



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

2023 - 2024

Annexure-11

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT**Section A:****General Disclosures****I. Details of the listed entity**

1.	Corporate Identity Number (CIN) of the Listed Entity:	L65922RJ2011PLC034297
2.	Name of the Listed Entity:	Aavas Financiers Limited
3.	Year of incorporation:	2011
4.	Registered office address:	201-202, 2 nd Floor, Southend Square, Mansarovar Industrial Area, Jaipur - 302020, Rajasthan, India
5.	Corporate address:	Same as Above
6.	E-mail:	info@aavas.in
7.	Telephone:	0141-4659239
8.	Website:	www.aavas.in
9.	Financial Year for which reporting is being done:	FY 2023-24
10.	Name of the Stock Exchange(s) where shares are listed:	Equity shares are listed on the National Stock Exchange of India Limited (NSE) & BSE Limited.
11.	Paid-up Capital:	₹79,13,97,050/- as on 31 March 2024
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report:	Mr. Sharad Pathak, Company Secretary and Chief Compliance officer Email- investorrelations@aavas.in
13.	Reporting boundary:	Disclosures made in this report are on a standalone basis and pertain only to Aavas.
14.	Name of the Assurance provider:	Grant Thornton Bharat LLP
15.	Type of Assurance obtained:	Limited Assurance (attached as Annexure-A)

II. Products/services**16. Details of business activities (accounting for 90% of the turnover):**

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial Services	Other Financial Activities	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	The Company's business is providing home loans for the purchase, construction, renovation and repair of residential properties. In addition to home loans, the Company offers mortgage-backed MSME and home equity loans.	64910	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	N.A.*	375**	375**
International		-	-

*The Company is a Non-Banking Financial Company - Housing Finance Company (NBFC-HFC) and hence does not undertake any manufacturing activity.

**The Company has 367 branches and 8 offices then the total number of offices will be 375.

19. Markets served by the entity:

a. Number of locations

Location	Number of offices
National (No. of States)	13
International (No. of Countries)	-

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The Company does not have any operations outside the Indian boundaries. Hence, there is no contribution of exports in total turnover of the entity.

c. A brief on types of customers

The Company specializes in providing home financing solutions to communities that have traditionally been underserved, unserved or overlooked by major financial institutions. Its strategic focus is on catering to the housing needs of low and middle-income groups primarily in semi-urban and rural areas. By doing so, the Company effectively bridges a critical gap in the housing finance landscape and reaches out to a niche market segment that is often neglected by larger financial institutions.

The average ticket size is ₹9.3 Lakh and the average tenure of the loan is 16.5 years.

Category	% of AUM in FY 2023-24
Salaried Customers	40.16 %
Self-employed Customers	59.84 %

Category	Income Per Annum	% of AUM in FY 2023-24
Economical Weaker Section	Up to 3 Lakh	18.59%
Low Income Group	More than 3 Lakh to 6 Lakh	35.55 %
Middle Income Group	More than 6 Lakh to 18 Lakh	34.35 %
High Income Group	More than 18 Lakh	11.51%

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and Workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	6,075	5,788	95.27%	287	4.73%
2.	Other than Permanent (E)	2,470	2,340	94.73%	130	5.27%
3.	Total Employees (D+E)	8,545	8,128	95.11%	417	4.89%
WORKERS						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
6.	Total Workers (F+G)	NA	NA	NA	NA	NA

b. Differently abled Employees and Workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	2	2	100%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total Differently Abled Employees (D+E)	2	2	100%	0	0%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
6.	Total Differently Abled Workers (F+G)	NA	NA	NA	NA	NA

21. Participation/Inclusion/Representation of Women:

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	2	22.22%
Key Management Personnel	4	0	0%

22. Turnover rate for permanent Employees and Workers:

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	52.62%	34.55%	51.80%	47.58%	28.30%	46.86%	45.82%	29.86%	45.34%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

V. Holding, Subsidiary and Associate Companies (including joint ventures)**23. Names of holding / subsidiary / associate companies / joint ventures:**

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Aavas Finserv Limited (under voluntary liquidation w.e.f. Nov 03, 2023)	Subsidiary	Nil	No

VI. CSR Details**24 (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes**(ii) **Turnover (in ₹):** 2,020.30 Crore(iii) **Net worth (in ₹):** 3,773.32 Crore

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy).*	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remark	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remark
Communities	Yes	Nil	Nil	-	Nil	Nil	-
Investors (other than shareholders)	Yes	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes	Nil	Nil	-	2	Nil	-
Employees	Yes	Nil	Nil	-	Nil	Nil	-
Customers	Yes	380	Nil	-	225	Nil	-
Value Chain Partners	Yes	Nil	Nil	-	Nil	Nil	-

*The policies on the Company's Conduct with its stakeholders, including the grievance mechanisms are placed on the Company's website. The link to grievance redressal mechanisms for investors <https://www.aavas.in/details-of-debenture-trustee-rta-and-grievance>, for customers <https://www.aavas.in/resource/grievance-redressal-policy>. The Company has constituted a Stakeholder Relationship Committee for redressal of grievances of its security holders. In addition, there are internal policies placed on the intranet of the Company for redressal of grievances of employees.

26. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk, along with its financial implications, as per the following format:

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive & negative implications)
1.	Affordable Housing-Lending to Lower and middle income customers with undocumented income.	Opportunity as well as Risk	Opportunity: Affordable Housing is need of the hour. The government has acted as a facilitator to make the segment an alluring venture for private developers and introduced several incentives and schemes over the years. Risk: The Company primarily focuses on serving Lower and Middle level customer from underserved and unserved areas, that largely consist of individuals with un-documented income.	The Company possesses strong customer assessment standards which helps to moderate risks. Measures for risk mitigation include verification of credit history from credit risk information bureaus, probability of default assessment etc. The Company has maintained a lower delinquency percentage, compared to the industrial average, particularly in the affordable segment. Using conservative loan to value parameters and strong customer assessment standards, further aids the Company in mitigating credit risk.	Positive: India's urban population is estimated to double between 2018 and 2050. This trend is driven by factors such as rising per capita income and nuclearization of families, which gives immense scope to Company under Affordable Housing. Negative: However, undocumented history of receiving income makes it difficult to determine ability of customers to receive stable income, in future.
2.	Financial and Digital Inclusion	Opportunity	The Company regards financial and digital inclusion as a significant opportunity to expand its reach, enhance customer engagement and make its services accessible to the underserved populations, thereby fostering social equity.	The Company continues to expand its reach, penetrating deeper and deeper into semi-urban and rural peripheries of India. The Company has now embarked on 'Pragati' and implemented Salesforce and Oracle in its system. The Company also launched the 'Go Green Initiative' which represents a significant stride towards leveraging cutting-edge technology to minimize paper usage within the loan processing workflow.	Positive: Focusing on financial and digital inclusion not only democratizes finance, allowing broader segments of the population to participate in the economy, but it also promotes personalized and efficient service delivery, enhancing customer satisfaction.

