

ANNUAL BUSINESS RESPONSIBILITY REPORT (2020-21)

PART A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number (CIN) of the Company:	L65922DL1988PLC033856
Name of the Company:	PNB Housing Finance Limited
Registered address:	9th Floor, Antriksh Bhawan, 22, K G Marg, New Delhi-110001, Tel: 011-23445200, Fax: 011-23736857
Website:	www.pnbhousing.com
E-mail id:	Investor.services@pnbhousing.com
Financial Year reported:	2020-21

Sector(s) that the Company is engaged in (industrial activity code-wise):

Group	Class	Sub-class	Description
641	6419	64192	Activities of specialized institutions granting credit for house purchases that also take deposits

List three key products/services that the Company manufactures/provides (as in balance sheet)

1. Housing Loan
2. Deposit
3. Non-housing loan

Total number of locations where business activity is undertaken by the Company

1. Number of International Locations (Provide details of major 5): None
2. Number of National Locations: 94 branches, 17 outreach office, 22 hubs and 1 corporate office

Markets served by the Company- Local/State/National/International: National

SECTION B: FINANCIAL DETAILS (CONSOLIDATED)

Paid up Capital (₹)	₹168.27 crores
Total Turnover (₹) for the Year ended March 31, 2021	₹7,624.08 crores
Total profit after taxes (₹) for the year ended March 31, 2021	₹929.90 crores
Total spending on Corporate Social Responsibility (CSR)	₹22.72 crores
List of activities in which CSR expenditure has been incurred: -	<p>For the sustained benefit to the society, the Company is focussed on long term capital projects during the year which will be ongoing beyond a financial year. Out of the total spend, ₹14.4 crores was spent in the long-term projects.</p> <ul style="list-style-type: none"> • Upgrade health care facilities in primary healthcare centers and government hospitals • Promote research and innovation in Health Care and construction sector • Skilling of construction workers –On the Job and at source training. • To enhance infrastructure of government schools. • Establishing and running holistic day care centres for the children of construction workers. • Ensuring formal education to the underprivileged children. • Supporting scientific research to combat COVID-19 pandemic • Supporting COVID-19 relief efforts by donating to PM-CARES fund. • Supporting Cancer patient helpline and clinic. • Supporting health and hygiene awareness and vocational skills development for adolescent females and young women • Women empowerment through trainings • Provide holistic support to three women athletes • Supporting a welfare home for the elderly • Supporting environmental conservation. • Promoting holistic development of children through sports

SECTION C: OTHER DETAILS

Does the Company have any Subsidiary Company/ Companies?

As on March 31, 2021, PNB Housing has two wholly owned subsidiaries, namely, PHFL Home Loans and Services Limited and PEHEL Foundation.

Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s)

PHFL Home Loans and Services Limited has its own BR initiatives, however, ethos towards CSR are aligned with the PNB Housing which aims to be catalyst to enable the marginalized community to become capable and self-reliant. Further, PEHEL Foundation is a non-profit subsidiary of the Company to carry out various CSR activities of PNB Housing and PHFL Home Loans and Services Limited.

Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

PNB Housing engages with various stakeholders (e.g. suppliers, employees, lenders, investors, community etc.) and communicates its BR initiatives to the concerned stakeholders.

SECTION D: BR INFORMATION

a) Details of the Director/Directors responsible for implementation of the BR policy/ policies.

1. DIN Number: 08024303
2. Name: Mr. Hardayal Prasad
3. Designation: Managing Director & CEO

b) Details of the BR head

Mr. Sanjay Jain
Company Secretary and Head Compliance
9th Floor, Antriksh Bhawan,
22, Kasturba Gandhi Marg,
New Delhi – 110001
Ph.: 01123445206
E-mail: sanjay.jain@pnbhousing.com

Company Profile

PNB Housing is a registered housing finance company with National Housing Bank. The Company was promoted by Punjab National Bank as a wholly owned subsidiary and commenced its operations on November 11, 1988. The Company came out with an IPO and got listed on the Indian stock exchanges i.e. NSE and BSE on November 07, 2016. PNB continues to be the promoter of the Company and currently holds 32.64%.

The Company is primarily engaged in the business of providing housing and non-housing loans to its retail customers. It is the 4th largest housing finance company in terms of loan assets and 3rd largest by deposits among HFCs. The Company also provide construction finance loans to real estate developers against mortgage of property.

The underwriting of loans is performed in specialized hubs located across the country. The Company follows comprehensive underwriting process for all its loan products by using well-trained in-house teams of underwriters, technical, legal and fraud control.

