. Anjalee Tarapore Senior General Manager – Management Services and Investor Relations Telephone number: +91-22-6631 6516 E-mail id: anjalee@hdfc.com
13.	Reporting boundary	Disclosures made in this report are on a standalone basis and pertain only to HDFC.

II. Products/services

14. Details of business activities

S. No.	Description of main activity	Description of business activity	% of turnover
1.	Financial and Insurance Service	Other financial activities	100

15. Products/services sold by the entity

S. No.	Product/Service	NIC Code	% of total turnover contributed
1.	The Corporation's main business is financing by way of loans for the purchase or construction of residential houses, commercial real estate and certain other purposes in India. All other activities of the Corporation revolve around the main business. As at March 31, 2023, in terms of the composition of loans on an Assets Under Management basis, 83% were loans to individuals, 7% construction finance, 6% lease rental discounting and 4% to corporates.	64192	100

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	Not Applicable*	734 [#]	734 [#]
International		3	3

*The Corporation is a Non-Banking Financial Company - Housing Finance Company (NBFC-HFC) and hence does not undertake any manufacturing activity.

[#]Includes outlets of HDFC Sales Private Limited, a wholly-owned subsidiary of the Corporation.

17. Markets served by the entity[^]

a. Number of locations

Locations	Number
National (No. of states)	26
International (No. of countries)	3

[^] **Note:** Markets served on a pan-India basis. The table refers to physical office-

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not applicable.

c. A brief on types of customers

The Corporation is India's first mortgage finance company. As at March 31, 2023, the Corporation had cumulatively financed 10.2 million housing units.

Borrowers:

The Corporation strives to maintain a judicious mix of lending to all income segments. The Corporation makes concerted efforts to focus on loans to the affordable housing segment where the demand for home loans is immense.

Housing Loan Approvals to Customers Based on Income Slabs in FY23

Category	Household Income per annum	Home Loan Approvals in FY23	
		% in Value Terms	% in Number Terms
Economically Weaker Section	Up to ₹ 3 lac	1	3
Low Income Group	Above ₹ 3 lac up to ₹ 6 lac	8	20
Middle Income Group	Above ₹ 6 lac up to ₹ 18 lac	38	48
High Income Group	Above ₹ 18 lac	53	29
Total		100	100

Based on individual loans disbursed during the year, the key characteristics of individual loans were:

- 77% were salaried customers, while 23% were self-employed (including professionals).
- The average size of individual loans stood at ₹ 36.2 lac at an all-India level.
- The average size of individual loans to economically weaker sectors (EWS) and low income group (LIG) stood at ₹ 10.7 lac and ₹ 19.4 lac respectively.
- Of the total housing loans disbursed by the Corporation in volume terms, 49% were to first-time homebuyers.
- Loans to women: 67% in value terms had women as owners of the property. These loans ensure women's property rights are recognised and protected as their names are registered on their respective properties.
- The average loan to value ratio at origination was 70%.
- The average age of the customer was 38 years.

The Ministry of Housing and Urban Poverty Alleviation had launched the Credit Linked Subsidy Scheme (CLSS) in June 2015 under the Pradhan Mantri Awas Yojana (PMAY- Urban) – Housing for All. The original scheme covered Middle Income Groups, EWS and LIG segments. Though the scheme's validity was till March 31, 2022, during the year under review, the subsidy amounts continued to be released by the government to the beneficiaries. The Corporation has the largest number of home loan customers – of approximately 3.65 lac who have availed benefits under CLSS. As at March 31, 2023, cumulative loans disbursed by the Corporation under CLSS stood at ₹ 60,427 crore. The cumulative subsidy amount stood at ₹ 8,529 crore, representing a 15% share of the total subsidy amount released by the government under CLSS.

Depositors:

The Corporation also has a large number of depositors, which predominantly comprise retail depositors. As at March 31, 2023, total outstanding deposits stood at ₹ 1,52,111 crore and the number of deposit accounts stood at approximately 20.2 lac. 73% of the deposits are retail deposits. Deposit partners/key agents source deposits for the Corporation. The Corporation has 24,714 active key partners.

IV. Employees

18. Details as at March 31, 2023

a. Employees (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	4,017	2,916	73	1,101	27
2.	Other than permanent (E)	2,941	1,506	51	1,435	49
3.	Total employees (D + E)	6,958	4,422	64	2,536	36

Note: The Corporation does not have any workers as defined in the guidance note on BRSR.

b. Differently abled employees

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	2	1	50	1	50
2.	Other than permanent (E)	10	9	90	1	10
3.	Total differently abled employees (D + E)	12	10	83	2	17

19. Participation/inclusion/representation of women

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors*	8	2	25
Key Management Personnel	4	1	25

*As at the date of the report

20. Turnover rate for permanent employees

	FY23			FY22			FY21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	7.4%	9.9%	8.1%	4.4%	7.1%	5.1%	4.6%	8.7%	5.6%

V. Holding, subsidiary and associate companies (including joint ventures)

21. (a) Names of holding/subsidiary/associate companies/joint ventures (As at March 31, 2023)

S. No.	Name	Subsidiary/Associate	% of shares held
1.	HDFC Investments Ltd.	Subsidiary	100
2.	HDFC Trustee Co. Ltd.	Subsidiary	100
3.	HDFC Asset Management Co. Ltd.	Subsidiary	52.56
4.	HDFC Holdings Ltd.	Subsidiary	100
5.	HDFC Sales Pvt. Ltd.	Subsidiary	100
6.	HDFC Ventures Trustee Co. Ltd.	Subsidiary	100
7.	HDFC Venture Capital Ltd.	Subsidiary	100
8.	HDFC Credila Financial Services Ltd.	Subsidiary	100
9.	HDFC Property Ventures Ltd.	Subsidiary	100
10.	HDFC Education and Development Services Pvt. Ltd.	Subsidiary	100
11.	HDFC Capital Advisors Ltd.	Subsidiary	89
12.	Griha Pte. Ltd.	Subsidiary	100
13.	Griha Investments	Subsidiary	100
14.	HDFC AMC International (IFSC) Ltd.	Subsidiary	52.56
15.	HDFC ERGO General Insurance Co. Ltd.	Associate	49.99
16.	HDFC Life Insurance Co. Ltd.	Associate	48.65
17.	HDFC Bank Ltd.	Associate	20.87*

*Includes the holding of HDFC Investments Limited and HDFC Holdings Limited.

Do the entities indicated in the above table participate in the Business Responsibility initiatives of the listed entity? (Yes/No)

The subsidiary/associate companies have their own business responsibility (BR) initiatives and generally do not participate in the BR initiatives of the Corporation. However, there are instances where the HDFC group of companies make joint commitments to support BR initiatives.

VI. CSR Details

22. (i) **Whether CSR is applicable as per section 135 of the Companies Act, 2013: Yes**

(ii) **Turnover:** ₹ 60,224 crore

(iii) **Net worth:** ₹ 1,33,985 crore

(iv) **Total amount spent on CSR for FY23:** ₹ 213 crore

VII. Transparency and Disclosures Compliances

23. **Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/No)	FY23			FY22		
		(If yes, then provide web-link for grievance redress policy) ¹	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	5	-	-	6	-	-
Employees	Yes	4	-	-	3	-	-
Customers ²	Yes	33,320	9 ³	-	39,934	25	-
Value Chain Partners ⁴	Yes	2,002	5 ⁵	-	1,738	2	-
Others	Yes	7	-	-	10	-	-

1: Some of the policies guiding the Corporation's conduct with all its stakeholders, including grievance mechanisms are placed on the Corporation's website. The hyperlink is: <https://www.hdfc.com/grievance-redressal>. In addition, there are internal policies placed on the intranet of the Corporation.

2: Issues relating to Credit Linked Subsidy Scheme are excluded.

3: Of the customer complaints pending during the year, only one complaint was pending as of date of the report.

4: Grievances pertaining to credit bureau reports raised through the bureau's online portal for dispute resolution.

5: Complaints pending as at the financial year end, but subsequently resolved as of date of the report.

24. Overview of the entity's material responsible business conduct issues.

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Positive/Negative Implications
1.	Financial inclusion through affordable housing	Opportunity	<p>Housing fulfills a key social objective.</p> <p>Will continue to support various initiatives of the government's mission of attaining 'Housing for All'.</p> <p>Immense scope to increase homeownership in the country across all income segments.</p> <p>Encourage developers to build more affordable, green and smart housing. The government has provided fiscal incentives to developers to build affordable housing units.</p> <p>Focus on lending to all income categories – be it economically weaker sections, low income groups, middle income and high income groups.</p> <p>Increased use of digitalisation tools to help increase scale, impact larger section of beneficiaries and enhance processing and resource efficiency.</p>	<p>The mortgage to GDP ratio in India is just 11% compared to 60 to 90% in many advanced economies. The scope to grow the market remains immense.</p> <p>The Corporation's strong underwriting skills helps mitigate credit risks.</p> <p>The Corporation has built expertise to assess rural and agricultural income and has built a sizable rural housing finance portfolio, which is about 9% of the loan book.</p> <p>The Corporation lends to the informal sector through its niche product, HDFC Reach.</p> <p>Strong emphasis and encouragement to increase women homeownership.</p> <p>During the year, the Corporation raised the country's largest 'social loan' of USD 1.1 billion for on-lending for affordable housing and USD 400 million from International Finance Corporation for on-lending towards green and affordable housing.</p> <p>Expanded office network, to reach deep geographies and increase home loan penetration.</p> <p>94% of new loan applications were digitally on boarded.</p>	<p>Positive: Given the shortage of housing, there is immense scope to increase home loans in the country.</p> <p>The proposed amalgamation of the Corporation with HDFC Bank Limited will facilitate a wider reach through a larger branch network into deeper geographies.</p>
2.	Social responsibility towards society	Opportunity	<p>The Corporation had formalised a process of earmarking a portion of its profits each year to support projects which fulfill a social obligation in its 10th year of operations in 1987. Thus, returning to society has been ingrained in the Corporation's philosophy.</p> <p>The Corporation primarily implements its CSR initiatives through the H T Parekh Foundation, a charitable institution and the philanthropic arm of HDFC. Key areas of CSR activities in FY23 were:</p> <ol style="list-style-type: none"> Healthcare Education Supporting persons with disabilities Environmental sustainability Heritage Restoration 	<p>Kindly refer to the Annual Report 2022-23 -- Report on Corporate Social Responsibility Activities for further details.</p>	<p>Positive: The Corporation recognises the importance of being socially responsible and playing a part in helping to uplift the less fortunate.</p>