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive & negative implications)
3.	Diversity, Equity and Inclusion (DEI)	Opportunity	The Company is uniquely positioned to lead in DEI because investment in a diverse and inclusive work culture mirrors the diverse clientele served, positioning the Company for broader affordable market relevance and sustained growth.	The Company has developed inclusive hiring practices to attract talent from diverse genders, cultural backgrounds, qualifications, and age groups. The Company also offers targeted mentorship programs, ensures equal pay for equal work and implements equitable promotion policies to retain its diverse talent pool.	Positive: A DEI-focused workplace promotes a sense of belongingness and respect, leading to higher employee morale and satisfaction. Diverse teams also bring in a variety of perspectives and ideas, fostering creative solutions to complex financing challenges.
4.	Climate Change	Risk	For any organization engaged in providing affordable housing finance, climate change presents multifaceted risks. The Company recognizes the environmental risks associated with its lending activities as well as its abilities to capitalize on opportunities in mitigating climate change by financing projects and home loans that are inclined towards sustainability.		
(a)	Physical Risks	Risk	Occurrence of extreme weather events like rising sea levels, floods, cyclones, tsunami etc.	The Company has a well-diversified portfolio across different geographies and segments, digitization of loan process and implementation of Business Continuity Management Policy (BCMP).	Negative: Potential for erosion of capital damage to infrastructure and assets leading to financial losses for the Company as well as its clients.

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive & negative implications)
(b)	Transition Risk	Risk	Shifting regulatory landscapes and policies aimed at combating climate change, which may include restrictions on business/ financing activities that directly or indirectly cause an adverse impact on the environment.	The Company is making reasonable efforts to reduce and eliminate its direct and indirect adverse impacts on the environment by moderating resource consumption, encouraging sustainable and digitized operations with 'Go Green Initiative', promoting Green Offices/Branches and also, developing ecosystem for financing Green Affordable Housing.	Negative: Potential risk of asset devaluation for properties that are not built as per sustainable standards. Increased operational costs associated with adapting investment strategies to meet new market demands and regulatory requirements. Potential for increased compliance costs as environmental regulations become stricter.
5.	Green Self-Built Housing	Opportunity	The Company is providing loans for construction of environment-friendly homes and supporting its customers in building homes that are sustainable as well as affordable.	The Company is working towards Green Home Ecosystem Development by reaching out to employees, customers, masons, contractors etc. and making them aware about the benefits of green homes through direct calling, SMS, Whatsapp messages, workshops, trainings, social media, brochures, and educative short films.	Positive: Loans for self-built housing have added a sustainability dimension to our value chain, making us pioneers in introducing concept of sustainable construction of self-built homes in Indian Housing Finance space
6.	Community Wellbeing and Social Impact	Opportunity	Engaging in social welfare activities not only enhances a company's corporate goodwill and social reputation, but also enables the company to connect with the sentiments and aspirations of the community. This connection, in turn, contributes to the company's long-term sustainable growth.	The company acknowledges the significance of social responsibility and its role in positively impacting people's lives. To execute its Corporate Social Responsibility(CSR) initiatives, the company collaborates with Aavas Foundation and other implementing partners. For more information, please refer to Annexure 9 of the Director's Report.	Positive: Engaging in social activities fosters a positive reputation and cultivates public trust.

Section B:

Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Yes, the Board approves all corporate governance policies of the Company.								
c. Web Link of the Policies, if available	The Policies covering these principles are available on the Company’s website under “codes and policies” section. Link- https://www.aavas.in/codes-and-policies								
2. Whether the entity has translated the policy into procedure? (Yes/No)	Yes, the Company has translated the policies as applicable and imbibed the same into procedures and practices in all spheres of activities that the Company undertakes.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, the Company expects its value chain partners to adhere to the same standards of ethics and values as are observed by the Company. The following policies have broad scope and cover its value chain partners:- 1. Code of Conduct 2. Corporate Social Responsibility Policy 3. Environment & Social Policy 4. Environment Social & Governance Policy 5. Equal Opportunity Policy 6. Grievance Redressal Policy 7. Human Rights Policy 8. IT Outsourcing Policy 9. Outsourcing Policy 10. Vigil Mechanism 11. Vishakha Policy								
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Not Applicable.								

5. Specific commitments, goals and targets set by the entity with defined timelines, if any:

	Target	Timeline
Environment	Carbon Neutrality (Scope 1 & 2 Emissions)	70% by FY 2032-33 and 100% by FY 2049-50
	Scope 3 Emissions (Plastic & Paper Waste)	50% by FY 2027-28
	Carbon Offset	By FY 2029-30
	- Planting 70,000 Trees - Solar Plant 3,500 KWP - Green Housing Offset	
Social	Increase Women Workforce up to 8%	By FY 2027-28
	Increase women workforce in H.O. & related office up to 25%	By FY 2027-28
	Maintain Fresh Hire up to 20%	Every Year
	Increase the Specially Abled Employees up to 10	By FY 2027-28
	CSR:- - Engage 5,50,000 + people in Education & Holistic Development. - Increase 4,50,000+ beneficiary through women employability under Gram Siddhi Program.	By FY 2029-30
Governance	BRSR Core Assurance	From FY 2023-24
	Target to get low ESG risk ratings/score.	-
	Climate Impact reporting and became a member of CDP and attain a rating of A.	By FY 2027-28
	Sustainability Report to be aligned with international reporting frameworks.	-

6. Performance of the entity against specific commitments, goals, targets along-with reasons in case the same are not met:

Environment:
- The Company has reduced its total emissions (Scope 1 & 2) by 4.33% as compared to previous year, as first step towards achieving carbon neutrality. - The Company is phasing out the usage of Single use plastic and striving towards reducing use of plastic in its office, branches and promotional activities. - The Company under its “Go Green Initiative” digitized its operations to minimize paperwork and facilitate online applications for home loans through its web portal and mobile application. - The Company has planted more than 1,850 trees and installed 295 KWP Solar plant which result in carbon saving. - The Company has financed 150 Self-Built Green Homes and has saved more than 186 Mt Co2, 8,891 m³ water and 276 MWhe energy per year.

