



Code of Conduct Philosophy

(Last amended on April 16, 2025)

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Introduction

At HDB Financial Services Limited ("HDBFS") we are guided by our Core Values and that defines how we go about our business, treat our people, customers and stakeholders and sets the standard by which individual and team performances are measured and rewarded.

Customer:

At HDBFS we treat all our customers fairly and ensure that all information provided to customers is truthful and not meant to mislead him/ her. All products and services are sold solely on their merits.

Our employees discuss the products and commercial terms with the customer only or any person authorized by the customer for the same. They shall not make any false/ unauthorized commitment on behalf of Company/ Client organization for any facility or services. We expect our employees to be honest, prudent and have an ethical conduct even when handling of actual or apparent conflicts of interest between personal and professional relationships.

At HDBFS we treat all our Customer Information as confidential and safeguard it. We do not use or disclose their information for any reason other than the intended purpose. Our policy on Non-Disclosure of Confidential Information ensures that our employees do not divulge, furnish or make information accessible to any unauthorized personnel.

People:

We realize that our talent pool is one of our key success drivers and hence we continue to stay committed to investing in our people and driving a culture that emphasizes on Integrity, Collaboration, Agility, Respect, Excellence and Simplicity. Our people policies founded on the principles of fairness and equality thereby fostering trust, inclusiveness, collaboration and meritocracy.

Our policies on anti-harassment, anti-discrimination, flexible work arrangements, welfare benefits, leaves and other initiatives aimed at employee well-being and satisfaction have gone a long way in establishing an inclusive and engaging culture that, it enables our employees to contribute positively to the business and be more productive. By fostering a diverse, equitable, and inclusive workforce, we not only enrich our organizational culture but also strengthen our position as a leading NBFC.

At HDBFS, we expect all our employees to conduct themselves in a professional and disciplined manner and treat every customers & fellow employee with dignity and respect. Our Code of Conduct containing a set of rules outlining the moral responsibilities and throwing light on the expected conduct from an employee is a part of our induction module and is made available to all employees on ZING, our Employee Self Service Portal.

Employees are periodically educated on policies and processes that promote a respectful and inclusive work environment. Workshops to propagate the Organization's values, acceptable behaviour, resolving differences & conflicts and dealing with unconscious bias are rolled out to all our employees at regular intervals.

Sustainability:

We recognize that a long-term sustainable business model must address social and environmental factors during the decision making process, viewing these aspects as opportunities rather than risks.

We also do our best to prevent waste of natural resources and are committed to improving the environment, particularly mitigating the impact of climate change by cutting down on emission of greenhouse gas.

At the same time, we recognize that only an organization that is sustainable financially can work towards creating sustainable communities. Employees have to balance these twin objectives in the course of their work.

At HDBFS we actively encourage our employees to volunteer in activities that are aimed at community welfare. Most of our CSR initiatives are centered around environmental sustainability, promoting preventive health care, safe drinking water, literacy and livelihood. Engaging our employees in such activities not only instils a sense of belonging but also showcases the organization's commitment to diversity, inclusion and keenness to serve in the communities we operate in.

The Conduct philosophy is based on the three tenets of:

- Complying with the law,
- being consistent with our Company's long term goals/ values and
- safeguarding reputation.

Complying with the law

Employees of the Company shall adhere to the law of the land in their personal and professional capacities. No list is exhaustive but to be indicative, employees are expected to comply with the following laws:

- Taxation,
- Anti-Money Laundering,
- Anti-Corruption and
- Anti-Bribery or
- Any other laws in force in future.

Regulatory and Statutory Compliance

The Company is committed to maintaining the highest level of ethical standards, professional integrity, corporate governance and regulatory and statutory compliance. To ensure this, employees shall conduct their activities within the Company in accordance with all applicable laws and regulations, or arising out of Stock Exchange Listing Regulations, all relevant internal rules, policies and procedures.

Prohibition of Insider Trading

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, is a regulation to ensure that no insider trades in securities while in possession of UPSI for personal gains, being detrimental to the interests of the company and other shareholders.

Financial reporting and records

As an organization our Company seeks to live the values it believes in. This means that we will prepare and maintain our accounts fairly/ accurately and in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the Company conducts its business affairs.

Any wilful material misrepresentation of and/ or misinformation on the financial accounts and reports shall be regarded as a violation of the Code apart from inviting appropriate action under the relevant laws.