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Policy and Management Processes

Disclosures Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Ethics & Transparency	Product Responsibility	Human Resources	Responsiveness to Stakeholders	Respect for Human Rights	Responsible Lending	Public Policy Advocacy	Inclusive Growth	Customer Engagement
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)^	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No) {Refer Note 1}	Yes. The Business Responsibility Policy covering the above-mentioned principles has been approved by the board. In addition, the ESG Policy Framework of the Corporation elucidates the board's oversight on ESG. https://www.hdfc.com/investor-services/codes-policies								
c. Web link of the policies, if available	https://www.hdfc.com/investor-services#codes-policies Some policies may also include a combination of internal policies of the Corporation which are accessible to all internal stakeholders and policies placed on the Corporation's website.								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes. The Corporation has translated the policies as applicable and imbibed the same into procedures and practices in all spheres of activities that the Corporation undertakes.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. The Corporation's Code of Conduct largely imbibes the above-mentioned principles and the Corporation expects its stakeholders to adhere to the same in all their dealings. https://www.hdfc.com/content/dam/housingdevelopmentfinancecorp/pdf/footer-pdfs/code-of-conduct-dsa.pdf								
4. Name the national and international codes/certifications/labels/standards.	Not Applicable.								

5. Specific commitments, goals, targets set by the entity

- Housing for All – The Corporation stands committed to partnering and supporting the government’s flagship housing programme and other initiatives so as to help more Indians become homeowners. This commitment will continue post the completion of the on-going amalgamation of the Corporation with and into HDFC Bank Limited. As a result of the on-going amalgamation, homeowners are likely to benefit primarily due to increased synergies, access to lower cost funding and a large distribution network of HDFC Bank Limited.
- The Corporation is keen to increase its share of financing green and affordable homes and commercial buildings and aims to increase the pool of resources available for lending towards green and sustainable initiatives of the Corporation.
- To align with the commitment to work towards a net zero emissions pathway, the Corporation has commenced the journey of measuring its financed emissions, as guided by the Partnership for Carbon Accounting Financials (PCAF), which sets out accounting methodologies for disclosing GHG emissions associated with lending and investment activities of financial institutions.
- Identify core focus areas/sectors where funding is most needed to help uplift the marginalised and most impacted segments of society through Corporate Social Responsibility activities.
- The Corporation upholds the principles of a gender inclusive environment at the workplace and stands committed to increasing the number of women employees in the Corporation.

6. Performance of the entity against specific commitments, goals and targets

- The Corporation remains committed to supporting the government’s mission of Housing for All and enable more Indians become homeowners. The Corporation had the largest number of beneficiaries under the CLSS and a 15% market share of the CLSS subsidy released by the government.
- The Corporation raised External Commercial Borrowings of USD 1.5 billion, thereby increasing its stock of resources for on-lending for green and affordable housing.
- The Corporation has undertaken a pilot study of financed emissions of a sample of individual home loans disbursed on a pan-India basis. This initiative has been done entirely on a voluntary basis so as to commence the journey of measuring financed emissions.
- The Corporation has met its CSR target primarily through its core focus areas, details of which are elucidate in the Annual Report on CSR Activities, 2023.
- As at March 31, 2023, women constituted 27% (PY: 26%) of total employee strength. In terms of new recruits, the share of women employees stood at 38% (PY: 30%).

Note 1

Principle-wise policies

P1	Ethics & Transparency	The Corporation’s Policy on Business Responsibility, Code of Conduct for Employees, Executive Directors & Senior Management, Non-Executive Directors, Model Code of Conduct for Direct Selling Agents and Deposit Agents, Code of Conduct for Recovery Officers, Policy on Appointment of Directors and Members of Senior Management, Policy for Determining Material Subsidiary Companies, Policy for Fit and Proper Criteria for Directors, Internal Guidelines on Corporate Governance, Fair Practices Code, Whistle Blower Policy, Policy on Management of Conflict of Interest, KYC and Prevention of Money Laundering Policy, Anti-Bribery and Anti-Corruption Policy, Guidelines for Reporting on Frauds, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Policy on Determination of Materiality, Policy on Related Party Transactions, Securities Dealing Code - Prohibition of Insider Trading and other internal policies elucidate ethical behaviour, transparency and accountability.
P2	Product Responsibility	The Corporation’s Fair Practices Code and Most Important Terms and Conditions guides this principle. KYC and Prevention of Money Laundering Policy is also a critical component of product responsibility for the Corporation. The Corporation follows inclusive lending policies to facilitate increased homeownership, particularly affordable housing and women home ownership. The Corporation has an Environmental, Social and Governance (ESG) Policy Framework that inter alia lays down principles for responsible lending, sustainable finance, sustainable operations amongst others.
P3	Human Resources	The Corporation has various policies to support employee well-being and protection of human rights. Besides the Corporation’s Code of Conduct, other policies include the Policy on Protection of Women Against Sexual Harassment at the Workplace, Diversity and Inclusion Policy, Policy on Health and Safety of Employees, Comprehensive Employee Health Insurance Policy, Personal Accident Policy, Policy on Parental Leave, Policy on Equal Opportunity, Policy on Self-Education for Employees, Policy on Soft Loans to Employees (for housing, furniture/fixtures, vehicles), Policy for Sponsoring Employees for Training & Development. In addition, employees are sensitised and trained on various aspects of ESG, including making climate conscious decisions and prevention of wasteful usage of natural resources and conservation of energy and diversity, equality and inclusiveness.

P4	Responsive to Stakeholders, particularly the marginalised	The Corporation is focused on affordable housing and lending to the economically weaker sections and low income groups. These policies are part of the Corporation's overall lending business.
P5	Respect for Human Rights	The Code of Conduct details the policy on the respect for human rights. The Corporation through its Human Rights Statement upholds human rights as enshrined in the Constitution of India and supports the principles in the United Nations Universal Declaration of Human Rights, United Nations Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, United Nations Convention on the Rights of the Child and the United Nations Convention on the Elimination of Discrimination against women.
P6	Responsible Lending	The Corporation has an Environmental, Social and Governance Policy Framework which evaluates environmental and social risks in its lending policies and abstains from lending to environmentally irresponsible projects. Policy on Business Responsibility reaffirms the Corporation's commitment to follow principles laid down in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of Business published by the Ministry of Corporate Affairs towards conducting its business.
P7	Public Policy Advocacy	The Corporation actively participates in discussion forums/committees of the government, regulator or industry bodies and shares its expertise and helps in the formulation or review of policies with the overall objective of enhancing the business ecosystem, economy and society. The Corporation does not engage in any lobbying activities.
P8	Inclusive Growth	The Corporate Social Responsibility Policy encompasses activities focused on the marginalised and vulnerable sections of society. In its effort towards inclusiveness, the Corporation offers housing finance products that cater to the vulnerable and marginalised segments. These policies are part of the Corporation's lending business.
P9	Customer Engagement	The Code of Conduct, internal policies, benchmarks on customer service and policies and grievance redressal mechanisms encompass this principle.

^Note: The policies have been developed based on best practices or as per regulatory requirements and through appropriate consultation with relevant stakeholders. Policies may include a combination of internal policies of the Corporation which are accessible to all internal stakeholders and policies placed on the Corporation's website. The hyperlink is <https://www.hdfc.com/investor-services/codes-policies>

GOVERNANCE, LEADERSHIP AND OVERSIGHT

7. Director's Statement

HDFC's key objective is to increase homeownership in the country. The Corporation's focus on ESG parameters is best reflected through core values that are imbibed in all spheres of activity of the Corporation. The Corporation believes in meeting a critical social objective with an endeavour to provide housing finance solutions across all income categories. Given the acute shortage of housing and the low mortgage to GDP penetration in the country, the demand for housing in India is immense.

The Corporation has been built on the founding principles of kindness, fairness, effectiveness and efficiency. The Corporation believes that sound principles of governance are a necessary tool for creating long-term value for all its stakeholders. This has held the Corporation in good stead over the last 46 years.

Environmental, Social and Governance (ESG) is becoming mainstream. The Securities Exchange Board of India (SEBI) has mandated reporting under the Business Responsibility and Sustainability Report (BRSR) framework for the top 1,000 companies by market capitalisation from FY23 onwards. For the Corporation, FY23 marks its third year of reporting under the BRSR framework. The Corporation takes pride in having been the first company to publish a BRSR in FY21.

The regulators have been working towards creating conducive ESG frameworks that are customised, keeping the nuances of the country in mind. During the year, SEBI has issued various consultancy papers on ESG disclosures, ratings and investing. In July 2022, the Reserve Bank of India's Department of Regulation issued a discussion paper on Climate Risk and Sustainable Finance. In FY23, the Government of India for the first time issued ₹ 16,000 crore of Sovereign Green Bonds, the proceeds of which will be used for green infrastructure projects.

In January 2023, the Corporation voluntarily published its report, 'Climate-related Financial Disclosures: An Introductory Framework', which is largely mapped on the recommendations of TCFD. The Corporation is at an early stage of reporting under the TCFD framework.

The Corporation was encouraged with the positive response it got for raising USD 1.5 billion as an external commercial borrowing, the proceeds of which are to be utilised for affordable and green housing.