Social:
▪ The Company has 4.89% women employees in the current financial year and has more than 21% women employees in its Corporate Office and related offices. ▪ To advance gender equality, the Company has introduced several initiatives, including the Prerna Rise- Women Managers Empowerment Program, Prerna Webinars and Chapters, Women Wellness Leave, Workplace Hygiene and organized Women Excellence award. ▪ Under Employee health and Well-being, the Company provides flexible working hours, Group insurance, Accidental and Health insurance as well Maternity and Paternity leaves. ▪ Through its CSR program, the company established 320 Gram Siddhi centers in Rajasthan, Gujarat, and Madhya Pradesh and 52,800 people were benefitted.
Governance:
▪ The Company has reconstituted its CSR Committee as the CSR & ESG Committee to highlight its increased focus on Environmental, Social, and Governance (ESG) matters. ▪ The Company has implemented an ESG Policy to guide its actions and decision-making. ▪ The Company has obtained independent assurance of its Green House Gas (GHG) Statement and also received an Independent Auditor's Certificate for its disclosures under the GRI Reporting Standards. ▪ The Company has voluntarily complied with BRSR Core-Assurance which is annexed with its BRSR Report.

Governance, leadership and oversight

7. Statement by Director responsible for business responsibility report, highlighting ESG related challenges, targets and achievements.

We are proud to share the remarkable progress we have made in embracing green and sustainable solutions not only within our work life but also beyond. We firmly believe that charity begins at home, which is why we began by obtaining green building certification for our own Corporate Office.

In the Indian Housing Finance space, we are breaking new ground by addressing the financing gap in supporting the construction of green self-built homes by beneficiaries, particularly in the affordable segment. We enable lower and middle-income households to construct energy-efficient, independent Green Homes, aiming for a substantial 20% reduction in materials, energy consumption, and water usage. This initiative not only lowers the cost of home ownership but also elevates our commitment to environmental responsibility. This pioneering initiative is unparalleled globally and serves as a shining example of scalable, inclusive, and cost-friendly climate action.

Our commitment to fostering a welcoming environment extends to our new hires. We actively engage them in our workforce and have implemented various initiatives to advance gender equality. These include the Women Managers Empowerment Program, Prerna Webinars and Chapters and the Women Excellence award. Through these efforts, we aim to empower women in leadership positions and create a more inclusive and equitable work environment.

Our approach to sustainability encompasses a wide range of areas, from climate response and efficient resource utilization to promoting diversity and inclusion. Additionally, we prioritize digitization and the implementation of robust data security systems. Our holistic and result-oriented approach ensures that sustainability is deeply ingrained in our DNA.

We are confident that our unwavering commitment to sustainability will continue to drive positive change within our Company and beyond. Together, we are making a meaningful impact on the world around us.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Sachinderpalsingh Jitendrasingh Bhinder Managing Director and Chief Executive Officer (MD and CEO) DIN:- 08697657
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10. Details of Review of NGRBCs by the Company:

11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
		The processes and compliances are subject to scrutiny by Internal Auditor, Statutory Auditor, Secreterial Auditor, Regulators and Credit Rating Agencies as applicable. From a best practices perspective, as well as from a risk perspective, policies are periodically evaluated and updated by the Senior Management and the Board.								
		An independent assessment of the ESG Reporting of the Company has been provided by Churchgate Partners. Link - https://www.aavas.in/esg-reporting .								
		The Company has obtained independent assurance of its Green House Gas (GHG) Statement and also received an Independent Auditor's Certificate for its disclosures under the GRI Reporting Standards from Grant Thornton Bharat LLP.								

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	Yes	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next Financial Year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

Section C:**Principle Wise Performance Disclosure****Principle****1**

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators**1. Percentage coverage by training and awareness programs on any of the principles during the Financial Year:**

The Company develops customized learning paths for employees in different roles and career stages. The Company collaborates with reputed universities, colleges and professional training organisations to support career development for its employees. It also leverages technology to provide e-learning platforms in the form of webinars, virtual classrooms and self-paced online courses.

UDAAN: Taking Flight Towards Leadership Excellence- For the second consecutive year, the Company partnered with the prestigious business school at IIM Ahmedabad to implement a six month leadership development program for 33 mid-to-senior level employees, in furtherance of its commitment towards the development of future leaders. This learning opportunity was part of the Company’s commitment to invest in the growth and development of its future leaders.

‘RISE’- Women Managers Empowerment- The Company facilitated a three-day empowerment training program for a group of 75+ female employees. The training sessions were thoughtfully designed with a futuristic approach, ensuring high levels of engagement, interactivity, and enlightenment. The program aimed to provide valuable insights and empower the women employees, offering them an eye-opening experience that would contribute to their personal and professional growth.

‘Prerna Wellness Series’: The Company introduced Prerna series to enhance the health and overall wellbeing of its valued women employees. This initiative includes various strategies such as mentoring, training, coaching interventions and buddy programs. Aavas also prioritizes the health and psychological well-being of its all female employees, offering women-friendly policies and creating a safe working environment.

‘Green Home Training’: The Company organised intensive capacity building and training programs round the year to promote green home awareness among its front-line teams across all branches covering 8,400+ employees through group workshops, virtual webinars and self-paced training courses.

