



IIFL HOME LOAN

India's Leading Affordable Housing Finance Company

Creating
SPACES,
Leading Change



Creating SPACES, Leading Change

At IIFL HFL, our mission is to make homeownership a reality for everyone, with a special focus on supporting underserved and marginalised communities. We recognise the challenges that many face in securing a home loan and our offerings are designed to meet the specific needs of the Economically Weaker Sections (EWS) and Lower Income Groups (LIG). By understanding and addressing their unique needs, we strive to make the dream of owning a home achievable for all.

We are deeply committed to sustainability and have integrated eco-friendly practices into every aspect of our operations. At IIFL HFL, we are aware of the impact our actions have on the planet and are determined to minimise our environmental footprint. The construction industry is a major consumer of non-renewable resources and despite advancements in green building and green housing practices, there is still a need for greater awareness about resource conservation among builders and developers. To address these challenges, we have established Green Value Partners (GVP) Our internal team is dedicated to advancing green building initiatives in India.

Our approach to green building and green housing involves collaboration across the entire value chain. We work closely with developers, architects, homeowners, masons, contractors and government bodies to promote sustainable practices and ensure the successful implementation of green projects. By offering comprehensive assistance and in-house technical support, we empower these stakeholders to comply with green building standards, providing no-cost consultations to foster sustainable building practices within our communities.

Our commitment to sustainability is reflected in our efforts to create spaces that promote collective well-being, while driving the transition toward a sustainable future. By prioritising energy and water conservation as well as actively reducing carbon emissions, we align our efforts with the United Nations Sustainable Development Goals (UNSDGs). These accomplishments underscore our dedication to environmental stewardship and reinforce our commitment to making sustainable change a reality.

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About the REPORT¹

At IIFL Home Finance Limited, we follow a comprehensive approach towards achieving our Company's objectives. We recognise the importance of keeping our valued stakeholders informed about our achievements, milestones, concerns, and opportunities annually. Our Sustainability Report serves as a vital communication tool, offering detailed insights into our business verticals, processes and the economic, social, and environmental aspects of our Company.

Aligned with our business strategy, our latest edition of the Sustainability Report reflects our ongoing commitment to sustainability and its integration into our operations in FY2023-24. This report highlights how sustainability is deeply embedded in our ethos and is integral to our operations. Beyond merely listing our accomplishments, this report vividly illustrates ESG our journey, showcasing how we leverage our strengths to create long-term value for all stakeholders. At IIFL HFL, sustainability is not merely a catchword, it is a dedicated promise that guides our decisions and shapes our legacy. We are excited to share this report, demonstrating our commitment to sustainable practices as well as the positive impact they have on our stakeholders and the society at large.

Reporting Framework

The Sustainability Report of IIFL Home Finance Limited adheres to the methodology of Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 2021 and incorporates SASB standards for the finance sector. It spotlights our performance across sustainability dimensions—ESG and economic facets—aligning disclosures seamlessly with the Sustainable Development Goals (SDGs). Our reporting principles prioritise materiality, stakeholder inclusiveness, sustainability context, and completeness, ensuring a transparent and accurate representation of our sustainability efforts. The GRI Content Index, featuring GRI indicators and their respective locations within this report, can be found on page 84.

Reporting Period, Scope and Boundary

The report provides comprehensive ESG data for both IIFL Home Finance Limited and its wholly owned subsidiary, IIFL Sales Limited. Throughout the reporting period, there were no mergers, acquisitions or disposals, maintaining continuity in our operational landscape. The reporting period spans from April 1, 2023, to March 31, 2024, with an annual reporting frequency.

Audience

This report serves as a vital tool to communicate our steadfast dedication to Environmental, Social, and Governance (ESG) principles, along with our performance,

Disclaimer

Some information in this report may contain statements regarding the Company's expected financial position, results of operations, business plans, and prospects. These statements are generally identified by words such as "believe", "plan", "anticipate", "continue", "estimate", "expect", "may", "will", or other similar expressions. These statements rely on assumptions or bases which have been chosen in good faith and are believed to be reasonable in all material respects. However, actual results, performance, or achievements may differ materially from those expressed or implied in such statements. The Company undertakes no obligation to update or revise any such statements, whether due to new information, future events, or otherwise. Please note that a conversion rate of approximately 1 USD = 82 INR has been applied to round of financial figures except for figures in financial statements.

Contact details

Your interest is valued, and we extend a warm invitation for feedback on the information presented herein.

The contact person details are as follows –

Name: Madhvi Gupta

Designation: Head- Marketing & Communications, CSR & ESG

Email: madhvi.gupta@iiflhomeloans.com

to a diverse range of stakeholders. This includes employees, contractors, investors, customers, suppliers, the community, government and other relevant parties. Our aim is to expand the reach of our ESG Report, promoting transparency and fostering active engagement. It caters to all stakeholders, providing clear insights into materiality issues, sustainability strategies, performance metrics, organisational achievements, challenges, and actions taken to address stakeholder concerns.

Data and External assurance

The report derives data from dependable digitised and manual records within the report boundary, meticulously scrutinised for complete accuracy. It covers diverse ESG parameters, utilising the metric system and Indian Rupee, unless specified otherwise. While external assurance is obtained for our parent Company, IIFL Finance Ltd., we reaffirm our commitment to stakeholders by emphasising that the ESG data and information within this report has undergone a rigorous internal review. Senior management, under the CEO's oversight, along with the Company's Board members, ensure accuracy and accountability in the report's content.

Names and Designations

For ease of presentation and readability, IIFL Home Finance Limited is denoted as "IIFL HFL," "the Company," "our Company" or "we/us" throughout this report, depending on the contextual relevance.

Access to Report

This report is available for download on IIFL HFL Official Website.

Company Name: IIFL Home Finance Ltd.

Address: Corporate Office: No 98 Phase, 4, Phase IV, Udyog Vihar, Sector 19, Gurugram, Haryana 122015

Website: iiflhomeloans.com/reports

¹[GRI 2-2; 2-3; 2-4; 2-5]

KEY HIGHLIGHTS

Finance

Revenue	FY2022-23	FY2023-24	Profit after tax (PAT)	FY2022-23	FY2023-24
	₹ 2,731 Cr/ \$ 330 Mn	₹ 3,317 Cr/ \$ 401.82 Mn		₹ 790 Cr/ \$ 100 Mn	₹ 1,017 Cr/ \$ 123.20 Mn
Digital on-boarding	99%	100%	Home Loans to informal segment	96,600+	1,38,120+*
First-time home buyers	2,13,000+	2,59,520+*	Home Loans to women owners	1,38,000+	2,15,690+*

Human Capital

Number of Employees	4,560+	5,650+**	Employee Performance review	100%	100%
Great Place to Work	5th time in a row	6th time in a row	Employees trained, via offline and online learning platforms	90%	100%
First-time home buyers	87/100	85/100	Retention rate after parental leave (maternity and paternity)	100%	100%

*Data as on March 31st, 2024, since inception

**Data inclusive of IIFL HFL sales

Social

Lives impacted through CSR initiatives	3,14,170+	3,20,800+	Sustainable Living Workshops for EWS/LIG segments	11 Disha workshops	50 Workshops
Home Loans to informal segment	96,600+	1,38,120+*	Home Loans to women	1,38,000+	2,15,690+
Workshops on Road Safety	31 Workshops	1800+ Participants			

Environment

Pre certified green projects under Green Value Partnership	30	37*	Energy savings through GVP initiatives	15,690+ MWh/year	19,710+ MWh/year*
Green units funded	17,500	23,620+*	Water saving through GVP initiatives	900+ ML/year	1,130+ ML/year*
GHG emission offset through GVP initiatives	14,430+ tCO₂/year	18,130+ tCO₂/year	Paper Sheets saved with digital lending initiatives	19,70,090+	99,14,390+
Certified Green Projects under Green Value Partnership	2*	0.717	Energy Intensity (GJ/Mn ₹)	0.137	0.99
GHG Intensity (tCO ₂ e/Mn ₹)	0.137	0.99	Renewable Energy %	0.137	0.99

CEO'S MESSAGE



The Humara Kutumb initiative not only supports the development of green housing but also provides valuable resources and training to empower homeowners and enhance their understanding of sustainable living practices.

Charting a Path Towards Sustainability

Overview of Our Sustainable Journey

Dear Stakeholders,

I am delighted to present our 3rd Annual Sustainability Report for FY2023-24, prepared in accordance with the Global Reporting Initiative (GRI) standards. This comprehensive report reflects our steadfast commitment to sustainable development and highlights the significant strides we have made in advancing our organisational goals. Sustainability is a foundational element of our strategy and it plays a crucial role in guiding our efforts to balance economic, environmental and social objectives effectively.

As we navigate through an increasingly complex and dynamic environment, our focus remains on integrating sustainable practices into every facet of our operations. This year, we have made considerable progress in aligning our activities with our sustainability goals, ensuring that our actions contribute positively to the communities we serve and the environment in which we operate. Our commitment to these principles is and we are proud to share the outcomes of our efforts through this report.

Driving Environmental Impact

The impacts of climate change are now universally recognised and experienced across the globe, including in India. At IIFL Home Finance Ltd., we are keenly aware of the need to address these challenges and are dedicated to minimising our environmental footprint. Although our direct environmental impact remains minimal, we have adopted a proactive approach to integrate sustainable practices and inspire responsible behaviour within our organization.

Energy and water conservation have been top priorities for us this year. We have implemented various initiatives to reduce our consumption and increase our operational efficiency. Our efforts extend far beyond our office walls as we actively pursue initiatives that make a meaningful impact on conservation and sustainability. We have established strategic partnerships with Green Value Partners (GVP), including developers, green certification agencies and green building consultants, to enhance our environmental initiatives.

The results of these efforts are both impressive and encouraging. We have achieved a greenhouse gas (GHG) emission offset of 18,026 tCO2e/year, demonstrating our commitment to reducing our carbon footprint. Additionally, our energy-saving measures have resulted in a total savings of 19,594 MWh/year, and our water conservation initiatives have saved 1,132 ML/year. These accomplishments reflect our dedication to environmental stewardship and our ongoing efforts to drive positive change in the industry.

Advancing Affordable Housing Solutions

Our mission to provide affordable housing solutions has been a central focus of our operations for many years. We are proud of the progress we have made in this area and remain committed to addressing the housing needs of marginalised communities across India. Over the years, we have successfully assisted more than 259,520 first-time home buyers, providing them with the opportunity to achieve homeownership and improve their quality of life.

In addition to supporting first-time buyers, we have made significant strides in empowering women through homeownership. To date, we have facilitated home loans for over 215,690 women, helping them become homeowners. Our dedication to providing affordable housing is unwavering and we continue to explore innovative solutions to meet the evolving needs of our customers.

Supporting Women Through Empowerment Initiatives

At IIFL Home Finance Ltd., we are deeply committed to empowering women and enhancing their financial inclusion. A key initiative in this regard is our 'She Creates' project, which focuses on providing women with the resources and support they need to achieve financial independence and success.

The 'She Creates' project aims to bridge the financial inclusion gap for women by offering tailored financial solutions, educational resources and skill development opportunities. This initiative is designed to empower women artisans by providing them with access to capital, mentorship and training. Through this project, we strive to create a supportive ecosystem that fosters women's economic empowerment and contributes to their overall well-being.

In addition to 'She Creates', we are committed to integrating gender-inclusive practices across all our programmes and projects. We realise that empowering women is essential for driving positive change and achieving sustainable development. Our efforts in this area reflect our broader commitment to gender equality and social equity.

Expanding Access to Financial Services

Financial inclusion is a critical aspect of our mission and we are committed to extending our loan solutions to underserved and

economically weaker sections of society. This year, we have successfully provided home loans to over 96,600 buyers from informal segments, enabling them to achieve their dream of homeownership. By focusing on these underserved communities, we are contributing to greater social equity and financial inclusion.

Our efforts in expanding financial access are guided by our belief in the transformative power of homeownership. We understand that access to affordable housing and financial services can have a profound impact on individuals and families, leading to improved economic stability and enhanced quality of life. As we move forward, we remain dedicated to providing financial solutions that address the needs of diverse communities and support their aspirations.

Promoting Green Housing Practices

Our commitment to green housing practices is a key component of our sustainability strategy. A major highlight of our green housing initiatives is the 'Humara Kutumb' project, which focuses on promoting affordable and sustainable housing solutions. This flagship initiative is designed to advance green building practices and foster environmental responsibility within the housing sector.

Through 'Humara Kutumb,' we actively engage with various stakeholders, including developers, green certification agencies and green building consultants, to drive positive change in the industry. Our efforts are centered on integrating sustainability principles into our projects and ensuring that they meet high environmental standards.

The initiative not only supports the development of green housing but also provides valuable resources and training to empower homeowners and enhance their understanding of sustainable living practices. By focusing on this project, we aim to contribute significantly to environmental conservation and promote responsible housing practices that align with our sustainability goals.

Fostering Community Development Initiatives

Our CSR initiatives aim at driving inclusive growth and community development. Our flagship programme, Sakhiyon Ki Baadi,

is dedicated to empowering young girls in regions where education for girls is limited or unavailable. Through this initiative, we have established 300 learning centres in Rajasthan, reaching 9,000 girls aged 4 to 14. Our efforts include providing education, promoting skill-building and creating employment opportunities for native women.

In addition to our work in Rajasthan, we have partnered with Niti Aayog and Sampark Foundation to enhance education in Uttar Pradesh. This collaboration focuses on improving teacher competencies through specialized training and aims to impact nearly 2.72 lakh students and 5,582 teachers across 2,791 government schools. We have also supported migrant workers' children through our learning-cum-crèche facilities, providing meals, health check-ups and vaccinations at 11 locations across Rajasthan, Gujarat and Delhi/NCR.

Building a Resilient Future

As we look ahead, we are committed to fostering innovation and progress in all aspects of our operations. Our strategic focus includes leveraging artificial intelligence (AI) to enhance sustainability and drive meaningful progress. We are dedicated to translating our commitments into actionable outcomes and ensuring that our initiatives create lasting and positive impacts.

Our approach to building a resilient future is grounded in our belief that economic prosperity, social progress and environmental stewardship can coexist harmoniously. We are confident that through our continued efforts and dedication, we will be able to advance our sustainability goals and contribute to a better future for all.

In conclusion, I would like to express my gratitude to all our stakeholders who have supported us through this journey. Your partnership and engagement are essential to our success and we are committed to maintaining transparency and collaboration as we work towards our sustainability goals.

Best,

Monu Ratna

**Executive Director and
Chief Executive Officer**

Organisational PROFILE¹

IIFL Home Finance Ltd. is devoted to providing affordable home loans, empowering the EWS/LIG segments to achieve their dream of homeownership. The Company champions eco-friendly building practices, promoting sustainable development.

✦ **IIFL Home Finance Limited**
[Making Housing Affordable and Sustainable]¹

IIFL Home Finance Ltd. is devoted to providing affordable home loans, empowering the EWS/LIG segments to achieve their dream of homeownership. The Company champions ecofriendly building practices, promoting sustainable development. An advanced IT infrastructure offers a seamless loan experience, streamlining the process, from application to closure. The Company's asset-light model, enabled by co-lending arrangements, allows expansion of their reach into deeper markets across India. IIFL Home Finance Ltd. goes beyond financing homes. They contribute to building a sustainable, and inclusive future, one affordable home at a time. IIFL Home Finance Ltd., India's leading affordable housing finance Company is a subsidiary of IIFL Finance Ltd., with 79.59% shareholding, while Abu Dhabi Investment Authority acquiring 20.41% stake in the Company in 2022.

The Company has been rated AA (Positive) by CRISIL and AA (Stable) by ICRA, underscoring our strong financial sting and stability in the industry.

Key Highlights

(As on March 31st, 2024)

₹ 35,498.55 Cr (\$ 4.33 Bn)

Assets Under Management (AUM)

2,59,520+*

First Time Home Buyers

2,15,690+*

Women Borrowers/
Co-Borrowers

₹ 14.26 Lakh (\$ 0.017 Mn)

Average Ticket Size

1,38,120+*

Loans to Informal Segment

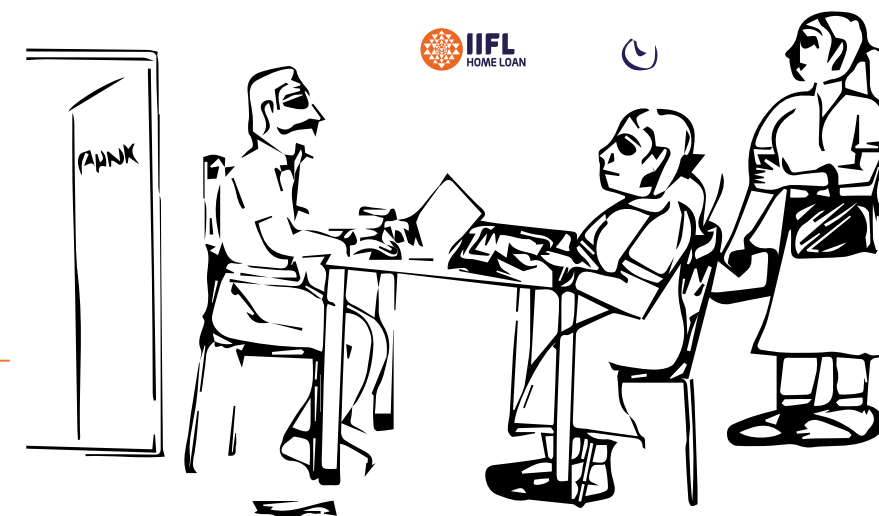
5,250+**

Permanent Employees

₹ 12,861 Cr (\$ 1.57 Bn)

Value Disbursed

¹Data as on March 31st, 2024, since inception; ²Inclusive of IIFL HFL Sales; ³(GRI 2-1, 2-6)



Mission

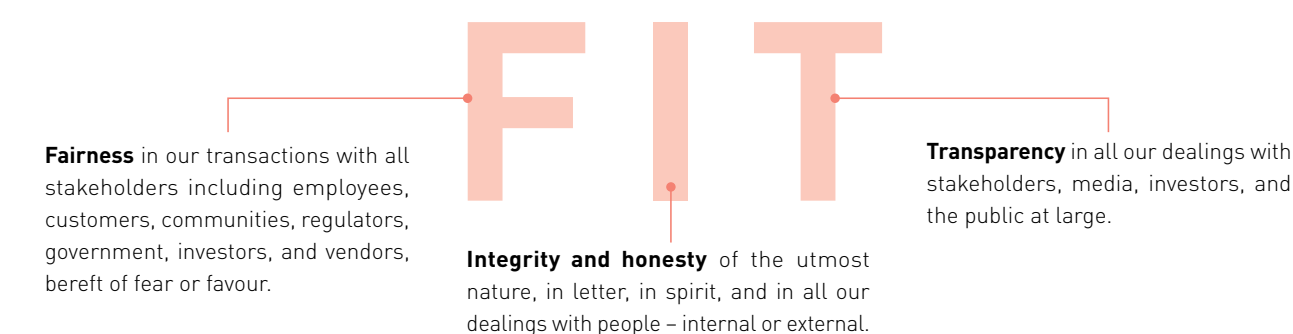
To be the most respected financial services company in India. Not necessarily the largest or most profitable.

Vision

Enabling sustainable housing through strong foundation of innovation, sustainable lending practices and social impact.

Core Values Guiding our Path

Our core values serve as a moral compass in all our activities. **Fairness, Integrity and Transparency - FIT** is the driving force behind all that we do.



✦ Our Product offerings

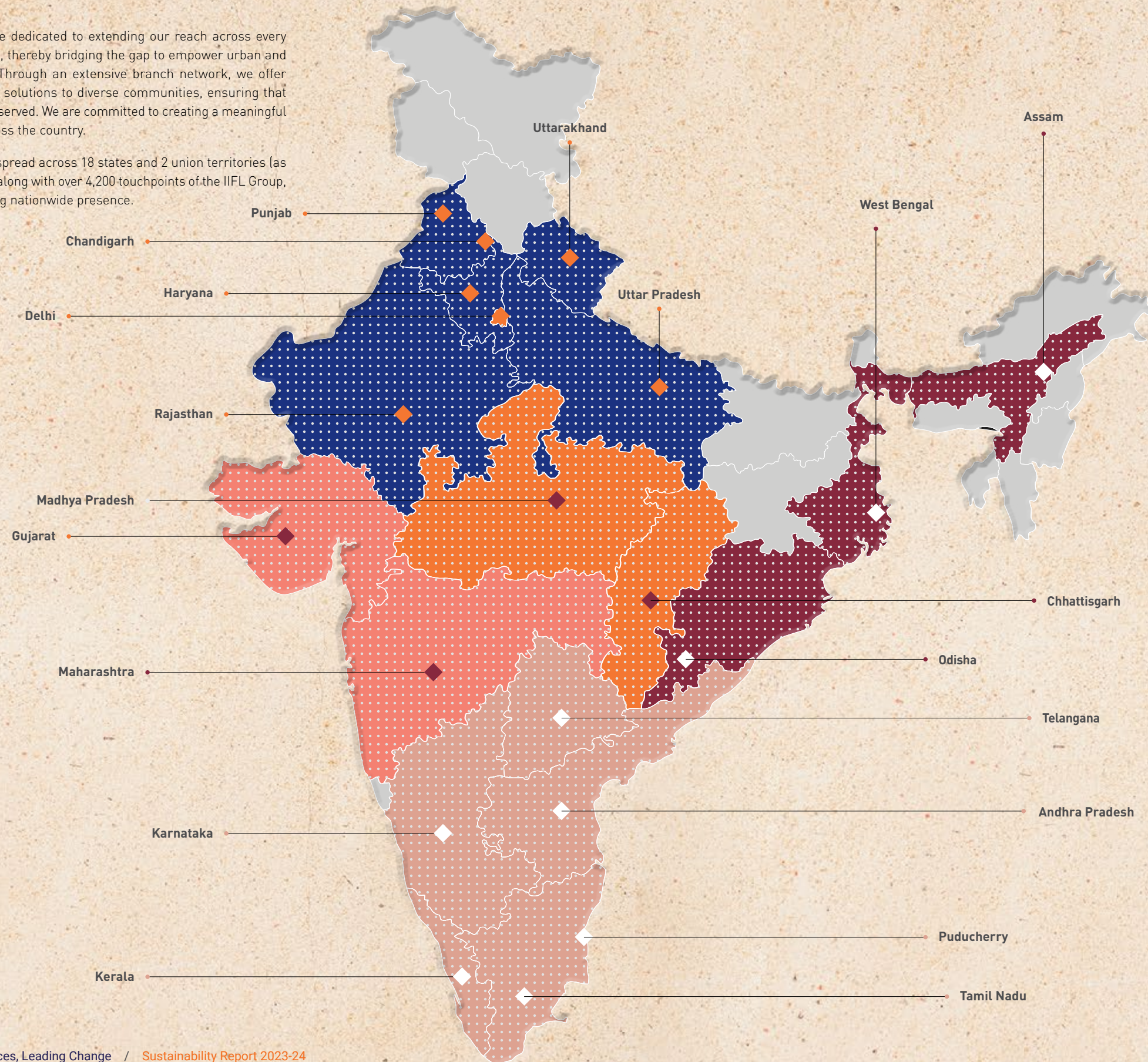
[Enhancing Accessibility through Affordable Options]



Strengthening OUR PRESENCE

We, at IIFL HFL, are dedicated to extending our reach across every corner of the nation, thereby bridging the gap to empower urban and semi-urban India. Through an extensive branch network, we offer accessible financial solutions to diverse communities, ensuring that no area is left underserved. We are committed to creating a meaningful impact on lives across the country.