The impending amalgamation of the Corporation with HDFC Bank augurs well for both organisations. Both are strongly committed to imbibe ESG practices as an integral part of all spheres of activity undertaken.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility (BR) Policy	Mr. V. Srinivasa Rangan Executive Director DIN: 00030248
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9. Does the entity have a specified committee of the board/director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	<p>Yes.</p> <p>The board of directors and senior management of the Corporation monitor various aspects of social, environmental, governance and economic responsibilities of the Corporation on a continuous basis.</p> <p>The Corporation’s business responsibility and sustainability performance is reviewed by the Board of Directors on an annual basis.</p> <p>The executive directors are responsible for the strategy and implementation of the Corporation’s ESG framework.</p> <p>The performance of the Corporation from a perspective of business responsibility is assessed by the following committees of the board:</p> <ul style="list-style-type: none"> (i) the Audit and Governance Committee; (ii) the Corporate Social Responsibility Committee; and (iii) the Stakeholders Relationship Committee. <p>In addition, the Risk Management Committee and the IT Strategy Committee also assesses risks pertaining to certain principles of business responsibility and sustainability.</p>
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10. Details of Review of the National Guidelines on Responsible Business Conduct (NGRBC)

Subject for Review	Review of principles undertaken by and frequency
Performance against above policies and follow up action	As a practice, BR policies of the Corporation are reviewed periodically or on a need basis by department heads, business heads, executive directors and the board. During this assessment, the efficacy of the policies are reviewed and necessary changes to policies and procedures are implemented.
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Corporation is in compliance with the extant regulations, as applicable.

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

The processes and compliances may be subject to scrutiny by internal auditors and regulatory compliances, as applicable. From a best practices perspective as well as from a risk perspective, policies are periodically evaluated and updated by various department heads, business heads and approved by the management and/or board. The GHG emissions have been reviewed and assessed by Centre for Environment Research & Education (CERE).

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1:

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors/ Key Managerial Personnel (KMP)	<p>During the year, the Board of Directors and KMPs of the Corporation spent more than 32 hours on various familiarisation programmes, comprising matters relating to an array of issues pertaining to business, legal and regulatory aspects, economy and environmental, social and governance parameters. In addition, a monthly chronicle is shared with all the board members apprising them of developments in the Corporation, key subsidiaries and associate companies and various regulatory changes and case laws.</p>		100
Employees other than Board of Directors or KMPs	<p>All employees of the Corporation undergo various training programmes throughout the year. All trainings were conducted through classroom as well as blended learning, which entailed virtual classroom initiatives, along with e-learning modules.</p> <p>Various trainings were undertaken during the year such as Prohibition of Insider Trading, Prevention of Sexual Harassment at the Workplace, Information and Cyber Security Awareness, Code of Conduct, Know Your Customer Guidelines, IT protection and Understanding Green Initiatives. Other trainings included orientation and induction programmes for new recruits, leadership training, negotiation and interviewing skills, IT and cyber security, modules on soft skills, programmes on mental and physical well-being, amongst several others. In view of the impending amalgamation with HDFC Bank, multiple webinars on Basics of Banking were attended by all employees. Multiple advanced workshops were also conducted for enhanced skills in Structure Query Language and other software. Other workshops conducted were self-management, growth mindsets and leadership skills. Immense thrust was laid on training employees on customer centric behaviour, mentoring and customer relationship management.</p> <p>Total training man days per employee: 9.89</p>		100

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings with regulators/ law enforcement agencies/judicial institutions in FY23

Monetary				
	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Reserve Bank of India	5,00,000	In March 2023, the Reserve Bank of India (RBI) imposed a monetary penalty for non-compliance with certain provisions of the Housing Finance Companies Directions, 2010 issued by the National Housing Bank read with the press release dated August 13, 2019 issued by RBI on Transfer of Regulation of Housing Finance Companies to Reserve Bank of India. The Corporation has paid the penalty. The Corporation maintains that this was not significant or material in nature.	No
Settlement	-	-	-	-
Compounding Fee	-	-	-	-
Non-Monetary				
	Name of the regulatory/enforcement agencies/judicial Institutions	Brief of the case		Has an appeal been preferred? (Yes/No)
Imprisonment	Nil			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed.

Nil.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Corporation has an anti-bribery and anti-corruption policy. The policy has been developed in alignment with HDFC's code of conduct, various existing policies (including whistle blower policy, policy on management of conflict of interest, amongst others) and rules and regulations on anti-bribery and anti-corruption in India.

The policy reiterates HDFC's stance of zero tolerance towards bribery and corrupt practices. The policy facilitates ethical decision making and reinforces HDFC's culture of transparency in all its dealings.

This policy applies to all stakeholders or persons associated with HDFC and who may be acting on behalf of HDFC and sets out conduct that must be adhered to at all times.

The policy is placed on the Corporation's website,

<https://www.hdfc.com/content/dam/housingdevelopmentfinancecorp/pdf/investors/services/code-policies/HDFC%20Limited%20-%20Anti%20Bribery%20&%20Anti%20Corruption%20Policy-Final.pdf>

5. Number of Directors/KMPs/employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption

	FY23	FY22
Directors	Nil	Nil
KMPs		
Employees		

6. Details of complaints with regard to conflict of interest

	FY23		FY22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of directors	-	-	-	-
Number of complaints received in relation to issues of conflict of interest of KMPs	-	-	-	-

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

The Corporation ensures that it discusses various issues with its regulators where there could be lapses in compliance and ensures that necessary policies, processes, systems and monitoring mechanism are put in place.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year.

With the shift to digital platforms, the Corporation continued to spend a great deal of time and effort in training programmes for both, its key partners/deposit agents and direct selling agents so as to enable them to effectively use the Corporation's digital platforms. This helped increase digital onboarding of both, depositors and borrowers. This proved to be cost effective, efficient and convenient for customers and also helped reduce paper consumption by the Corporation.

The Corporation constantly engages with its critical value chain partners in facilities management which entail programmes to improve service levels, security measures across offices, safety protocols linked to support services and health and hygiene issues through effective housekeeping, amongst others. These awareness programmes covered about 60% of the Corporation's value chain partners pertaining to facilities management. These regular interactions have strengthened the Corporation's relationship with some of its key value partners who share similar ESG objectives and assist in areas like waste management and conservation of resources.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the board? (Yes/No) If yes, provide details of the same.

Yes. The Corporation has a policy on management of conflict of interest to identify actual or potential conflict of interest of HDFC with its directors and employees, which may arise during the course of its business activities. The Corporation has implemented organisational and administrative processes to mitigate and prevent conflicts of interest that may arise. There are appropriate safeguards and systems to prevent or manage conflicts along with escalation mechanisms.

The Corporation has a guidance mechanism in place for directors/senior management to address potential conflict of interests that may arise in recommending/approving proposals for investments/granting loans.

The policy is placed on the Corporation's website. The hyperlink is https://www.hdfc.com/content/dam/housingdevelopmentfinancecorp/pdf/investors/services/code-policies/Policy-on-Management-of-Conflict-of-Interest_0.pdf

Essential Indicators

- 1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Given the nature of business of the Corporation, the relevance of the above is largely restricted to information technology (IT) capex. In FY23, capex and other expenses incurred towards IT hardware and software, which facilitated enhanced digital initiatives of the Corporation was 0.29% of total revenue (FY22: 0.16%). Greater adoption of digital platforms not only brings in increased efficiencies of operations, but also ensures substantially reduced consumption of paper.

- 2. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes. As the nature of the business of the Corporation is providing housing finance, at a corporate level, consumption of resources is limited to running the operations.

The Corporation, however, remains cognisant of reducing its resource consumption through ensuring better energy efficiency standards, whilst procuring electronic equipment, lighting devices, computers, HVACs, sensors, amongst others. In certain office locations, to gradually reduce the dependence on grid electricity, the Corporation has continued to install solar power roof panels, which are certified as per the norms and technical standards of the Central Electricity Authority. This will bring in energy savings over the medium to long-term.

Some of the offices of the Corporation are certified by IGBC for green interiors.

The Corporation has installed automated power factor control panels in junction/distribution boards to reduce power distribution losses. At most of the Corporation's offices, there are LED light fittings to conserve energy and conscious endeavours have been made to replace electronic equipment with high energy star ratings. Sensors are installed to economise power and water consumption only when these facilities are being used.

During the year, the Corporation fixed aerators in taps at some of its large offices to reduce water consumption. The aerators dispense less water at the rate of 1.89 litre per minute as against the earlier rate of 5-6 litre per minute. This helped the Corporation to reduce water consumption in these offices by almost 60-70%.

The major suppliers of hardware are green standard compliant and data centres are certified under Environmental Management System ISO 14001:2015.

The Corporation endeavours to engage with suppliers who integrate environmental and social considerations into their products and services. At an all-India level, preference is always given to sourcing from local suppliers.

- 3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Given the nature of the business, the Corporation has limited scope to use recycled material as processed inputs. However, the Corporation has systems in place at an all-India level to manage e-waste. The Corporation engages with certified e-waste handlers for disposal of e-waste. In FY23, 24,927 kg of e-waste generated from computers, printers, laptops, scanners, switches, servers, batteries – sealed maintenance free (SMF) and uninterrupted power supply (UPS) was disposed through authorised, green recyclers. The Corporation received green, disposable and re-cycling certificates from the respective e-waste vendors.

The Corporation also uses local vendors for disposal of paper for recycling. For several years, the sale value of paper scrap of the Corporation is being donated to Cancer Patients Aid Association. During the year, towards this initiative, 9.02 MT of waste paper was sent for recycling.

In an endeavour to reduce consumption of plastics, the Corporation, as a policy does not procure plastic bottled water in its offices as such plastics are not biodegradable and micro plastics release toxic chemicals into the environment.

Waste segregation has been introduced at various offices. This entails segregating and disposing dry, wet and recyclable waste. The recyclable and dry waste is given to various vendors for recycling.

- 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Not applicable.

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details.

The primary business activity of the Corporation is providing housing finance. The loan cycle is a sequential process ranging from sourcing of the loan to loan approval, disbursement, servicing and repayment of the loan. Details are elucidated below:

Sourcing of Loans

Individual home loans are sourced digitally through the online portal, directly as walk-in applications at HDFC offices, or through any channel partner/entity which has a formal sourcing agreement with HDFC. The majority of the loans are being sourced by the Corporation or through its affiliates, HDFC Sales Private Limited and HDFC Bank Limited. Third party direct selling agents also source business for HDFC.

