

ESG Commitments

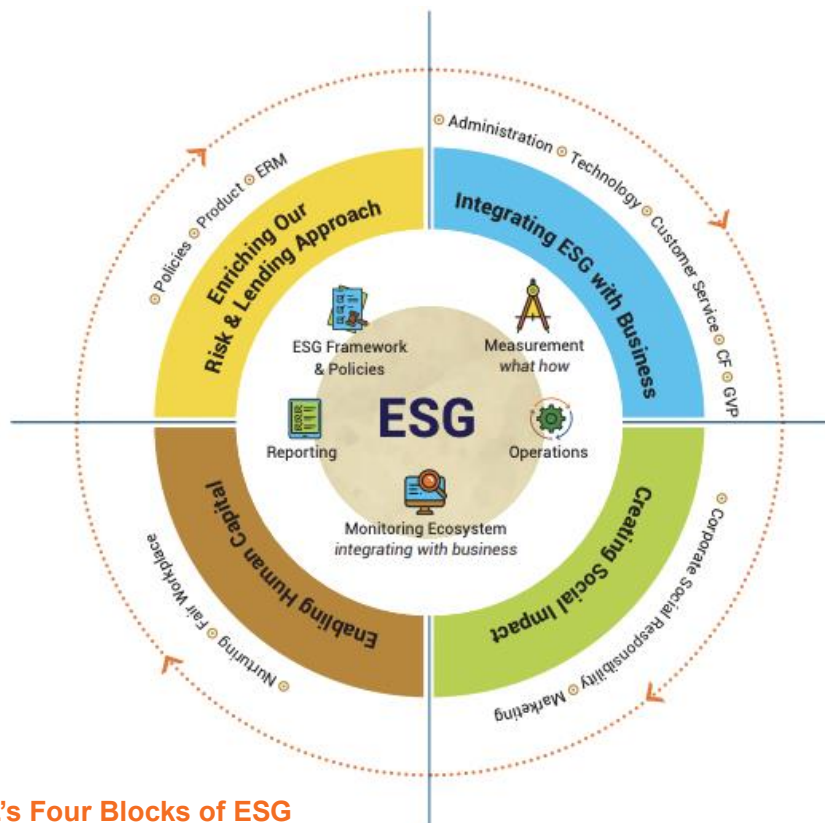
Promoting Sustainability and Responsible Practices

At IIFL Home Finance Ltd., we have made tremendous progress in our journey to make affordable and sustainable finance available to people across different financial strata, residing in the remote locations, parallelly maintaining positive cash flows and lucrative returns for its investors and ensuring employees' satisfaction.

As a responsible organization, we constantly aim at contributing to the society through our product offerings, operations and digital capabilities. We comply with ESG standards and the defined social obligations.

Our integrated vision and focus on efficiency, management, and productivity has laid the path of paved the way for creating value by incorporating Environment, Social, and Governance (ESG) initiatives within our business ecosystem. Our defined robust ESG ecosystem involves strong ESG framework and policies, the measurement metrics, operations, diligent monitoring, and transparent and effective reporting.

The four pillars, i.e. that is, Integrating ESG with business, Creating Social Impact, Enabling Human Capital, and Enriching our Risk and Lending Approach brings on board not only our employees and customers, but also the other stakeholders, our society, the environment and the immediate ecosystem in which we operate.