With 396 branches spread across 18 states and 2 union territories (as of March 31st, 2024) along with over 4,200 touchpoints of the IIFL Group, we maintain a strong nationwide presence.



As on March 31st, 2024

State	AUM in ₹ Cr.
South Zone	
AP-Andhra Pradesh	2,515.75
TG-Telangana	3,264.28
TN-Tamil Nadu	1,020.62
KA-Karnataka	2,342.58
KL-Kerala	7.18
PY-Puducherry	14.87
East Zone	
AS-Assam	13.74
OR-Odisha	4.73
WB-West Bengal	766.31
North Zone	
CH-Chandigarh	605.22
DL-Delhi	4,401.55
HR-Haryana	1,851.61
PB-Punjab	942.57
RJ-Rajasthan	1,957.61
UP-Uttar Pradesh	3,087.59
UT-Uttarakhand	224.44
Central Zone	
CT-Chhattisgarh	348.26
MP-Madhya Pradesh	2,367.69
West Zone	
MH-Maharashtra	6,584.23
GJ-Gujarat	3,177.73
Gr Total	35,498.56

₹ 35,498.55 Cr (\$ 4.33 Bn)

Assets Under Management (AUM)

396

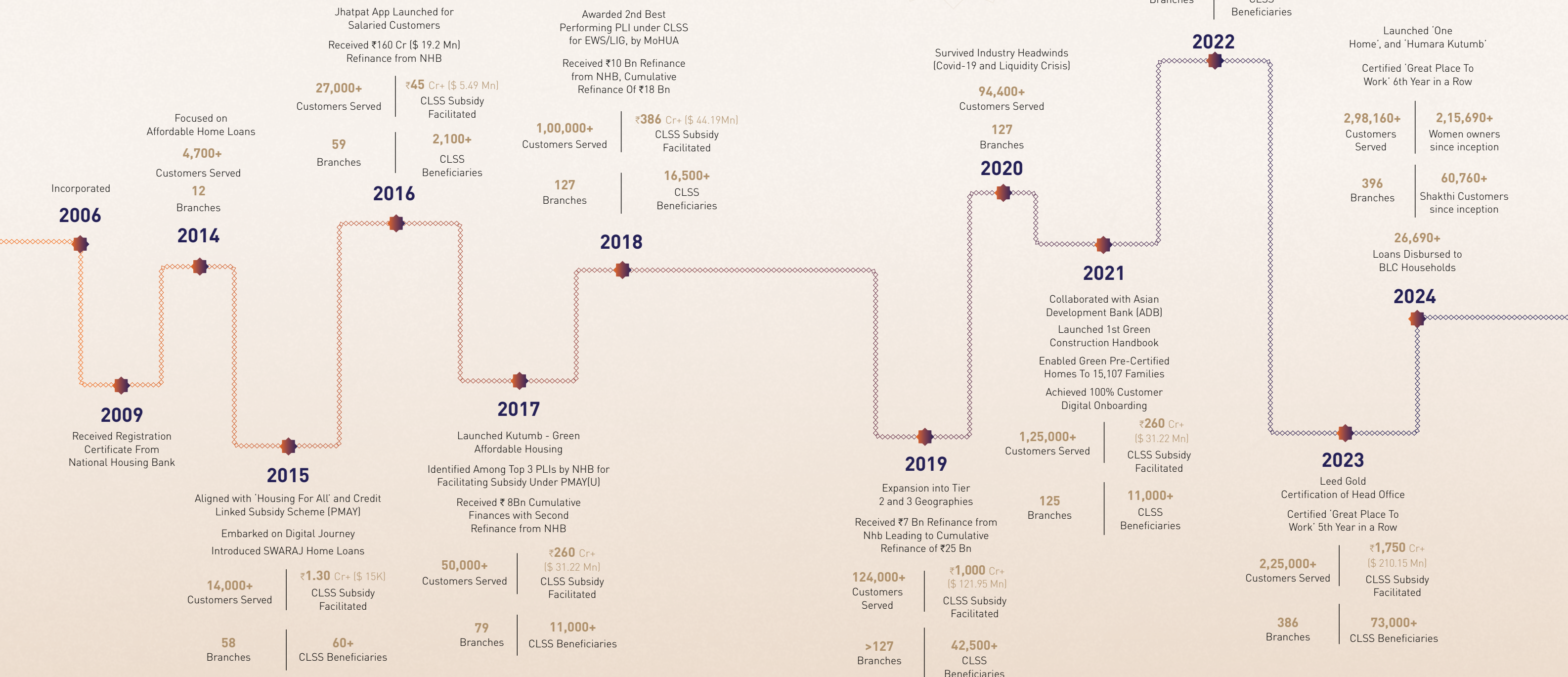
Branches spread across India

18 and 2

States and Union Territories

Our Journey TRAVERSING MILESTONES AND ACHIEVEMENTS

At IIFL HFL, we have embarked on a transformative journey, integrating technology into every aspect of our operations. Our robust digital infrastructure, revolutionised customer service, setting new industry standards. Our commitment to innovation, rapid adaptation to market changes and personalised solutions has solidified our leadership in the financial services sector.



Our Products

EMPOWERING INDIA'S HOME OWNERSHIP

Home Loan

IIFL Home Loans specialises in providing tailored and affordable home loan solutions, specifically designed for first-time home buyers belonging to the Economically Weaker Section (EWS) and Lower Income Group (LIG) segments.

Our comprehensive range of services include financing for purchasing new homes, renovating existing properties, constructing on pre-owned land, and acquiring land for building purposes. With our competitive interest rates, swift approval processes, minimal documentation requirements, and convenient EMI payment options, we assist more individuals to fulfill their dream of owning a home. Customers can experience the advantages of tailored repayment options designed to fit their financial goals, along with unfaltering support from our dedicated team. Our streamlined digital processes ensure rapid approval, while enjoying the benefit of zero prepayment charges. Additionally, the convenience of doorstep services makes home loan journeys effortless and stress-free.

73,000+

Loans to CLSS Beneficiaries

1,38,120+*

Loans to People from Informal Sector

26,690+

Loans Disbursed to BLC in Households

₹ 1,753 Cr (\$ 218.75 Mn)

Credit Linked Subsidy (under PMAY) Facilitated

₹ 694.05 Cr (\$ 83.62 Mn)

Disbursed to Beneficiary led Construction (BLC) and Affordable Housing

2,98,160+*

Overall Customers

2,59,520+*

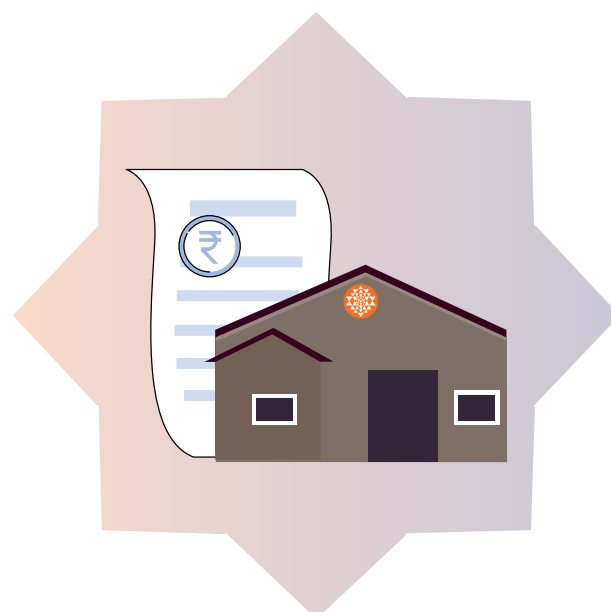
First Time Home Buyers

2,09,650

Active Customers

₹ 15.28 Lakh (\$ 0.018 Mn)

Average Ticket Size



*Data as of March 31st, 2024, since inception

Shakthi Loans

IIFL Home Loans' Shakthi Loan against property is designed specifically to address the financial requirements of India's small and unorganised businesses, including small grocery stores, salons, vegetable vendors, traders, and agricultural ancillaries such as seeds and fertilisers suppliers.

This loan provides quick access to funds, empowering micro-entrepreneurs to expand their businesses and contribute to growth. By leveraging their property, borrowers can access substantial funds at competitive interest rates, with flexible repayment options up to seven years. The Shakthi Loan is committed to offering simple credit solutions to grassroots micro-enterprises, supporting the national goal of 'Atmanirbhar Bharat' and fostering economic progress across all sectors.



60,760+*

Customers Served

₹ 4.93 Lakh (\$ 0.006 Mn)

Average Ticket Size

₹ 1,587.56* Cr (\$ 193.60 Mn)

Value Disbursed



Secured Business Loans

IIFL HFL offers secured business loans supported by mortgages on residential or commercial properties, providing businesses with the necessary capital while offering lenders greater security.

These loans are ideal for funding business expansion, infrastructure development, and working capital needs. With collateral requirements, secured business loans offer larger loan amounts and more favourable terms compared to unsecured options, making them accessible to startups and businesses with imperfect credit histories. Additionally, these loans maximise asset value, ensure quick approvals with minimal documentation and provide complete transparency throughout the application process, empowering borrowers to make informed decisions while meeting their diverse financing needs with confidence.

₹ 1,421.57* Cr (\$ 173.36 Mn)

Value Disbursed

₹ 25.54 Lakh (\$ 0.03 Mn)

Average Ticket Size

57,490+*

MSMEs Empowered

*Data as of March 31st, 2024, since inception

IIFL ONE HOME

In August 2023, we introduced 'One Home' app, an innovative and pioneering B2C and B2B real estate platform, designed to facilitate the property journey for individuals and partners alike. One Home empowers property seekers through its website, while also simplifying auction processes for banks, non-banking financial companies (NBFCs), and other financial institutions, facilitating the sale of their non-performing assets (NPAs).



Platform Features

One Home offers a comprehensive suite of features for both partners and customers. Key functionalities for partners include Property Management, Auction Management, Payment Management, User Access Management and Lead Management. For customers, the platform provides the following;



Auto KYC



Immersive Photos and Virtual Tours



Customer Support



Online Payment Options



Exclusive Property Recommendations



Optical Character Recognition (OCR)



Personalised Search Experience



Saved Properties and Research Features



Key Milestones

Recognising the need for a unified platform for e-auctions and property transactions, One Home was launched on August 16, 2023. The platform offers a seamless, end-to-end digital e-auction process, making participation, bidding, and purchasing effortless. One Home stands out in the real estate sector by providing a fully digital solution, enabling partners to sell NPA properties efficiently.

Since its launch, One Home has achieved significant milestones:



E-Auction Advantage

One Home's e-auction platform provides a unique advantage by allowing users to purchase properties compliant with the SARFAESI Act at competitive prices. Benefits of the e-auction feature includes:

2,000+

Properties Listed

~₹ 1.25 Cr (\$ 0.15 Mn)

Annual Cost Savings for IIFL HFL

₹ 100 Cr (\$ 12.20 Mn)

Properties Sold

1,800+

Auctions Published

2,000+

Bidders

8,000

Platform Visits

₹ 400+ Cr (\$ 48.78 Mn)

Properties Managed

Free of Cost Services

Complete Paperless Process

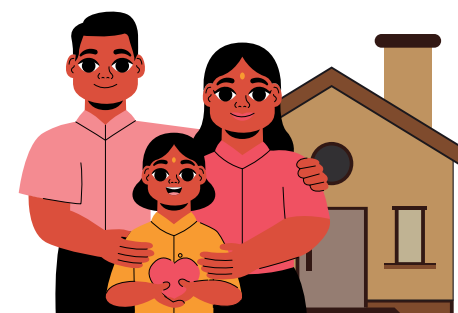
Grievance Redressal

No Additional Transaction Costs

Efficient Customer Service

Simple and Convenient Transactions

Multiple E-auction Property Options



The One Home App enhances user experience by enabling property transactions through a mobile interface.

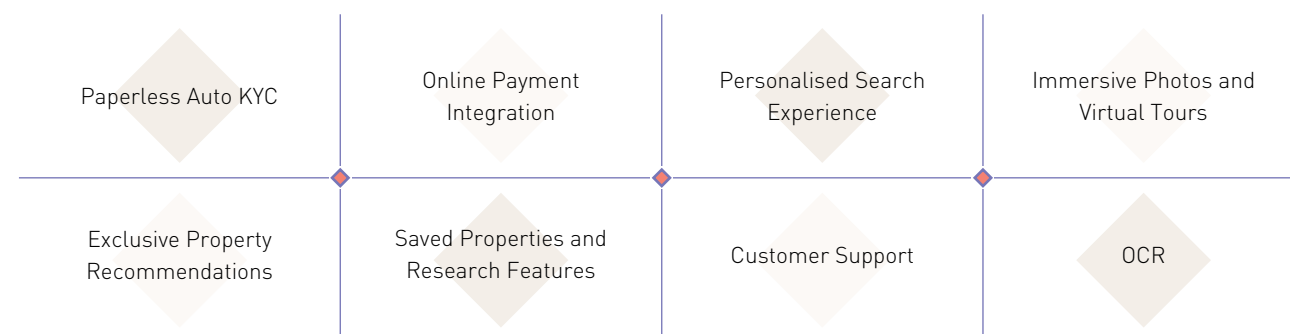
IIFL ONE HOME



Industry Position

One Home distinguishes itself as the only end-to-end digitised e-auction platform, offering a new-age real estate experience that allows users to select and purchase properties from any location.

Unique features include:



Future Vision

One Home will continue to create a transparent, digitised system that allows customers to select properties with awareness of legal titles, encumbrances, values, pending dues, surrounding developments and infrastructure facilities. We will also assist partners in efficiently publishing, managing and reaching a wider network while ensuring regulatory compliance with transparent digital practices.



DIGITISATION

The paradigm shift in technological advancements has reshaped the global era of digitisation. Almost every industry is trying to drive the change through digitisation, while IIFL HFL remains on the frontline of innovation within its domain. Over the last few years, our focus has been on end-to-end digitisation of our processes while maintaining a symbiotic relationship and digitally tracking aspects that still need some physical intervention – tracked digitally.

30 Minutes

Loan Approval

24 Hours

Home Loan Disbursement

1,86,110+*

Customers Registered Through IIFL Loans Customer App

99,14,390+

Paper Sheets Saved



Future Vision

By implementing Business Rule Management (BRM) for critical workflows such as part payments, rate changes, EMI cycle date changes and loan closures, we seek to create a 'hands-free' customer experience. This automated service is expected to streamline processes and expedite our service delivery.

*Data as of March 31st, 2024

Awards and ACCOLADES



Materiality and MATERIAL TOPICS¹

The materiality assessment serves as a foundation for sustainable business practices and offers strategic insights for action. We are determined to address and report the sustainability issues that matter most and a periodic sustainability materiality assessment, enables us to do that.

We have conducted the materiality assessment for FY2022-23 according to the GRI Universal standards of 2021. The assessment includes two major processes, stakeholder engagement and impact assessment. As we have conducted quite a comprehensive materiality assessment by involving a significant number of both internal and external stakeholders we have decided to keep the final identified material topics for FY2023-24 and the subsequent 2 years, the same as identified in FY2022-23. We also inferred the importance of ESG topics to stakeholders by analysing their responses received on various parameters (scale, scope, and likelihood, among others).

Stakeholder Engagement¹

At IIFL HFL, we strive to understand our stakeholders' needs, interests, and expectations to create value for our business as well as our stakeholders. We encourage open communication with our stakeholders and our engagement mechanisms are customised to the needs of each prioritised stakeholder group. Through the stakeholder engagement exercise, we recognise the expectations of stakeholders on matters pertaining to ESG (Environment, Social, Governance).

Stakeholder responses further serve as inputs for Impact Assessment. As an of this exercise, a final list of material topics was derived which covered topics that are important for both and IIFL our stakeholders and are representative of IIFL's impact on sustainable development across our value chain and the same identified final list of material topics is being used and prioritised for this FY2023 as well. We have decided to re-assess material topics, once in every 3 years by engaging our stakeholders to update our policies related to material topics.

At IIFL HFL, we have training and engagement calendar for our employees. Apart from that, our regional Human Resource Business Partner conducts regular townhalls and branch visits to maintain the employee connect, communicate the policies and processes as well as resolve the queries of employees pertaining to all areas. The management conducts quarterly townhalls and sessions to engage with employees, address their queries, and recognise past achievements. Regular rewards and recognition events are conducted at regional and Company level where the top performers are rewarded and recognised.

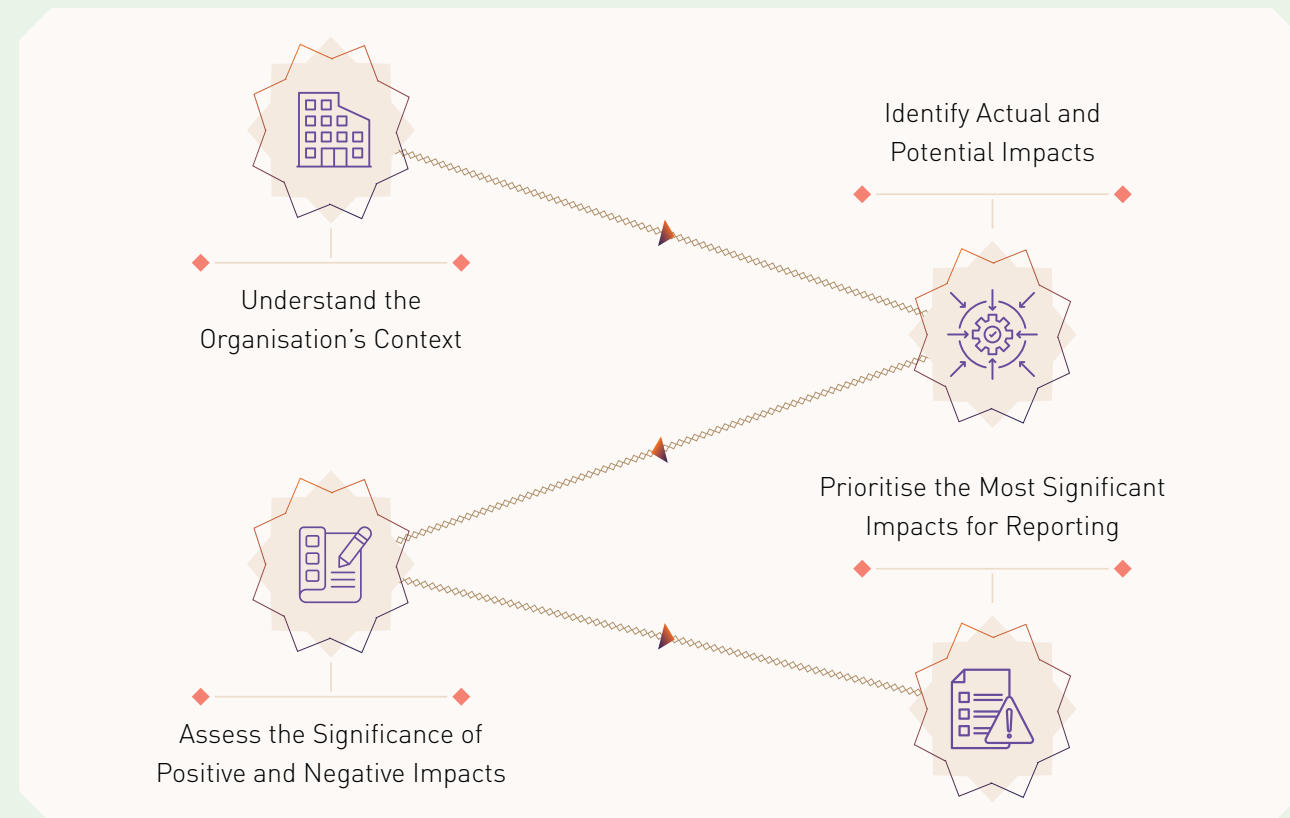
Stakeholder Identification

Stakeholders refer to individuals, and organisations who are affected by the activities of a company either directly or indirectly or who may have an influence over a company's business. We have identified our stakeholders based on the impact or influence they have on our business. We engage with them, seeking their inputs and insights to periodically identify our material topics once in every 3 years. Stakeholders are prioritised depending on their level of impact, interdependence and responsibility they have towards IIFL HFL.



¹[GRI 2-29a]

Dynamic Approach to IMPACT MATERIALITY¹



Materiality Assessment

The dynamic materiality assessment, adopted to conclude the final list of material topics consists of five steps as mentioned in the figure above. This holistic approach was conducted in FY2022-23, keeping in mind, the inclusion of relevant internal and external stakeholders of IIFL. The active participation was ensured by conducting stakeholder engagement sessions with all relevant stakeholders where the necessity of conducting the materiality assessment, and its importance to the organisation and its employees for the short and the long term was conveyed. Their understanding of material ESG issues and sub-issues was also developed in the process. The material topics identified out of this materiality assessment are kept the same for this FY2023-24 as they were finalised after a comprehensive, holistic method. The following sections further explore each of the steps taken in the materiality assessment in FY2022-23.