The Company has a large distribution network of branches across India. As on March 31, 2021, the Company has pan India presence through 94 branches, 17 outreach locations, 22 hubs, totaling to 133 distribution outlets and one registered and corporate office. The Company has no overseas branch.

The Company sources its loan business through its distribution subsidiary viz PHFL Home Loans and Services Limited as well as through outside sourcing agents (DSA). The Company publishes a Business Responsibility Report (BRR) on an annual basis. The BR report is a part of the Annual report and is placed on the website of the Company i.e. www.pnbhousing.com

The requisite policies have been developed based on the best practices or as per the regulatory requirements in consultation with relevant stakeholders which may include a combination of internal policies of the Company which are accessible to all internal stakeholders and the policies are placed on the Company's website.

Further, the policies are internally evaluated by various department heads, business heads and the management on a continuous basis and principal wise details are available in Section E of the Report.

The 9 principles outlined in the National Voluntary Guidelines are:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability: Yes
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle: Yes
P3	Businesses should promote the well-being of all employees: Yes
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized: Yes
P5	Businesses should respect and promote human rights: Yes
P6	Businesses should respect, protect and make efforts to restore the environment: Yes
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner: Yes
P8	Businesses should support inclusive growth and equitable development: Yes
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner: Yes

PRINCIPAL 1**Business should conduct and govern themselves with ethics, transparency and accountability:****Ethics (Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?)**

The Company makes no compromise on professional ethics. The Company is transparent and compliant with the laws of the land. The Company follows zero tolerance for bribery and corruption. The Company has formulated code of conduct for its Non-Executive Directors, Executive Directors and members of Senior Management. These codes have been placed on the website of the Company.

PNB Housing has put in place a policy on ethics, transparency and accountability that applies to all internal stakeholders through the Employees' Code of Conduct.

Code of Conduct

The Employees' Code of Conduct, which is applicable to all its employees, enunciates principles for ethical business conduct and acceptable employee behavior. The Code mirrors, Company's core values and covers aspects related but not limited to ethics, bribery and corruption. The Code has been made available as a part of the Employees' Handbook.

Failure to comply with the code leads to disciplinary action. All the employees have been provided with a copy of Code of Conduct. The e-copy of Code of Conduct is available on employees' platform on Company's website. There are regular training programmes for the employees on Code of Conduct. Every new joinee is also trained on Code of Conduct and is provided with a copy.

PNB Housing has put in place a Whistle Blower Policy, which provides a neutral and unbiased forum for the Directors, Employees and Business Partners of the Company to voice their concerns in a responsible and effective manner.

PNB Housing has also adopted Code of Conduct with respect to the Board of Directors and Senior Management to guide the Board members and senior management for ensuring highest ethical standards in managing the affairs of the Company.

The Company has also adopted following other codes and policies. These codes and policies have been adopted by the Company towards efficient functioning, ethical decision making, risk management, governance and transparency;

- Fair Practice Code
- Know Your Customer Policy
- Code of Conduct for DSA and Deposit Agents
- Policy on Related Party Transaction
- Insider Trading Code
- Code of Practice for Fair Disclosure of Unpublished Price Sensitive Information
- Corporate Social Responsibility Policy
- Whistle Blower Policy
- Policy for Protection of Women against Sexual Harassment
- Policy on determining materiality

The policies have been formulated in consultation with the relevant stakeholders. These policies confirm to the best practices in the industry. The Policies wherever required have been approved by the Board. The Board has several Committees to oversee the functioning of various policies. The policies have been placed on the website of the Company for communication to internal and external stakeholders. The Policies are internally reviewed from time to time in line with business, regulatory and statutory requirements. The Company has an internal structure to ensure implementation of the policies.

The Company has a full-fledged grievance redressal mechanism to address grievances of different stakeholders at different levels. The Business Responsibility Report forms part of annual report of the Company and is published annually. The report is also available at www.pnbhousing.com.

Transparency

The Company adheres to all the applicable governmental and regulatory rules. Any breach is viewed very seriously by the management and appropriate disciplinary action is taken against the errant employee.

The Board has constituted various committees such as: Audit Committee, Risk Management Committee, Credit Committee of the Board, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and IT Strategy Committee. These Committees meet periodically to supervise, review and advice on the relevant/ respective matters. All the policies of the Company are subject to review.

