

Policy Note on CSR (Corporate Social Responsibility) Spandana Sphoorty Financial Limited



Philosophy

In pursuit of our mission to be one of the most significant microfinance service providers by offering a range of financial and non financial products and services to low income households and individuals to improve the quality of life. We constantly endeavor to deliver quality services to our clients and remunerative returns to our Investors by maintaining highest levels of transparency and integrity. We strive to be the most preferred Employer in the Industry. It is therefore a conscious strategy to design and develop CSR programmes.

Spandana is therefore committed to giving back to the society, through the creation of sustainable development of all its stakeholders.

Core values of Spandana

Following are the core values of our company. It is known as TRICS:

1. **Transparency:** Maintaining simplicity and clarity in all activities and operations, so that high standards of fairness can be established in all the dealings.
2. **Responsiveness:** Constantly working to identify the changing needs of clients and potential clients, and developing suitable products and services to address these needs thus keeping Spandana ahead of its competitors.
3. **Integrity:** Maintaining high standards of conduct, truthfulness and honesty in all dealings, in order to honour the commitment made to our clients and organization.
4. **Commitment:** Performing all activities and tasks with professionalism and enthusiasm in order to give the highest level of client satisfaction and optimal efficiency.
5. **Team Spirit:** Working together as to create synergy that results in exponential growth.

Policy

Spandana's Corporate Social Responsibility Committee shall from time to time formulate, amend and recommend to the Board policy on corporate social responsibility.

The Board of Directors and the CSR Committee shall ensure that the Company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

The company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility on any of the below mentioned activities:

- I. Projects or programs relating to activities specified in **Schedule VII** of the Act (as and when amended);
 1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
 2. Promoting education, including special educating and employment enhancing vocation skills especially among children, women and elderly and the differently abled and livelihood enhancement projects;
 3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
 4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
 5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
 6. Measure for benefit of armed forces veterans, war widows and their dependents;
 7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
 8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
 9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
 10. Rural development projects.
- II. Projects or Programs relating to activities undertaken by the Board of Directors of the Company in pursuance of recommendation of the CSR Committee of the Board as per declared CSR Policy of the company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.

Meetings of Corporate Social Responsibility Committee

1. **Frequency of Meetings:** As and when required.
2. **Notice:** To be delivered at least 7 days before the meeting to all members of the committee at their usual address.
3. **Agenda:** To be circulated at least 3 days before the meeting.
4. **Quorum:** At least 2 members.