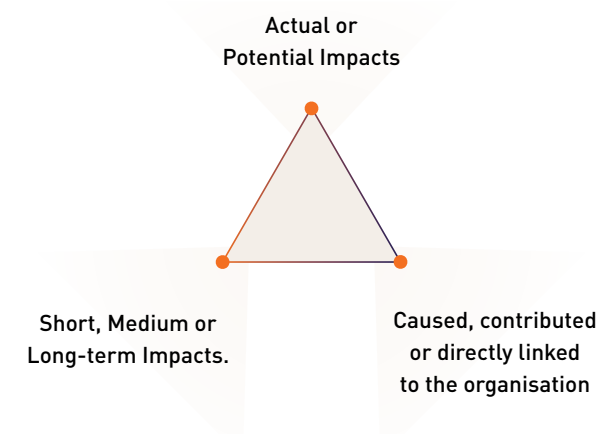
¹[GRI 3-1, 3-2]

Step 01 Understand the organisation's context

Initial outline of the organisation's activities, business relationships, and list of relevant stakeholders was prepared.

Step 02 Identify actual and potential impacts

The organisation's activities were then linked to various ESG topics which they affected. These were further classified under three categories: environment, people, and economy, based on their relevance. Positive and negative impact of each activity against the ESG topic and stakeholders were mapped. ESG topics were decided by referring to previously reported material topics by the organisation, peer review and sector guideline standards such as SASB, among others. Positive and negative impacts were further classified in to the following categories of:



A questionnaire including one related to ESG topics, their positive and negative impacts, impact classification and assessment parameters to determine impact on human rights was prepared to capture stakeholder responses.

For FY2022-23, a total of 18 stakeholders (15 internal), including senior management and employees from different departments such as procurement, operations, finance, technology, HR, and so forth, as well as three external stakeholders, including key customers participated in the stakeholder engagement initiative.

Step 03 Assess the significance of positive and negative impacts

The first step of the assessment is to check if the impact is caused by/contributed by/or directly linked to any human right violation. In such cases, the topics is classified as material topic without any further assessment. If the impacts do not lead to any human rights violations, then the assessment is performed in the manner given below.

Positive	Actual	Severity (Scale x Scope)
Positive	Potential	Severity (Scale x Scope x Likelihood)
Negative	Actual	Severity (Scale x Scope x Irremediable Character)
Negative	Potential	Severity (Scale x Scope x Irremediable Character x Likelihood)

Responses received from all the stakeholders, during the assessment made in the year gone by, against each positive and negative impact were averaged out to arrive at a score against each impact.

Step 04 Prioritise the most significant impacts for reporting

Positive and negative impacts were sorted in descending order of the scores received by the defined stakeholders. For FY2022-23, the threshold was kept at 40%. Top 40% impacts from both the positive and negative impact groups were considered for the preparation of a final list of material topics. The list of material topics thus identified in the materiality assessment conducted in FY2022-23 remains the same for FY2023-24 as well. Revision of material topics by conducting a fresh materiality assessment process for the purpose of reporting is expected to occur once in every 3 years.

Material Topics in ALIGNMENT WITH UN SDGS¹

Material topics indicate most significant impacts of the organisation's activities and business relationships on the economy, environment, and people, including impacts on their human rights. The UN Sustainable Development Goals (SDGs), a series of 17 goals fixed by the United Nations, adopted by 193 countries in 2015, provide a direction to the world to move towards a sustainable future. Through sustainable (economic, environmental, and social) development, their overall objective is to create a better world, and a better life for all, by 2030. Aligning company specific material ESG topics with SDGs can help in aligning the Company's ESG factors with broader environmental, societal, and economic goals, to increase the Company's contribution to overall sustainable development.

The description of final material topics for IIFL and their link with Sustainable Development Goals (SDGs) is given in the following table:

Material Topics	About The Topic	Link With GRI and Others	Link With SDGs
◆ ENVIRONMENT ◆			
Climate Change and GHG Emissions	Company produces GHG (including carbon dioxide and methane) emissions in its business operations through use of electricity, fuels, and other resources. GHG emissions contribute to climate change and global warming	GRI 305	
Energy Use Management	Company consumes energy (electricity and diesel) to run its business operations. Energy management includes minimising energy consumption, using energy more efficiently and opting for renewable energy sources	GRI 302	
◆ SOCIAL ◆			
Non-discrimination	Non-discrimination means the act of treating all the stakeholders equally, in a fair manner, irrespective of their race, colour, sex, language, religion, political or other opinion, national or social origin, property ownership, birth, age, nationality, marital status, disability, place of residence or sexual orientation	GRI 406	
Transparent Information and Fair Advice for Customers	Increased regulatory scrutiny and emphasis on transparency. Fair advice indicates that home finance companies that can ensure strong performance in this area will be better positioned to protect shareholder value. Companies that fail to provide transparent information and fair advice for customers are likely to experience litigation or regulatory actions	SASB (Finance Sector)	
Responsible Lending and Debt Prevention	Responsible lending and debt prevention, in addition to a company's social capital, can have a direct impact on its performance and profitability. Irresponsible lending practices significantly increases the risk of default on mortgage payments which leads to write-downs of corporate assets, the loss of interest income, and inability to meet interest expense paid to mortgage-backed securities holders	SASB (Finance Sector)	

¹[GRI 3-3]

Material Topics	About the topic	Linkage with GRI & others	Linkage with SDGs
Customer Privacy Data security	In the process of availing loans or any other financial activity, customers share very sensitive personal financial data with the Company. Ensuring their privacy and security of data is an essential responsibility for the Company	GRI 418, SASB (Finance Sector)	
Diversity and Equal Opportunity	Diversity includes different races, ethnicities, genders, age, religions, and disabilities etc. Equal opportunities to all promote diversity in the Company	GRI 405	
◆ ECONOMY ◆			
Economic Performance	The economic performance of a company refers to its revenue, EBITDA and other economic measures having monetary value associated to it	GRI 201	
Customer Management	It includes customer relationship management, earning and retaining trust of customers, ensuring customer satisfaction, getting customer feedback through surveys, ratings, customer grievance and complaints resolution	Non GRI	
Digitisation	The Company's approach in imbibing new technologies and makes the overall business process digital by enhancing quality and efficiency. Digitisation may help in providing transparent, faster, and timely services to customers. As the awareness pertaining to the usage of digital platforms is increasing among the customers, digital financial services are becoming a preferred mode of service. Digitisation of financial services also help the Company to increase our reach and service efficiency	Non GRI	
Financial Inclusion Literacy	The Company contributes to positive social impact through financial inclusion and making affordable financial products available to the underserved section of the society	GRI 406	
Transparency and Corporate Governance	Maintaining transparency in its actions and following responsible and fair practices of governance is essential for the Company. The Company should have policies for ensuring Board independence, Board diversity, remuneration, responsibility, and accountability of the Board as well as application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of ethics	GRI 2-3	
Anti - corruption	Corruption erodes fair market competition and can contribute toward systemic issues like poverty and oppression. Additionally, enaging in bribery and corruption-related scandals can create significant risk for companies, through reputational damage and legal /or regulatory action	GRI 205	

Devoted to ROBUST GOVERNANCE

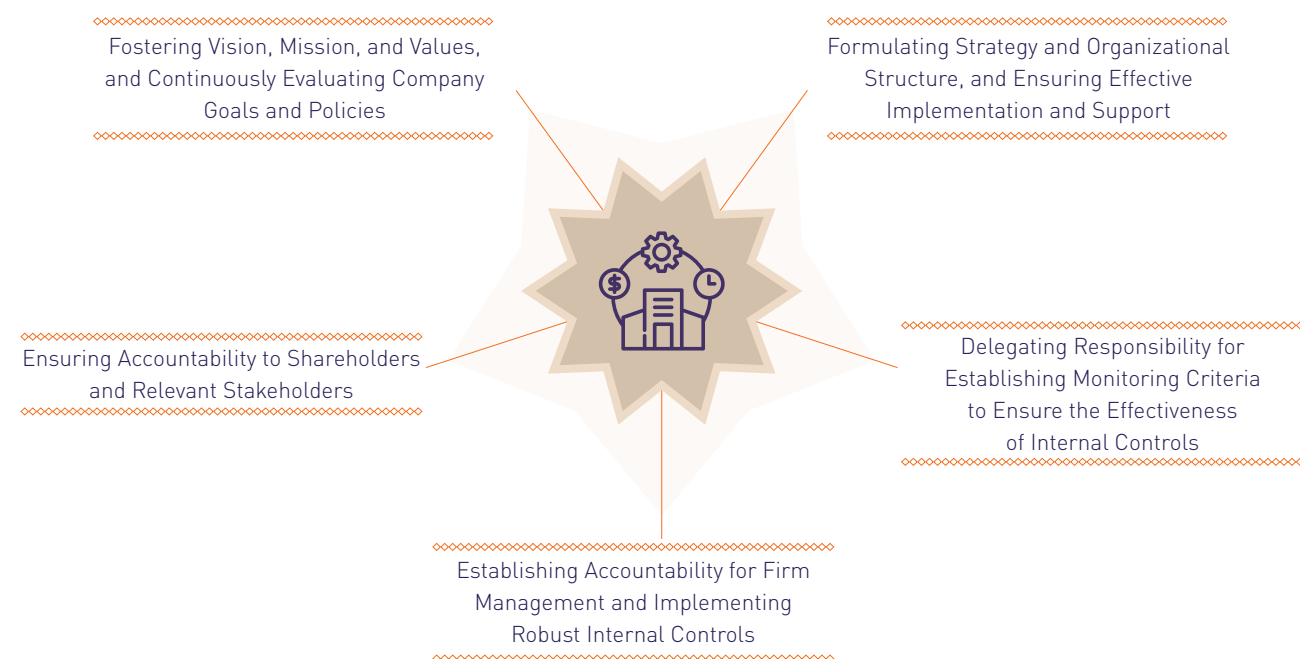
Corporate Governance

Governance Structure and Responsibilities¹

At IIFL HFL, we prioritise fostering an active, well-informed, and independent Board to uphold exemplary Corporate Governance standards. Committed to regulatory requirements, our Board ensures compliance while offering impartial guidance to the Management, fostering sustainable growth and safeguarding stakeholders' interests. The Board's key purpose is to collectively direct the Company's affairs, aligning with shareholders' It reviews the Company's vision, mission, and values, sets strategy and structure, delegates the Management with defined monitoring criteria, and upholds accountability to relevant stakeholders. This approach ensures effective management control, driving the Company towards prosperity.

The nomination and selection process for Board members strictly follows the Companies Act, 2013. Candidates undergo comprehensive review by the Nomination and Remuneration Committee (NRC) to assess their suitability. The NRC thoroughly evaluates each candidate's qualifications, ensuring they meet the criteria of being a "fit and proper" candidate for Board membership. Upon satisfaction with a candidate's suitability, the NRC recommends their appointment to the Board for approval. The Board then approves the appointment as an Additional Director and forwards the recommendation to shareholders for approval. This meticulous process ensures that only qualified individuals are appointed to the Board, maintaining compliance with regulatory standards, and promoting effective corporate governance.

Comprising 9 distinguished members, including 1 Executive Director and CEO, 5 Independent Directors, 2 Non-Executive Directors other than independent director and 1 nominee director*, our Board is meticulously structured to ensure autonomy in operations and strategic decision-making. With a diverse blend of skills, gender and expertise, our Board excels in visionary leadership, legal adherence, strategic foresight and financial acumen. The composition of our Board reflects a commitment to impartiality with none of the Directors related to each other. Most of the members of the Board, including the Chairman, consists of Non-Executive and Independent Directors, further emphasising our dedication to unbiased governance practices.



¹[GRI 2-9, 2-10, 2-12, 2-15, 2-16]

*This position is as of March 31, 2024

Board of Directors including CEO

To supervise and provide guidance on **ESG Strategy plan** for IIFL HFL.

ESG Committee

To create IIFL HFL'S **ESG strategy to monitor and review the integrity and quality** of the progress made and ensuring that it serves to foster a culture of responsibility and transparency.

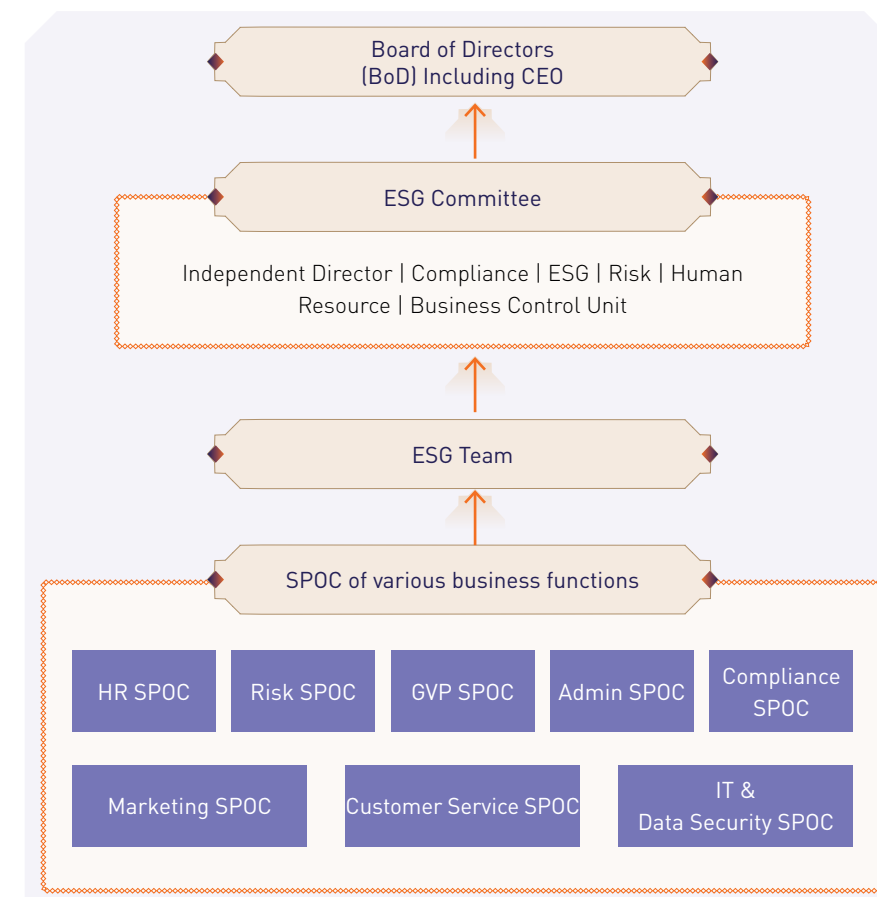
ESG Team

To ensure integration of principles into the business strategy by **developing the implementing relevant policies**. Also, to disclose the ESG performance to relative stakeholders in a transparent manner.



SPOC of various business functions

To support the implementation of various initiatives across respective business functions, responsible for collecting and collating relevant data points for **monitoring, evaluation and reporting**.



IIFL Home Finance Limited conducts familiarisation programmes for its independent directors in adherence to Regulation 25(7) of the Listing Regulations. These programmes aim to acquaint them with the company's operations, their roles, rights, and responsibilities as well as industry dynamics and business models. Upon appointment, directors receive detailed appointment letters outlining expectations and are provided with essential documents like the Company's Memorandum and Articles of Association, Annual Reports, recent media releases. Independent directors have unrestricted access to pertinent information and are encouraged to interact with company officials. The Company ensures continuous updates and facilitates interactions with various functional and business heads.

The Board remains actively engaged in addressing any critical concerns or issues encountered by the organisation, with the frequency of communication varying based on their level of criticality. Critical issues are promptly brought to the attention of the Board. However, there were no critical concerns communicated to the highest governance body during the reporting period. Moreover, conflicts of interest are communicated to the Board of Directors, and disclosures to stakeholders occur annually as incidents arise. These disclosures cover various aspects, including cross-board membership, cross-shareholding with stakeholders, the existence of controlling shareholders, relationships, transactions, and balances involving related parties.

◆ Governance Body Performance Evaluation¹

At IIFL HFL, our governance practices are deeply rooted in our commitment to sustainable development. We prioritise enhancing the collective knowledge, skills and expertise of our governance body by providing sustainability training to the Board of Directors. This ensures that our Board is well-prepared to oversee our organisation's impact on the economy, environment and society. Our Nomination and Remuneration Committee has meticulously established performance evaluation criteria for Executive Directors and Non-Executive Directors (including Independent Directors), and the Board as a whole. These annual evaluations are conducted independently. For the Chairperson, the evaluation criteria encompasses the effectiveness of conducting meetings, fostering inclusive discussions, addressing challenging topics transparently, ensuring regulatory compliance, and prioritising shareholders' interests.

The evaluation process for Executive Directors focuses on their ability to engage all Board members, address complex issues transparently, adhere to policy standards, analyse strategic situations and comply with regulations. Non-Executive Directors' evaluations consider factors such as attendance, active participation, contribution to strategic discussions, adherence to the code of conduct and leveraging best practices its composition, diversity, teamwork, cultivation of a performance culture, risk management practices, integrity and active participation, ensuring a comprehensive assessment of governance effectiveness. These evaluations are essential in driving continuous improvement and maintaining high standards of governance at IIFL HFL.

◆ Governance Bodys Role in Sustainability Oversight⁴

The Board plays a pivotal role in our organisational development, shaping our purpose, values and ESG initiatives. We have a strong framework and policy for maintaining a high standard of corporate governance, which is a key to ensuring long-term success.

We are committed to protect and maximise the interest of our stakeholders. Our Code of Conduct ensures that the Board of Directors and the Senior Management maintain the standards of conduct and are aware of the situations which can cause conflict of interest.

IIFL HFL also acknowledges that the Board is responsible that each member has a primary responsibility to safeguard and advance the Company's interests.

Our ESG committee includes Independent Directors, Non-Executive Directors, CEO, and members from Compliance, ESG, Risk Management, Human Resources and Marketing and Business Control Unit.

◆ Governance Body Remuneration Process²

Endorsed by both the Nomination and Remuneration Committee and the Board of Directors, the Nomination and Remuneration Policy as a robust framework governing the selection, compensation, and evaluation of Directors, Key Managerial Personnel (KMP), and Senior Management. Aligned with regulatory mandates like the Companies Act, 2013, the policy thoroughly outlines appointment criteria, prioritising qualifications, expertise, and integrity, especially for Independent Directors. Entrusting the Committee with pivotal responsibilities, including guiding appointments and formulating remuneration policies, underscores a firm commitment to best corporate governance practices. Although external consultants presently play no role in compensation the Committee diligently evaluates performance and presents compensation recommendations to the Board. Notably, the representation of stakeholders, including shareholders, on the Committee, ensuring their interests shape remuneration decisions. This structured approach, reinforced by regular Committee meetings, and in adherence to governance standards, fosters sustainable corporate growth while maintaining accountability and transparency in remuneration practices.

500:13

Annual Total Compensation Ratio³

12%:10%

Percentage Increase in Compensation Ratio³

Know our BOARD OF DIRECTORS¹



Mr. Srinivasan Sridhar
(Chairman and Independent Director)

Mr. Srinivasan Sridhar is an eminent personality in the Banking and Finance industry and has held several senior positions in retail, corporate and export/import banking in his career of almost 4 decades culminating as the Chairman of NHB and the Central Bank of India. In his stint as Chairman and Managing Director of the NHB, he was responsible for a number of new initiatives such as the NHB Residex, Rural Housing Fund, and Reverse Mortgage for senior citizens. Prior to this, he was associated with the Export Import Bank of India as Executive Director as well as the State Bank of India in the early part of his career.



Mr. Arun Kumar Purwar
(Independent Director)

Mr. Arun Kumar Purwar works as Chairman of Eroute Technologies Private Limited, a fintech Company as well as in Jindal Panther Cement Limited. He also works as an Independent Director in Companies across diverse sectors like power, telecom, steel, engineering consultancy, pharma and financial services. He also acts as an advisor to Mizuho Securities, Japan. He was Chairman of the State Bank of India ("SBI") from 2002 to 2006 and Chairman of the Indian Bank Association from 2005 to 2006. He has previously held positions such as Managing Director of State Bank of Patiala and was associated with the setting up of SBI Life. After his retirement from SBI, he was associated with a leading industry house in setting up the first healthcare focused private equity fund as well as a non-banking finance company focused on funding real estate projects as well as educational institutions. He has won a number of awards including the CEO of the year award from the Institute of Technology and Management (2004), "Outstanding Achiever of the Year" award from the Indian Banks' Association (2004) and "Finance Man of the Year" Award by the Bombay Management Association in 2006



Mr. Kabir Mathur
(Nominee Director)

Mr. Kabir Mathur is Head of Asia Pacific within the Private Equities Department of Abu Dhabi Investment Authority (ADIA). He is responsible for leading all aspects of ADIA's private equity activities in the Asia Pacific region and is a member of the Private Equity Executive Committee. Prior to joining ADIA in 2018, Mr. Mathur worked at Kohlberg Kravis Roberts & Co (KKR) where he was responsible for sourcing, executing and managing private equity investments in Asia. Mr. Mathur joined KKR in 2008, having previously worked at TPG Capital, also in their Asian private equity business. Mr. Mathur began his career in the Investment Banking division of Citigroup/Salomon Smith Barney. Mr. Mathur graduated from the London School of Economics and Political Science with a BSc (Hons.) in Economics.



Mr. Mathew Joseph
(Independent Director)

Mr. Mathew Joseph has over 35 years' experience with India's Largest Housing Finance Company and superannuated as Member of Executive Management and Chief Risk Officer. Apart from overseeing Risk, his expertise included both Retail and wholesale Financing and was a Member of Core Committees of the Corporation. During his tenure with the Corporation, he led World Bank / IFC assignment's for supporting and establishing Housing Finance Institutions in Africa and Asia. He holds a bachelor's degree in science from the Madras University and is a Member of the Institute of Chartered Accountants. He is a Director on the Boards of Tamil Nadu Urban Infrastructure Financial Services Ltd, Tamil Nadu Urban Infrastructure Trustee Co Ltd, Veritas Finance Private Ltd and a Consultant with World Bank for their Affordable Housing Fund. He is also an advisor on Lok Capital, an Impact Fund.