Corporate Governance

The Company follows high standards of corporate governance, ethical corporate behavior, integrity and transparency in conducting its business. Over the years, the Company has built long-term relationships with its borrowers, channel partners, depositors, agents and shareholders. The Company is committed towards highest standards of governance through transparency, accountability and integrity.

Stakeholders' Complaints

The Company has a large family of loan customers, depositors, shareholders, debenture holders and channel partners. The Company has put in place a mechanism for recording and redressing complaints raised by each of these stakeholders.

Customers are most important to the Company. The Company uses digital platform for enhancing customer experience, such as customer service mobile app, customer service web portal, inbound contact centre etc. All the requests and complaints received from the customers are recorded in CRM system. During the year, the Company has received over 10 lacs service requests from loan and deposit customers. Majority of requests were handled within the turnaround time specified by the Company. During the year, the Company had received 2,793 escalations from loan and deposit customers, which were all resolved in the standard turnaround time.

The Company has Head of Customer Service to deal with day to day customer service requests and escalations. The complaints forwarded by the regulatory and supervisory authorities are tracked separately electronically. A grievance redressal procedure recommended by National Housing Bank

(NHB) is also available on Company's website. An escalation matrix for grievance received from the investors is also available on the website of the Company.

During the year, the Company has not received any complaint from the shareholder. In addition to this, the Company has received few requests for physical copy of annual report and revalidation of dividend warrants, which has been closed.

The Company places status of requests/ complaints received, redressed and outstanding from its customers and stakeholders along with the nature of complaints and their mode of redressal, to the senior management and every quarter to the Audit Committee of the Board.

The Company has a robust investor outreach programme and the Investor Relations team continue its close connect with market participants across geographies. All the information viz. quarterly results, half yearly results, annual results and other material information is intimated to the stock exchanges and uploaded on the website. The information is also emailed to the market participants and shareholders.

PRINCIPAL 2

Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

Environment

The Company provides and maintains a clean, safe, and healthy work environment for employees, customers, investors and other stakeholders. The Company encourages paperless methods of conducting business to maintain environment and save cost. The Company has introduced technologies, which encourage paperless operations and customer services. The Company is in service industry and does not engage itself in any kind of manufacturing activities as per NHB/RBI regulations.

The Company conducts legal and technical assessment of properties and projects financed by it. The Company ensures that the projects directly funded by it have environmental clearances. The loan documentation has a clause mentioning that the construction would be as per the guidelines of the National Building Code. The Company on need basis also get Environment and Social Due Diligence Assessment of the projects it has funded.

As a responsible corporate citizen, Company has taken multiple initiatives during the year, towards green & sustainable environment like: adoption of Cloud Computing Technology, promoting Virtualisation, Datacentre energy optimisation, Work from home/Teleworking platform, Paperless processing, replacing physical customer correspondence with e-Communication, etc.

The Company has, through its various CSR initiatives contributed to environment protection. The Company has rationalized consumption of electricity and usage of natural resources to save energy.

The waste generated at the Company's offices is managed as per the waste disposal process.

The digitalisation initiatives undertaken by the Company has enabled business continuity even during lockdowns owing to

the COVID-19 induced pandemic. The Company has undertaken several digitalisation initiatives in its business that brings in time and cost efficiencies for both, borrowers and depositors. During the year, the Company introduced ACE digital platform for customer onboarding and Homie, a sales chatbot service which enables its customers to connect and interact with the Company digitally while reducing physical interface. Customers have responded well to the Company's online platforms and have appreciated the ease of using such platforms. During the year, 99% of EMI was collected through digital mode. For the green initiative adopted by the Shareholders, the Annual Report of the Company were sent to them by email and all meetings/communications were held through audio video means. Overall digital initiatives have helped the Company to substantially reduce its paper consumption.

As a testament to Company's various initiatives, the Company has been awarded "Highly Commended Winner 2020" award by Adam Smith Awards Asia for a term finance for on lending to affordable housing. Further, the Company in the month of June 2021 has received the "Business Transformation Award 2021" by Mint (TECHCIRCLE) for its ACE technology platform.

The Company was included in the MSCI ESG indices effective March 01, 2021.

PRINCIPAL 3

Business should promote the wellbeing of all employees:

As on March 31, 2021, the company had a total of 1,391 full time employees on its rolls. The Company has 246 women employees, which constitute 17.69% of the total workforce. The Company has employed 5 employees with disabilities.