Loan Processing

- **Credit Appraisal**

All loans are processed by the credit hubs, post initial document fulfillment by channel partners. The appraisal process for determining the loan eligibility involves underwriting of the submitted documents and undertaking various checks to ensure authenticity of the documents, genuineness of the transaction and compliance with regulations. The credit underwriting process is digitally enabled. Supporting documentation for loan appraisals are also digitally enabled. This has helped reduce paper consumption. Capitalising on technology has enabled increased scale and speed in processing and digital fetch tools helps in faster authentication of supporting documentation such as income tax returns and GST returns, bank statement analysis, amongst others.

- **Legal Appraisal**

The required title and other documents pertaining to the individual property being financed are verified to ensure that the title is clear and marketable and can be mortgaged to HDFC.

- **Technical Appraisal**

Post the appraisal process, the technical appraisal process involves collection and compilation of the project related documents and verification of the stage of construction of the project to ascertain the amount that can be disbursed.

Disbursement

Disbursement process commences after approval of the loan and verification of requisite documents.

Repayment & Closure

Once the loan is fully repaid/prepaid, the original/copy of title documents for the property with any other documents if procured during the legal process are then released and handed over to the customer with a mortgage release letter stating that all dues towards the loan has been fully repaid.

Deposits

In a similar vein, the lifecycle of deposits is also a critical component for the Corporation. This begins with sourcing of the deposit which could be directly by the customer or through a deposit agent/key partner. The requisite KYC checks and other information details of customers are collected and reviewed to ensure compliance with extant regulations. Post this, a deposit certificate is issued to the customer. Periodic intimations are sent to customers and upon maturity, the deposits are either renewed or repaid to the customer. The Corporation has a robust online deposit platform, <https://www.hdfc.com/deposits>. As at March 31, 2023, more than 66% of deposits were being transacted through the online platform.

Grievance Redressal Mechanism

As part of the Grievance Redressal policy, the Corporation has a complaint management system to record and redress grievances/feedback from customers, which helps in ensuring standard operating procedures and enhancing service standards. The Customer Engagement department is in charge of ensuring that customer grievances are addressed in a timely manner and that responses sent are appropriate and meets the requirements of the customers. Further details in Principle 9.

- 2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Not applicable.

- 3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Not applicable.

- 4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed.**

Not applicable.

- 5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Not applicable.

Essential Indicators
1. Details of measures for the well-being of employees

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
PERMANENT EMPLOYEES											
Male	2,916	2,916	100	2,916	100	-	-	2,916	100	-	-
Female	1,101	1,101	100	1,101	100	1,101	100	-	-	1,101	100
Total	4,017	4,017	100	4,017	100	1,101	27	2,916	73	1,101	27
OTHER THAN PERMANENT EMPLOYEES											
Male	1,506	1,228	82	1,219	81	-	-	-	-	-	-
Female	1,435	1,290	90	1,320	92	1,435	100	-	-	1,435	100
Total	2,941	2,518	86	2,539	87	1,435	49	-	-	1,435	49

2. Details of retirement benefits for the current and previous financial year

Benefits	FY23		FY22	
	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)*	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)*
PF	100	Y	100	Y
Gratuity	100	Y	100	Y
Employee State Insurance (ESI)	-	N.A.	-	N.A.
Others	-	-	-	-

*The Corporation has a separate Provident Fund Trust and Gratuity Trust.

3. Accessibility of workplaces

Are the premises/offices accessible to differently abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Some of the offices of the Corporation, including the corporate office have ramps for easy movement of differently abled people. Most offices are located in commercial premises which are either on the ground floor or have elevators and infrastructure for differently abled individuals. Wheelchair accessible restrooms are available in certain premises of the Corporation.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Corporation has adopted an Equal Opportunity Policy in accordance with the provisions of the Rights of Persons with Disabilities Act, 2016 and the rules framed thereunder and provides a framework which is committed towards the empowerment of persons with disabilities. This policy aims to provide practical guidance on the management of disability issues at the workplace in accordance with the provisions of the act and its rules.

The Corporation believes in equal opportunity for all its employees, wherein the Corporation is committed to providing an inclusive work culture and an environment free from any discrimination. HDFC values and welcomes diversity and does not treat anybody differently based on their race, sex, religion/beliefs, disability, marital or civil partnership status, age, sexual orientation, gender identity, gender expression, caring responsibilities, or any other class of person protected by laws in the country. At HDFC, the vision is to be "Disability Confident". HDFC, as an inclusive employer actively encourages the recruitment, development and retention of people with disability and ensures they have equal opportunities at workplace and strives to provide a safe, accessible and healthy work environment.

The policy is on the Corporation's website, <https://www.hdfc.com/content/dam/housingdevelopmentfinancecorp/pdf/investors/services/code-policies/Equal-Opportunity-Policy-at-HDFC.pdf>

5. Return to work and retention rates of permanent employees that took parental leave.

Permanent employees		
Gender	Return to work rate (%)	Retention rate (%)
Male	100	98
Female	100	92
Total	100	95

Retention rate determines who returned to work after parental leave ended and were still employed 12 months later.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees	Yes
Other than Permanent Employees	

The Corporation has always believed in open and transparent communication. Employees are encouraged to share their concerns with their business heads, HR or the members of the senior management. The Corporation has always followed an open door policy, wherein any employee irrespective of hierarchy has access to the senior management.

In addition, the Corporate Whistleblower Initiative (CWI) provides a formal platform to share grievances on various matters. The details of the grievance mechanism and CWI are shared with employees through a specific module. New recruits are also sensitised on the CWI mechanism and forms part of the employee induction programme.

The Corporation has a policy on prevention, prohibition and redressal of sexual harassment of women at the workplace and has an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The said policy is placed on the Corporation's website. The ICC comprises majority of women members. Members of the Corporation's ICC are responsible for conducting inquiries pertaining to such complaints.

The Corporation on a regular basis sensitises its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programmes which are held on a regular basis.

7. Membership of employees in association(s) or unions

The Corporation does not have any employee associations. The Corporation, however, recognises the right to freedom of association and does not discourage collective bargaining.

8. Details of training given to employees

Category	FY23					FY22				
	Total (A)	On health and safety/wellness measures		On skill upgradation		Total (A)	On health and safety/wellness measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES										
Male	2,982	2,717	91	2,979	99	2,704	2,704	100	2,704	100
Female	1,137	1,036	91	1,136	99	966	966	100	966	100
Total	4,119	3,753	91	4,115	99	3,670	3,670	100	3,670	100

Note: Includes training given to employees who have resigned/retired during the year. Some of the training programmes offered under health and safety and skill upgradation are mandatory. Hence, all employees have been considered under such training programmes.

9. Details of performance and career development reviews of employees

Category	FY23			FY22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
EMPLOYEES						
Male	2,916	2,916	100	2,671	2,671	100
Female	1,101	1,101	100	928	928	100
Total	4,017	4,017	100	3,599	3,599	100

All employees of the Corporation undergo an annual performance appraisal process as determined by the Corporation. Further, the Nomination and Remuneration Committee and the board evaluates the performance of the whole-time directors, members of executive management (one level below the board) and the company secretary on an annual basis.

The underlying philosophy of the performance management system is to have a fair and transparent system of appraisal, which ensures an objective mechanism to measure each employee's performance and potential and implement a reward system which recognises merit.

The performance appraisal system has been designed to achieve the following objectives:

- Review the previous year's performance with specific reference to achievement of targets and give constructive feedback on performance;
- Provide an opportunity for communication and interaction between the appraiser and appraisee regarding the previous year's performance and setting of performance targets for the next appraisal period; and
- Reward employees who have performed well during the appraisal period and those who demonstrate the ability to handle higher responsibilities with promotions/increased job responsibilities.

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

Owing to the nature of the business, per se there are no occupational health and safety risks due to the nature of the work.

The Corporation has a policy on health and safety for its employees. Periodic internal communication and alerts are sent out to employees and awareness sessions are conducted on safety related aspects. Employees on a pan-India basis are given periodic training on basic and advanced fire safety, including evacuation drills. HDFC has tie-ups with vendors to educate and demonstrate the use of fire-fighting equipment. The said policy is placed on the Corporation's website.

The Corporation is focused on both, the physical and mental well-being of its employees and has organised various workshops and discussions with well-being experts and medical practitioners. The Corporation has designated first-aid marshals at offices, with minimum basic training so as to be aware of procedures to be followed in case of medical emergencies.

Training programmes on the safety of women employees at the workplace is mandatory for all employees. During the year, there were no accidents of any employee of the Corporation whilst on duty.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Given the nature of business, this is not applicable.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Given the nature of business, this is not applicable.

d. Do the employees have access to non-occupational medical and healthcare services? (Yes/No)

Yes. All employees of the Corporation are covered under the Corporation's health insurance and personal accident policy.

11. Details of safety related incidents

Safety Incident/Number	Category	FY23	FY22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Permanent Employees	Nil	Nil
Total recordable work-related injuries			
No. of fatalities (safety incident)			
High consequence work-related injury or ill-health (excluding fatalities)			

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Corporation emphasises on the importance of maintaining a safe and healthy workplace for all employees and third-party employees who work on its premises.

The Corporation assesses the health, safety and environmental performance across all its offices. Certain employees are given training on fire safety and evacuation drills. Fire drills and audits are conducted in the office premises to ensure maintenance of safety standards.

During the year, there were no accidents of any employee of the Corporation whilst on duty.

During the year, the Corporation continued with 'Health Mantras@HDFC' an integrated approach towards employee's holistic health and well-being. Health Mantras@HDFC is a digital platform that looks at the complete well-being of the employees of the Corporation. The initiative is divided into four pillars – physical, emotional, financial and social well-being. The platform offers a wide range of services that include counselling services, doctor and dietician consultations, webinars, newsletters, articles and fitness classes conducted by top trainers for all fitness levels. All the wellness programmes can be accessed on-the-go across all digital devices.

