

Aditya Birla Finance Limited
Corporate Social Responsibility Policy

Introduction:

In accordance with the notification issued by the Ministry of Corporate Affairs dated 27th February 2014 under Section 135 of the Companies Act 2013, the Company's Corporate Social Responsibility (CSR) is enunciated. Our Corporate Social Responsibility policy also conforms to the National voluntary Guidelines on Social, Environment and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, Government of India in collaboration with FICCI Aditya Birla CSR Centre for Excellence (July 2011).

Our CSR Policy:

For every Company in the Aditya Birla Group, reaching out to underserved communities is part of our DNA. We believe in the trusteeship concept. This entails transcending business interests and grappling with the "quality of life" challenges that underserved communities face, and working towards making a meaningful difference to them.

Our vision is - "to actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker and marginalized sections of society and raise the country's human development index" (Mrs. Rajashree Birla, Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development).

Implementation process: Identification of projects

All projects are identified in consultation with the community in a participatory manner, literally sitting with them and gauging their basic needs. We recourse to the participatory rural appraisal mapping process. Subsequently, based on a consensus and in discussion with the village panchayats, and other stakeholders, projects are prioritized.

Arising from this the focus areas that have emerged are Education, Health care, Sustainable livelihood, Infrastructure development, and espousing social causes. All of our community projects/programmes are carried out under the aegis of The Aditya Birla Centre for Community Initiatives and Rural Development and Aditya Birla Capital Foundation, a Section 8 Company, Limited by Guarantee established by Aditya Birla Capital Limited, to undertake various CSR activities as covered in Schedule VII of the Companies Act, 2013, for Aditya Birla Capital Limited and its subsidiaries.

The activities are in line with Schedule VII of the companies Act, 2013 as indicated (and amended from time to time under Companies Act 2013) –

In **Education**, our endeavour is to spark the desire for learning and knowledge at every stage through • Formal schools • Balwadis • Quality elementary education • Aditya Bal Vidya Mandirs • Girl child education • Non formal education.

In **Health care** our goal is to render quality health care facilities to people living in the villages and elsewhere through our Hospitals. • Primary health care centres • Mother and Child care projects • Immunization programmes with a thrust on polio eradication • Programmes to address malnutrition. • Anganwadi • Adolescent health • Health care for visually impaired, and differently abled • Preventive health care through awareness programmes • Non communicable diseases.

In **Sustainable Livelihood** our programmes aim at providing livelihood in a locally appropriate and environmentally sustainable manner through • Formation of Self Help Groups for women empowerment • Skill Enhancement and Vocational training • Partnership with Industrial Training Institutes • Agriculture development and better farmer focus • Animal Husbandry • Soil and Water conservation • Watershed development. • Agro Forestry

In **Infrastructure Development** we endeavour to set up essential services that form the foundation of sustainable development through • Basic infrastructure facilities • Housing facilities • Safe drinking water • Sanitation & hygiene • Renewable sources of energy.

To bring about **Social Change**, we advocate and support • Dowry less marriage • Widow Remarriage • Awareness programmes on anti social issues • De-addiction campaigns and programmes • Espousing basic moral values. • Gender equality

Activities, setting measurable targets with timeframes and performance management.

Prior to the commencement of projects, we carry out a baseline study of the villages. The study encompasses various parameters such as – health indicators, literacy levels, sustainable livelihood processes, and population data - below the poverty line and above the poverty line, state of infrastructure, among others. From the data generated, a 1-year plan and a 5-year rolling plan are developed for the holistic and integrated development of the marginalized. These plans are presented at the Annual Planning and Budgeting meet. All projects/programmes are assessed under the agreed strategy, and are monitored every quarter, measured against targets and budgets. Wherever necessary, midcourse corrections are affected. The surplus arising out of the projects/programmes does not form part of the business profit of the Company.

Organizational mechanism responsibilities

The Aditya Birla Centre for Community Initiatives and Rural Development provides the vision under the leadership of its Chairperson, Mrs. Rajashree Birla. The CSR Committee of Directors at the Board level comprises of:

- Mr. Ashwani Puri (Independent Director)
- Ms. Alka Bharucha (Independent Director)
- Ms. Vishakha Mulye (Non – Executive Director)
- Mr. Rakesh Singh

Permanent Invitee: Mrs. Rajashree Birla – Chairperson Aditya Birla Centre and Dr. (Mrs.) Pragnya Ram, Group Executive President, Corporate Communications and CSR of the Company.

All projects/programmes are placed before the CSR committee, specifying modalities of execution of such projects/programmes and the implementation schedules.

A robust implementation structure, monitoring process and a team of professionals is in place at the Company units.

The Company takes all actions to comply with Section 135 of the Companies Act, 2013 and the rules made thereafter.

To measure the impact of the work done, a social satisfaction social audit / impact assessment study is carried out by a third party.

Partnerships

Collaborative partnerships are formed with the Government, the District Authorities, the village panchayats, NGOs and other like-minded stakeholders. This helps widen the Company's CSR reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.

In collaboration with FICCI, we have set up Aditya Birla CSR Centre for Excellence to make CSR an integral part of corporate culture.

The Company engages with well established and recognized programs and national platforms such as the CII, FICCI, ASSOCHAM to name a few, given their commitment to inclusive growth.

CSR Expenditure

All CSR expenditure shall be made in accordance with Section 135 of the Companies Act and Companies (Corporate Social Responsibility Policy) Rules, 2014, either directly with the NGOs or through Aditya Birla Capital Foundation or otherwise as permitted under the CSR rules in the manner approved by the CSR Committee / Board.

Budgets

A specific budget is allocated for CSR activities. This budget is project/programme driven.

Information dissemination

The Company's engagement in this domain will be disseminated on its website, Annual Reports, in house journals and through the media.

Management Commitment

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone.

This is the cornerstone of our CSR policy.