The Company provides safe and hygienic environment for its employees. The Company has not employed any child labour at any of its offices. The Company has a Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace and has constituted an Internal Complaints Committee, which is in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013. The said policy is in line with relevant Act passed by the Parliament in 2013. The Company, through the policy ensures that all such complaints are resolved within defined timelines. During the year, 1 case was investigated and disposed off. Further, the Company has not received any complaints relating to child labour, forced labour, and involuntary labour.

The Company always look to attract and retain the best talent available in the industry. The recruitment process of the Company is built at fair and effective procedure, which is consistent with employment legislation and the Company's equal opportunities policies and practices. The ethos of the Company lies in the 'Build' option rather than on the 'Buy' option. We focus on developing our internal talents to fill up the vacated position in the higher levels. This helped in building a highly motivated team with clear career progression visibility.

During the nationwide lockdown, we engaged regularly with our teams, ensured their wellbeing and kept their morale high. The values of the Company talks about 'People First' and continue to undertake several initiatives to ensure the safety

and wellbeing of employees. The Company provides multiple insurance policies to its employees covering upto 5x of annual total fixed pay.

The COVID-19 was the testament to how the company had built its culture that even in turbulent times the employees stayed strong. The team involved in cross-functional activities to keep the business momentum running even during the lockdown.

The Company has a whistle blower mechanism, under its Whistle Blower Policy. The policy has been uploaded on the website and communicated to all the employees. The policy has empowered employees to fearlessly voice their concerns on various matters pertaining to any malpractice, actual/suspected fraud, abuse of power and authority by any official or any other act. There is also a Managing Director (MD) post, where an employee can directly write to the MD without disclosing his/her identity on any suspected fraud/malpractices/harassment etc.

The Company has an In-house magazine, Vibes, which provides a medium for employees and their family members to know about colleagues and the latest happenings within the Company. The employees needed continuous motivation to maintain their desired level of performance amid extreme stress. The Company initiated 'Sampark' to engage with each of our employees. Each of the HR team members connected with around 30 members on a regular basis to enquire about their wellbeing.

The gaps in competencies, job specific knowledge gaps, skills and attitudes are identified during the performance appraisal process and also on the basis of dynamic business requirements. The Company conducts regular training programmes for its employees, which are aimed at skill development, behavioral competence and other learning and development programmes, in house as well as in association with various reputed institutes. These training programmes are based on our philosophy of Organizational Needs, Functional Needs and Individual Needs.

Employees are nominated for various skill development programmes to enhance their effectiveness and for improved productivity levels. Various types of trainings such as On-the-job training, cross-functional training, workshops by industry experts and MDPs at reputed national and international universities are organised for employee capability development. The organization has also nurtured in-house training expertise in the form of dedicated trainers and subject matter experts from the core functional and business teams.

There has been a 360 degrees shift from classical learning model to a digital and social learning model in FY 2020-21. During FY 2020-21, various training programs were conducted on various functional areas including Selling skills, Credit Appraisal techniques, Fraud containment and Loan Lifecycle Management. On the behavioural side, the programs were designed around Talent-pool Development, Succession Planning, Leadership Skills, Customer Centricity and many more.

During the year, the focus on more digital form of trainings remained priority. We have also been leveraging technology, by using our web-based e-learning platform called "eGuru" and its mobile app, which provides our employees with the ease to learn on-the-go. Due to movement restrictions and to exercise abundant precautions, the Company used technology based virtual learning interventions to meet the diverse learning needs of the workforce. Various e-learning modules are available on the platform to help employees enhance their knowledge on products, policies and processes. Various knowledge enhancing courses were launched during the year on functional areas like Affordable Housing, Loan against Property, Fixed Deposits and Information Security & Awareness which were very well received by the employees.

The online platform is extensively used to conduct compliance based e-learning modules on topics such as Prevention of Sexual Harassment at Workplace for Women, Prohibition of Insider Trading, Employee's Code of Conduct and Anti-money Laundering & KYC.

S No	Category	Coverage details
1	Permanent employees to whom training has been imparted	17,900
2	Total Number of unique employees who have been trained	1,536
3	Total Number of training programs conducted	1,562
4	Total Number of Learning Hours	43,438
5	Total Number of Learning Days per employee	3.54
6	Permanent women employees to whom training has been imparted	219

PRINCIPAL 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized: Has the Company mapped its internal and external stakeholders?

The Company's key stakeholders are promoters, employees, customers, business associates, investors (including shareholders), lenders, suppliers, regulatory agencies, CSR implementing agencies etc. The Company values the support of all its stakeholders and respects their interest and concerns. The Company has continuous engagement with its various stakeholders to understand their concerns, assess their requirements and respond to their needs in an effective manner.

Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

The Company fully endorses and supports the government's endeavour towards its flagship scheme, Pradhan Mantri Awas Yojana. The Company is augmenting growth in lending to the affordable housing segment through Unnati with focus on ATS of ₹15 lakhs.

The Company through its CSR activities has partners with outside agencies towards projects aimed at underprivileged and marginalized sections of the society. The Company is running two major programmes; skilling of construction workers and day care centres for the children of construction workers.

The Company in partnership with developers and NGOs, has established and supported day care centres at the construction sites for the children of construction workers. The programme was initiated with Mobile Creches and has now expanded to other partners to establish new day care centres.

Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders?

Through our CSR initiatives, we are committed to design and implement projects that work toward socio-economic upliftment of construction workers and their immediate families. In FY 2020-21, the Company continued to work towards supporting its long-term initiative of providing holistic development to construction workers and their immediate families. However, due to pandemic, the real estate sector saw reverse migration and there was a dip in the construction activities across the country. While we continued supporting the skilling programmes for construction workers and day-care centres for their children, we have significantly invested in initiatives related to healthcare, enabling access to formal education, water conservation, research and innovation towards construction material and livelihood generating for resource poor women. The Company has also invested in long term infrastructure projects.

The Company is also investing in the long-term capital projects for the sustained benefit to the society. This includes building infrastructure for government schools, support healthcare facilities and promote research and innovation.

PRINCIPLE 5

Businesses should respect and promote human rights:

Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Protection of human rights and prevention of violations are fundamental under all circumstances and the Company remains committed in its efforts in this direction. The Company respects and adheres to all the human rights laws framed under the Constitution of India and all other statutes which embodies the principles of human rights such as prevention of child labour, forced labour, woman empowerment etc. The Company maintains cordial and transparent relations with all its stakeholders including its employees.

Every customer, employee and other stakeholders are treated with dignity irrespective of his/ her position. It advocates as well as practices fair and transparent business conduct which is clearly embodied in its systems and policies. The Company has adopted guidelines and procedures, which are aimed at respecting human rights. The Company will continue to conduct its business in a manner that respects the rights and dignity of all the people, complying with all legal requirements. The employees are trained to respect human rights while doing business.

The Company has not received any complaint pertaining to violation of human rights from stakeholders in this regard.

PRINCIPLE 6

Businesses should respect, protect and make efforts to restore the environment:

Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

The applicability of Policy related to Principle 6 is only for the Company. The subsidiaries have their own set of policies but work on the same ethos and values. The financial services business of the Company does not require an intensive consumption of environmental resources. However, the Company is taking necessary steps for energy conservation and environment protection. The Company has rationalised consumption of electricity and usage of natural resources to save energy through:

- Use of hardware which uses optimum energy
- Use of high star rated electronic devices

The Company has taken multiple initiatives towards green & sustainable environment viz adoption of Cloud Computing Technology, promoting Virtualisation, Datacentre energy optimisation, Work from home/Teleworking platform etc.

Environment protection has been a key part of the Company's long-term CSR initiatives. The Company promotes green environment and in minimum use of paper. The Company has adopted electronic mode of communication internally and with all the stakeholders to a very large extent. The Company uses technology that helps in environment protection. The Company uses equipment and technologies that reduces waste, consume less electricity and are energy efficient. The Company shall comply with all legal / regulatory requirements related to environment protection, management and sustainable development.

As part of CSR initiative, the Company constantly contribute towards environment protection under the project environment conservation. The Company has developed and maintained green areas as part of CSR initiative. The Company will continue to work in this direction.

The Company believe that 'Nature' is the most important customer today. It is our responsibility to conserve the rapidly depleting natural wealth of planet Earth and hence the Company make all the efforts to restore the environment.

Does company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.?

The Company recognizes the risks associated with the climate change and global warming. The Company as a part of its CSR activities does activities directly related to the environment including pledge for working towards COVID-19 pandemic:

- The Company, through its CSR arm, Peהל Foundation, has collaborated with SM Sehgal Foundation to support Jal Khushhali, a water conservation project. Under this project, the Company will support the construction of one check dam and two ponds in Karauli, Rajasthan. The project aims to develop the groundwater recharge potential of the water-stressed district. The project also focusses on building capacities of Panchayats to improve their functioning of key government services.