13. Number of complaints on the following made by employees

	FY23			FY22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	Nil	Nil	-	Nil	Nil	-
Health and safety	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%^
Working Conditions	Nil

^The Corporation has various annual maintenance contracts which deals with various safety practices for its offices.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health and safety practices and working conditions.

The human resources and facilities management departments hold overall responsibility for implementing the policy on health and safety of employees and monitoring and reviewing the health and safety measures of the Corporation periodically. Health check-up camps are conducted on a periodic basis. The Corporation has a Crisis Management team as a part of its Business Continuity Plan (BCP) and conducts periodic reviews to assess readiness in the eventuality of the BCP needing to be activated.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of Employees (Y/N)

Yes. The Corporation covers medical expenses if any, and in addition, the Corporation may offer employment to the spouse/dependent of the deceased employee. Benefits like provident fund, gratuity, superannuation and employees' deposit linked insurance, as applicable, are settled on a priority basis. Further, employee stock options granted immediately vest with the employee's immediate family member/person(s) nominated by such employee. In such circumstances, the Corporation assists the family in exercising such options.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Corporation ensures that taxes as applicable to the transactions within the remit of the Corporation are deducted and deposited in accordance with extant regulations. This activity is also reviewed as part of the internal and statutory audit. The Corporation expects its value chain partners to uphold business responsibility principles and values of transparency and accountability.

3. Provide the number of employees having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees		No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY23	FY22	FY23	FY22
Employees	Not applicable. There were no work-related injuries.			

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Since inception, the Corporation has never undertaken any retrenchment of employees owing to business exigencies or employees not having the requisite skills to do the required job. Cross functional training – "SkillUp 2 ScaleUp", were organized to upgrade the skills of existing employees on other functional areas. Given the long duration of service of many employees, transition assistance programmes for retirees are not found to be compelling as the employees are mostly high skilled.

5. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety	The Corporation expects all its value chain partners to follow extant regulations, including health and safety practices and working conditions. These parameters are not explicitly captured or measured other than certain loans where there is enhanced environment and social (E&S) due diligence being monitored, including health, safety and working conditions.
Working conditions	

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No corrective action plan has been necessitated on the above-mentioned parameters.

In certain loans where there is enhanced E&S monitoring as part of the covenants, the Corporation has necessary safeguards in case of non-compliance. The Corporation may provide a reasonable timeframe for compliance. On a case-by-case basis, the Corporation may evaluate the respective loan and may call for a corrective action plan from the customer.

If non-compliance persists, wherein it raises potential risks/liabilities on the Corporation, the respective committee of management discharged with loan approval authority, along with the legal department of the Corporation may take measures, including enforcing the right to recall the loan.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Any individual or group of individuals or institution that adds value to the business chain of the Corporation is identified as a core stakeholder. This inter alia includes employees, shareholders and investors, customers, channel partners and key partners, regulators, lenders, research analysts, communities, government and non-governmental organisations, suppliers, amongst others.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Key Stakeholders	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half yearly/Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Direct & other communication mechanisms	Daily	Corporation follows an open door policy
Shareholders/ Investors	No	Email, SMS, newspaper advertisement, notice board, website, Annual General Meetings, intimation to stock exchanges, annual/ quarterly financials and investor meetings/ conferences	Frequent and need based	To stay abreast of developments in the Corporation and its subsidiary companies
Customers	Yes, if they qualify based on specified criteria such as income and/or gender	Multiple channels – physical and digital	Frequent and need based	Stay in touch with the customer throughout the life cycle of the loan and address any issues that the customer may have
Channel Partners and Key partners	No	Multiple channels – physical and digital	Frequent and need based	Helps to increase reach and enhance business
Regulators	No	Email, one-on-one meetings, concalls, video-conference	Need based	Discussions with regard to various regulations and amendments, inspections, approvals
Research Analysts	No	Email/ concalls, meetings, video-conferences	Frequent and need based	Keep abreast of developments of the Corporation and its group companies
Communities and NGOs	Yes	Directly or through the H T Parekh Foundation	Frequent and need based	Support socially high impact projects

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Corporation has always maintained that a constant and proactive engagement with key stakeholders enables the Corporation to better communicate its strategies and performance. A continuous engagement helps align expectations, thereby enabling the Corporation to better serve its stakeholders. The board is kept abreast on various developments and feedback on the same is sought from the directors.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

The Corporation believes that housing per se fulfills a critical social objective. The Corporation engages with various stakeholders in helping to expand the housing market and enable more Indians to become homeowners.

In addition, the Corporation has been engaging with a number of ESG teams of investors/shareholders and experts in this field, which helps to better understand the expectations of stakeholders and benchmark against best practices. The Corporation recognises that it is still in an evolving phase on various evolving aspects of ESG and hence stakeholder interactions are important.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.**

The Corporation supports the government's vision of, 'Affordable Housing for All'. The Corporation continues to remain committed to increasing homeownership in the country and offering housing finance solutions to the economically weaker sections and low income groups.

The Corporation's CSR activities focus on the disadvantaged, vulnerable and marginalised segments of society. Kindly refer to the Annual Report on Corporate Social Responsibility (CSR) Activities and Social Initiatives Report for further details. The hyperlink is <https://www.hdfc.com/investor-relations/environmental-social-and-governance>

Essential Indicators
1. Employees who have been provided training on human rights issues and policy(ies)

Category	FY23			FY22		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees covered (D)	% (D/C)
EMPLOYEES						
Permanent	4,017	4,017	100	3,599	3,599	100
Other than permanent	2,941	2,941	100	2,615	2,615	100
Total Employees	6,958	6,958	100	6,214	6,214	100

Note: The training pertains to the Code of Conduct and the Human Rights Statement of the Corporation.

2. Details of minimum wages paid to employees

Category	FY23					FY22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
EMPLOYEES										
Permanent	4,017	-	-	4,017	100	3,599	-	-	3,599	100
Male	2,916	-	-	2,916	100	2,671	-	-	2,671	100
Female	1,101	-	-	1,101	100	928	-	-	928	100
Other than Permanent	2,941	116	4	2,825	96	2,615	99	4	2,516	96
Male	1,506	69	5	1,437	95	1,333	48	4	1,285	96
Female	1,435	47	3	1,388	97	1,282	51	4	1,231	96

3. Details of remuneration/salary

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (₹)	Number	Median remuneration/ salary/wages of respective category (₹)
Board of Directors (BoD) (Whole-time directors)	2	16,27,22,720	1	17,30,36,000
Key Managerial Personnel (other than BoD)	1	1,18,27,477	-	-
Employees other than BoD and KMP*	2,521	12,99,584	866	10,08,784

The details of remuneration of employees other than Board of Directors (BoD) and Key Managerial Personnel (KMP) are given below:

Employees other than BoD and KMP*	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (₹)	Number	Median remuneration/ salary/wages of respective category (₹)
Associate	708	7,34,966	338	7,07,541
Middle Management	1,556	15,54,889	476	13,26,271
Senior Management	217	36,91,436	44	35,42,260
Top Management	40	74,43,236	8	59,60,090

*Includes only employees who have worked for the entire 12-month period.

Note: Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall basis at the end of each year and accordingly, have not been considered in the above information. Perquisite value of stock options is excluded.

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Managing Director oversees the human resources function in the Corporation. In addition, the director in charge of business responsibility along with the executive directors are responsible for addressing any human rights issues caused or contributed by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues

The Corporation regards respect for human rights as one of its fundamental and core values and strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are followed.

The Corporation is committed to maintain a safe and harmonious business environment and workplace for everyone, irrespective of the ethnicity, region, sexual orientation, race, caste, gender, religion, disability, work, designation and such other parameters. HDFC believes that every workplace shall be free from violence, harassment, intimidation and/or any other unsafe or disruptive conditions, either due to external or internal threats. Accordingly, HDFC has aimed to provide reasonable safeguards for the benefit of employees at the workplace, while having due regard for their privacy and dignity.

HDFC also has zero tolerance towards and prohibits all forms of slavery, coerced labour, child labour, human trafficking, violence or physical, sexual, psychological or verbal abuse. As a matter of policy, HDFC does not hire any employee or engage with any agent or vendor against their free will.

6. Number of complaints on the following made by employees

	FY23			FY22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	3	-	-	2	-	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/ Involuntary	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The Corporation is committed to providing equal opportunities to all individuals and is intolerant towards discrimination and/or harassment based on race, sex, nationality, ethnicity, origin, religion, age, disability, sexual orientation, gender identification and expression (including transgender identity), political opinion, medical condition, language as protected by applicable laws.

The objective of the Diversity & Inclusion Policy is to ensure that the Corporation continues to be an employer for all diversity groups - gender identity, disability, caste, creed, colour, religion, marital status, age, sexual orientation and expression, medical condition, language and any other aspects as applicable, to create and foster an open culture of inclusion for all its stakeholders; and to create an environment which has zero tolerance for discrimination.

HDFC also has a policy on prevention, prohibition and redressal of sexual harassment of women at the workplace and has an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Members of the Corporation's ICC are responsible for conducting inquiries pertaining to such complaints. The Corporation on a regular basis sensitises its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programme which are held on a regular basis.

8. Do human rights requirements form part of your business agreements and contracts (Yes/No)?

Yes, in certain business agreements and contracts where relevant. The Corporation includes a clause in certain loan agreements, requiring the borrower to comply with labour laws, environment, health, safety and social laws, as applicable.

9. Assessments for the year

	% of offices that were assessed (by entity or statutory authorities or third parties)
Child labour	The Corporation is in compliance with the laws, as applicable. In addition, all the Corporation's offices were assessed for the purpose of statutory compliance management and statutory audits of labour laws pertaining to employees other than permanent employees.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

The Corporation is of the belief that it has upheld the basic principles of human rights in all its dealings. This is in alignment with its Human Rights Statement. The Corporation regularly sensitises its employees on the Code of Conduct through various training programmes.