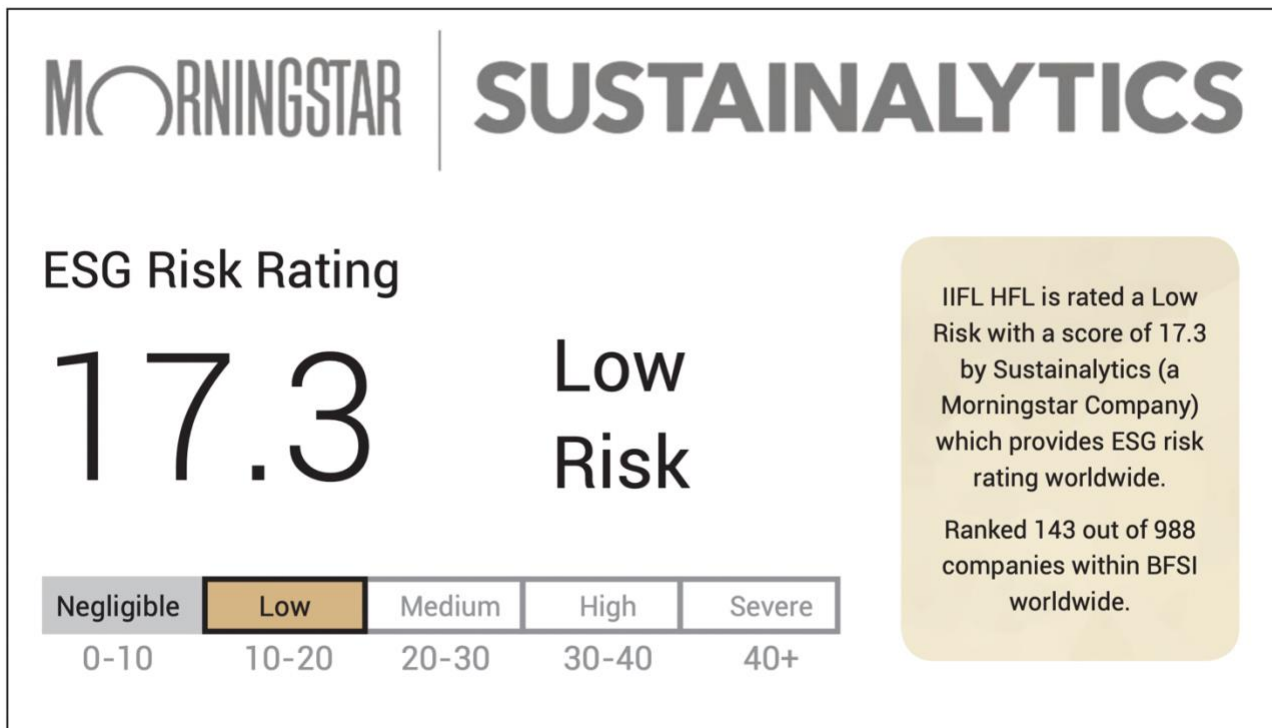


IIFL HFL's Four Blocks of ESG

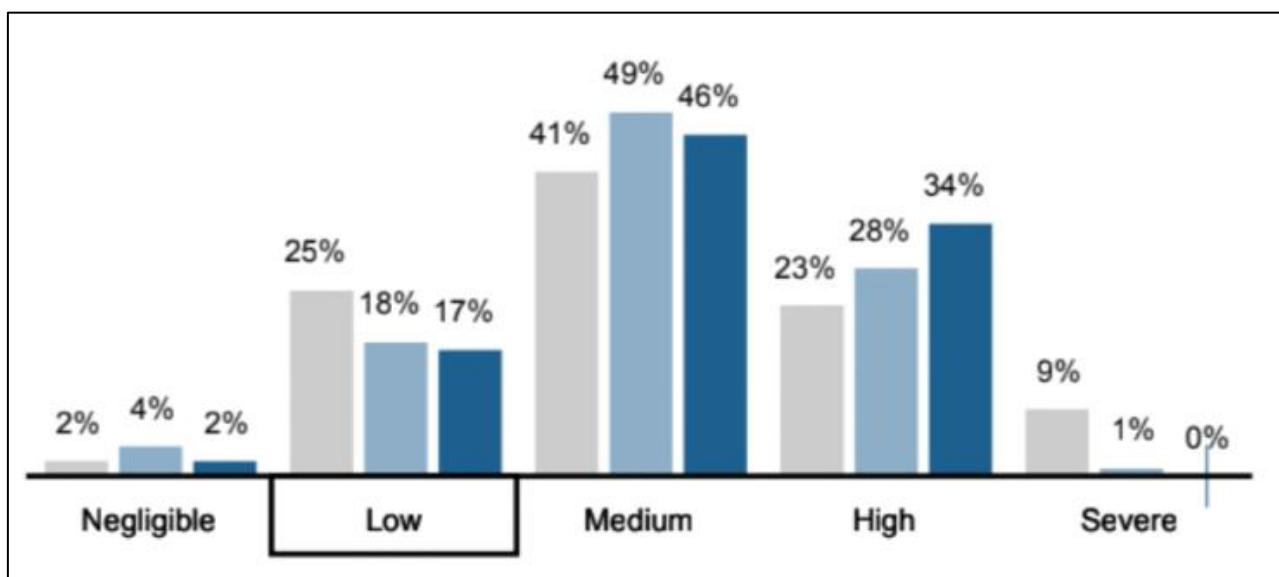
IIFL HFL has been rated by Sustainalytics (a Morningstar company), a leading independent ESG firm that provides ratings to organizations across the world.