¹[GRI 2-17, 2-18]; ²[GRI 2-19, 2-20, 2-21]; ³For organization highest paid individual to median of all the employees (excluding the highest paid individual). Also, in computing above compensation figures, DST compensation has been excluded as the DST cohort and their compensation is treated separately. ⁴[GRI 2-11, 2-13, 2-14]

¹GRI 2-10

Know our BOARD OF DIRECTORS



Mr. Monu Ratra
(Executive Director and Chief Executive Officer)

Mr. Monu Ratra is a veteran in the mortgages industry with nearly two decades of experience. Mr Ratra has been associated with brands like HDFC Ltd., ICICI Bank and Indiabulls Housing. Prior to joining IIFL Home Finance Limited, his last assignment was with Indiabulls HFC as National Business Manager. Mr. Ratra has been a part of the pioneering teams leading various functions to provide excellence through process and quality initiatives, contributing to industry-leading growth. While with the last company, his efforts and vision led to building of a growth sales structure, starting from a scratch, in a start up like environment. At IIFL Home Loans, Mr. Ratra brings strong focus on developing and delivering customer satisfaction with ease and low turn around time.



Ms. Mohua Mukherjee
(Independent Director)

Ms. Mohua Mukherjee is a seasoned development economics professional with thirty years of international experience. She was among the youngest candidates ever selected for the globally competitive Young Professionals' Program of the World Bank in Washington DC. Her career at the World Bank included responsibility for designing and supervising World Bank investment projects, based on dialogue with Ministers and senior government officials in client countries. Mohua has led policy dialogue and formulated investment projects in 9 different sectors of the economy, in 44 countries on 4 continents, all pertaining to the UN's Millennium Development Goals and later the Sustainable Development Goals. She is an experienced leader of multi-disciplinary teams and has received various awards of appreciation from government clients for her consultative approach. She headed the Corporate Finance department first at Citibank and then at ABN AMRO Bank Nairobi, Kenya. Apart from this hands-on financial sector experience in Kenya, Mohua also has energy sector investment experience in 15 African countries, plus Nepal and Bangladesh and of course India as well. From 2014-2017, Mohua led the India Solar

Energy Team of the World Bank, and she was responsible for managing a large team of professionals to complete the delivery of a \$ 1 billion solar program to the government of India. The \$ 640 million blended-finance Solar Rooftops project with the State Bank of India, which she designed from the start, brought the OPEX model to the Indian solar rooftop market. Apart from the solar energy sector, Mohua also has a great deal of experience in the Indian electricity distribution company sector. She has contributed to various World Bank publications and also has three solo-authored books, with the most recent one being (in 2014) on private participation in the Indian power sector. In 2017 she ended her long career in Washington and moved to Bangalore for family reasons. Following her relocation to India, Mohua worked pro-bono for 2 years at the International Solar Alliance, to support its initial establishment. She is currently a World Bank consultant and she is Advisor to the India Smart Grid Forum. Mohua has a Bachelor's and Master's Degree in Economics, with distinction, and a Master of Business Administration degree in International Finance, all from Boston University. She also has a certificate in Public Private Partnerships from the Harvard Kennedy School.



Mr. Nirmal Jain
(Non-Executive Director)

He is a MBA from IIM, Ahmedabad, a rank holder Chartered Accountant and a Cost Accountant. He started his career in 1989 with Hindustan Lever Limited (HUL), the Indian arm of Unilever. He founded Probit Research and Services (later re-christened as India Infoline Limited) in 1995; one of the first independent equity research companies in India. Under his leadership, IIFL Group has grown into a dominant and diversified player in the financial services space.



Mr. Rajamani Venkataraman
(Non-Executive Director)

He is a non-executive Director of our Company and is one of the original Directors of our Company. He is a B.Tech in electronics and electrical communications engineering from IIT, Kharagpur and holds a Post Graduate Diploma in Management from IIM, Bangalore. He has more than 20 years in the financial services sector. He is the Co-Promoter and an Executive Director of our Promoter, India Infoline Limited. Prior to joining the India Infoline Board in July 1999, he held senior managerial positions in ICICI Limited, ICICI Securities Limited, BZW and Taib Capital Corporation Limited.



Mr. Venkataramanan Anantharaman
(Independent Director)

Mr. Venkataramanan Anantharaman has over 30 years of experience in the financial services sector in India and overseas, having led corporate and investment banking teams in several leading international banks. He was also a Senior Advisor to British International Investment (formerly CDC), the UK Government Development Finance Institution. He is currently Chairman of Transunion CIBIL, India's leading Credit Information Bureau and is on the Boards of The Indian Hotels Company Limited, Axis AMC and Ecom Express. He is an advisor to Lighthouse Funds, a leading consumer and healthcare focused mid-market growth private equity firm. He brings strong Board level advisory experience across mergers & acquisitions, capital markets, risk management, HR and ESG. Anantharaman holds a BE in Metallurgy from Jadavpur University and a PGDBM from XLRI, Jamshedpur. He has also has an FT Non-Executive Director Diploma and an ESG Competent Boards Certificate and Designation (GCB.D).

Board COMMITTEES¹

In IIFL HFL governance structure, the Board's Committees focus on specialised issues, providing specific recommendations to the Board on matters within their purview, including the Audit, Nomination and Remuneration, Risk Management, and Stakeholders Relationship Committees.

Each committee operates with specific terms of reference, guiding decision-making to manage the organisation's impact on the economy, environment, and society. IIFL HFL operates in compliance with regulatory frameworks like the Companies Act, National Housing Bank, Reserve Bank of India, and SEBI (LODR) regulations. Various committees, alongside the Board, provide leadership, guidance and supervision to align Company activities with sustainability objectives, ensuring smooth operations and effective oversight.

Audit Committee	<p>Mr. S. Sridhar Independent Director</p> <p>Mr. Venkataramanan Anantharaman Independent Director</p> <p>Mr. Kabir Mathur Nominee Director</p>	<p>The Audit Committee is pivotal in ensuring transparency and accountability by overseeing key functions like recommending auditors' appointment, monitoring independence and performance, examining financial statements and approving transactions with related parties. It also scrutinises inter- corporate loans, evaluates internal controls and risk management and monitors the end use of funds raised through public offers.</p>
Nomination and Remuneration Committee	<p>Mr. Venkataramanan Anantharaman Independent Director</p> <p>Mr. S. Sridhar Independent Director</p> <p>Mr. Kabir Mathur Nominee Director</p>	<p>The Nomination and Remuneration Committee's responsibilities include identifying qualified individuals for Director and Senior Management positions, evaluating Director performance, and formulating criteria for Director qualifications and independence. Additionally, it recommends policies related to Directors' and employees' remuneration, ensuring compliance with regulations.</p>
Corporate Social Responsibility Committee	<p>Ms. Mohua Mukherjee Independent Director</p> <p>Mr. R. Venkataraman Non-Executive Director</p> <p>Mr. Monu Ratra Executive Director & CEO</p>	<p>The CSR Committee is responsible for overseeing social, charitable, community and educational activities, as well as related expenditures and publications of the Company and its subsidiaries. It maintains the CSR policy framework aligned with international standards, receives reports from CSR management groups, and proposes an annual budget for CSR activities to the Board.</p>

Stakeholder Relationship Committee	<p>Ms. Mohua Mukherjee Independent Director</p> <p>Mr. R. Venkataraman Non-Executive Director</p> <p>Mr. Monu Ratra Executive Director & CEO</p>	<p>The Stakeholders Relationship Committee is tasked with addressing and resolving investors' complaints and approving queries and requests from investors and shareholders. It also carries out any responsibilities assigned by the Board or required by statutory or regulatory provisions.</p>
Risk Management Committee	<p>Mr. Mathew Joseph Chairman & Independent Director</p> <p>Mr. Monu Ratra Executive Director & CEO</p> <p>Mr. S. Sridhar Independent Director</p> <p>Ms. Mohua Mukherjee Independent Director</p> <p>Mr. R. Venkataraman Non - Executive Director</p> <p>Mr. Kabir Mathur Nominee Director</p> <p>Ms. Abhishikta Munjal Chief Risk Officer</p> <p>Mr. Govind Modani Head Treasury</p> <p>Mr. Gaurav Seth Chief Financial Officer</p>	<p>The Risk Management Committee focuses on various risks, including financial, non-financial and operational. It defines risk measurement methodologies and controls mitigation strategies. The committee ensures regulatory compliance, improves asset quality, maximises profits and maintains acceptable risk levels. It oversees business continuity, informs the Board about discussions and actions, reviews the Risk Management policy periodically, and strengthens internal controls, including cybersecurity measures.</p>
ESG Committee	<p>Ms. Mohua Mukherjee Independent Director</p> <p>Mr. Srinivasan Sridhar Independent Director</p> <p>Mr. Monu Ratra Executive Director & CEO</p> <p>Mr. Ajay Jaiswal Chief Operating Officer</p> <p>Ms. Abhishikta Munjal Chief Risk Officer</p> <p>Mr. Rachit Gehani Chief Technology Officer</p> <p>Ms. Rashmi Priya HR Head</p> <p>Ms. Madhvi Gupta Marketing Head</p>	<p>The ESG Committee oversees the integration of Environmental, Social, and Governance (ESG) principles into the company's operations and strategies. Comprising Senior Executives and independent directors, the Committee ensures alignment of ESG initiatives with corporate goals and stakeholder expectations, promoting sustainable growth and ethical business practices.</p>

¹GRI 2-9

Policies Frameworks and COMPLIANCES¹

At IIFL HFL, we uphold a meticulous approach to policy development, guiding every facet of our diverse operations. Our policies, carefully designed to mirror the complexities of our activities and business relationships, are readily accessible to our employees and other stakeholders through our company website and on our HR Management System (HRMS).



This transparent approach ensures that our organisational guidelines are effectively communicated and comprehended by all stakeholders. Moreover, with a robust policy management, including Board approval and regular reviews, we consistently ensure the relevance and efficacy of our policies.

Any necessary adjustments identified through ongoing evaluations of these policies are promptly implemented, underscoring our steadfast commitment to upholding the highest standards of governance and compliance. For external parties, including business partners and other relevant entities, the policies are accessible on our website: www.iiflhomeloans.com/corporate-governance.

Key policy commitments include:



Nomination and Remuneration Policy

The Nomination and Remuneration Policy defines procedures for appointing and compensating Directors, Key Managerial Personnel (KMP), and Senior Management. It highlights the role of the Nomination and Remuneration Committee in recommending policies, evaluating performance, and ensuring compliance. Emphasising integrity and expertise, particularly for Independent Directors, it outlines criteria for their selection and removal.



Anti-Bribery and Anti-Corruption (ABAC) Policy

IIFL Home Finance Limited's ABAC Policy affirms its dedication to integrity and honesty, opposing all forms of and corruption. It applies to employees, Directors, and third-party agents, adhering to laws and regulations. The policy prohibits bribery, facilitation payments, and corrupt activities, emphasising diligence in dealings with agents and public officials. Measures include appointing a compliance overseer, conducting regular reviews, promoting ethical behavior, and maintaining transparent communication. Training and whistleblower provisions reinforce compliance, while audits ensure ongoing improvement in anti-bribery efforts.



Corporate Social Responsibility (CSR) Policy

Our CSR Policy underscores our dedication to driving sustainable social change, reflecting the values of the IIFL Group's vision. It encompasses initiatives spanning sustainable livelihood, education, financial literacy, healthcare, rural development, green building awareness, and advocacy for Sustainable Development Goals (SDGs). Upholding principles of transparency and integrity, the policy ensures compliance with statutory requirements. Overseeing its execution is entrusted to the CSR Committee, CSR Team, and CSR Advisory Committee, bolstered by the IIFL Foundation's support. We prioritise employee engagement in volunteering efforts and responsible surplus management to amplify our societal impact.



Environment, Social, and Governance (ESG) Policy

IIFL HFL implements ESG policies to integrate sustainability into operations and products, ensuring responsible business conduct and transparent stakeholder communication. The Company's ESG policy guides material topic identification, governance structures, and monitoring processes, aligning with international standards and industry best practices. Emphasising sustainable growth, IIFL HFL formalises sustainability goals through systematic governance, defining roles, and establishing monitoring systems for timely action.



Board Diversity Policy

IIFL Home Finance Limited's Board Diversity Policy promotes a diverse Board composition, comprising varied expertise, experience, skills, and genders representation. It aims to mitigate group thinking, foster inclusive decision-making, and enhance corporate governance. Complying with statutory requirements, the policy ensures merit-based appointments which is free from bias or discrimination. Regulatory updates are incorporated into the policy as needed, maintaining its relevance and alignment with evolving standards.

¹IGRI 2-23, 2-24

Key policy commitments include:

Related Party Transaction Policy

Our Related Party Transaction Policy ensures adherence to laws and regulations by properly identifying, reviewing, and approving transactions involving related parties. It defines related parties, outlines approval processes by the Audit Committee, Board, and shareholders, as well as sets materiality thresholds. Quarterly review and disclosures ensure transparency. Criteria for assessing transactions include market comparability and regulatory compliance. Transactions not ratified within three months are deemed void. The policy commits to updating in line with regulatory changes.

Whistle Blower / Vigilance Policy

Our Whistle Blower/Vigilance Policy aims to eliminate malpractices, protect whistle blowers, and secure Company integrity. The Audit Committee oversees these policies to ensure impartiality. It covers reporting unethical conduct, investigation procedures, and disciplinary actions. All Directors, employees, and stakeholders are subject to the policy, adhering to legal requirements and transparency. Key principles include confidentiality, non-retaliation, and fair treatment. Whistle blowers can report concerns to the Ombudsperson via email, ensuring confidentiality. Quarterly reports on complaints and outcomes are submitted to the Audit Committee and the Board.

Human Rights Policy- Internal

IIFL Home Finance Limited (IIFL HFL) upholds human rights, essential for ethical business conduct. Guided by international standards like the UN Guiding Principles on Business and Human Rights, our policy ensures fair treatment for all stakeholders. It prohibits discrimination, protects privacy, and promotes equal remuneration. We reject child and forced labour and support freedom of association. Grievance mechanisms facilitate reporting while training programme raise awareness. Committed to environmental sustainability, we promote conservation efforts. The Human Rights Policy is maintained by HR and relevant departments, applicable to all employees and business partners. Regular reviews ensure continual improvement.

Stakeholder Engagement Policy - Internal

Our Stakeholder Engagement Policy aims to systematically gather and address stakeholder perspectives, enhancing transparency, managing risks, and identifying opportunities. We prioritise stakeholders based on their interests, expertise, influence, and willingness to engage. We recognise the diverse needs and expectations of stakeholders like suppliers, media, investors, and local communities. Regular assessments ensure relevance. Communication and engagement plans are tailored to stakeholders' needs, promoting interaction, feedback and positive collaboration. This approach fosters trust, innovation and sustainable decision-making.

Equal Opportunity Policy - Internal

At IIFL Home Finance Limited (IIFL HFL), we prioritise inclusion and uphold the rights of individuals, including those with disabilities. Governed by the Rights of Persons with Disabilities Act, 2016, and international standards, our Equal Opportunity Policy ensures ethical conduct. Applicable nationwide, it prohibits discrimination based on race, caste, religion, disability and other protected categories. We guarantee equal remuneration and provide avenues for grievance reporting. We are committed to fostering a supportive infrastructure. Maintained by HR, this policy reflects our dedication to continual improvement and compliance with relevant laws.

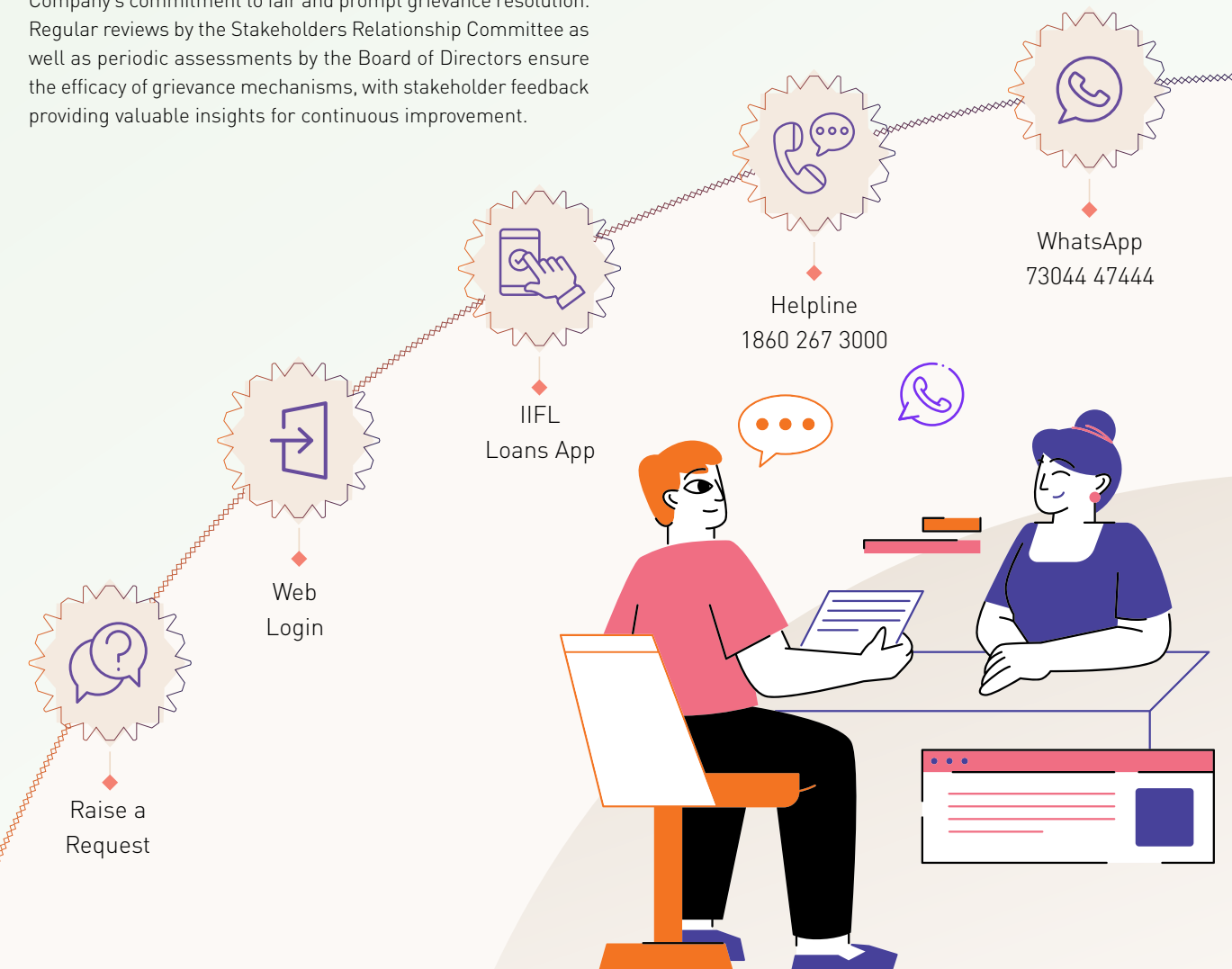
Grievance REDRESSAL MECHANISM¹

IIFL HFL prioritises customer satisfaction through a robust grievance redressal procedure, offering diverse channels for complaint registration such as online platforms, branch visits or helpline calls.

Once a complaint is lodged, it is swiftly acknowledged and a unique complaint number is provided, with a commitment to respond within a week and resolve issues within six weeks. In cases of unsatisfactory responses or delays, customers can escalate grievances up to the National Housing Bank, ensuring a structured approach to resolution. Moreover, IIFL ensures transparency and accessibility by prominently displaying the Grievance Redressal Policy (GRP), Most Important Terms and Conditions (MITC) as well as Fair Practice Code (FPC) on its website and branches in nine languages. This proactive approach fosters customer confidence in understanding product terms and reinforces the Company's commitment to fair and prompt grievance resolution. Regular reviews by the Stakeholders Relationship Committee as well as periodic assessments by the Board of Directors ensure the efficacy of grievance mechanisms, with stakeholder feedback providing valuable insights for continuous improvement.

Zero

instances of non-compliance with laws and regulations in FY2023-24.



¹[GRI 2-25, 2-26]

Business Ethics and COMPLIANCE¹

Our fundamental values serve as a moral compass, guiding us through all our undertakings and business connections. At IIFL HFL, all our actions are fuelled by three core values i.e., **Fairness, Integrity, and Transparency (FIT)**. We judiciously collaborate with individuals who are suited to our professional ethos and principles. At IIFL HFL, our enduring mission is to excel in our operations and deliver exceptional value to all our stakeholders, with thoughtful consideration to their needs. The FIT serves as a function to support the employees in creation of an ethical culture within the organisation.



Fairness

Our core principle maintains unbiased practices and impartiality with all our stakeholders- employees, customers, vendors and others to avoid any favouritism and maintain neutrality.



Transparency

in all our dealings with stakeholders, media, investors and the public at large.



Integrity

and honesty of the utmost nature, in letter, in spirit and in all our dealings, internal or external

Every employee at IIFL HFL adheres to the Code of Conduct which is a manifesto of our commitment to integrity and the eminent standards of moral and just practices.

¹GRI 2-27

Adhering to Regulatory Compliances

A methodological approach is used to assure that our practices conform with pertinent laws and regulations. All applicable laws, policies and protocols are followed by all employees and across the organisation, without any exception. Compliance is a shared responsibility and the department oversees that the regulatory measures are seamlessly integrated within the organisation.

The Compliance department diligently tracks new regulations and shares with the stakeholders for implementation.

IIFL HFL adheres to guidance from regulators from time to time, ensuring that mitigative measures as well as recommendations from regulators and auditors are implemented in timely manner.

At IIFL HFL, compliance trainings are covered in Orientation Programmes conducted virtually. These trainings include KYC and AML, anti-bribery and anti-corruption, data privacy, information and cyber security among others.

During the reporting period, there were

no cases

of non-compliance identified or mentioned against the Company.



Anti-Competitive Behaviour

Anti-competitive behaviour signifies actions of the organisation or employees that can result in collusion with potential competitors with the purpose of limiting the effects of market competition.

IIFL HFL reported zero cases of fixing prices, coordinating bids, allocation of suppliers or product lines for the year 2024.

Anti-Corruption¹

We have implemented a robust Code of Conduct that enables the identification, reporting and documentation of any corrupt practices. IIFL HFL's commitment to integrity and stringent approach helps to cultivate trust and confidence of our stakeholders.