2. Details of the scope and coverage of any human rights due-diligence conducted.

See response above.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Some of the offices of the Corporation including corporate office have ramps for easy movement of differently abled visitors. Most of the offices are located in commercial premises which may be on the ground floor or have elevators and infrastructure for differently abled visitors. Wheelchair accessible restrooms are available in certain offices of the Corporation.

The Corporation also maintains application forms in Braille to cater to the special needs of visually impaired customers.

4. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The Corporation expects its value chain partners to adhere to the same values, principles and business ethics upheld by the Corporation in all their dealings. No specific assessment in respect of value chain partners has been carried out other than certain covenants where some of these parameters are being monitored closely in certain lending arrangements. Training and sensitisation of value chain partners has been undertaken.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No corrective actions pertaining to Question 4 was necessitated by the Corporation during the year under review.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter*		FY23		FY22	
		MWh	TJ	MWh	TJ
(A)	Total electricity consumption	16,642.85	59.92	14,753.71	53.11
(B)	Total fuel consumption	13,007.93	46.83	11,105.79	39.98
(C)	Energy consumption through other sources-Renewables	214.51	0.77	136.34	0.49
Total energy consumption (A+B+C)		29,865.29	107.52	25,995.84	93.58
Energy intensity per rupee of turnover (Total energy consumption/turnover in ₹ crore)		0.496	0.002	0.542	0.002

*The data pertains to all offices of the Corporation.

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

Yes. The Corporation has partnered with a leading environment and research institution, Centre for Environmental Research & Education (CERE) to help measure and monitor HDFC's carbon footprint. CERE provides technical and domain expertise and assists the Corporation in determining carbon emissions pertaining to its own operations.

The Corporation has measured its carbon footprint across all offices. The carbon footprint is in accordance with the GHG Protocol Corporate Accounting Standard and accounts for the following greenhouse gas emissions: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs, HCFCs).

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable.

3. Provide details of the following disclosures related to water.

The Corporation's usage of water is restricted to human use only. Efforts have been made to ensure that water is consumed judiciously in the office premises. In various offices, sensor taps are installed in office washrooms to economise on water consumption. The Corporation ensures that the domestic waste (sewage) from offices and branches are not let into water bodies.

Parameter	FY23
Surface Water (KL)	-
Ground Water (KL)	23,584.78
Third party Water (KL)	78,002.46
Seawater/desalinated Water (KL)	-
Others	-
Total Withdrawal (KL)	1,01,587.24
Total Consumption (KL)	1,01,587.24

Note: The Corporation's usage of water is restricted to use of domestic purposes only. Efforts have been made to ensure that water is consumed judiciously in the office premises. The Corporation ensures that the domestic waste (sewage) from offices is disposed off and treated by the municipalities/local bodies. No wastewater is discarded directly into local water bodies.

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes. The assessment was carried out by CERE.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No.

5. Please provide details of air emissions (other than GHG emissions) by the entity.

Not applicable.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity

Methodology adopted for measuring the Corporation's carbon footprint

- The data pertains to all 523 offices of the Corporation.
- The organisational boundary has been established using the 'Operational Control Approach'.
- Data has been collected at each office and aggregated at an all-India level.
- The aggregated data has been analysed by CERE and GHG emissions pertaining to the Corporation's own operations have been assessed by CERE.
- Staff members on a pan-India basis have been working closely with CERE to be sensitised and work towards reducing the Corporation's overall carbon footprint.
- Some datapoints in the previous year have undergone minor changes owing to improved collection efforts on such data.

Parameter*	Unit	FY23	FY22
Total Scope 1 emissions (GHG: CO ₂ , CH ₄ , N ₂ O, HFCs)	Metric tonnes of CO ₂ equivalent	3,981.44	3,115.38
Total Scope 2 emissions (GHG: CO ₂)	Metric tonnes of CO ₂ equivalent	11,903.12	11,700.08
Total GHG emissions (Scope 1 & 2)	Metric tonnes of CO ₂ equivalent	15,884.56	14,815.46
Total Scope 1 and Scope 2 emissions per ₹ crore of turnover	MTCO ₂ e/Revenue (in ₹ crore)	0.264	0.309

*The data pertains to all offices of the Corporation.

GHG Emissions FY23

GHG Emissions – FY23					
Scope 1 Emissions					
Source	CO ₂ (MT)	CH ₄ (MT)	N ₂ O (MT)	Refrigerants (kg)	CO ₂ e (MT)
Generator Sets (Diesel)	134.20	0.02	0.001	-	135.00
Company Cars (Petrol)	55.04	-	-	-	55.04
Fuel Allowance (Petrol)	2,878.04	-	-	-	2,878.04
HVAC (Heating Ventilating and Air Conditioning Systems) - Refrigerant Leaks	-	-	-	R22 - 234.15 R32 - 172.59 R410a - 149.60 1234Ze - 92 R407C - 5	913.36
Scope 1 Total					3,981.44
Scope 2 Emissions					
Source	CO ₂ (MT)	CH ₄ (MT)	N ₂ O (MT)	CO ₂ e (MT)	
Purchased Electricity*	11,385.80	-	-	-	11,385.80
Electricity for Data Centres	517.05	-	-	-	517.05
Electric Vehicles	0.27	-	-	-	0.27
Scope 2 Total					11,903.12
FY23: Scope 1 & 2 Total					15,884.56

*Please note that the published emission factor from Central Electricity Authority: CO₂ baseline database Version 18 has been referred to calculate the emissions from purchased electricity for offices and data centers.

GHG Emissions FY22

GHG Emissions – FY22					
Scope 1 Emissions					
Source	CO ₂ (MT)	CH ₄ (MT)	N ₂ O (MT)	Refrigerants (kg)	CO ₂ e (MT)
Generator Sets (Diesel)	177.28	0.02	0.001	-	178.33
Company Cars (Petrol & Diesel)	55.96	-	-	-	55.96
Fuel Allowance (Petrol)	2,339.97	-	-	-	2,339.97
HVAC (Heating Ventilating and Air Conditioning Systems) - Refrigerant Leaks	-	-	-	R22 - 193.92 R32 - 26.48 R410a - 53.40	512.00
Canteen Fuel (Self-managed)	29.12	-	-	-	29.12
Scope 1 Total					3,115.38
Scope 2 Emissions					
Source	CO ₂ (MT)	CH ₄ (MT)	N ₂ O (MT)	CO ₂ e (MT)	
Purchased Electricity*	11,214.02	-	-	-	11,214.02
Electricity for Data Centres	486.06	-	-	-	486.06
Scope 2 Total					11,700.08
FY22: Scope 1 & 2 Total					14,815.46

*Please note that the published emission factor is from Central Electricity Authority: CO₂ Baseline Database Version 17 was referred to calculate the emissions from purchased electricity for offices and data centres.

For FY22, there has been minor revisions in data owing to improved mechanisms to collect such data.

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

Yes. The assessment was carried out by CERE.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

The Corporation is committed to a net-zero emissions pathway and adopting de-carbonisation strategies. Towards this end, the Corporation has taken the initiative to install a number of solar panels in certain offices, particularly where premises are owned by the Corporation in order to help reduce its carbon footprint and increase its share of energy consumption through renewables. Currently, the Corporation has solar installations in 14 locations with an estimated capacity of approximately 454 kWp.

The investment in these installations, including the cost of solar panels, installation costs and net metering would likely be recovered over a period of 9.6 years. Listed below are the overall savings that could accrue:

Envisaged savings for the solar panels installed by the Corporation as determined by CERE:

Year	Electricity (kWh)*	Cost Saving (₹)	Carbon Reduction (MT CO ₂ e)
FY23	2,14,509	23,59,597	174.19
FY22	1,36,336	14,76,728	108.12

*Note: The electricity generation is based on operational solar panels at HDFC.

The Corporation has undertaken various innovative environmental conscious initiatives such as deployment of Intelligent Power Management (IPM) which has been enabled on over 5,000 desktops to enable power saving while the systems are still functioning.

In FY23, the Corporation obtained energy saving certificates from an organisation focused on building products to promote green computing. As per the certification received from Vigyan Labs' Intelligent Power Management - IPM+ Endpoint, the Corporation achieved 341.54 MWh of energy savings and 341.74 MT of carbon emission savings. This resulted in 22% savings on energy consumption.

Other Initiatives

During the year, HDFC employees participated in a tree plantation drive at Turbhe village in Navi Mumbai through its partnership with the 102 Battalion of Rapid Action Force, the specialised wing of the Central Reserve Police Force. The initiative enabled the plantation of saplings on a plot allotted by the Forest Department, Raigad. HDFC employees on a pan-India basis supported the beach clean-up drive as part of the International Coastal Clean-Up Day organised by the Ministry of Earth Sciences.

Environmental Sustainability Initiatives

The Corporation primarily implements its Corporate Social Responsibility initiatives through the H T Parekh Foundation (the foundation). To support de-carbonisation, one of the focus areas of the H T Parekh Foundation is environmental sustainability. With the aim of having a positive social and environmental impact, the Corporation along with the H T Parekh Foundation via multiple implementing partners has been involved in various green energy projects.