Segment	Total number of trainings and awareness programs held	Topics /principles covered under the training	% of persons in respective category covered by the awareness programs
BOD	45 Hours	Familiarization Program on Cyber Security Awareness Training , Technology Update and Programme on Regulatory Updates by SEBI/MCA/NHB/RBI	100%
KMP	25 Hours	Cyber Security Awareness Training , Technology Update and Programme on Regulatory Updates by SEBI/MCA/NHB/ RBI, Insider Trading, POSH Training etc.	100%
Employees other than BOD and KMPs	1,18,404 Hours	Monday Morning Learning Hour, IIM, Prarambh Induction, Cyber Security Training, Green Homes Training, Credit & Collections Training, Refresher Training, BM-BH Program, POSH Training etc.	100%

2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the Financial Year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine*	Principle 1	BSE Limited	10,000 (excluding GST)	On November 30, 2023, BSE Limited issued a notice on Company with reference to SEBI circular no. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022, in terms of Regulation 60(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for delay in submission of the notice of Record Date. The Company paid the fine within the prescribed time limit.	No
Settlement	-	Nil			
Compounding Fee	-				

Non-monetary				
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-		Nil	
Punishment	-			

*This is not being classified as material under Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company has implemented an Anti-bribery and Corruption Policy, which demonstrates its commitment to maintain a zero-tolerance approach towards bribery and corruption. This policy aligns with the prevailing regulations and laws on anti-bribery and anti-corruption in India. Its scope covers all individuals within the Company, including directors, senior management, employees, and anyone else who is directly associated with the Company. The objective of this policy is to establish a robust and transparent operational framework that promotes accountability in all aspects of the Company's operations. The Company also communicates and creates awareness among its employees through its internal communication practice. The policy is available on the website of the Company at <https://www.aavas.in/codes-and-policies>.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	NA	NA

6. Details of complaints with regard to conflict of interest:

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

NA

8. Number of days of accounts payables ((Accounts payable * 365) / Cost of goods/services procured) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payable	10.78	4.13

9. Open-ness of business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	Nil	Nil
	b. Number of dealers/distributors to whom sales are made	Nil	Nil
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	Nil	Nil
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	0.005%	Nil
	b. Sales (Sales to related parties/ Total Sales)	Nil	Nil
	c. Loans & Advances (Loans & Advances given to related parties/ Total Loans & Advances)	0.002%	0.002%
	d. Investments (Investments in related parties/ Total Investments made)	Nil	Nil

Leadership Indicators

1. Awareness programs conducted for value chain partners on any of the Principles during the Financial Year:

During the year, the Company organized various programs and has taken various initiatives for its value chain partners as well as to improve awareness of green homes built up across diverse locations and branches across India. These include:

Total Number of Awareness Programs Held	Topics/Principles covered under the training	% age of value chain partners covered (by the value of business done with such partners) under the awareness programmes.
One	Women Managers Empowerment Program	The Company facilitated a three-day empowerment training program for a group of 75+ female employees. The training sessions were thoughtfully designed with a futuristic approach, ensuring high levels of engagement, interactivity, and enlightenment. The program aimed to provide valuable insights and empower the women employees, offering them an eye-opening experience that would contribute to their personal and professional growth.

Total Number of Awareness Programs Held	Topics/Principles covered under the training	% age of value chain partners covered (by the value of business done with such partners) under the awareness programmes.
Two	Prerna Wellness Series	The Company introduced Prerna series to enhance the health and overall well-being of its valued women employees. This initiative includes various strategies such as mentoring, training, coaching interventions and buddy programs. Aavas also prioritizes the health and psychological well-being of its female employees, offering women-friendly policies and creating a safe working environment.
Three	Green Samvaad in Raipur, Bangalore and Bhopal	To foster green home awareness among the supplier community and support the ecosystem for green self-built homes, the Company organized 'Green Samvaad' in Raipur, Bangalore and Bhopal engaging more than 190 members from the supplier community including builders, masons, contractors, architects, developers etc.
Regular and round the year	Green Home Training for Employees	The Company organized training sessions round the year on Green Homes, engaging 4,900 employees covering Relationship Officers (RO's), Disbursement Officers (DO's), Branch Heads, and other frontline employees across all branches by organizing two webinars on Green Home. The Company also engaged 3,600+ employees in self-paced virtual training course on green housing. The Company has also developed an in-house team of EDGE experts through intensive engagement with the International Finance Corporation (IFC) to foster green home ecosystem development.
Two	Transforming Mindsets with Green Home Documentaries	To bring an ecosystem-level shift towards green housing, the Company developed and disseminated two compelling documentaries capturing real-life experiences of households (Bhilwara, Rajasthan and Botad, Gujarat) who have embraced green and sustainable housing. These documentaries serve as a testament to the success of green homes, inspiring wider adoption by illustrating the enduring benefits and dispelling common misconceptions.
Regular and across the customer base	In-house Green Home Advisory and Assistance Services	Regular outreach to customers through messages, emails and calling to customers on green home along with in-person technical guidance.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, the Company has a Code of Conduct for the Board of Directors and the Senior Management Personnel which specifies that the members of the Board and Senior Management shall not engage in any transaction or activity that may conflict with the interests of the Company. The link to the Code of Conduct can be accessed on the website- <https://www.aavas.in/img/pdf/code-of-conduct-for-the-board-of-directors-and-the-senior-management-personnel.pdf>.

The Company also has a policy on the Materiality of Related Party Transactions and on Dealing with Related Party Transaction which addresses the issue of conflict of interest. Link to the Policy on Materiality of Related party transactions and on dealing with Related party transactions can be accessed on the website- <https://www.aavas.in/img/pdf/Policy-on-Materiality-of-related-party-transactions-and-on-dealing-with-related-party-transactions.pdf>.

Principle

2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	Details of improvements in environmental and social impacts
R &D	-	-	Green Housing Program: The Company has set pioneering in India's affordable housing finance space by supporting international certification of 150 green self-built homes, being the first ever EDGE certified self-built units globally by UK-based certifier, Sintali. As per projections by the International Finance Corporation (IFC), a member of the World Bank Group, these homes are designed to collectively save - • 8,891 m³ of water per year • 276 MWh of energy per year • 186 tons CO₂ of GHG emissions per year • ₹23,06,435/- cost per year The Company is actively nurturing an entire ecosystem for green affordable housing in India's housing finance space by engaging all key stakeholders from the green housing value chain including customers, employees, suppliers, government bodies, partners etc. through seminars, workshops, webinars, conferences, emailers, documentaries and other awareness and outreach initiatives on the concept, features and benefits of green homes.
Capex	2.81%	1.91%	In the Financial Year 2023-24, 2.81% of the total revenue of the Company was allocated towards IT hardware and software. This investment in IT facilitated enhanced digital initiatives, leading to increased efficiencies and a reduction in paper usage across the Company's operations.