To prevent any misconduct, several rules and operational procedures have been implemented. Our Code of Conduct, which is backed by our Anti-Corruption Policy, directs the Company to 'fight corruption and conduct business in an honest and ethical way.' We have a zero-tolerance policy towards bribery and corruption and are committed to acting professionally, fairly, and with integrity in all our transactions. IIFL HFL's Code of Conduct and Anti-Corruption Policy are available on our website: www.iiflhomeloans.com/corporate-governance

We have an authorised Chief Anti-Corruption Officer who is responsible for reviewing and annually reporting on Anti-Bribery and Anti-corruption (ABAC) Policy implementation across the organisation.



205-1 Operations assessed for risks related to corruption	Number	Percentage
Total number and percentage of operations assessed for risks related to corruption	—	—
Significant risks related to corruption identified through the risk assessment	—	—

205-2 Communication and training about anti-corruption policies and procedures	Number	Percentage
Total number and percentage of governance body members that the organisation's anti-corruption policies and procedures have been communicated to	—	—
Total number and percentage of employees that the organisation's anti-corruption policies and procedures have been communicated to	4627	81.6%
Total number and percentage of business partners that the organisation's anti-corruption policies and procedures have been communicated to, and broken down by type of business partner and region. Describe if the organisation's anti-corruption policies and procedures have been communicated to any other persons or organisations	—	100%
Total number and percentage of governance body members that have received training on anti-corruption	—	—
Total number and percentage of employees that have received training on anti-corruption	4627	81.6%

205-3 Confirmed incidents of corruption and actions taken	Number	Percentage
Total number and nature of confirmed incidents of corruption	—	—
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	—	—
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	—	—
Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases	—	—

During the reporting period, we trained 81.6% of our employees on the company's anti-corruption rules and practices. IIFL HFL has implemented rigorous measures to address corruption risks through a sound internal control system. We investigate and discipline anyone found to be engaging in unethical behaviour. Any employee, shareholder or third-party representative who violates the ethical conduct criteria faces severe consequences, including dismissal, and may also involve criminal or regulatory proceedings. The Orientation Programme, and Process and Compliance trainings clearly mention the ethical standards, laws and regulations. For the employees for fiscal year 2023-2024, there were 0 cases of corruption made against the organisation or its employees because of rigid training methods. This accomplishment underscores our commitment to maintaining the highest principle standards across the organisation.

¹[GRI 205, 3-3]

Economic PERFORMANCE¹

Economic performance encompasses financial metrics such as revenue, EBITDA and other monetary measures. The Company is dedicated to evaluate and improve its economic performance every year. Along with internal targets and frameworks in place, the economic performance is managed effectively.

IIFL HFL is setting well-defined targets based on business dynamics and achievable financial goals to have an astute approach. Maintaining economic performance as a material topic aligns with the Company's reliability to profits and stakeholders. Transparency and communication around this vital aspect also builds confidence among all stakeholders.



Financial Inclusion and Capacity Building²

Finance companies have the potential to generate positive social impact through financial inclusion and making affordable financial products available to the underserved sections of the society. IIFL HFL has built its reputation as a reliable and trusted partner in finance. We are working towards fulfilling the home-ownership dreams of people from the economically weaker sections and low-income households. One of our key highlights is a comprehensive suite of services, designed to meet the needs of our clients. We have developed financial products that offer affordable green housing to such sections in alignment with SDG - Sustainable Cities and GoI PMAY initiative.

We support the aspirations of our clients, whether it is funding entrepreneurial ventures or helping individuals to achieve their financial goals. Additionally, we leverage technology to secure and a transparent environment for borrowers.

Number of loans outstanding, qualified to programmes designed for promoting small business and community development



73,210

Numbers of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers



1,51,870



Direct Economic Value Generated (All Values in Mn ₹)

	FY2023-24	FY2022-23	FY2021-22
Direct Economic Value Generated: Revenues (A)	31,091.70	25,748.93	20,860.76
Economic Value Distributed (B):			
Operating Costs	1,478.90	967.60	640.39
Employee Wages and Benefits	3,400.30	2,402.10	1,717.00
Payments to Providers of Capital	13,277.80	11,820.90	10,624.80
Payments to Government by Country	3,013.70	2,325.70	1,679.68
Community Investments	174.00	131.00	105.68
Total (B)	21,344.70	17,647.30	14,767.55
Economic Value Retained (A-B)	9,747.00	8,101.63	6,093.21

¹[GRI 201, 3-3]



₹ 5,277.36 Cr (\$ 628.93 Mn)

Amount of loans outstanding, qualified to programmes designed for promoting small business and community development



₹ 12,137.18 Cr (\$ 1,446.45 Mn)

Amount of loans in financial literacy initiatives for unbanked, underbanked or underserved customers.

²[GRI 406, SASB (Finance Sector)]

Digital Technology and PRODUCTIVITY ENHANCEMENT

Customer Support

Customer support is delivered with excellence by IIFL HFL. As our core values mention FIT, customer centricity is at the core of business. Our company provides multiple channels for customers to reach out regarding loan-related matters, such as requests, queries, and complaints. We offer a range of digital platforms like mobile app, web portal, website, chatbot, whatsapp or the traditional platforms.

90%

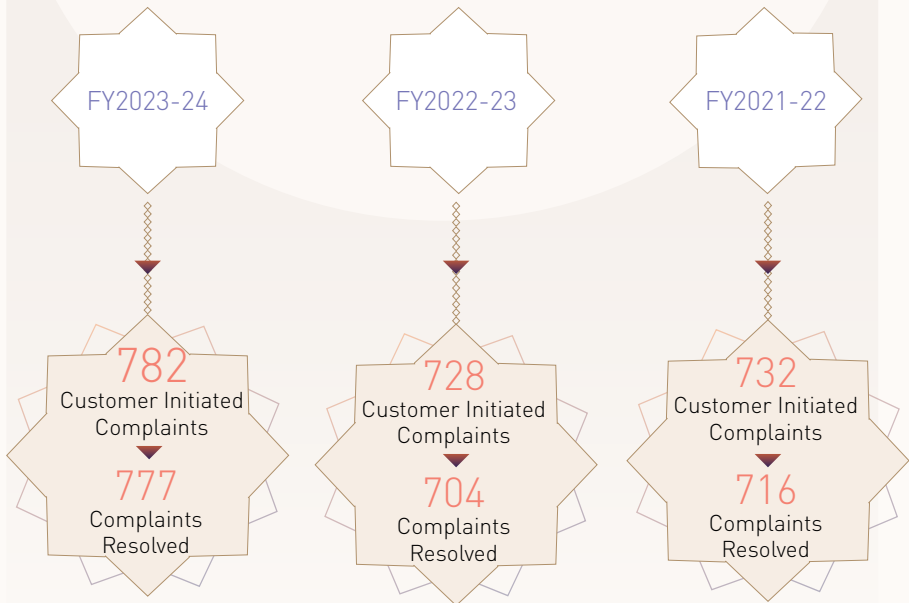
Call Centre Connect Rate

Empowering Customers with DIY

We have implemented an automated Do-It-Yourself (DIY) system for allowing customers to resolve certain queries independently. Customers can download essential documents such as loan agreements, annual interest certificates and account statements directly through the DIY portal. This empowers customers to reduce reliance on traditional customer service channels.



Customer Satisfaction By the Numbers



We have a well-defined **Grievance Redressal Policy** that is formally approved by our Board of Directors. This demonstrates a top-to-bottom approach to ensuring complaints are resolved properly.

IIFL Loans App for Customers

IIFL's flagship technology of mobile application helps customers to access their loan related details with a click. The app provides a complete view of existing loans with the company. This facility has increased the number of customers registering for these services as it is easy to use and navigate the process. At IIFL Home Loans, we are committed to providing seamless and exceptional customer experience throughout the homeownership journey. Over the past year, we have implemented several key operational improvements driven by a focus on digital transformation, a customer-centric approach and regulatory compliance.

1,86,110+*

Customers Registered Through IIFL Loans Customer App

Customer Feedback

Since its inception, IIFL HFL has prioritised upholding its customer experience and customer satisfaction by effectively channelising the customer and client feedback services. We believe that our customers are not just our responsibility but also our key organisational performance drivers. We actively collaborate and engage with our customers to take their suggestions/queries and feedback. This forms an integral part of policy interventions, digitising the interface, doing any such necessary changes which might be useful in enhancing the customer experience.

We have taken steps to ensure complete transparency, aligning with our core values. Our tech-enabled digital ecosystem captures the 'Voice of Customer' at different stages of the customer lifecycle keeping customer-centricity at the core.



Understanding customer sentiment is crucial for continuous improvement, we have implemented a Customer Satisfaction (CSAT) survey in FY2023-24. This survey allows customers to share feedback on our services.

3.17

(Mar 2024)

CSAT Score improved vs 2.27 (May 2023)

Customer Privacy and DATA SECURITY¹

IIFL HFL is dedicated to safeguarding its intellectual property, customer trust, and employee data. In response to increasingly sophisticated threats, we have invested in cutting-edge data security technologies to protect our sensitive information. Our ISO 27001:2013 certification, along with auditor reviews, ensures that management is actively engaged in the Information Security Framework and closely monitors any security incidents through regular management reviews.



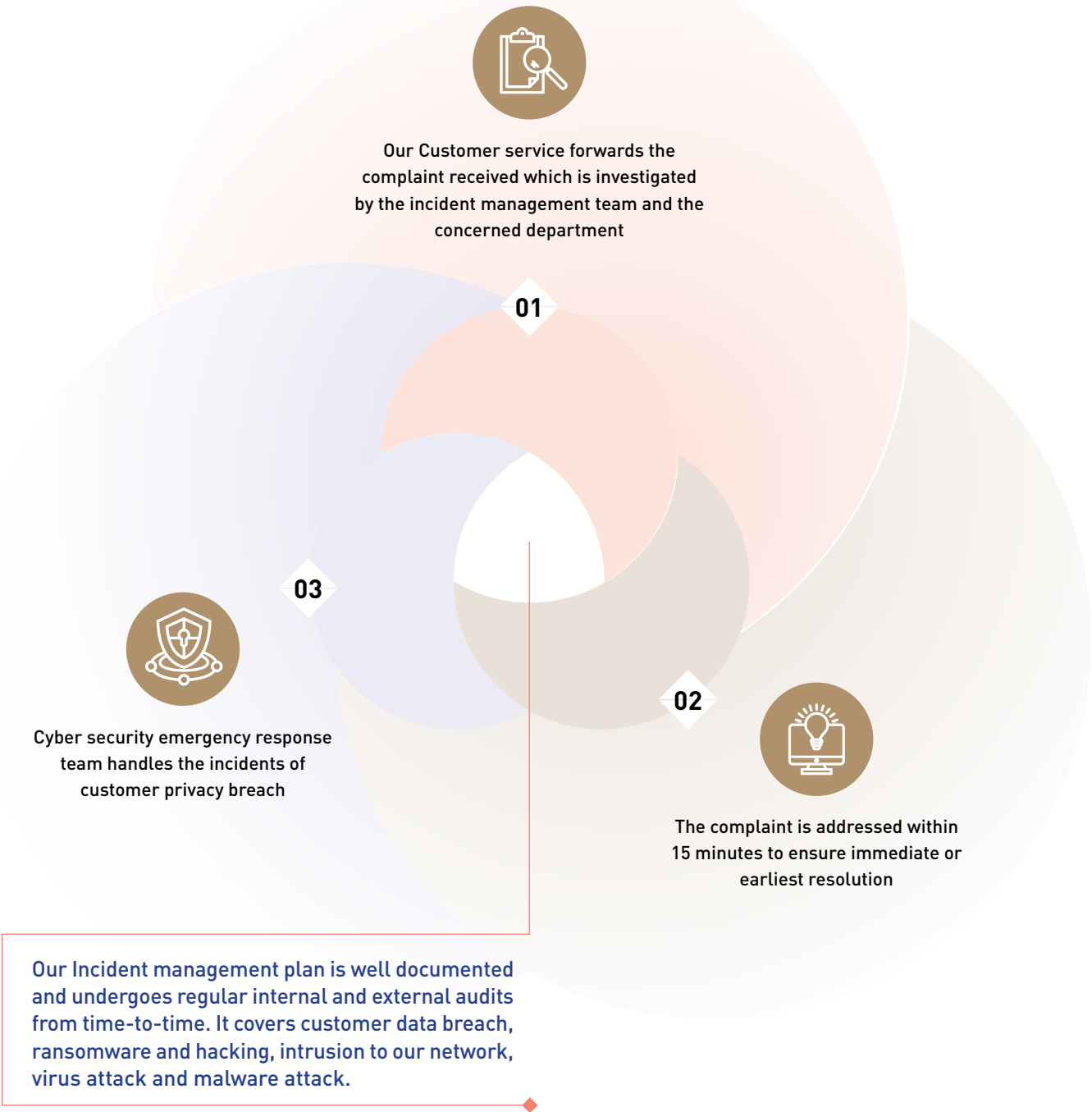
Our Policy

Our Information Technology, Information and Cyber Security Policy and Business Continuity Management processes are aligned with the National Housing Bank (NHB), RBI Master Directions, ISO 27001 standard as well as industry leading practices.

The Chief Information Security Officer is responsible for Information Security and Business Security Management framework at IIFL HFL. Apart from this, we ensure customer's consent before using customer information. We also implement the following measures to safeguard it:

- ♦ Data Centre Perimeter and Cloud Services are secured with a firewall from the internet
- ♦ Endpoint security controls are implemented such as
- ♦ Device restriction for email and business applications,
- ♦ Next-Generation Endpoint Antivirus, USB Access and Admin access in desktops and laptops are restricted
- ♦ Regular operating system security patching is carried out for servers
- ♦ Regular security awareness is carried out through mailers, Learning Management System (LMS), classroom training and periodic email phishing simulation exercises
- ♦ VA and PT assessments are carried out on regular basis
- ♦ Opted for Cyber Insurance cover to protect the organisation from financial loss in case of cyber-attack or data breach
- ♦ Transparency and Corporate Governance
- ♦ Periodic IT operations and security audits are carried out by internal and external auditors
- ♦ Tablets and mobile phones are controlled through Mobile Device Management (MDM)
- ♦ Public-facing web applications are protected by the Web Application Firewall
- ♦ Privileged Access is controlled via Privileged Identity Management (PIM)
- ♦ User Access review is carried out at least on a half-yearly basis
- ♦ Brand Protection and Dark Web Monitoring Services are opted to protect the brand and information
- ♦ Secure VPN Solution is implemented for remote access of IT systems and applications

In the event of potential breach, we follow a robust process to ensure an effective response, which includes the following:



Data Security

Count of Data Breaches
FY2023-24

% of Breaches Involving Personally Identifiable Information
FY2023-24

Count of Account Holders Affected
FY2023-24

zero
zero
zero

We have so far not received any complaints concerning breaches of customer privacy from outside parties or regulatory bodies.

¹IGRI 418, 3-3, SASB (Finance Sector)]

Risk MANAGEMENT

IIFL HFL's Risk Management begins with the Company's Board of Directors which oversees the biggest risks posing a threat to the company. We have defined risk management strategy framework and policy to identify, measure and mitigate risks. We have an independent Risk Management Committee for implementing direct appropriate systems to mitigate all material risks faced by the Company.

The risk management framework draws inspiration from the 'Three Lines of Defence' approach.

Line of Defence	Functions	Scope and Authority
The Management 	<ul style="list-style-type: none"> Risk Committee Information Strategy Committee Audit Committee Asset Liability Committee 	<ul style="list-style-type: none"> Integration of Risk Principles Across All Businesses Risk Strategy and Advisory Risk Policies Controls and Review Organisational Communications
Functional Teams 	<ul style="list-style-type: none"> Risk Department Business Functions 	<ul style="list-style-type: none"> Policy Implementation Risk Monitoring and Reporting
Internal Audit 	<ul style="list-style-type: none"> Internal Audit Department Risk Analytics 	<ul style="list-style-type: none"> Independent Reviews Reporting to Board Committees

The major areas of Risk landscape include Credit Risk, Liquidity Risk, Digital Risk, ESG Risk, Third-Party Risk, Collateral Risk and Operational Risk.

Risk Assessment Methodology

Monitoring	Early Warning Signals	Off-us Performance	Stress Testing
<ul style="list-style-type: none"> Performance of the customer is monitored through reports and dashboards 	<ul style="list-style-type: none"> On the basis of monthly reporting, expectations are highlighted to the respective teams The tools used for EWS include bureau data, bounce trends and market news, if any 	<ul style="list-style-type: none"> The current repayment behaviour of the customers is tracked through the bureau data and the same is utilised for better collection efficiency 	<ul style="list-style-type: none"> Defining various scenarios Data compilation and validation, modelling the impact of scenarios on risk parameters through PD, LGD and EAD

Vintage Analysis

- Vintage analysis allows monitoring of credit quality and thereafter taking corrective actions w.r.t policy processes. The data is grouped into segments on the basis of origination month and analysed according to the respective time periods

A comprehensive understanding of risk management throughout the various levels of an organisation helps in driving key decisions related to risk-return balance, capital allocation and product pricing. Additionally, it is also ensured that there is appropriate focus on managing risks proactively by ensuring business operations are in accordance with laid-down risk.

Our risk management team is guided by the Company's Risk Management Committee and the Senior Management to develop and implement Risk Assurance practices on a pan-organisational basis



Credit Risk

The bank manages credit risk through a framework approved by the Board of Directors. This framework outlines the bank's policies, procedures and reporting practices, aligning them with industry best practices. The bank has a robust credit appraisal and risk management framework in place for identifying, measuring, monitoring and controlling risks associated with credit exposures.

Our credit team oversees the implementation of policies and processes by conducting customer visits and assessments, training branch staff on application errors, coordinating with other institutions for necessary information and loan closure documents, identifying early warning signals, and monitoring industry developments to manage risks proactively in the field. We use technology to verify and identify the other loan documents submitted by the borrower along with digital underwriting. This integration of new data sources enables better insights for credit decisions, while real-time data processing, reporting and monitoring further improves overall risk management capabilities.



Liquidity Risk

Liquidity Risk is the inability to meet the expected or unexpected cash and collateral obligations at a reasonable cost. In the Bank, the liquidity risk is measured and monitored through Flow Approach and Stock Approach and other prudential stipulations as per the latest guidelines of RBI. We monitor liquidity risk through our Asset and Liability Management Committee in line with a well-defined Asset Liability Management (ALM) Framework with an organisational structure. This helps to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity.

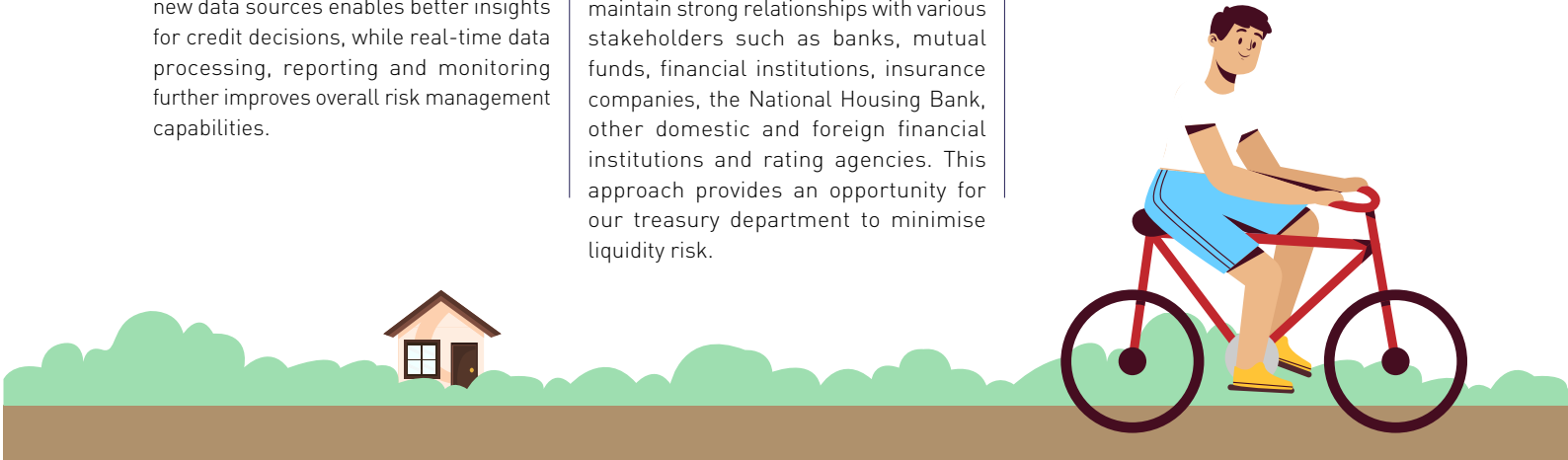
We ensure flexibility in funding mix by sourcing funds from multiple sources. These include banks, financial institutions, money markets, debt markets, and capital markets. The goal is to diversify our capital sources, manage interest rate risks, and maintain strong relationships with various stakeholders such as banks, mutual funds, financial institutions, insurance companies, the National Housing Bank, other domestic and foreign financial institutions and rating agencies. This approach provides an opportunity for our treasury department to minimise liquidity risk.



Operational Risk

In order to address and mitigate the operational risks, we have an operational risk management policy in place. This policy sets out processes and controls that are required to be monitored at different points of time in relation to people, systems and processes. Reduction of operational costs through digitisation of credit processes can be an opportunity as a greater share of time and resources can be dedicated to value-added activities, as inputs and outputs become standardised and paperless.

Efforts are made for inculcation of risk culture, values, beliefs, knowledge and attitudes to enhance understanding about risk among the staff. To ensure this, campaigns are carried out to create awareness in the staff through emails, workshops, webinars, meetings, fliers, magazines and e-Learning modules, among others.





Market Risk

Our market risk is managed by our strategic investment policy which includes implementing stringent controls and limits, regular reporting of positions, regular independent review of all controls and limits, and auditing of all pricing, risk management and accounting systems. The Company's exposure to market risk is primarily on account of interest rate risk, foreign exchange risk as well as price risk.