- The Company, through its CSR arm, Pehe Foundation, has supported the further research for the development of an effective and efficient technique for earthquake resistant construction by using low cost energy dissipating devices of the Department of Earthquake Engineering, IIT Roorkee. Upon successful testing, the proposed technology will be used in housing construction up to four storeys giving impetus to the company as the prime facilitator of this technology.
- CSR efforts towards COVID-19 includes:
 - Research and Development of Personal Protective Equipment (PPE) for combating COVID-19 Prototype Development and Pilot Run Phase Developing effective COVID diagnostic tests with IIT Delhi
 - We have contributed significantly to the Hon'ble Prime Minister's National Relief Fund and Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) for COVID-19 emergency response in the Country.
 - CT Scan in a box for combating COVID-19 with United Way Bengaluru
 - Aided by our support, the partners have been proactively working in their respective regions to provide ration and hygiene kits to the people in need.

Does the company identify and assess potential environmental risks?

Yes, the Company is aware of the direct and indirect environmental impact of its operations and considers them in decision making. The Company encourages housing projects, which are environmentally safe and secure.

The Company being an HFC is not engaged in a business concerning design of products that could raise social concerns, economic risks and/or hazardous opportunities. However, the Company, has designed its financial lending activities to ensure financial inclusion of various marginalized sections of the society; predominantly in geographies with limited presence of organized financiers.

The Company ensures financial inclusion of various marginalised sections of society through affordable housing to address the country's housing shortage thereby providing access to easy and affordable loans even in the remoter parts of the country. A significant portion of the company's loans are extended for "Priority Sector Lending" in line with the Government norms.

Further, the rapid spread of the COVID-19 virus during the year has taken its economic toll due to shut down in most parts of the world which had a huge impact on people and communities around the world. The Company participated in the ECLGS Scheme for MSMEs announced by the government of India for extending the hands to revive the economy by extending credit to sectors which are hit by the COVID pandemic.

Does the Company have any project related to Clean Development Mechanism?

The Company does not have any project related to Clean Development Mechanism.

Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.?

All our initiatives are towards clean technology. We use hardware in our offices, which uses optimum energy and saves in energy consumption. The Air conditioning equipment is maintained regularly thereby saving energy and costs. The Company has taken multiple initiatives during the year, towards green & sustainable environment like: adoption of Cloud Computing Technology, promoting Virtualisation, Datacentre energy optimisation, Work from home/Teleworking platform, Paperless processing, replacing physical customer correspondence with e-Communication, etc. The Company also encourages paperless process not only internally but also among the customers. Over 55% customers are on mobile app. With the use of technology, the Company has empowered its customers to use digital platforms like Homie and ACE.

Are the Emissions/ Waste generated by the company within the permissible limits given by CPSB/ SPCB for the financial year being reported?

Not applicable.

Number of show cause/ legal notices received from CPSB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

NIL.

PRINCIPLE 7

Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company recognizes that the housing and real estate industry play an important role in the Indian economy. The Company will continue to support and advocate for the development of housing and work towards promoting home ownership. The Company continues to make recommendations/ representations before various regulators, forums and associations relevant to further promote the housing industry.

Is your company a member of any trade and chamber or association?

The Company is a member of Confederation of Real Estate Developers' Associations of India (CREDAI). CREDAI is the apex body representing private Real Estate developers. CREDAI is a not-for-profit company which seeks to create a favourable policy climate to ensure housing for all.

2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good?

Yes, the Company, through its association with CREDAI and NAREDCO have been supporting and ensuring better work environment for construction workers. The programme also ensures social security benefits to construction workers under Building and Other Construction Workers act. The day care centres for the children of construction workers ensure wholesome meal to the children and aligns with Government initiative of Poshan Abhiyan.

Through our initiatives of physical transformation of government schools we aim at improving the school infrastructure and also improving the access to education for

children coming from marginalized communities in the most backward districts of the country.

Though our water conservation initiatives we are working with key stakeholders from the government and community at district, block and village level to improve the water infrastructure for better irrigation and household consumption.

Further, highly experienced members of the Board, Senior Management and Executives of the Company are associated with various committees constituted by the government, regulators and industry bodies from time to time for constructive discussions to strengthen the development of the housing industry and other related areas.

PRINCIPLE 8

Businesses should support inclusive growth and equitable development:

Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof:

The Company is engaged in an important business activity, which is housing finance. It is one of the fundamental requirement of a human being and a basic need for a family. The Company is participating in Pradhan Mantri Awas Yojana (PMAY), and has partnered with the nodal agency in distribution of interest subsidy under Government's Credit Linked Subsidy Scheme (CLSS).