2. a. Does the entity have procedures in place for sustainable sourcing? b. If yes, what percentage of inputs were sourced sustainably?

Yes, as the nature of business of the Company is providing housing finance, the consumption of resources is limited but the Company proactively ensures sustainable operations and moderated use of resources. Under its ESG Policy, the Company has committed to strive towards procuring inputs that are environment-friendly and locally sourced from small vendors, especially women-led MSMEs.

The Company has equipped all its branches with energy saving IT equipment, power saving lamps, high-end copier machines and digitized operations with minimal paperwork. The Company's web portal as well as mobile application facilitates online application of home loans to save time, energy, and resources in disbursal process. The Company also aspires to take initiatives for:

- Phasing out the use of single-use plastic and striving towards reducing plastic use in its office, branches and promotional activities, as far as practicable.
- Striving towards making offices and branches eco-friendly.
- Reducing paperwork with digitized App-based operations and automation.
- Promoting sustainable lifestyles by trainings and awareness programs amongst its employees.
- Promoting sustainability among value chain partners.
- Supporting transition to renewable/clean energy.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

As the nature of business of the Company is providing housing finance, there is no hazardous waste generated by the Company. In the Current Financial Year, approximately 4.825 metric tons of waste was generated at the Corporate Office, out of which 0.24 metric tons of plastic waste was put to reuse.

The Company has launched the 'Go Green Initiative' to reduce paper consumption, thereby reducing paper waste. The Company monitors and regulates the printing and photocopy operations. The Company also strives to adopt measures to segregate waste and ensure recycling/reuse of waste, wherever practicable.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

NA

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of the product/service	% of total turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent External Agency (Yes/no)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
64910	Housing Finance Activities	100%	FY 2023-24	No	The Company primarily offers housing loans, for which the loan cycle is a sequential process ranging from sourcing of the loan to approval, disbursement, servicing, and repayment of the loan. The said cycle is designed to create customer delight with focus on ease and speed. The loan process flow is available on the website of the Company at https://www.aavas.in/product .

- NA

- NA

- NA

- NA

3

Essential Indicators

- | Category | % of employees covered by | | | | | | | | | | |
|--------------------------------|---------------------------|------------------|--------------|--------------------|--------------|--------------------|-------------|--------------------|-------------|---------------------|------------|
| | Total
(A) | Health Insurance | | Accident Insurance | | Maternity benefits | | Paternity Benefits | | Day Care Facilities | |
| | | NO.
(B) | %
(B/A) | NO.
(C) | %
(C/A) | NO.
(D) | %
(D/A) | NO.
(E) | %
(E/A) | NO.
(F) | %
(F/A) |
| Permanent Employees | | | | | | | | | | | |
| Male | 5,788 | 5,788 | 100% | 5,788 | 100 % | NA | NA | 5,788 | 100% | Nil | Nil |
| Female | 287 | 287 | 100 % | 287 | 100 % | 287 | 100% | NA | NA | Nil | Nil |
| Total | 6,075 | 6,075 | 100 % | 6,075 | 100 % | 287 | 100% | 5,788 | 100% | Nil | Nil |
| Other than Permanent Employees | | | | | | | | | | | |
| Male | 2,340 | 2,340 | 100% | 2,340 | 100 % | NA | NA | 2,340 | 100% | Nil | Nil |
| Female | 130 | 130 | 100% | 130 | 100 % | 130 | 100% | NA | NA | Nil | Nil |
| Total | 2,470 | 2,470 | 100 % | 2,470 | 100 % | 130 | 100% | 2,340 | 100% | Nil | Nil |

- [illegible]

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the Company	1.37%	-

2. Details of retirement benefits for Current Financial Year and Previous Financial Year.

Benefits	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF*	100.00%	NA	Y	95.40%	NA	Y
Gratuity	100.00%	NA	Y	100.00%	NA	Y
ESI**	47.00%	NA	Y	36.00%	NA	Y
Others	NA	NA	NA	NA	NA	NA

*All employees except apprentice trainees are covered for PF benefits.

**All employees are eligible for coverage under ESIC whose gross salary is less than or equal to ₹21,000/- per month.

3. Accessibility of Workplaces

Are the premises / offices of the entity accessible to differently abled employees, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, as per its Equal Opportunity Policy, the Corporate Office of the Company is equipped with easily accessible facilities and infrastructure to enable differently abled employees to effectively discharge their duties. The Company also endeavors to make all events and meetings inclusive and ensures that specially-abled employees are put in roles where they can work without any barriers and utilize their skills at the optimum level.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company is committed to a diverse and inclusive work environment free from all forms of discrimination based on age, gender, caste, race, religion, or disability. This practice is duly enshrined in the Company's Equal Opportunity Policy, which can be accessed on the website at <https://www.aavas.in/codes-and-policies>.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees	
	Return to Work Rate	Retention Rate
Male	100%	100%
Female	100%	100%
Total	100%	100%

6. Is there a mechanism available to receive and redress grievances for employees? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give the details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	
Permanent Employees	Yes*
Other than Permanent Employees	

*The Company believes in open and receptive channels of communication within its workflow and encourages employees to freely share their concerns with their departmental heads, HR or members of the senior management. To address the instances of unresolved employee grievances, the Company has put in place a mechanism under its Employee Grievance Redressal Policy which allows all employees an adequate opportunity to have their grievances resolved effectively and at the earliest possible stage. The said policy is available on the intranet portal of the Company where it is accessible to all employees.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

The Company does not have any employee associations, however, it recognizes the right to freedom of association and does not discourage collective bargaining.