Details of solar projects undertaken in FY23

FY23				
Type of Project	Location	Number of Solar Installations/ Street Lights	MT CO ₂ e Saving Over	
			1 st year	10 years
Solar Electrification of Community Health Centres and Rural, Tribal and Urban Primary Health Care Centres (384 kW)	Multiple Districts, Manipur	44	413.10	3,800.56
Solar street lights for select villages (72 kW)	Raigad, Maharashtra	1,200	104.98	965.78
Solar power for Rural Schools (22.11 kW)	Raigad, Maharashtra	11	30.09	276.80
Rooftop Solar for a Primary Diagnostic Health Centre (80 kW)	Mann, Maharashtra	1	89.88	826.87
Solar power for a Faecal Sludge Treatment Plant (30 kW)	Satara, Maharashtra	1	35.48	326.40
Solar Street Lights for an Urban Slum pocket (2.4 kW)	Jodhpur, Rajasthan	40	4.38	40.28
Solar Street Lights for an Urban Slum pocket (3.9 kW)	Ahmedabad, Gujarat	65	6.85	63.01
Rooftop Solar System at an institutional kitchen for mid-day meals (200 kW)	Varanasi, Uttar Pradesh	1	181.44	1,669.25
Solar Street Lights for fringe forest communities (0.54 kW)	Corbett, Uttarakhand	30	0.88	8.11
Solar power for Community Libraries (6.6 kW)	Majuli, Assam	18	9.74	89.58
Solar Street Lights to enable access to Community Libraries (1.05 kW)	Majuli, Assam	14	1.55	14.25
Total		1,425	878.37	8,080.89

Details of Solar Projects undertaken in FY22

FY22					
Type of Project	Location	Number of Solar Installations	MTCO ₂ e Saving Over		
			1 st year	10 years	25 years
Hybrid Solar System (5 kW)	Vyara, Gujarat	11	61.60	492.80	1,078.00
Solar Street Light (Solar Panel-60W)	Ahmedabad, Gujarat	100	7.01	56.06	122.64
Solar Water Pumps (1.2 kW)	Karnataka and Odisha	146	158.85	1,270.78	2,779.84
Solar Water Heaters (300 Litres Per Day)	Karnataka and Odisha	134	364.48	2,915.84	6,378.40
Solar Water Heaters (500 Litres per day)	Karnataka and Odisha	27	100.98	807.84	1,767.15
Total		418	692.92	5,543.32	12,126.03

Waste Management Projects Undertaken

In Mumbai and Navi Mumbai, the foundation worked with public service institutions and non-governmental organisations to support their journey to zero waste. Under the foundation's decentralised waste management for bulk waste generators project, the foundation helped set up systems for improving segregation efficiency, including awareness and training programmes for all stakeholders and set up 665 kg capacity of infrastructure for processing wet waste into compost across 8 organisations.

Under the Model Ward Programme for Holistic Waste Management at the city level, the foundation helped improve segregation efficiency among 1,200 households, conducted training for 23 *safai saathis* and green workers and diverted 150 MT of dry waste from the landfill.

In line with the goal to demonstrate circularity in waste, the foundation supported a large kitchen cooking mid-day meals for over 1,00,000 children from 282 schools to enable them to reuse food waste as biogas for cooking. The foundation supported the establishment of a 1.5 MT per day waste-to-biogas plant.

8. Provide details related to waste management by the entity

Parameter (in metric tonnes)		FY23	FY22
Total waste generated (in metric tonne)			
(A)	Plastic waste	0.79	0.65
(B)	E-waste	5.23	4.69
(C)	Battery waste	19.70	14.02
(D)	Bio-medical waste	Not Applicable. The Corporation does not produce or dispose any kind of biomedical, construction debris, radioactive and other hazardous waste.	
(E)	Construction and demolition waste		
(F)	Radioactive waste		
(G)	Other Hazardous waste. Please specify, if any		
(H)	Other Non-hazardous waste (Food, Paper, Cardboard, Metal and Mixed Waste)	357.57	86.01
Total (A+B + C + D + E + F + G + H)		383.29	105.37
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonne)			
	Category of waste		
(i)	Recycled	58.89	34.30
(ii)	Re-used	-	-
(iii)	Other recovery operations	-	-
	Total	58.89	34.30
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonne)			
	Category of waste disposal		
(i)	Incineration	Our waste generation is minimal and is sent to the Municipalities/local bodies for further processing. No waste is directly sent to landfills or for incineration from the Corporation's offices.	
(ii)	Landfilling		
(iii)	Other disposal operations		
	Total		

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The assessment of plastic waste generated was carried out by CERE.

E-waste recycling is carried out by various e-waste vendors across all offices of the Corporation. Form 2 (for maintaining records of e-waste handled/generated), green certificates and disposal and recycling reports have been received by the Corporation.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Given the nature of the business, there is no usage of hazardous and toxic chemicals by the Corporation.

The Corporation has various systems in place at an all-India level to manage e-waste. The Corporation engages with certified e-waste handlers for disposal of e-waste. Approximately 24,927 kg of e-waste generated has been disposed through authorised recyclers in FY23. The Corporation has received green, disposable and re-cycling certificates from the respective e-waste vendors.

The Corporation uses local vendors for disposal of paper for recycling. For several years, the sale value of paper scrap of the Corporation is being donated to Cancer Patients Aid Association. During the year, towards this initiative, 9.02 MT of waste paper was sent for recycling. In an endeavour to reduce consumption of plastics, the Corporation, as a policy does not procure any plastic water bottles.

Waste segregation has been introduced across offices.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details.

All the Corporation's offices are located in premises which have the requisite building permits, including environmental approvals.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

Not applicable.

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances.

Based on the nature of business, the Corporation is in compliance with applicable environmental norms.

Leadership Indicators

1. Provide break-up of the total energy consumed from renewable and non-renewable sources

	Parameter	FY23		FY22	
		MWh	TJ	MWh	TJ
From renewable sources					
(A)	Total electricity consumption [^]	214.51	0.77	136.34	0.49
(B)	Total fuel consumption	-	-	-	-
(C)	Energy consumption through other sources	-	-	-	-
Total energy consumed from renewable sources (A+B+C)		214.51	0.77	136.34	0.49
From non-renewable sources					
(D)	Total electricity consumption	16,642.85	59.92	14,753.71	53.11
(E)	Total fuel consumption	13,007.93	46.83	11,105.79	39.98
(F)	Energy consumption through other sources	-	-	-	-
Total energy consumed from non-renewable sources (D+E+F)		29,650.78	106.75	25,859.50	93.09

[^]The mentioned renewable consumption number indicates solar installations at the Corporation's owned premises.

Break-up of Scope 1, 2 & 3 Emissions of the Corporation

Scope	Emission Source	FY23 Emissions (MT CO ₂ e)	Contribution (FY23)	FY22 Emissions (MT CO ₂ e)	Contribution (FY22)
Scope 1	Company Cars	55.04	0.22%	55.96	0.26%
Scope 1	Fuel Allowance (Provided to employees)	2,878.04	11.59%	2,339.97	10.73%
Scope 1	Generator Sets (Diesel)	135.00	0.54%	178.33	0.82%
Scope 1	HVAC (Heating Ventilating and Air Conditioning Systems)	913.36	3.67%	512.00	2.35%
Scope 1	Cooking Fuel (Self-managed)	-	-	29.12	0.13%
Scope 1		3,981.44	16.02%	3,115.38	14.29%
Scope 2	Purchased Electricity (Including Electric Vehicle)	11,386.07	45.81%	11,214.02	51.40%
Scope 2	Electricity for Data Centres	517.05	2.08%	486.06	2.23%
Scope 2		11,903.12	47.89%	11,700.08	53.63%
Scope 3	Business Travel - Air	503.52	2.03%	26.81	0.12%
Scope 3	Business Travel - Road & Rail	194.78	0.78%	117.15	0.54%
Scope 3	Hotel Stays - Business	344.16	1.38%	83.73	0.38%
Scope 3	Paper & Printed Paper Products Consumption	5,421.95	21.81%	4,233.63	19.40%
Scope 3	Waste (Cardboard, Plastic, Food etc.)	161.80	0.65%	42.84	0.20%
Scope 3	Downstream Logistics (Distribution from offices to other locations)	141.10	0.57%	100.54	0.46%
Scope 3	Company Organised Road Transport	23.97	0.10%	93.76	0.43%
Scope 3	Diesel Generator Sets (Rented Spaces)	204.53	0.82%	111.81	0.51%
Scope 3	Employee Commute	1,976.22	7.95%	1,652.30	7.57%
Scope 3	Miscellaneous	-	-	539.48	2.47%
Scope 3		8,972.03	36.09%	7,002.05	32.08%
TOTAL		24,856.59	100.00%	21,817.51	100.00%

1. Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. The assessment was carried out by the CERE.

2. Does the entity have a business continuity and disaster management plan?

Yes. The Corporation has a Business Continuity Management (BCM) Committee and has a board approved Business Continuity Plan (BCP).

A detailed Business Impact Analysis (BIA) has been carried out considering various conventional threat vectors and cyber threats. The BIA identifies core business functions and critical business sites that are covered under the resiliency programme. Most of the business functions are supported through automation with the help of technology. Hence IT resiliency forms a critical component of BCP.

Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO) are defined for all critical business processes. The IT Disaster Recovery Plan ensures that the defined RTO and RPO are met.

The BCP defines the overall governance and monitoring of the business continuity function, including setting up of Emergency Response Teams (ERT) and Function Recovery Teams (FRT).

Business continuity spans people, processes and technology. Requisite training programmes have been conducted for the teams to be prepared to respond in a crisis.

Disaster drills and table top exercises are conducted at regular intervals to test whether the set procedures are working as defined within the pre-defined RTO and RPO and people understand and follow it appropriately. Such drills are audited through external CERT-In (Indian Computer Emergency Response Team) certified auditors. Observations received from such audits are considered as a part of continuous improvements.

The plan is reviewed at periodic intervals and the management and board are kept abreast of any developments or changes in the BCP.

3. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Given the nature of the business, there has been no adverse impact to the environment.

PRINCIPLE 7:**BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT****Essential Indicators****1. a. Number of affiliations with trade and industry chambers/associations.**

The Corporation is a member of 9 trade and industry chambers/associations.

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1.	Bombay Chamber of Commerce and Industry	State
2.	Confederation of Indian Industry	National
3.	Federation of Indian Chambers of Commerce and Industry	National
4.	Bombay Management Association	State
5.	Indo-German Chamber of Commerce	International
6.	Indian Merchants' Chamber	National
7.	International Union for Housing Finance	International
8.	National Real Estate Development Council	National
9.	Association of Financial Professionals of India	National

Representatives of HDFC are members of the committees of these industry bodies. HDFC regularly offers its inputs to these associations for the advancement and improvement of housing finance in India.

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not applicable.