Interest Rate Risk

We are subject to interest rate risk, primarily since we lend to customers at rates and for maturity periods that may differ from our funding sources. Interest rates are highly sensitive such as monetary policies of the RBI, deregulation of the financial sector in India, domestic, international, economic and political conditions, inflation and other factors. In order to manage interest rate risk, we seek to optimise our borrowing profile between short and long-term loans, we adopt funding strategies to ensure diversified resource-raising options to minimise cost and maximise stability of funds.



Foreign Exchange Risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings taken from banks and External Commercial Borrowings (ECB). We have limited exposure to foreign exchange risk which is fully hedged.

Price Risk

Price risk is the risk that the value of a security or investment will decrease. The Company uses tools such as sensitivity analysis, price trend analysis and so forth to hedge the price risk.



Regulatory Risk

Regulatory risk refers to the potential for material impact on a company due to changes in laws and regulations imposed by the government or regulatory bodies like the National Housing Bank (NHB), Securities and Exchange Board of India (SEBI), among others. Such changes can increase the costs of operations or alter the competitive landscape. We have a robust corporate governance process in place to ensure compliance with all applicable laws, rules, regulations and guidelines. By making timely changes to our systems and practices to realign with the evolving regulatory framework, if possible, anticipating likely regulatory changes, IIFL Housing Finance Limited (IIFL HFL) aims to stay ahead of regulatory risks.



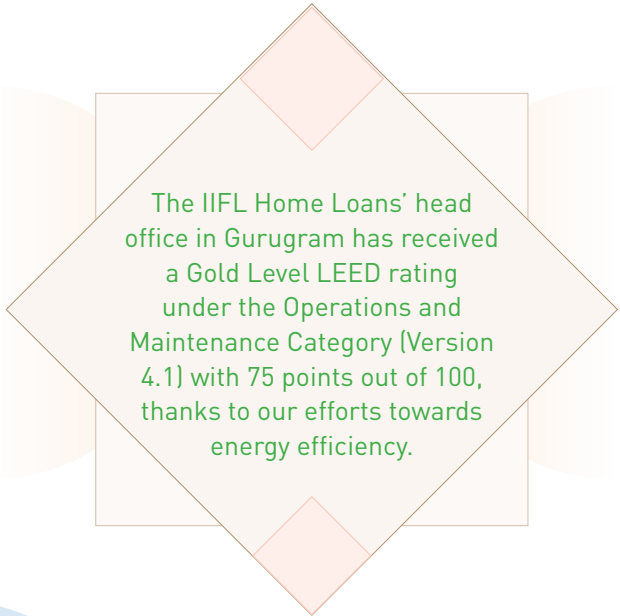
ENVIRONMENT

At IIFL HFL, we're committed to building a professional, sustainable business while continuously striving to lessen our negative impact on the environment and ultimately benefitting society. Compared to enterprises in the manufacturing and other energy-intensive industries, we in the finance sector, already have a lower energy and material requirement, and hence a reduced carbon footprint. Being a leader in the mortgage market, we place a high priority on business optimisation in our efforts to operate effectively, economically, and in an environment-friendly manner. Digitisation is one of the optimisation tactics we have used.



Energy Use and MANAGEMENT¹

Sensors have been installed in offices to reduce energy consumption and lower energy intensity. An energy management system is implemented in several locations, including corporate headquarters, to regulate lighting, HVAC, air conditioning, and heating for optimal energy use. Additionally, there remains potential for further improvement in this area.



The table below contains the details of our energy consumption as well as the energy intensity.

Energy	Unit	FY2023-24		FY2022-23	FY2021-22
		HFC	HO	HO	HO
Direct Energy	GJ	103	684	921	792
Indirect Energy	GJ	7,950	3,363	3,054	3,241
Total Energy	GJ	8,052	4,047	3,976	4,033
Energy Intensity	GJ/Mn ₹	0.477	0.240	0.146	0.193

Compared to FY2021-22 and FY2022-23 this year we have energy data for our HFC's in addition to our Head Office.

¹GRI 302, 3-3

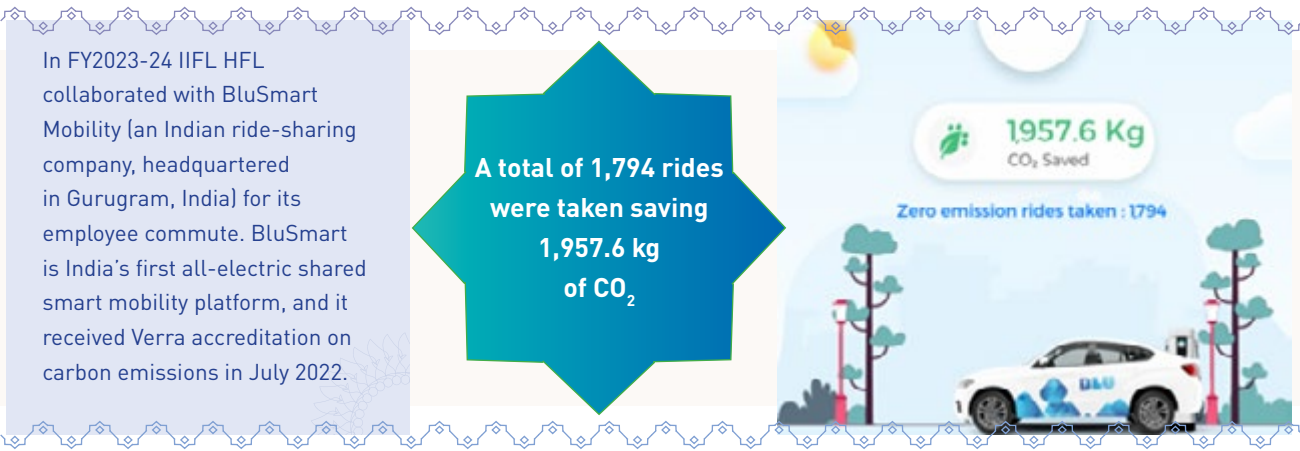
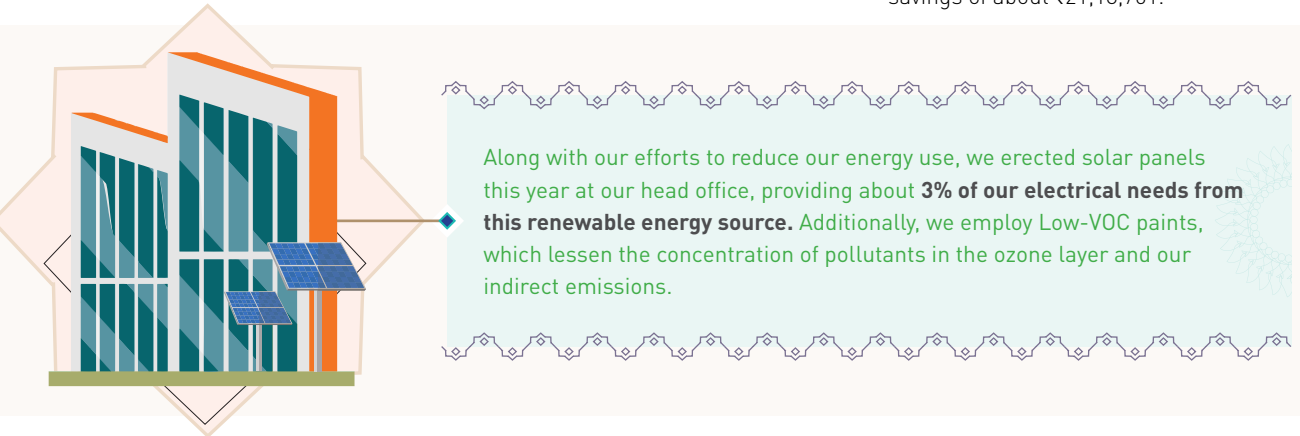
Climate Change

GHG EMISSIONS¹

The United Nations (UN) “Framework Convention on Climate Change” and the succeeding UN “Kyoto Protocol” regulates greenhouse gas (GHG) emissions, which are a primary cause of climate change. The global warming and that the Company contributes to is directly related to the greenhouse gas emissions that come from our usage of fuels, energy and other resources.

At IIFL HFL, we have taken steps to lower the amount of energy used and and greenhouse gas emitted from our daily activities. We provide our customers with cheap green housing loans at a discounted rate, which will significantly lower greenhouse gas emissions in addition to lower waste production as well as water and energy use.

Moreover, we support sustainable living and green housing through “**Kutumb**,” “**Disha**,” and “**Green Value Partnership (GVP)**.” We replaced the existing 536 72-watt CFL lights with 36-watt LED lights as part of our effort to lower greenhouse gas emissions. After installing LED lights, **we are saving about 212 MWh yearly**, which translates to a decrease of 152 metric tonne of CO₂ and, an annual financial savings of about ₹21,18,701.



The following table contains the details of our Scope 1 and 2 GHG emissions as well as the GHG intensity

GHG Emissions		FY2023-24		FY2022-23	FY2021-22
		HFC	HO	HO	HO
Scope 1	tCO ₂ e	8	51	69	56
Scope 2	tCO ₂ e	1,579	668	589	711
Total GHG Emissions	tCO ₂ e	1,587	719	658	767
GHG Intensity	tCO ₂ e/Mn ₹	0.094	0.043	0.024	0.037

Compared to FY2021-22 and FY2022-23 this year we have energy data for our HFC’s in addition to our Head Office.

¹GRI 303, 3-3

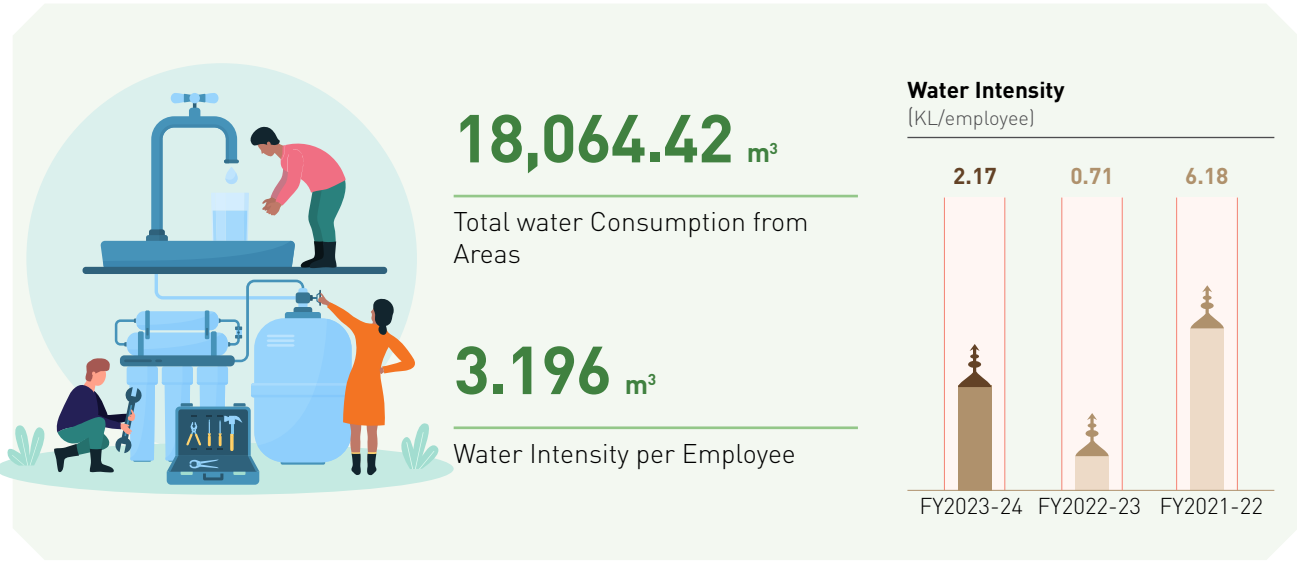
Water and Effluents²

Because water is essential to life, we manage water use and across our activities in an efficient manner, all the while conserving and freshwater. Our best practices are designed to help us become a more ecologically conscious business. We are striving for the prudent use of water since it contributes significantly to our overall environmental impact.

A sewage treatment plant with a capacity of 8,000 liters is located at the IIFL HFL headquarters in Gurugram. Treated water is used for cleaning and landscaping. In addition, we are maintaining the softeners and treating the water that will be utilised for cooling towers, cleaning and in restrooms. In addition, we have aerators installed, which contribute to a decrease in water usage. Installing chambers prevents the soil from entering the drainage.



Water Consumption



¹GRI 305, 3-3;²GRI 303

Waste MANAGEMENT¹

Waste minimisation is the foundation of our low-cost operations and business approach. Additionally, we have worked very hard to transition our business activities to internet platforms in order to deliver statements and documents electronically. We have contracts in place with a several recyclers.

The maximum “reduce, reuse, recycle” is something we firmly believe in. In addition to minimising waste production, we make sure that products are recycled for future use. We have led the charge to digitize our business, **saving 99,14,390 sheets of paper** this year as a consequence. Nationwide **E-Waste collection bins** and targeted **single-use plastic** reduction strategies to reinforce our commitment to sustainability.

We also have an ESG Policy in place which addresses waste management in the Company

Some of our key initiatives that enable effective waste management are:

A separate room is assigned for keeping E Waste Scrap

E Waste was last scrapped during the month of December 2022

The E Waste was sold to a centralised vendor called AVIS Group (licensed e-waste vendor)

2.21 MT

Hazardous Waste (E- Waste)

3.858 MT

Non-Hazardous Waste

In BRSR

	Unit	FY2023-24	FY2022-23
Plastic Waste	Metric tonnes	2.21	Not Quantified
E-waste Generated	Metric tonnes	3.858	0.2014
For Each Category of Waste Generated, Total Waste Generated, Total Waste Recovered Through Recycling, Reusing or Other Recovery Operations (In Metric Tonnes)			
Waste Recycled	Metric tonnes	—	0.2014
Note: Indicate If Any Independent Assessment/Evaluation/ Assurance Has Been Carried Out by An External Agency? (Y/N) If Yes, Name of the External Agency.	Yes/No	—	No

¹(GRI 306)

Sustainability INITIATIVES

Asian Development Bank’s Technical Assistance Programme

The Asian Development Bank (ADB) and IIFL HFL have partnered on a technical assistance (TA) programme to support India’s affordable housing market’s green building ecosystem. This effort, which addresses “green building”, “affordable housing”, and “women’s access to housing,” is an impressive combination of research and innovation.

Through the TA, ADB and IIFL HFL has raised awareness, on climate risk mitigation and adaptation of green-certified housing standards among developersnd other stakeholders in the affordable housing market.

“Building climate-resilient and sustainable communities begins with each green home, particularly for lower income groups that are highly vulnerable to climate change impacts. “The programme has enabled more real estate developers and housing finance companies to integrate green lending and climate adaptation strategies into their scaling up of affordable housing solutions in India.”

The programme promotes market research initiatives to enhance understanding of the green housing market and value

chain. These include an assessment of the current awareness of prospective buyers and developers as well as a unified green building rating system that will be adaptable to local climate zones of various parts of India. A system to integrate green lending and climate adaptation strategies in the context of affordable housing has also been established.

With a deep awareness of the issues faced by India’s triple bottom line, IIFL HFL has placed a significant emphasis on making inclusive and reasonably priced green housing available to the lower income group. The initiative adopts a comprehensive strategy, addressing the hurdles in the banking and construction sectors that prevent women from accessing these opportunities. Our goal is to enable green lending and climate-adaptive solutions to be seamlessly included into affordable housing portfolios by housing finance companies and real estate developers. In addition, we pledge to actively support market research and carry out exercises aimed at enhancing the capacity of all parties concerned with this project.

“We look forward to this association with ADB and intend to work towards our common and established goal of creating a sustainable ecosystem, sparking a green affordable housing movement in India.”

Mr. Monu Ratna
(Executive Director and Chief Executive Officer)



Humara Kutumb

Building on the success of the flagship Kutumb initiative, we have transitioned to a more grassroots level of direct engagement with the launch of Humara Kutumb, marking Phase II of our objectives. In this phase, our focus shifts from discussions to direct community engagement. The primary objective is to assist communities in creating affordable and sustainable houses, reflecting a pragmatic and field-based approach to implementing the insights gained from the Kutumb sessions.

The project delves deeper into the green affordable housing ecosystem at the local level, extending beyond the group housing sector to the self-built construction segment, with its unique complexities.



Program Structure and Components:



Empowering Homeowners by Green Building Value Chain Ecosystem

- ♦ The heart of the program lies in empowering and mobilizing the green building value chain ecosystem. This includes a strategic focus on owner-driven homes within clusters of new constructions.
- ♦ A key component involves the definition of parameters and green measures through a matrix crafted by IIFL HFL. This matrix guides activities such as establishing demo houses, conducting training sessions, and providing holding support to end-users for achieving green certification.



Comprehensive Training and Capacity Building Components

- ♦ A series of training sessions will cover a spectrum of stakeholders, including homeowners, contractors and masons. The objective is to ensure a nuanced understanding as well as effective implementation of green building practices at various levels.



Model/Demo House

- ♦ A demonstrative house with sustainable design principles and green measures will serve as a living inspiration for the local communities to closely elicit the nuances of constructing a green home. Its construction will be documented through instructional video modules for propagating the best practices and principles of sustainability. These videos will be made available through mass media dissemination. The mass adoption of sustainable design practices, coupled with the use of sustainable building materials will enable the creation of supply chains. This should make it easy for consumers/homeowners/contractors to also procure such materials. Promotion and propagation of the and stages of construction in real time will become key to the project.

ESG Progressive Evaluation

The IIFL GVP team is assessing various projects and construction sites based on environmental, social, and governance (ESG) criteria. This evaluation also includes ongoing compliance with regulatory and environmental requirements

Green Value Partners

The construction industry is one of the biggest consumers of non-renewable resources. Even after completion, most buildings continue to be responsible for huge CO₂ emissions. Buildings in India already account for more than 30% of India's electricity use, and two-thirds of the buildings that will exist in India by 2030 are yet to be built.

Although there has been substantial progress in the field of green buildings, there is still a lot to be done. The gap will exist until the user, the last link in the chain, does not demand "green". We at IIFL Home Loans have identified a gap in the market between the new ways available to conserve energy during the life cycle of a building and the lack of knowledge about the Green Buildings concept with potential developers across the country. To address such issues, IIFL Home Loans has introduced Green Value Partner (GVP) that aims at reducing the negative impact on the environment by supporting the development of green affordable housing in India. The center-piece of IIFL Home Loan's strategy is scaling affordable and sustainable development for maximum impact.

Turning green goals in affordable realities for
29,760+*
households

Through GVP, we empower our community to innovate on the local level and then identify those solutions that can be replicated and scaled up across the country.

IIFL Home Loans knows that homes that are designed and built to be comfortable and healthy, causing minimal harm to the environment will be and the residents and good for society at large. We call these homes 'Green Homes'.

What improvements to our usual ways of designing and buildings can we bring to make them Green, and how do we implement them sustainably and affordably? Meet our Green Value Partners (GVPs) who seek to provide end-to-end assistance (hand holding) to the developer and work along with them throughout a project's lifecycle, from concept to completion, ensuring successful realisation of the intended project's vision.

GVPs also ensure that all criteria are understood in depth and met in order to successfully achieve a Green Building Certification.

10

Construction Sites

Positive Climate Impact Created Through Our GVP Initiative!

23,620+*

Green Housing Units Funded

1,140* ML/Year

Water Savings

19,710+* MWh/Year

Energy Savings

18,130+* tCO₂e/Year

CO₂ Offset

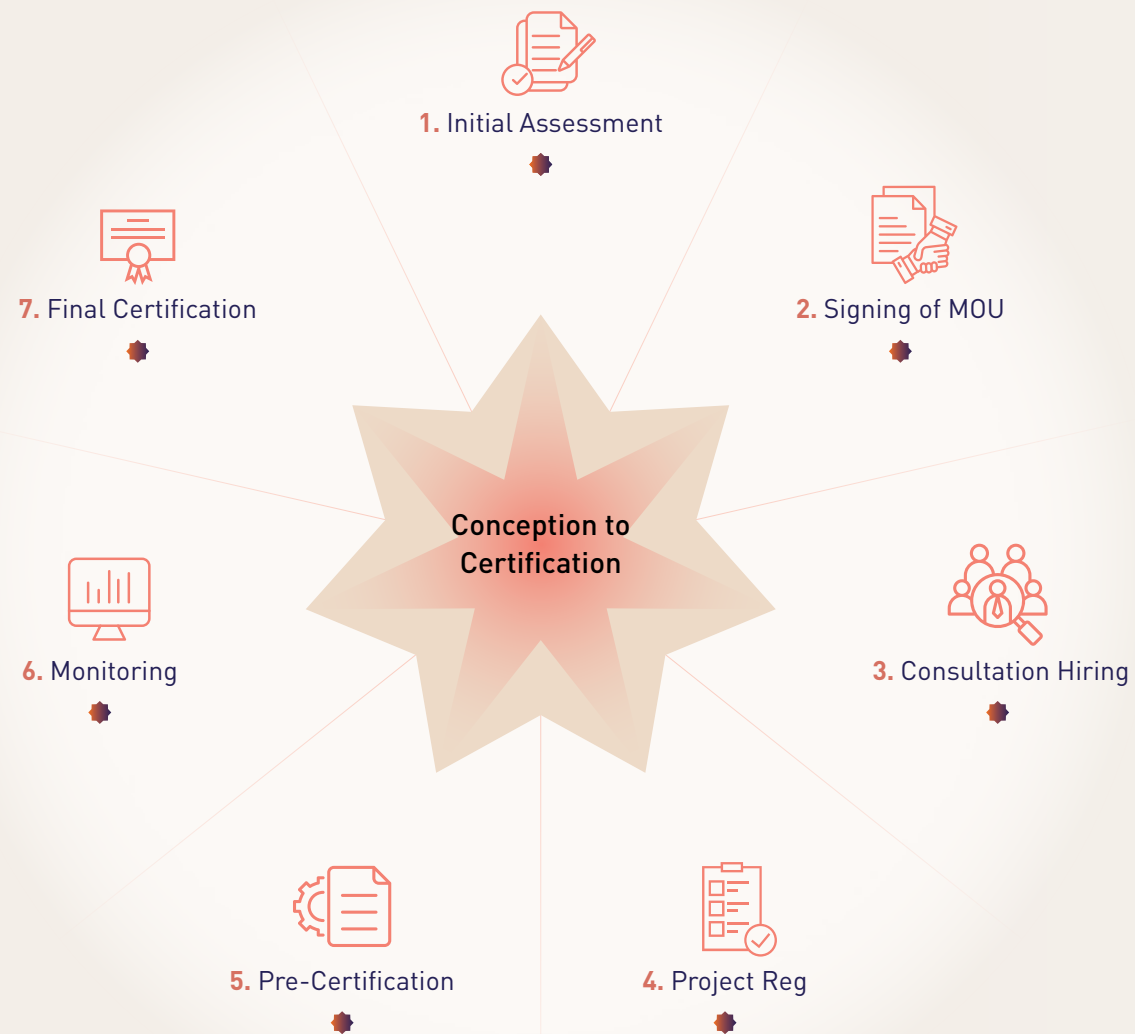
*Data as of March 31st, 2024, since inception



IIFL HFL's Commitment

With an estimated \$ 4.5 trillion of infrastructure build ahead of us till 2040, of which nearly \$ 1 trillion will be for affordable housing, it is absolutely important to build an ecosystem that enables enthusiastic adoption of eco-friendly construction technologies.