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category who are part of association or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category who are part of association or Union (D)	% (D/C)
Total Permanent Employees	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total Permanent Workers	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA

8. Details of training given to employees and workers:

Benefits	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	On health and safety measures		On Skill Upgradation		Total (D)	On health and safety measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	8,128	8,128	100%	8,128	100%	6,767	6,767	100%	6,767	100%
Female	417	417	100%	417	100%	298	298	100%	298	100%
Total	8,545	8,545	100%	8,545	100%	7,065	7,065	100%	7,065	100%
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note: Some of the training programs offered under health and safety/wellness and skill upgradation are mandatory. Hence, all employees have been considered under such training programs.

9. Details of performance and career development reviews of employees and workers:

Policies for career growth and progress are in place for all employees. All employees undergo an annual performance appraisal process based on their defined KRAs and ratings are given on a 5-point scale, based on which their annual increments and bonus are determined.

Benefits	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No.(B)	%(B/A)	Total (C)	No. (D)	%(D/C)
Employees						
Male	8,128	8,128	100%	6,767	6,767	100%
Female	417	417	100%	298	298	100%
Total	8,545	8,545	100%	7,065	7,065	100%
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

The Company is in the business of providing housing finance services. Hence, there are no occupational health and safety risks due to the nature of the work. However, as a responsible corporate, the Company is committed to ensuring a safe and healthy working environment for all its employees under its Human Rights Policy.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Given the nature of business, this is not directly applicable, however, under its Human Rights Policy, the Company ensures that all parameters of health and safety are complied with at all its workspaces and takes sufficient measures to avoid any workplace hazards.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/No)

Given the nature of business, this is not directly applicable and as such, there are no workers employed by the Company.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all employees of the Company are covered under the Company's Accidental Policy and, majority of the employees are covered under its Health Insurance Policy.

11. Details of safety related incidents, in the following format:

Safety Incident/Numbers	Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Permanent Employees	Nil	Nil
	Workers	NA	NA
Total recordable work-related injuries	Permanent Employees	Nil	Nil
	Workers	NA	NA
No. of fatalities	Permanent Employees	Nil	Nil
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Permanent Employees	Nil	Nil
	Workers	NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Providing safe working environment to our staff and customers is a matter of great importance for the company. Fire extinguishers are placed in every branch and office, which are checked and refilled periodically. The company has security guards and officers for 100% of its branches and offices.

To ensure a healthy workplace, all the branches and offices have provisions of Medical Kit and a renowned doctor is available in-house for consultation at Corporate Office for employees and their family members for free health check-ups on a weekly basis.

The Company has also taken a step forward towards health and wellbeing of women within its workforce by implementing a Women's Wellness Policy to provide an additional monthly paid leave to those women who experience discomfort or health issues due to menstruation.

The Company also launched 'Prerna Wellness Series' dedicated to enhance overall health and well-being of its women employees under which educative sessions were organized on topics such as 'Fostering Gender Diversity', 'Body Clock', 'Breathing & Sleep Optimization', 'Healthy Food Habits', 'Financial Planning' and 'How Overthinking Can Be Productive'.

13. Number of Complaints on the following made by employees:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No corrective action plan has been necessitated on the above-mentioned parameters.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of Employees?

Yes, the Company provides adequate safeguard to families of deceased employees through its health/accidental/term insurance Policy. Benefits like Provident fund, Gratuity and ESIC, as applicable, are settled on a priority basis. Additionally, employee stock options granted immediately vest with the nominee upon death of an employee and the Company assists the family in exercising such options.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that statutory dues as applicable to transactions within the remit of the Company are deducted and deposited in accordance with prevailing regulations. The Company expects its value chain partners to uphold the same business responsibility principles and values of transparency and accountability as are observed by the Company.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

	Total no. of affected employees / workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	Nil	Nil	Nil	Nil
Workers	NA	NA	NA	NA

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners)
Health and safety practices	The Company expects all its value chain partners to follow existing regulations with regard to health, safety and working conditions. Our Environment & Social Policy has a prohibited activities list which lays down certain activities that do not qualify for financing which include child labor, forced labor etc.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No corrective action plan has been necessitated on the above-mentioned parameters.

Principle

4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Any individual or group of individuals with high influence that contributes to the organizational chain of the Company is identified as a key stakeholder. This inter alia includes customers, employees, shareholders, investors, partners, regulators, government, suppliers and community at large.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as vulnerable or marginalized group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/Half yearly/ Quarterly/ others- please specify)	Purpose and scope of engagement, key topics and concerns raised during such engagement
Customers	Some customers may be identified as vulnerable or marginalized group, if they qualify specific criteria with regard to their income, gender etc.	Physical- Branches, notice boards, pamphlets, personal visits, letters Digital/Electronic- Mobile app, website, email, SMS, WhatsApp, direct calling, customer care, ChatBot feature on website, surveys and feedback.	Need basis	Maintain contact with the customer during the loan period, address the customer's potential problems to ensure quality service.
Employees	No	Direct interactions and other communication mechanisms such as email, SMS, HRMS portal & App., physical and virtual meetings, awards & recognition programs, appraisal process, employee engagement initiatives, online surveys, trainings etc.	Regular and need basis	Develop a culture that promotes meritocracy, provides adequate growth opportunity and ensures a diverse, equitable and inclusive workplace.
Shareholders/ Investors	No	Annual General Meeting, Annual Report, Quarterly Reports, Website, Quarterly Earning Calls, Regular investor meetings/conference calls, Stock Exchange Disclosures, Social/Print Media	Frequently and as per regulatory requirements	Update on Company's performance and milestones, adherence to regulatory compliances, in true spirit of transparency & governance.
Partners	No	Regular meetings, emails, SMS, phone calls, and Mobile App.	Ongoing and need basis	Ensure effective communication for quality and efficient service.

Stakeholder Group	Whether identified as vulnerable or marginalized group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/Half yearly/ Quarterly/ others- please specify)	Purpose and scope of engagement, key topics and concerns raised during such engagement
Regulators and Government	No	Email, one-to-one meetings, conference calls, mandatory fillings with regulators, policy updates, circulars, guidelines and directives.	Ongoing and need basis	Adherence to all relevant laws and responsiveness towards regulatory changes.
Communities	Yes	Directly and through implementing agencies.	Ongoing and need basis	To support the sustainable growth of communities through continuous engagement.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company has always maintained continuous and proactive engagement with key stakeholders which enables it to better communicate its strategies and results to the Board. In the Financial Year under review, the Company has taken a major step towards inculcation of economic, environmental and social topics into its core strategic framework by reconstituting the CSR Committee as CSR & ESG Committee.