Customer Transactions

Customers are the very reason for our existence. Naturally, Customer Focus is a core value. In order to ensure a satisfied customer, the following has to be adhered to:

- i. The Company is committed to providing products and services which offer value in terms of both price and quality, and meet the guidelines/ applicable standards of the regulators and other authorities.
- ii. Products/services cannot be marketed in a way that hurts the religious sentiments of people or pander to gender stereotypes.
- iii. Confidentiality of customer information is sacrosanct. The Company and its employees will treat confidential information with care to avoid disclosure of such information, unless this is authorized or legally required.
- iv. Confidential information in case of corporate clients includes, financial information, intention of declaration of dividend, issue of securities by way of public, rights, bonus, preferential allotment, QIP, major expansion plan, major fund raising plans, amalgamation/ merger/ takeover, share buyback, delisting, strategic/ non-strategic JV/ tie-up, acquisition of any entity in India or abroad, disposal of whole/ substantially whole of undertaking, investment/ disposal of investment, significant changes in policies/ plans.
- v. In the course of discharging his/ her duties, no employee shall part with sensitive information and/ or grant access to sensitive information to anyone other than those who are authorized to receive it.
- vi. The employee will not disclose, use, lecture upon or publish any of the Company's confidential information, except as such disclosure, use or publication may be required in connection with his/ her work on a "need-to know" basis or unless the Company expressly authorizes such disclosure in writing. And is obliged to maintain the confidentiality, privacy

and security of confidential information even after his/ her employment with the Company ceases so long as such confidential information remains a secret.

Independence of policies / functions

Within the Company, the flow of unpublished price sensitive information and personal client information is controlled by creating demarcation and classifications. Such information is shared on a strict need to know basis.

Confidential documents in general and those which contain Unpublished Price Sensitive Information (UPSI) in particular are securely maintained with access granted only to bona fide recipients.

Anti-Money Laundering

Money laundering is defined as directly or indirectly attempting, indulging or assisting in any process or activity connected with proceeds of a crime and protecting the same as untainted property and thereby helping it enter the stream of commerce. Money laundering may not be restricted to cash transactions and may also include monetary instruments and other proceeds of any illegal activity.

Today one of the biggest problems facing us as a nation and the world is the illicit flow of money that finances illegal and terrorist activities. This is often disguised as money earned from legal operations. This has given birth to the Know Your Customer & Anti Money Laundering Policy. Our Company's AML Policy is based on RBI guidelines/ provisions of the Prevention of Money Laundering Act, 2002 incorporating the key elements of Customer Acceptance Policy, Customer Identification Procedures, Risk Management and Monitoring of Transactions.

Anti-Bribery and Anti-Corruption

The Company has adopted a "Zero-Tolerance" approach to bribery and corruption. Bribery and Corruption can take many forms including cash or gifts to an individual or family members or associates, inflated commissions, fake consultancy agreements, unauthorized rebates, non-monetary favours and false political or charitable donations. These actions may be undertaken directly or through a third party. It is illegal and immoral to, directly or indirectly, offer or receive a bribe. We do not tolerate bribery or corruption in any form or manner. Our Company is committed to implementing and enforcing adequate procedures to prevent, deter, detect, and counter bribery and corruption in any form or manner.

The Company, its Employees and any persons associated and engaged with HDBFS shall not:

- a) Indulge in act or conduct that constitute bribery/ corruption in relation to dealing with customers, prospective customers, vendors, insurance agents, insurance intermediary and any entities having existing or future business relationship with HDBFS.
- b) Offer, promise, give, request or agree to give a 'undue advantage' in any form, directly or indirectly to any person, public official or person associated with public official with the expectation or hope that business advantage will be given or received or to reward a business advantage already given to facilitate or expedite a routine procedure.

- c) Accept or solicit any payment, advantage, gratification, gift or hospitality from a customer, prospective customers, vendors, insurance agents, insurance intermediary and any entities having existing or future business relationship with HDB that employee knows, with the expectation to obtain a business advantage from him/her.
- d) Threaten or retaliate against another employee who has refused to indulge in acts or conduct that constitutes bribery/ corruption or who has adopted Whistle Blower mechanism of the Company to raise a concern.
- e) Make any donations, charitable contributions, sponsorships to a public office or a public official as a subterfuge for bribery in order to influence to obtain or retain business or an advantage for the benefit of the Company.
- f) Involve or support any unethical HR practice often deemed to be something of value and therefore giving, offering, promising in order to obtain or retain undue advantage in relation to offering employment, promotion, transfers and posting etc.
- g) Offer, promise, solicit, demand, give or accept any kind of facilitation payments to or from any third party in relation to the Company.

Confidentiality

At HDBFS Confidentiality is of utmost importance. Access to personal information of employees is limited to personnel who have authorization and on a need to know basis. Those who have access to personal information shall treat this information confidential and maintain its Confidentiality.

Conflict of Interest:

Our Company is renowned for its Corporate Governance framework. This has not been just due to the exemplary conduct of the Board and Senior Leadership but also each one of us. We must therefore continue to ensure that there is no Conflict of Interest.

A possible conflict of interest may arise, whenever we (or a member of our immediate family) have either a direct or indirect interest in any transaction or proposed transaction involving HDBFS that might affect our decision.