The **ESG Risk Ratings** measure a company's exposure to industry-specific material ESG risks and how well a company is managing those risks.

IIFL Home Finance Ltd has been rated as a Low Risk with a score of 17.3.



INDUSTRY vs IIFL HOME FINANCE LTD.



ESG Risk Rating Ranking		
UNIVERSE	RANK (1 st = lowest risk)	PERCENTILE (1 st = Top Score)
Global Universe	2580/15346	18th
Banks INDUSTRY	143/988	15th
Thriffs and Mortgages SUBINDUSTRY	11/99	11th

ESG Risk Rating Distribution

Within BFSI category, IIFL Home Finance Ltd. has been ranked at 143 out of 988 companies, as rated by Sustainalytics worldwide, and 11 out of 99 under the Thrift & Mortgages sub-industry.

ESG Risk Assessment

RISK EXPOSURE

Our biggest ESG exposure stems from product governance issues, given the company's' s product and service portfolio, as well as its customer base. Any inability to cater to client expectations across its products and services could result in the loss of customers and significant financial implications. Types of potential misconduct include unsafe features, insufficient transparency and misleading marketing. Furthermore, IIFL HFL is putting its digital integration plan into action to help it remain competitive and keep up with changing customer needs. At the same time, it must ensure sufficient safeguards to reduce emerging data privacy and security concerns. Additionally, IIFL HFL relies on knowledgeable personnel who can understand complicated financial instruments, and it must work towards hiring, training, motivating and retaining these employees.

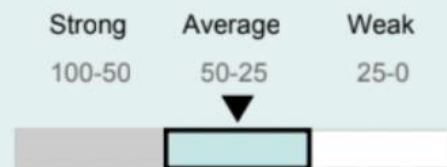


RISK MANAGEMENT

IIFL Home Finance is adequately prepared with regard to the management of its material ESG issues. The company exhibits strong management of data privacy and security issues, given that its information security management system has obtained ISO 27001 certification, despite a weak data privacy programme and the lack of a public data privacy policy covering all of its operations. IIFL HFL's product governance practices have room for improvement in line with industry best practices, such as the implementation of a formal responsible marketing policy and the solidification of its responsible product offering programme. Finally, IIFL HFL adequately manages its human capital issues, with a strong discrimination policy, a diversity programme that comprises training and workforce diversity initiatives, and initiatives to support the retention and development of its workforce.

ESG Risk Management

37.5
Average



Human Capital

Human Capital focuses on the management of risks related to scarcity of skilled labour as well as labour relations, such as non-discrimination, working hours and minimum wages.

2.9
LOW RISK

Corporate Governance

Corporate Governance represents foundational structures for the management of ESG risks.

2
NEGLIGIBLE RISK

Data Privacy and Security

Data Privacy and Security focuses on data governance practices, including how companies collect, use, manage and protect data.

2.8
LOW RISK

IIFL Home Finance Ltd. was found to be involved in **0 controversies** in the last three years from Sustainalytics research.

ESG Integration – Financials

ESG Integration - Financials includes all ESG integration activities by financial institutions that are either driven by financial downside risk considerations or by business opportunities.

2.5
LOW RISK

At IIFL HFL, the concept of sustainability encompasses our environmental, social and governance aspects which collectively contribute to fostering inclusive growth. This notion considers the environment in which we operate, the community with which we engage, our human resources, who are integral to our success, and our governance structure, providing



IIFL Home Finance Limited

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