The Company has also engaged CARE Analytics & Advisory Pvt. Ltd. as ESG consultant for providing a broad scope of services such as ESG gap analysis, peer benchmarking, setting ESG related targets, capacity building, policy review and development, GHG footprinting and preparing data sets for ESG assurance readiness.

The Board and its various Statutory Committees are kept abreast of developments and feedback on economic, environmental, and social issues on a quarterly basis by updating ESG related progress to the CSR & ESG Committee as well as by inculcation of sustainability related updates in investor and risk presentation respectively. ESG updates are also uploaded on the Company's website at the end of every quarter and for wider access by various stakeholders, intimations on major milestones are sent to the Stock Exchanges. The Company has also onboarded Churchgate Partners for third party assessment of ESG activities of the Company.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company engages with various stakeholders to ensure sustain and long-term value creation for all of them. The following are certain instances where input from stakeholders have been incorporated to bring positive change-

- With the Green Housing initiative, the Company has taken a decisive step towards responsible housing development by engaging with the entire ecosystem around the green home value chain, including customers, frontline employees, suppliers, technical experts as well as international certifiers through stakeholder engagement initiative such as Green Samvaad, capacity building workshops, social media awareness campaigns etc. In the pioneering initiative, the Company bridges a critical gap between global vision and local reality by conveying ground-level challenges and real-world feedback to international visionaries and experts while also addressing local myths around eco-friendly housing among home owners.
- The Company conducted the 'REACH' employee engagement survey to gauge employee's sentiments and obtain candid feedback/suggestions to improve the workplace and enhance employee satisfaction. The survey was anonymous and strictly confidential to capture unbiased and neutral responses from employees. The Company also empaneled Korn Ferry a global leading consulting firm for Talent & Leadership Development to conduct a highly

credible survey of employees who closely work with functional heads and have experience their leadership style. Both of the said surveys have contributed immensely towards organization building and leadership development.

3. The Company also monitors customer ratings of its services on various Customer Apps.

To further enhance opportunities for stakeholder feedback, the Company, under its ESG Policy has established a management-level ESG Steering Committee and a functional Social & Governance Working Group to obtain feedback from relevant internal and external stakeholders on the Company's ESG practices wherever necessary.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

The Company has taken a comprehensive approach towards addressing the concerns of vulnerable communities through education, empowerment, outreach and direct support initiatives.

- Under project 'Vishwakarma', the Company actively reaches out to construction workers, a group often lacking in social protections. By providing direct engagement and training, we aim to enhance their skills, safety knowledges and livelihood opportunities, offering a tangible pathway towards stability and growth in their vulnerable community. The program has 15,600+ beneficiaries during the year.
- Under project 'Gram Siddhi', we engage with rural women from remote villages, focusing on their unique life challenges and aiming for their social upliftment. By understanding their needs, we tailor training and support to empower them, fostering self-reliance and improving their quality of life within their communities. During the year more than 52,800 people were benefitted under the program.
- The Company also demonstrates its commitment for supporting specially abled individuals by initiatives focused on enhancing self-reliance, skill development, inclusivity in sports, addressing specific needs and promoting overall wellbeing. The Company donated paper plate making machine to 'Utthan Talim Kendra' in Ahmedabad to support specially abled individuals. The Company also provided financial support to Rajasthan Deaf Cricket Association by facilitating the participation of its members in a national championship.
- The Company facilitated yoga and self-awareness sessions, emphasizing rehabilitation and personal growth for engaging with open jail prisoners and their families. This initiative underscores a deep empathy for this vulnerable group, aiming to inspire positive life choices and support their journey towards integration and well-being within society.

Principle

5

Businesses should respect and promote human rights

Essential Indicators

1. Employees who have been provided training on human rights issues and policy (ies) of the entity, in the following format:

The Company has board approved Code of Conduct, Human Rights Policy, Equal Opportunity Policies and other best practices/policies around human rights to ensure dignity, fair practices, equal opportunity and absence of all forms of discrimination at workplace. Regular trainings and communications are done for the employees to educate them about the above practices/policies.

In the year under review, the Company upheld its commitment to a safe, dignified and harassment-free workplace by organizing 326 Prevention of Sexual Harassment (POSH) trainings, covering 5,409 employees, in addition to a mandatory training for the members of Internal Complaints Committee (ICC). POSH training sessions are also an integral part of our induction process to empower employees to take proactive steps towards a respectful and inclusive work environment.

In observance of Sexual Harassment at Workplace Prevention Week organized by Ministry of Women and Child Development, the Company organized POSH webinar attended by 739 employees and also launched POSH learning series on its intranet portal covering all employees.

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	6,075	6,075	100%	6,034	6,034	100%
Other than Permanent	2,470	2,470	100%	1,031	1,031	100%
Total Employees	8,545	8,545	100%	7,065	7,065	100%
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than Permanent	NA	NA	NA	NA	NA	NA
Total Workers	NA	NA	NA	NA	NA	NA

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	Equal Minimum Wage		More than Minimum Wage		Total (D)	Equal Minimum Wage		More than Minimum Wage	
		No.(B)	% (B/A)	No.(C)	% (C/A)		No.(E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	6,075	281	4.62%	5,794	95.38%	6,034	271	4.49%	5,763	95.51%
Male	5,788	270	4.66%	5,518	95.34%	5,788	265	4.58%	5,523	95.40%
Female	287	11	3.84%	276	96.16%	246	6	2.45%	240	97.96%
Other than permanent	2,470	95	3.84%	2375	96.16%	1,031	92	8.92%	939	91.08%
Male	2,340	91	3.88%	2,249	96.12%	976	92	9.40%	884	90.6%
Female	130	4	3.07%	126	96.93%	55	0	-	55	100%
Workers										
Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Details of remuneration/salary/wages

a. Median remuneration:

The remuneration paid to the Directors is in line with the Remuneration Policy of the Company which is available on its website at <https://www.aavas.in/remuneration-policy>.