Through its CSR activities, the Company is changing the life of thousands of construction workers and their families. In association with CREDAI CSR Foundation and NAREDCO, the Company is engaged in the development and execution of social and charitable projects with focus on construction workers. The Company has so far ensured skill training of over 6000 construction workers pan India. In association with Mobile Creches, the Company has supported holistic development of thousands of children of construction workers.

Through intervention for resource poor women, we aim at providing livelihood opportunities to women to ensure that they learn employable skills and help them be self-reliant.

In the current COVID-19 pandemic situation, the Company has also stepped up efforts by contributing significantly towards combating the disease by means of supporting national scientific level research and development and relief efforts. Other areas of inclusive growth and equitable development include-elderly care, environmental conservation and promotion of sports.

2. Are the programmes/ projects undertaken through in-house team/ own foundation / external NGO / Government structures / and any other organisation?

As part of the CSR interventions of the Company, we have partnered with various implementing agencies such as CREDAI CSR Foundation, NAREDCO, Mobile Creches, Mumbai Mobile Creches, Tara Mobile Creches Pune, Vidya-Integrated Society for Youth and Adults, CanSupport, IIT Delhi, IIT Roorkee, United Ways SM Sehgal Foundation, Karuna Trust etc. With the implementing agencies, we have designed and executed various programmes on the key thematic areas such as skilling of construction workers, day care centres for the children of construction workers, ensuring education

to underprivileged children, enabling access to health care, COVID-19 relief work, etc.

We have also implemented a few projects directly as well such as; Swachh Bharat Abhiyan and this year we have contributed significantly towards the PM-CARES central government fund for COVID-19 emergency response and relief work in the country.

The Company also commenced the operations of its corporate foundations and initiated few long term programmes through the same.

3. Have you done any impact assessment of your initiative?

Monitoring and evaluation is a very critical part of all the programmatic interventions that the Company executes. We have detailed implementation strategies which help us evaluate the project progress at regular intervals. The implementation agencies also submit their report with details of all those beneficiaries who have benefitted from the project and also the overall implementation of the project. Additionally, each project has been allotted with a mentor from the teams within the organization based on their expertise and interest. This not only ensures employee volunteering but also creates project ownership among the employees leading to better project implementation.

The Company conducts field visit to the project site to assess the overall feasibility of the project, which is considered to be funded. We partner with various external agencies/ consultants/auditors as well to strengthen reporting and monitoring capabilities for the larger goal of effectiveness of the program implemented.

What is your company's direct contribution to community development projects – Amount in ₹ and the details of the project undertaken?

Under the CSR programme we have

- Improving livelihoods of **construction workers** through a robust **skill development** program: The Company has worked extensively towards skill training of 6000 construction workers.
- Operating **crèches at construction sites** for supporting holistic development of **children of the workers**. The Company via partners Mobile Creches (MC), Plan International-India, Mumbai MC, TARA MC Pune and Savera Social Welfare Society ensured the holistic development for 4000 children of migrant construction workers through their day care centres
- Promoting **formal primary education** and Infrastructure Development for children in need. The Company, in partnership with Vidya, a not for profit organization for education and empowerment of underprivileged children, has supported the operational cost of running two formal schools in Delhi and ensured formal education to 550 children. The Company, through its CSR arm, Peהל Foundation has also contributed towards the transformation of government schools of Delhi, Haryana and Rajasthan.

- **Provide COVID relief and support:** As a socially responsible corporate, we have always stood at the forefront of any emergency response effort for the country. At this hour of need, the Company pledged for its support towards aiding the ongoing efforts of the Government to control and counter COVID-19.
- **Improving access to Healthcare:** The Company's contribution has been significant in the realm of healthcare in the FY 2020-21. The Company, through its CSR arm, Pehel Foundation has supported the upgradation of medical equipment at primary and secondary government hospitals. The Company also continued supporting programmes ensuring wellbeing of Cancer patients.
- **Promoting Women Empowerment and Livelihood generation** initiatives, through Pehel Foundation, the Company has donated E-cars to resource poor women in Jaipur and Indore through Azad Foundation. Through this initiative, the women will become professional drivers to gain remunerative 'livelihoods with dignity'.
- **Promoting sports for development:** The Company has collaborated with SRF Foundation to work with the children in the government schools adopted by SRF foundation in Chennai and Bangalore, using sports as medium of empowerment. The Company will also support the holistic development of three women athletes in the sports- race walking, 3000m event and para badminton.
- **Supporting Research and Development:** The Company, through its CSR arm, Pehel Foundation, has supported the further research for the development of an effective and efficient technique for earthquake resistant construction by using low cost energy dissipating devices of the Department of Earthquake Engineering, IIT Roorkee. Upon successful testing, the proposed technology will be used in housing construction up to four storeys giving impetus to the company as the prime facilitator of this technology.
- **Promoting Environmental Conservation and Water Management:** The Company, through its CSR arm, Pehel Foundation, has collaborated with SM Sehgal Foundation to support Jal Khushhali, a water conservation project. Under this project, the Company will support the construction of one check dam and two ponds in Karauli, Rajasthan.