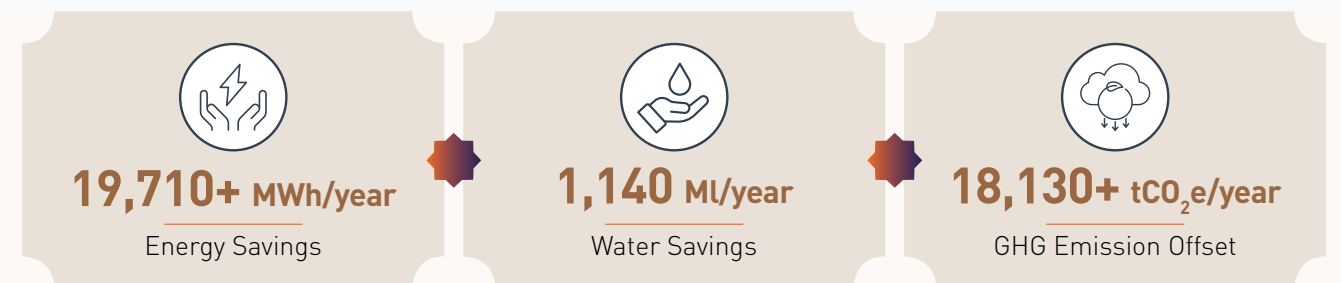
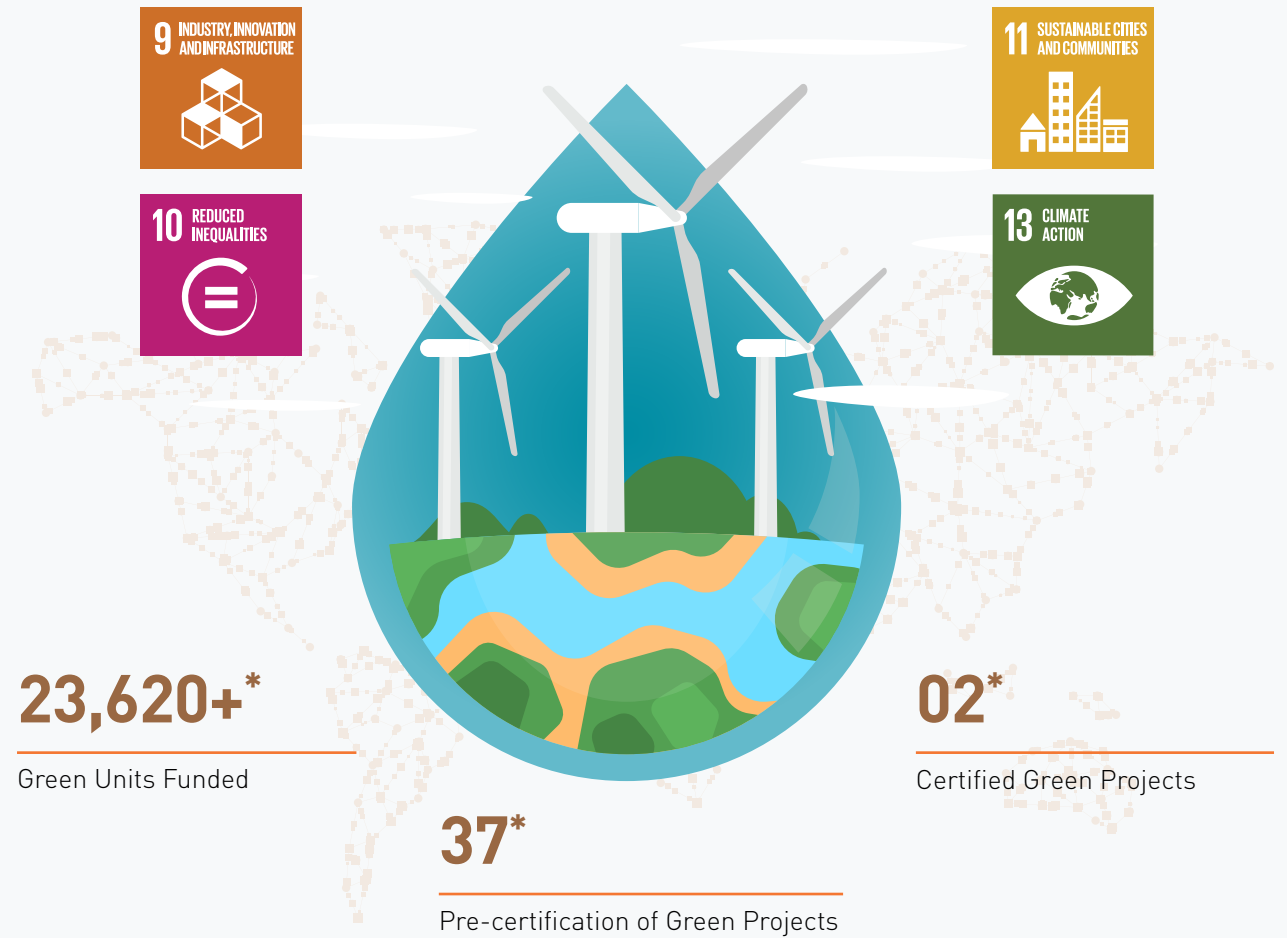
It is IIFL HFL's stated objective to ensure the concepts and practices of green construction permeate the realm of affordable housing, so that multitudes of people who will possibly own their first house, will proudly be part of India's climate change solution-set. We will work with all key constituents of the housing industry, continue to build dialogues, initiatives and partnerships, so that we can together be the change we want to see.



Description	FY2021-22	FY2022-23	Cumulative till March 31, 2023	FY2023-24	Cumulative till March 31, 2024
Projects Under Management (PUM)					
PUM Projects	9	12	48	4	52
Units Under Management	7,340	7,391	35,857	2,875	38,732
Pre-certified and Certified Projects					
Total Pre-certified Projects	10	7	30	7	37
1. IGBC Green Affordable Housing (Gold)	7	6	17	5	22
2. IGBC Green Affordable Housing (Platinum)	2	1	5	0	5
3. IGBC Green Affordable Housing (Platinum)	0	0	5	2	7
4. IGBC Green Homes (Platinum)	1	0	2	0	2
5. GRIHA rating (V.2015 - 4 stars)	0	0	1	0	1
Certified Projects	0	0	1	1	2
1. IGBC Green Homes (GOLD)	0	0	1	1	2
Units Under Monitoring	8,233	4,869	23,325	5,715	29,040

PUM Certified Projects	FY2023-24	
	Pre-Certified	Certified
IGBC Green Affordable Housing (Gold)	5	0
IGBC Green Affordable Housing (Platinum)	0	0
IGBC Green Homes (Gold)	2	1
2. IGBC Green Affordable Housing (Platinum)	0	0
3. IGBC Green Affordable Housing (Platinum)	0	0
4. IGBC Green Homes (Platinum)	7	1
Total Certified Projects	8	
Units Under Monitoring:	5715	

CLIMATE IMPACT FROM GVP



Element	FY2023-24	FY2022-23	FY2021-22
Pre-certified and Certified Green Projects Under Green Value Partnership (GVP)	Pre-certified: 37 Certified: 02	30	23
Green Units Funded	23,627	17,500	12,633
GHG Emission Offset Through GVP Initiatives	18,135 tCO ₂ e/year	14,438 tCO ₂ e/year	11,469 tCO ₂ e/year
Energy Savings Through GVP Initiatives	19,716 MWh/year	15,694 MWh/year	12,467 MWh/year
Water Savings Through GVP Initiatives	1,139 ML/year	907 ML/year	720 ML/year

*data as on march 31st, 2024, since inception

Case Study 1: RG LUXURY HOMES, GREATER NOIDA



RG Luxury Homes represents a pinnacle of sustainable living as it proudly holds the prestigious pre-certification of Gold from the Indian Green Building Council (IGBC).

The certification underscores RG Luxury Homes, adherence to stringent green building standards, ensuring that the project incorporates eco-friendly design strategies and practices. From energy-efficient building materials to water-saving fixtures, every aspect of the development is meticulously planned to minimise its environmental footprint while maximising the well-being of its residents.

The Green Value Partner (GVP) team conducted a thorough initial assessment study for the project, providing valuable insights into its potential for green certification.

The success of achieving an IGBC GOLD rating (pre-certification) for the project can be attributed to the timely consultation on suggested sustainability strategies in coordination with the GVP team. Converting a business-as-usual scenario to a green building not only benefits the environment but also reflects positively on the project's sustainability efforts.

Once the project is operational, it will contribute towards natural resource consumption (energy and freshwater) and GHG emissions offset. The estimated impacts are as follows:

1,919.2 MWh/Year

Energy Saving

110.85 ML/Year

Water Saving

1,766 tCO₂e/Year

GHG Emissions Offset



Case Study 2: LA LUXURIA, SHAHAPUR



LA Luxuria, an affordable housing endeavor, stands out for its commitment to sustainability. Through collaboration with IIFL Home Finance's GVP Team, it has adopted eco-conscious design and construction practices

The project has been certified at 'GOLD' by the IGBC under their Green Affordable Housing rating. The project showcases its adherence to green building standards. By prioritising sustainability, LA Luxuria not only reduces its environmental impact but also sets a precedent for future affordable housing developments.

The Green Value Partner (GVP) team conducted a thorough initial assessment study for the project, providing valuable insights into its potential for green certification.

The success of achieving an IGBC GOLD rating (pre-certification) for the project can be attributed to the timely consultation on suggested sustainability strategies in coordination with the GVP team.

Once the project is operational, it will contribute towards natural resource consumption (energy and freshwater) and GHG emissions offset. The estimated impacts are as follows:

150.15 MWh/Year

Energy Saving

8.67 ML/Year

Water Saving

138.14 tCO₂e/Year

GHG Emissions Offset



Green Handbook 2.0

The second version of the handbook provides comprehensive guidance for homeowners, contractors and small developers in Tier 2 and Tier 3 Indian cities. It focuses on:



Environmentally Sound Design



Construction Techniques



Materials for Low-Rise Dwelling Units



Emphasising Passive Design Principles for Energy and water Conservation

The goal is to empower stakeholders to adopt sustainable practices and in constructing residential buildings up to G+3 levels on plots of up to 500 sq.m, drawing inspiration from regional climatic considerations and exemplar projects.

Disha

DISHA stands as a beacon of community empowerment and sustainable change, a collaborative effort between IIFL Home Loans, Lending Hands Foundation, Helmet Man Foundation and Resident Welfare Associations (RWAs). This multifaceted programme is a testament to our commitment to addressing pressing issues affecting our cities.



Solid and Liquid Waste Management

In partnership with Lending Hands Foundation, DISHA tackles the critical issue of solid and liquid waste management across Ghaziabad, Noida, Delhi and Gurugram. Through targeted initiatives, we have collected and recycled a substantial amount of garbage, paving the way for cleaner and greener communities.



Objectives and Intentions



Through workshops and initiatives, we aim to educate communities on waste management, best practices and road safety measures.



By promoting sustainable living and reducing carbon footprints, DISHA empowers individuals to be change agents in their communities.

1,510+ kg

Garbage Collected

1,210+ kg

Garbage Recycled

3,300+

Participants

ESG Software

IIFL HFL has procured and installed a third party ESG software called Updapt ESG which is a multi-user, multi-role and multi-geo application comprising of various modules like –



Self-assessment module is a comprehensive ESG self-assessment tool that helps us to gauge our current ESG status. It also provides key ESG insights and solutions to improve our overall sustainability approach.



The emission module enables us to calculate our total emission output, segregating them into stationary, mobile and fugitive emissions.



The data management module is a highly configurable function that has been molded to suit business specific requirements.



Audit module enables us to provide access to the software to auditors to review, verify, and provide assurance.

In addition, it has a climate change dashboard to enable us to assess our emission output from a medium to long term perspective, aligned with 1.5°C or 2°C scenarios.

Peer benchmarking allows us to evaluate our current ESG performance as compared to our peers over key ESG parameters.

COMMUNITY DEVELOPMENT¹

Making a difference in the lives of marginalised people

Recognising that business enterprises are economic organs of society, it is our firm belief that a Company's performance must include contribution to society among other things. We strive to facilitate financial inclusion among the economically weaker section (EWS) and lower income groups (LIG). We are a socially responsible Company and we strive to make a difference in the lives of communities across the country.

It is the organisational goal to foster social transformation and have a positive impact on the community, by promoting education, health and hygiene, skill and knowledge development, building awareness about social development through various means. Our major interventions for community development are given below.

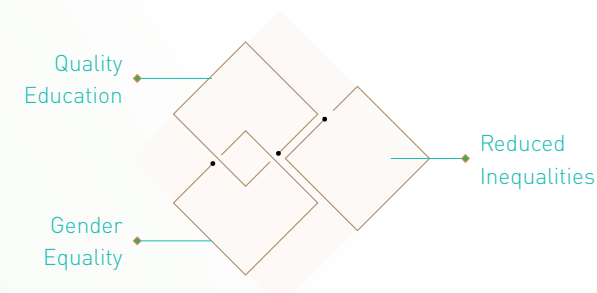


*GRI- 413

Empowering the Girl Child – Project Sakhiyon ki Baadi

It is a matter of great concern and shame that a large number of girls continue to be out of school and illiterate. This problem is particularly severe in areas densely populated with the scheduled tribe communities. We are committed to change this in the next few years by starting community schools, which are multi-grade multi-level schools and set in the villages, making it accessible for young girls to get educated. Sakhiyon ki Baadi learning centres are teaching a predefined syllabus which is in alignment with the topics prescribed by govt. schools in Rajasthan.

The initiative contributes to conservation of indigenous languages, provides employment to native females and promotes skill building among the marginalised communities. The initiative is helping to meet 3 of the UN's Sustainable Development Goals –



The programme has reached out to

9,000 girls

within the age group of 4 to 14 yrs., through 300 learning centres in Rajasthan.

Extending a helping h to most deprived children

Project Chauras & Project Pankh

Chauras is a learning centre cum crèche for children of labourers (often migrants) working at construction site, brick kilns or Mineral Grinding units. In addition to education, each child receives three meals daily, including two hot meals and one nutritious meal and extra diet for undernourished children. Health check-ups and vaccinations are carried out at regular intervals.



Impact

Chauras

There are **11 learning-cum-crèche facilities** across 3 different states – Rajasthan, Gujarat and Delhi/NCR, engaging **982** children.

Pankh

250+ children enrolled and **4,180+** migrant workers empowered through awareness programmes.

Project Seva Kutir

A total of 10 community-based learning centres for holistic development of children from marginalised communities have been set up. Children are offered special coaching to excel in academics, given nutritious meals twice a day and engaged in extra-curricular activities. A mini library with collection of 100 books is setup to improve reading and comprehension skills. Special sessions are conducted on value education, covering themes such as – self awareness, responsibility, ethics and morals. The programme functions in Sheopur District of Madhya Pradesh, benefitting 918 children from the scheduled tribe and scheduled caste communities.

Promoting Smart Education – Project Smart Shala

IIFL Foundation has partnered with Sampark Foundation, to carry out the educational programme in two aspirational districts of Uttar Pradesh: Sonbhadra and Chitrakoot. The programme focuses on developing skill set of the teachers and equipping them with custom designed TLM Kits (Teaching and Learning Material). Teachers are trained by subject matter experts and receive support from field supervisors. The programme is implemented by partnering with Niti-Aayog. Through this initiative, IIFL Foundation will have an impact on lives of nearly 2.72 lakh students and 5,582 teachers, engaged with the 2,791 government schools. This is a game-changing initiative in the backward areas.

Installation of Interactive flat panels in government schools in Rajasthan, to promote interactive learning sessions for students have been installed in **150** and government schools in Rajasthan.

Installation of **75 sets** completed in this financial year and another, 75 sets will be installed in FY2024-25. The project is executed in Baran (aspirational district) and Udaipur of Rajasthan. This has benefitted **25,000 students** at 75 government schools.



Fostering Health – Project Multi-specialty Hospital

In-patient ward has been developed in Thane and Palghar districts of Maharashtra, where there is an acute requirement for cancer, eye, cardiac and neuro care under one roof and at subsidised rates. This new hospital building has a dedicated facility for cancer and radiation therapy, comprehensive eye care and other and multi-specialty services offered at a very low cost. A total of 1954 patients have been treated in the hospital.



A total of
1,950+ patients
have been treated in the hospital.

Building Partnership to Promote Environmental Conservation - Humara Kutumb

Humara Kutumb transitions from knowledge sharing to active community involvement. With a focus on affordable and sustainable housing, Phase 2 empowers homeowners, trains stakeholders and showcases green building practices through demo houses and comprehensive training. This pragmatic approach aims for tangible impact and widespread adoption, fostering a future of accessible green housing nationwide. There have been 75 participants and 23 homeowners have participated in the process.



Multi-purpose Community Service – Project Disha

DISHA, a collaboration between IIFL Home Loans, Lending Hands Foundation, Helmet Man Foundation and local RWAs, focuses on community empowerment and sustainable change. It addresses solid and liquid waste management in Ghaziabad, Noida, Delhi and Gurugram, emphasising recycling efforts. Road safety workshops, infrastructure improvements, including helmet donations, span various cities to promote safe commuting practices. The programme aims to raise awareness, empower communities, advocate for safety, and enhance public infrastructure.

Road Safety Workshops and Infrastructure Improvements

Recognising the importance of road safety, DISHA has also conducted impactful workshops in RWAs within Noida, New Delhi, Gurugram, Ghaziabad, Jaipur, Ahmedabad, Mumbai and Indore. These workshops not only educate on safe commuting practices but also enhance public infrastructure, including distributing helmets to promote safe biking and commuting.

Objectives

Safety Advocacy

Our road safety initiatives advocate for responsible commuting, aiming to reduce accidents and promote a safer environment for all.

Infrastructure Enhancement

We enhance public safety through the donation of helmets and improvements in infrastructure at local police chowkis, ensuring a safer environment for commuters and pedestrians alike.



Livelihood Generation – Project SheCreates

The project's vision is to revitalise traditional arts and empower communities. By supporting a cluster of women artisans in West Bengal, providing them with digital and financial literacy training, and infrastructural support to boost production, the project aims to create livelihoods, preserve cultural heritage and foster community development. Additionally, utilising social media for sustainable housing promotion further enhances its impact. A total of 258 artisans were provided with financial and digital literacy training.

A total of
258 artisans
were provided with financial, digital
literacy training.



FOSTERING HUMAN CAPITAL

Employment¹

At IIFL HFL, our commitment to excellence extends beyond our operations, it encompasses our people. We realise that talent attraction and retention are pivotal to our success and growth. We are dedicated to creating an environment, where individuals can thrive and grow professionally. Our approach involves fostering a culture of innovation, diversity and inclusion, where every member of our team feels valued and empowered. We provide continuous learning and development opportunities, enabling our employees to stay at the forefront of industry trends.

By prioritising work-life balance, competitive compensation packages and a supportive work culture, we aim to attract and retain top talent who share our passion for excellence and our commitment to sustainability. All our efforts towards employee care and development have led to our recognition as



← 6th time in a row →

At IIFL HFL, we understand that our employees are at the heart of our success and their well-being is our top priority. To ensure their overall satisfaction and welfare, we offer a comprehensive range of employee benefits. This includes a range of offerings tailored to enhance the well-being of both permanent and contractual employees.

These benefits cover health and wellness programmes, such as medical insurance coverage and initiatives that encourage a healthy lifestyle. We provide opportunities for continuous learning and professional development to help our employees advance in their careers. Our competitive compensation packages, performance incentives and rewards programmes not only recognise but also appreciate their hard work and dedication. We also prioritise work-life balance, offering flexible work arrangements and leave policies to support their personal needs. Additionally, our commitment to an inclusive workplace is reinforced through programmes that promote diversity, equity, and inclusion.

	By Age Group (Years)			By Gender		By Region			
	< 30	30-50	> 50	Male	Female	East	West	North	South
FY2023-24	2,475	1,628	8	3,827	284	118	1,131	1,537	1,325
FY2022-23	225.0	148.0	0.7	347.9	25.8	10.7	102.8	139.7	120.5
FY2021-22	1,356	1,499	4	2,709	150	54	820	1,263	722
FY2020-21	48.0	53.6	12.9	52.1	33.4	4.9	74.5	114.8	65.6

Employee Benefits²

At IIFL, we truly believe that our productivity would achieve greater heights, if and only we provide an inclusive work environment and treat our employees with empathy by providing benefits across all domains of life. We provide life insurance benefits, health care benefits, parental leave and stock ownership to our employees. We are vigilant enough to consider and review every year if there is any additional benefit which needs to be inculcated in our employee benefit policy



Parental Leave³

We provide parental leaves to both our male and female employees. Men are entitled to leave for 5 days, whereas women can avail leaves for 182 days. We have a retention rate of 100% for both male and female employees that took parental leave.