Leadership Indicators**1. Details of public policy positions advocated by the entity**

HDFC executives have, over the years, played a key role in formulating national housing policies and strategies at a national level. Recognising HDFC's expertise, regulators, industrial bodies and governments have invited HDFC's executives to join a number of committees and task forces related to financial sector reforms, housing finance, infrastructure development, capital markets and corporate governance. Members of the senior management of HDFC are associated with various committees constituted by the government, regulators and industry bodies from time to time, including for the purpose of legislating regulations related to capital markets, corporate governance, green buildings and climate-related financial disclosures.

The above, however, has been in the nature of using expertise to help shape public policy, regulations or economic development. As such, the Corporation does not take part in any lobbying.

HDFC makes various recommendations/representations before regulators and associations regarding the new enactments that impact the Corporation, housing finance industry and other related areas. The Corporation has participated in discussions and provided feedback to regulators such as RBI, SEBI and National Housing Bank on climate-related issues. The Corporation is represented on the Sustainable Finance Working Group - CDP India and IGBC, Sustainability and ESG committees of the Confederation of Indian Industry.

Essential Indicators

- 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**
Not applicable.¹
- 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.**
Not applicable.¹
- 3. Describe the mechanisms to receive and redress grievances of the community.**
Not applicable.¹
Other grievance mechanisms relevant to the Corporation are elucidated elsewhere in this report.
- 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.**
Not applicable.¹

Leadership Indicators

- 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above).**
Not applicable.¹
- 2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.**

S. No.	State	Aspirational Districts	Amount spent (₹ in crore)
1.	Madhya Pradesh	Barwani	3.50
2.	Maharashtra	Gadchiroli	1.00
3.	Manipur	Chandel	0.31

Notes:

- CSR project in Madhya Pradesh: An education project that engages with communities of Barwani to prevent girls from dropping out of school
- CSR projects in Maharashtra: Support for a nutrition focused tribal health project in 48 tribal villages of the district
- CSR projects in Manipur:
 - ▶ Installation of rooftop solar in Primary Healthcare Centers (PHC) and Community Healthcare Centers (CHC) ensuring uninterrupted power supply and improved capacity for delivering healthcare
 - ▶ Support for equipping PHCs and CHCs with a portable fetal monitoring device used for effective pre-natal testing, leading to identification of high-risk pregnancies and data based intra-natal support.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)

(b) From which marginalised/vulnerable groups do you procure?

(c) What percentage of total procurement (by value) does it constitute?

Whilst the Corporation has always endeavoured to provide housing finance solutions for all income groups including the economically weaker sections and low income groups, given the nature of the business, purchases from suppliers under the above-mentioned groups are limited.

Through the Corporation’s relationships with various non-governmental organisations, the Corporation supports the marginalised and vulnerable segments by inviting these organisations to exhibit their products in the office premises/online so as to enable employees to make direct purchases and help support livelihoods.

¹Note: As per the BRSR, this section pertains to Social Impact Assessment in compliance with Right to Fair Compensation & Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. Given the nature of the business of the Corporation, this is not applicable.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.**

Not applicable.

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Not applicable.

6. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalised groups
1.	CSR Projects for Education <ul style="list-style-type: none"> • Foundational Learning • Early Childhood Education • Higher Education – Institutional Support & Scholarships • Other Education Projects 	Students: 1,76,000 Educators: 29,900	The primary objective of the CSR projects of the Corporation is to reach the most vulnerable and marginalised communities which include persons with disabilities, migrant workers, women and children from lower socio-economic backgrounds in urban, rural and the tribal populations.
2.	CSR Projects for Healthcare <ul style="list-style-type: none"> • Cancer Care • Nutrition • Pediatric Surgeries • Eye Care • Other Healthcare Projects 	Children: 99,800 Adults: 1,26,600	
3.	CSR Projects for Environment <ul style="list-style-type: none"> • Solid Waste Management • Solar Energy • Ecological Restoration 	Individuals: 17,800*	
4.	CSR Projects for Skilling & Livelihood <ul style="list-style-type: none"> • Migrants Welfare • Women focused Livelihoods • Other Livelihoods Projects 	Adults: 2,71,400	
5.	CSR Projects for Persons with Disabilities <ul style="list-style-type: none"> • Enabling Services (Health & Education) • Skilling & Livelihoods Ecosystem Interventions 	Educators and Caregivers: 6,500 Adults & Children with Disabilities: 3,000	
6.	CSR Projects for Other Sectors <ul style="list-style-type: none"> • Arts & Culture • Community Development 	Adults: 5,000	

*Assumed an average family size of 5 members per household.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

To ensure customer grievances are redressed promptly and effectively, the Corporation has put in place a grievance redressal policy. There is a centralised team for managing customer grievances called Customer Engagement, headed by the Chief Grievance Redressal Officer (CGRO). They work closely with the management, various teams and branches to analyse root causes of complaints based on process, policy and people.

The Corporation uses an artificial intelligence backed dashboard that provides root cause analysis and early warning signs on a real time basis. There has been a significant improvement in customer experience with the ability to fulfil customer queries or requests during the first interaction ('First Time Right') is concerned.

The Corporation has a grievance redressal mechanism operating on an omni channel customer service platform to improve service and reduce customer grievances. There has been a concerted focus on providing services on the customer portal and application through 'Do it yourself' (DIY) mode. Further, with the objective of enhancing customer awareness about products and services offered by the Corporation, 75 programmes were conducted with customers in tier 3 and tier 4 cities.

The Corporation has also implemented Net Promoter Score (NPS) during the year. NPS is a globally accepted metric for measuring customer satisfaction. The Corporation reported a score of 58 as at March 31, 2023, which is considered as a good rating for a loan product.

Key Highlights

Omni Channel	<ul style="list-style-type: none"> • Queries, requests and grievances are recorded and responded to on a single platform • Communication from all the touch points for e.g. website, emails, letters, social media, phone calls are on a single platform • Provides a holistic view of the customer's interactions and profile to provide better service
OTP Authentication, Acknowledgement Status Tracking	<ul style="list-style-type: none"> • One-time password (OTP) authentication process prior to lodging a grievance to ensure data privacy for all customers • Acknowledgement with the complaint identification, tracking link and escalation process is provided to customers on registration of the grievance • Customers can track the status of their grievances on the Corporation's website
Assignment and Escalations	<ul style="list-style-type: none"> • Depending upon the source of the complaint and the category of complaints, they are assigned to senior personnel in the organization • Grievances where customers are dissatisfied or the turnaround time (TAT) is exceeded get auto escalated to the reporting manager of the assignee
Quality Responses and Approval Process	<ul style="list-style-type: none"> • Quality check of responses are done by the Customer Engagement team and regular feedback is passed to the branches and the vertical heads to improve the quality of the responses • Standardised templates are available for addressing common concerns quickly and effectively • Branch grievance redressal officers are appointed to ensure quality and timely responses to customer grievances
Future Follow up	<ul style="list-style-type: none"> • Task functionality are implemented on the omni channel platform • This provides users a trigger to act on upcoming activities which are based on commitments to the customer
Analysis and Improvement	<ul style="list-style-type: none"> • There is an AI based platform for granular analysis of grievances which helps in providing feedback for improvement in processes and training of employees. • Specific areas of concern can be identified and addressed at various levels – individual, service center and branch level

2. Turnover of products and/services as a percentage of turnover from all products/service

100%

3. Number of consumer complaints in respect of the following:

	FY23		Remarks	FY22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising						
Cyber-security						
Restrictive Trade Practices						
Unfair Trade Practices						
Others						

4. Details of instances of product recalls on account of safety issues

Not applicable.

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The Corporation has in place board approved policies such as Cyber Security Policy, Social Media Security Policy and Information Security Policy to ensure sufficient safeguards are in place to prevent any data leakage. The policies are also aligned with the Master Direction – Information Technology Framework for the NBFC Sector, ISO 27001 and the National Institute of Standards & Technology guidelines.

The Corporation has also constituted an Information Security Steering Committee (ISSC) to monitor the progress and status on Information and Cyber Security. Further, the Corporation has an Information Technology (IT) Strategy Committee comprising an independent director, a whole-time director, the Chief Information Technology Officer and a few senior officials, which assess the implementation of cyber and information security.

The policy is available to internal stakeholders and is placed on the intranet of the Corporation.

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

No penalties/regulatory action has been levied or taken on the above-mentioned parameters.

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information relating to all the loan products and services provided by the Corporation are available on the Corporation's website, is www.hdfc.com. In addition, the Corporation actively uses various social media and digital platforms to disseminate information on its loans and deposits.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Most Important Terms and Conditions (MITC) provides extensive information and ensures transparency on lending products. The Fair Practices Code and Code of Commitment to Customers is accessible on the Corporation's website. The hyper link is <https://www.hdfc.com/tnc>.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Kindly refer to details on Business Continuity and Disaster Management which has been elucidated under Principle 6. During the year, there were no major disruptions of critical services of the Corporation.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

HDFC has always believed in being transparent with its customers by providing all the relevant details. HDFC also has documents such as MITC which is displayed prominently in each office and on the website of the Corporation with information on service charges, interest rates, product information, service standards for various transactions and grievance redressal mechanisms for its home loan customers. All potential customers are required to read and sign-off the same along with their application forms. Loan application forms are also available in Braille to cater to needs of visually impaired customers.

The Corporation strives to ensure customer data privacy and security through robust information security systems.

The Corporation continuously conducts customer satisfaction surveys to seek feedback from its borrowers at various stages of the loan transaction such as at the time of the loan application, approval, disbursement and closure. This feedback is used to improve systems, processes and enable better focus on training and development of staff.

5. Provide the following information relating to data breaches

a. Number of instances of data breaches along with impact

b. Percentage of data breaches involving personally identifiable information of customers

The Corporation did not witness any instances of data breaches during the year. External agencies have assessed and confirmed that requisite security level checks put in place by the Corporation are appropriate. The Corporation also has cyber risk insurance policies.

May 4, 2023



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www.hdfc.com

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