It is therefore, absolutely imperative for each of us as an employee of the Company, to keep customer information confidential, conduct business prudently, be objective in making decisions, candid with our fellow- employees, and not enhance our personal position by virtue of our affiliation with HDB.

Concurrent Employment:

An employee of our Company shall not, without the requisite officially written approval of the concerned authority accept employment or a position of responsibility (such as a consultant or a director) with any other Company/ entity nor provide freelance services to anyone with or without remuneration.

This is also applicable in case they seek to create an alternative source of income by leveraging any

of their skillsets. This is not applicable in the case where employees provide their services free of cost to an NGO or a social/ charitable organization. To reiterate what was said earlier we must conduct ourselves in a way that we are seen to be above suspicion.

Relationship:

To eliminate potential for conflicts of interest, we at HDBFS do not hire, promote or transfer relatives in a direct supervisory relationship in which an employee will have direct influence over their relative's employment. Our policy on 'Employment of Relatives' establishes the guidelines and reporting requirements for employment of relatives.

Seeking to Influence and Political Non Alignment:

Employees not to attempt further his/ her career through any extraneous/ political influence nor on any other matter pertaining to the Company.

The Company is committed to upholding the territorial integrity of India and the countries in which it operates in. As employees we cannot become members of organizations which are opposed to these.

Reputation:

Communication in Print/ Online/ Broadcast and Social Media

To create a safe environment and safeguard our brand we have created Social Media Policy. It offers practical guidance for responsible and/ or constructive communications via social media channels. The employees are required to follow Social Media Policy of the Company.

Employee's social media content must reflect that it is the opinion or content of the Employee and must not imply any connection to or origination from the Company (Including without limitation, the use of Employee's official e-mail address as the source of such communication). If Employee uses social media to promote the efforts or initiatives of the Company, Employee must disclose Employee's employment relationship to the Company or connection to the Company's Related Persons within the social media content or communication.

Prohibition of Sexual Harassment at work place:

In line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Company has adopted a Policy on Prevention and Redressal of Sexual Harassment at Workplace and Rules framed thereunder. On a periodical basis awareness programs and trainings is given to the employees.

Whistle Blower Policy:

The Company has an effective Whistle Blower Policy. The Policy aims to prohibit and proactively target issues linked to employee integrity by ensuring an effective redressal mechanism. Further it also attempts to formalize a channel for communicating any such issues faced by employees at their workplace.

The link to the Whistle Blower Policy is given below:

<https://www.hdbfs.com/sites/default/files/policies/Whistle-Blower-Policy-New-2024.pdf>

Human Rights

AT HDBFS we are single minded in our resolve to create an environment that is fair and inclusive and fosters a diverse, equitable, and engaged workforce. We are honest, transparent and ethical in the way we conduct ourselves. We base our conclusions on facts and ensure that the highest standards of professional conduct are consistently reinforced and embedded in every corner of the Organization.

To ensure fairness and equality, selection criteria for role evaluation is based on skill, competency, work experience and most importantly is gender fluid. Measures ensuring equal opportunity, equitable compensation, supportive people policies are some of our initiatives that have gone a long way in fostering an inclusive work environment.

Our policies on anti-harassment, anti-discrimination, welfare benefits, maternity leaves and initiatives aimed at employee well-being have gone a long way in establishing an inclusive and engaging culture that is enables our employees to contribute positively to the business and be more productive.

Diversity, Equity and Inclusion

Our widely distributed network that enables us to tap potential markets and build on scale, necessitates engaging a diverse workforce that is attuned to the needs of our varied target segments, giving equal accountability to all in business and functions to work collectively in finding dynamic solutions to complex problems and achieving common business goals. While diverse workforces bring varied perspectives and experiences that is vital to the growth of our organization, it imperative to build a culture that emphasizes on inclusion & fairness, creates an environment that minimizes conflict and enables collaboration and team work.

Our commitment to increase our gender representation, both within the organization and in leadership roles, is reflected in our recruitment, talent development and talent management strategies. Our continued efforts in this direction has seen a significant increase in the percentage of women across various business units within the Organization. To ensure fairness and equality, selection criteria for role evaluation is based on skill, competency, work experience and most importantly is gender fluid.

Our promotion and role elevation practices are transparent, based on performance and merit. Measures ensuring equal opportunity, equitable compensation, supportive people policies are some of our initiatives that have gone a long way in fostering an inclusive work environment. We also recruit talent who are differently abled in roles that enable them to be gainfully employed. They are deployed in offices that are easy to access, conducive for their mobility and given the required training support to perform and contribute positively in the roles that they have been hired for.

In case of any query/ clarification that you may need, please contact Ms. Dipti Khandelwal, Company Secretary of the Company on dipti.khandelwal@hdbfs.com