¹[GRI 401];²[GRI 401-2];³ [GRI 401-3]

Talent MANAGEMENT

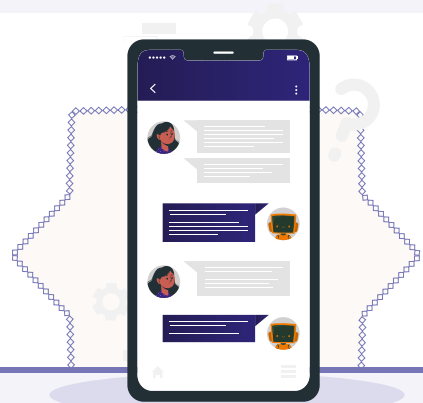
To facilitate talent management, we have a robust Performance Assessment and Review System (PARS) framework to evaluate the performance of our employees. This transparent and quantifiable system enables us to assess individual performance based on the previous financial year's achievements. Operating on a four-point scale, namely Flier, Runner, Learner, and Walker, the PARS framework provides a structured approach to measure employee contributions.



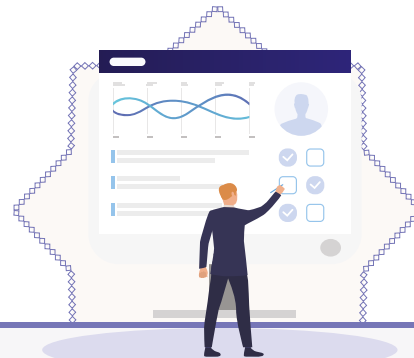
Annual performance appraisals to review individual progress, set goals, exchange constructive feedback, and align employee objectives with the Company's strategic direction.



Multilayered transparent employee connect programmes for sharing important updates, giving a sense of unity and shared purpose. Our Employee Grievance Redressal Policy serves as a fundamental tool, enabling employees to raise any grievances or concerns that may arise within the scope of their employment regarding acts, omissions, situations or decisions they perceive to be unfair, discriminatory or unjustified.



AMBER, our AI chatbot acts as a feedback and suggestions mechanism for our people, establishing a direct connection between the management and the employee for instant resolutions, providing 100% coverage.



Tailor-made reward programmes that encompass both monetary and non-monetary incentives, allowing us to acknowledge outstanding performance as well as motivate employees to achieve their full potential.

Training and DEVELOPMENT¹

We are deeply committed to fostering the growth and development of our employees. To achieve this, we have implemented a comprehensive array of training programmes that encompass various facets of our operations. These programmes are designed to enhance employee skills, transition assistance and competencies across a wide spectrum.

We provide extensive training on ESG, technology, leadership skills, customer engagement among others. Virtual and Classroom sessions are conducted to enhance employee productivity and upgrade employee skills. During the year under review, we arranged several training sessions for our employees and the management team so that they keep on learning new arenas of their work field and are vigilant about their efforts to ensure utmost efficiency. This ultimately reflects in their decision-making attitude where the outcome becomes more rational, data-driven and impactful.

16
Average hours
of training per
year per employee²

Another remarkable achievement is that
100%
of our employees across genders all employee categories receive regular performance and career development reviews.



¹(GRI 404)
²(GRI 404-1)

Diversity EQUAL OPPORTUNITY¹

Diversity, inclusion and equality are fundamental pillars of IIFL HFL. High levels of diversity and inclusion in the workplace are associated with greater productivity, creativity, innovation, and overall workforce well-being. At IIFL HFL, we understand the importance of maintaining greater level of diversity in the Company.

We recognise that our strength lies in the unique perspectives, backgrounds and talents of our workforce. We are committed to creating an inclusive workplace where every employee feels valued, heard and empowered to contribute their best. By fostering a culture that celebrates diversity, we aim to break down barriers and promote fairness in every aspect of our operations. Our commitment extends to providing equal opportunities, promoting underrepresented voices and championing diversity in leadership roles. Through these efforts, we not only create a more vibrant and innovative workplace but also ensure that our services resonate with the diverse communities we serve, making IIFL HFL, a trusted, inclusive partner in the financial services industry.



We have a policy to promote diversity in the Board, to harness the unique and individual skills and experiences of the members in a way that collectively benefits the Company and the business. The basic essence of the Policy is to provide a framework for leveraging the differences within the expertise of the Board, offering a broad range of perspectives that are directly relevant to the business. We also have a Diversity Policy in place that makes sure the Company captures the individual's uniqueness, creating an atmosphere that recognises and respects people for their talents, skills and abilities in order to improve the workplace's collective culture. The Policy applies to all our corporate and branch offices across India. We also encourage our vendors/suppliers/contractors and any related personnel to adopt our Diversity and Inclusion (D&I) policy.

We also conduct sensitisation trainings for all employees on D&I and provide special training for female employees at junior and mid-level management roles to help them prepare for future leadership through mentoring.

405-1 Diversity of Governance Bodies and Employees per Year per Employee (FY2023-24)

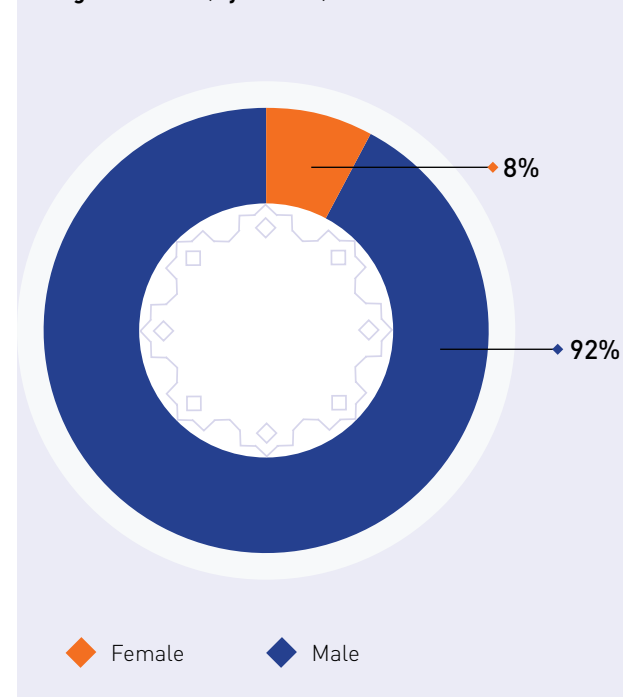
a. Percentage of Individuals Within the Organisation's Governance Bodies in Each of the Following Diversity Categories:

	Male	Female	Total
i. Gender;	8	1	9
	<30 years	30-50 years	>50 years
ii. Age group:	1	7	1
iii. Other Indicators of Diversity Where Relevant (Such as Minority or Vulnerable Groups).			

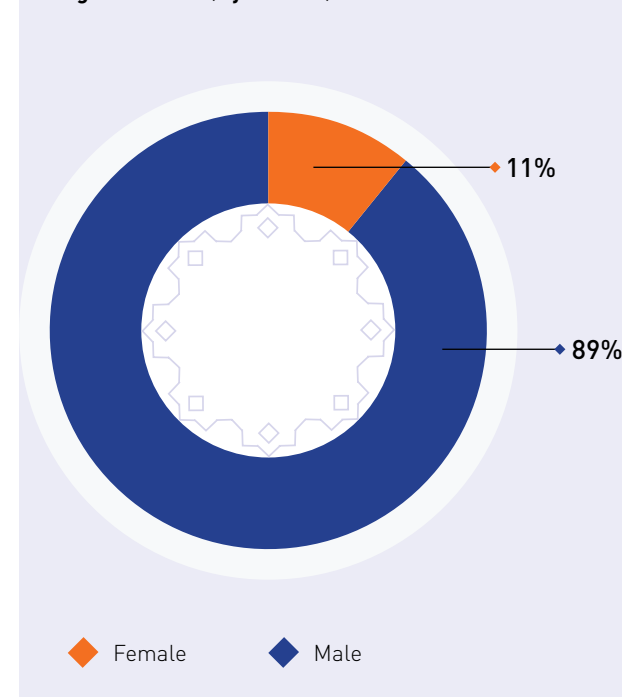
b. Percentage of Employees per Employee Category in Each of the Following Diversity Categories:

	Male	Female	Total
i. Gender;	5,203	449	5,652
	<30 years	30-50 years	>50 years
ii. Age Group:	2826	2795	31
iii. Other Indicators of Diversity Where Relevant (Such as Minority or Vulnerable Groups).			

Employee Distribution at IIFL HFL During FY2023-24 (By Gender)

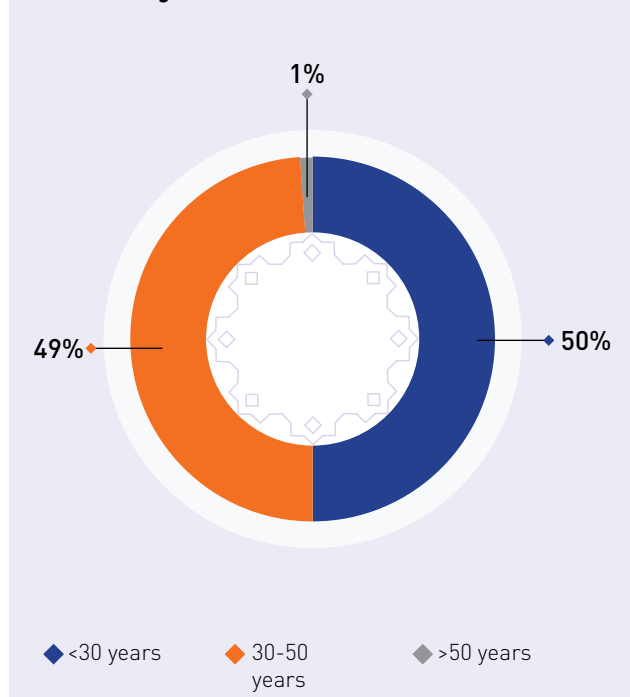


Board of Governance Diversity at IIFL HFL During FY2023-24 (By Gender)

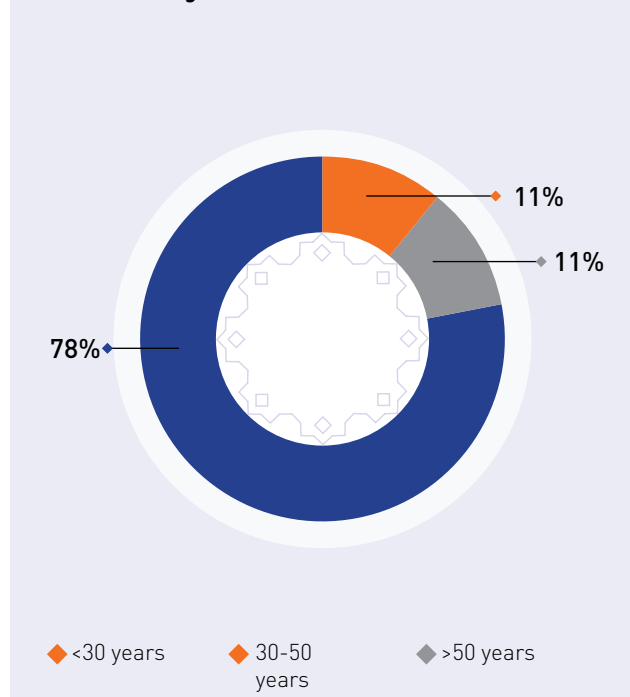


¹[GRI 405]

Employee Age Group Diversity at IIFL HFL During FY2023-24



Board of Governance Age Group Diversity at IIFL HFL During FY2023-24



The Senior Management at IIFL HFL is defined as employees who are Vice President and above. Middle Management in case of IIFL HFL consists of the employees who are Manager and above till Divisional Vice President. While Junior Management for IIFL HFL consists of the rest of the employees who are below Manager level.

The highest ratio of basic salary and remuneration of women to men, which is 1.123 is maintained at the Junior Management level. While at the Senior Management level, this same ratio is maintained at 0.873 for FY2023-24. These ratios which are almost close to 1 and even greater than 1 at 2 out of 3 management levels of IIFL, clearly highlights the strong commitment of IIFL HFL to prioritise, uphold and maintain the equal pay parity for both genders at all management levels in the organisation.

Ratio of Basic Salary Remuneration of Women to Men ¹	
Senior Management	0.873
Middle Management	1.134
Junior Management	1.123

To make sure that men and women performing comparable jobs, get equal pay, we make sure that an annual equal pay review is conducted for all markets, and they remain responsible for addressing actions locally and eliminating the conditions that may create systemic pay gaps.

Women Capacity Building Workshop

Enhancing leadership skills and helping our women employees to become a high-impact player in the Company. Our target audience included first-time managers. The key elements focused during the workshop were:



Individual Development

This involves raising awareness about the natural traits which make women excellent professionals.



Impact Beyond Barriers

This involves addressing and overcoming internal and external barriers in their professional growth journey, building a significant presence in the Company.



Team Focus

This involves creating a network for collaborative efforts, leading to organisational synergies, to become a high-impact player, and enabling increased contribution in the Company.



Future Ready

This means taking charge of personal financial and career growth, become a high-impact player, and create a positive impact in their professional and personal lives.

Unconscious Bias for Leaders

Unconscious biases are deeply ingrained thoughts or feelings that influence our judgement, encompassing attitudes and stereotypes that shape our perspectives, actions, and decision making, derived from our individual backgrounds and experiences.



To foster Diversity and Inclusion, we organised a workshop for senior executives and leaders, addressing unconscious biases and equipping them with necessary understanding and tools to mitigate their impact.

✿ Non discrimination¹

At IIFL HFL, we adhere to the principles of equality and non-discrimination. We ensure that all our employees, workers, suppliers and other stakeholders are treated equally, in a fair manner, with dignity and respect. We ensure that there is no discrimination in our practices and actions regarding any of our employees, workers, suppliers or other stakeholders. These factors could include race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth, age, nationality, marital status, disability, place of residence within a country and sexual orientation.

We have a diversity and inclusion policy, which covers aspects related to non-discrimination. The policy applies to all our corporate and branch offices across India. We encourage our vendors, suppliers, contractors and any related personnel to adopt our D&I policy and practices. D&I sensitization trainings are conducted for all employees.

During the reporting period, no incidents of discrimination have been reported on grounds of race, color, sex, religion, political opinion, nationality, social origin or other forms of discrimination involving internal or external stakeholders across operations.

✿ Responsible Lending and Debt Prevention³

Our practices for responsible lending and debt prevention, in addition to contributing to the Company's social capital, have a direct impact on our performance and profitability.

Through responsible lending practices, we are able to significantly reduce the risk of default on mortgage payments and protecting shareholder value.

✿ Health & Safety⁴

The YourDost Employee Assistance Programme is dedicated to supporting the physical and mental well-being of our employees. We have conducted several relevant workshops, including those on road safety. Blood donation camps were also held.

✿ Human Rights Assessment²

In addition to providing training and development programmes to our employees for upgrading their skills and productivity, we have also equally prioritised conducting employee training sessions on human rights policies and procedures. Around 23,083 hours were devoted for conducting training on human rights in FY2023-24 and around 81.8% employees were trained.



¹[GRI 406]; ²[Non GRI]; ³[Non GRI] ⁴[GRI 403]

GRI and SASB

CONTENT INDEX

Statement of use	IIFL Home Finance Limited has reported the information cited in this content index for the period between 1st April'23 to 30th March'24 with reference to the GRI Standards and SASB.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARDS	DISCLOSURE	LOCATION	SASB STANDARDS
GRI 2: General Disclosures 2021	2-1 Organizational details	6	
	2-2 Entities included in the organization's sustainability reporting	Inside cover	
	2-3 Reporting period, frequency and contact point	Inside cover	
	2-4 Restatements of information	None	
	2-5 External assurance	Inside cover	
	2-6 Activities, value chain and other business relationships	None	
	2-7 Employees	74	
	2-9 Governance structure and composition	28, 34	
	2-10 Nomination and selection of the highest governance body		
	2-11 Chair of the highest governance body	29	
	2-12 Role of the highest governance body in overseeing the management of impacts	29	
	2-13 Delegation of responsibility for managing impacts	30	
	2-14 Role of the highest governance body in sustainability reporting	30	
	2-15 Conflicts of interest	29	
	2-16 Communication of critical concerns	28	
	2-17 Collective knowledge of the highest governance body	29	
	2-18 Evaluation of the performance of the highest governance body	30	
	2-19 Remuneration policies	37	
	2-20 Process to determine remuneration	37	
	2-21 Annual total compensation ratio	30	
	2-22 Statement on sustainable development strategy	18	
	2-23 and Values, standards and codes of conduct	36	FN-CB510a.2
	2-24 Values, standards and codes of conduct	36	
	2-25 Processes to remediate negative impacts	39	
	2-26 Mechanisms for seeking advice and raising concerns	39	
	2-27 Compliance with laws and regulations	40	
	2-29 Approach to stakeholder engagement	22	

GRI STANDARDS	DISCLOSURE	LOCATION	SASB STANDARDS
GRI 3: Material Topics 2021	3-1 Process to determine material topics	22	
	3-2 List of material topics	26	
	3-3 Management of material topics	26, 42, 43, 44, 48, 49, 55, 56	
GRI 201:Economic Performance 2016	201-1 Direct economic value generated distributed	4	
	201-2 Financial implications and other risks opportunities due to climate change	4	
	201-3 Defined benefit plan obligations and other retirement plans	4	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	42	FN-CB510a.1
	205-2 Communication and training about anti-corruption policies and procedures	43	
	205-3 Confirmed incidents of corruption and actions taken	43	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	55	
	302-3 Energy intensity	55	
	302-4 Reduction of energy consumption	56	
GRI 303: Water and Effluents 2018	303-2 Management of water discharge related impacts	57	
	303-5 Water consumption	57	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	56	
	305-2 Energy indirect (Scope 2) GHG emissions	56	
	305-4 GHG emissions intensity	56	
	305-5 Reduction of GHG emissions	56	
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	58	
	306-5 Waste directed to disposal	58	
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	75	
	401-3 Parental leave	75	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	82	
	403-5 Worker training on occupational health and safety	82	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	77	
	404-2 Programs for upgrading employee skills and transition assistance programs	77	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	79	
	405-2 Ratio of basic salary and remuneration of women to men	80	



GRI STANDARDS	DISCLOSURE	LOCATION	SASB STANDARDS
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	82	
	413-1 Operations with local community engagement, impact assessments, and development programs	70	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	49	FN-CB230a.1
Non-GRI: Customer Management	Management of material topics	22	
Non-GRI: Digitization	Management of material topics	22	
Non-GRI SASB: Transparent and Fair Advice to Customers	Management of material topics	30	FN-CF-270
Non-GRI: Transperancy and Corporate Governance	Management of material topics	30	
Non-GRI SASB: Responsible Lending and Debt Prevention	Management of material topics	82	FN-MF-270
Non-GRI: Financial inclusion and literacy	Management of material topics	44	FN-CB-240

ABBREVIATIONS

1	ABAC	Anti Bribery & Anti-Corruption
2	ADB	Asian Development Bank
3	ADIA	Abu Dhabi Investment Authority
4	AGM	Annual General Meetings
5	AHP	Affordable Housing in Partnership
6	AI	Artificial Intelligence
7	ALCO	Asset Liability Management Committee
8	ALM	Asset Liability Management
9	AML	Anti-Money Laundering
10	AUM	Asset Under Management
11	BFSI	Banking, Financial Services and Insurance
12	BLC	Beneficiary Led Construction
13	CEO	Chief Executive Officer
14	CFX	Chartered Financial Expert
15	CLSS	Credit Linked Subsidy Scheme
16	CSR	Corporate Social Responsibility
17	D&I	Diversity and Inclusion
18	EAP	Employee Assistance Programme
19	EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
20	ECB	External Commercial Borrowings
21	EDGE	Excellence in Design for Greater Efficiencies
22	EPFO	Employee Provident Fund Organisation
23	ESG	Environmental Social Governance
24	EWS	Economically Weaker Section
25	FIT	Fairness, Integrity, and Transparency
26	FLN	Foundational Literacy and Numeracy
27	FPC	Fair Practice Code
28	GBC	Green Building Consultant
30	GHG	Green House Gas
31	Gj	Gigajoule
32	GPTW	Great Place to Work
33	GRI	Global Reporting Initiative
34	GRIHA	Green Rating for Integrated Habitat Assessment
35	GRP	Grievance Redressal Policy
36	GVP	Green Value Partnership
37	HDFC	Housing Development Finance Corporation
38	HFL	Housing Finance Limited
39	HR	Human Resource
40	HVAC	Heating, Ventilation, and Air Conditioning
41	ICICI	Industrial Credit and Investment Corporation of India
42	ICU	Intensive Care Unit
43	IGBC	Indian Green Building Council
44	IIM	Indian Institute of Management
45	IIT	Indian Institute of Technology
46	ISO	International Organisation for Standardisation

47	IT	Information Technology
48	KKR	Kohlberg Kravis Roberts & Co
49	KMP	Key Managerial Personnel
50	KYC	Know-Your-Customer
51	LED	Light Emitting Diode
52	LEED	Leadership in Energy and Environmental Design
53	LIC	Housing Finance Limited
54	LIG	Lower Income Group
55	LMS	Learning Management System
56	MBA	Master of Business Administration
57	MDM	Mobile Device Management
58	MITC	Most Important Terms and Conditions
59	MOU	Memorandum of Understanding
60	MSME	Ministry of Micro, Small and Medium Enterprises
61	MWh	Mega Watt per Hour
62	NBFC	Non-Banking Financial Company
63	NCC	National Cadet Corps
64	NHB	National Housing Bank
65	NRC	Nomination and Remuneration Committee
66	OPD	Out Patient Department
67	PARS	Performance Assessment and Review System
68	PAT	Profit After Tax
69	PF	Provident Fund
70	PGDM	Post Graduate Diploma in Management
71	PIM	Privileged Identity Management
72	PMAY	Pradhan Mantri Awas Yojana
73	PR	Public Relations
74	PRI	Principles for Responsible Investment
75	RBI	Reserve Bank of India
76	ROI	Return On Investment
77	SASB	Sustainability Accounting Standards Board
78	SBI	State Bank of India
79	SEBI	Securities and Exchange Board of India
80	SRC	Stakeholder Relationship Committee
81	SRI	Solar Reflective Index
82	TA	Technical Assistance
83	TFA	Trade Facilitation Agreement
84	UN	United Nations
86	VAPTY	Vulnerability Assessment & Penetration Testing
87	USB	Universal Serial Bus
88	VOC	Volatile Organic Compound
89	PN	Virtual Private Network
90	XLRI	Xavier School of Management



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