Besides the interventions listed above, we have also invested in sports for development, elderly care, developing infrastructure in government hospitals and environment conservation. The Company on a consolidated basis has spent nearly ₹22.72 crores on these programmes during FY 21.

Under the CSR initiatives of the Company, the Company has impacted 2.5 lakhs people during FY 21.

Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes, the Company has partnered with such implementation agencies, while extending its CSR contribution, for a regular

track record. The Implementation agencies submit their report with details of all those beneficiaries who have benefitted from the project and also the overall implementation of the project. The Company conducts field visit to the project site to assess the overall feasibility of the project.

PRINCIPLE 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner:

Customer centric is one of the core values of the Company. In this direction, the Company has taken a number of initiatives with a promise of providing omni channel experience to the customers which integrates various modes of communication with the customers for better experience and faster resolution. Our 'customer service operations' are now ISO 9001:2015 certified. The Company has introduced non-branch/alternate channels of communication, which customers can use to interact and transact seamlessly. Through mobile application, the users can get information on loans and deposits and can avail multiple other services. Through loan application tracker, customers can track the step by step status of loan application.

The Company has been constantly investing in upgrading technology and in acquiring new technology.

The Company has started digitization of documents. Customers can get their loan documents images on various digital interfaces i.e. mobile app and the web portal. PNB Housing is aggressively strengthening its footprint to reach out to more customers through pan India presence with 94 branches across 64 cities. The hub-and-spoke operating model is the backbone of operations and we are strengthening it through continuous investments in analytics, technology enhancements and digitalisation.

We are dedicated to enriching the customer experience at every touchpoint. We empathise with our customers and want to make their journey of owning a home as seamless as possible with value addition. Our policies are fair and transparent at every step for the customers. The CRM system even allows on-the-job training and improvement for the relationship management team, incorporating the suggestions and feedback received from customers.

What percentage of customer complaints/ consumer cases are pending as on the end of the financial year?

The Company has various modes to communicate with the customers at any point of time. At the end of the year, there were 29 customer complaints pending in the system which were subsequently resolved. For the FY 2020-21, the Company has no complaints pending in the system as on date.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

The Company is a housing finance company and hence this question is not applicable. However, features of housing loan schemes are disclosed to the applicant before financing. The Company also displays the information pertaining to its products at each of its branch offices across India. The details of the product attributes, relevant information on the products and services offered, fees and charges, benchmark interest rates, and other important notifications like 'Most Important Terms and Conditions', grievance redressal mechanism is available in all the offices and also available on the website of the Company.

The Company has formulated the Fair Practice Code which applies to all the Products and Services offered with an objective to promote good and fair practice by setting reasonable standards in dealing with the customers. The performance and financial highlights of the Company, which are disclosed to the stock exchange, are also available on the website of the Company.

The Company strives to ensure that transparent, correct and relevant information, pertaining to its products and services, is disseminated through its advertising material and the information displayed on the digital platforms owned by the Company. The Company encourages responsible and

responsive communication towards all its stakeholders be it customers, media, investors, analysts, regulatory authorities, vendors and other stakeholders. The Company is a strong proponent of true and fair advertising and as such, discourages all kinds of means and activities that are unethical.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

There is no such instance.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company on a continuous basis measures the advocacy and satisfaction levels of customers across various products and digital touch points. As part of this exercise, the customer's recommendation and satisfaction levels with the product and transaction experience are measured. This feedback is then analyzed and the insights from the same are implemented to improve products and processes and enhance the service quality to the customers. In addition, extensive diagnostic research in specific areas is conducted on a regular basis. The focus of the research is to identify areas of improvement in the products and services offered to the customers and define appropriate action points for improvement.