	Male		Female	
	Number	Median remuneration of respective category	Number	Median remuneration of respective category
Board of Directors (BoD)	7	24,00,000	2	24,00,000
Key Managerial Personnel (KMP)	4*	2,42,83,704	0	0
Employees other than BoD and KMP**	5,784	2,69,937	287	2,95,873

*Mr. Sachinderpalsingh Jitendrasingh Bhinder, MD and CEO, is categorized as part of Key Managerial Personnel for the purposes of this table.

**The Employees considered for this table is permanent employees of the Company.

b. Gross wages paid to females as % of total wages paid by the entity:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Gross Wages paid to females as % of total wages	4.56%*	-

* The Gross wages paid to females are calculated only of the permanent female employees.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Chief People Officer (CPO) oversees the related function and is responsible for addressing the same. The Company has also put in place a comprehensive ESG Policy which addresses human rights issues and impacts, particularly equality of opportunity, employee health & wellbeing, Diversity & Inclusion, positive work environment etc.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has in place grievance redressal mechanisms for its respective stakeholders such as customers, employees, shareholders, and others. All the grievance redressal mechanisms are available on the Company's website <https://www.aavas.in/> and intranet portal of the Company.

6. Number of Complaints on the following made by employees:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	-	3	1	The pending case was received in the month of March 2023 and has been resolved in the beginning of FY 2023-24.
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/ Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	3
Complaints on POSH as a % of female employees/ workers	0.00%	1.22%

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Complaints on POSH upheld	0	3

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has in place a Human Rights Policy, Equal Opportunity Policy, Vigil Mechanism/Whistle Blower Policy, and Vishakha Policy which provides a mechanism to prevent discrimination and harassment at workplace. As per the said policies, all the disclosures made shall be treated as sensitive, confidential and non-retaliatory.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, in certain business agreements and contracts where relevant.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	Nil
Forced/involuntary labour	
Sexual Harassment	
Discrimination at Workplace	
Wages	
Others-please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

NA

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

The Company is of the belief that it has upheld basic principles of human rights in all its dealings in alignment with its Human Rights Policy. Hence, no significant change is necessitated with respect to the business process.

2. Details of the scope and coverage of any Human rights due diligence conducted.

The Company has adopted a culture where its employees and directors feel free to raise any concerns about wrongful conduct, with the help of its Whistle Blower Policy. The said policy provides a Vigilance Mechanism to channelize reporting of instances of wrongful conduct. The Audit Committee oversees the Vigil Mechanism. Employees have been facilitated direct access to the Chairperson of the Audit Committee, if necessary. Link of the policy- <https://www.aavas.in/img/pdf/Vigil-Mechanism-Policy.pdf>

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The Corporate Office of the Company has ramp for easy movement of differently abled visitors. Most of the branches are on ground floors or have elevators and infrastructure for differently abled visitors. The Company also maintains application forms in Braille to cater the special needs of visually impaired customers.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child Labour	The Company expects its value chain partners to adhere to the same values, principles and business ethics upheld by the Company in all their dealings. No specific assessment in respect of the value chain partners has been carried out.
Forced/involuntary labour	
Sexual Harassment	
Discrimination at Workplace	
Wages	
Others-please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

NA

Principle

6

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

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

The Company is service-oriented and in the business of providing housing finance, therefore, there is no significant consumption and energy intensity. However, as a proactive and responsible corporate, the Company tracked energy consumption and other indicators during the year under review.

Parameter (From non-renewable sources)	Unit of measurement	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
From Renewable Sources			
Total electricity consumption (A)	-	Nil	Nil
Total fuel consumption (B)	-	Nil	Nil
Energy Consumption through other sources (C)	-	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	-	Nil	Nil
From non-renewable Sources			
Total electricity consumption (D)	Giga Joule	11,874.65	12,338.86
Total fuel consumption*(E)	Giga Joule	74.37	43.59
Energy Consumption through other sources (F)	-	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	Giga Joule	11,949.02	12,382.45
Total energy consumed (A+B+C+D+E+F)	Giga Joule	11,949.02	12,382.45**
Energy Intensity per rupee of turnover (Total energy consumption/turnover in rupees)	Giga Joule per ₹	0.00000059	0.00000076
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	-	-	-
Energy Intensity (optional) - (Total energy consumed/full time employees)	Giga Joule per employee	1.39	1.75

*The Company uses Diesel Generators in Corporate Office only, which is included under fuel consumption.

**The energy consumption data of the previous year FY 2022-23 has been restated because of improved methodology and calculations.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/ No) If yes, name of the external agency.

Yes, the assessment of GHG Emissions was carried out by independent consultant firm, Care Analytics and Advisory Pvt. Ltd. Additionally, Independent GHG Assurance of the GHG Statement of the Company for the year ended December 2023 was issued by an Independent Auditor.

- 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

NA

- 3. Provide details of the following disclosures related to water, in the following format:**

The Company's usage of water is restricted to human consumption purposes only. Further, efforts have been made to ensure that water is consumed judiciously. In the Corporate office, censor taps are used in washrooms to economize water consumption.

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water Withdrawn from source (in kiloliters)		
(i) Surface water	Nil	-
(ii) Groundwater (borewall)	4,671*	-
(iii) Third party water	Nil	-
(iv) Seawater/desalinated water	Nil	-
(v) Others	Nil	-
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	4,671	-
Total volume of water consumption (in kiloliters)	4,671	-
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.00000023 kiloliters per ₹	-
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	-	-
Water intensity in terms of physical Output	-	-
Water intensity (optional) (Total water consumption / Full time employee)	0.54	-

*The Company started recording water withdrawal and water consumption data from June 01, 2023. Thus the data reported for FY 2023-24 is of 10 months and the data pertains to Corporate office only.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

- 4. Provide the following details related to water discharged:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

No.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	-	-	-
SOx	-	-	-
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others– please specify	-	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions	MTCO ₂ e	20.22	35.82
Total Scope 2 emissions	MTCO ₂ e	2,361.74	2,454.06
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)	MT Co ₂ e/₹	0.00000011	0.00000015
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	MTCO ₂ e/Revenue from operations adjusted for PPP	26.41	34.64
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	-	-
Total Scope 1 and Scope 2 emission intensity (Total Scope 1 and Scope 2 emissions/full time employees)	MTCO ₂ e/FTE	0.28	0.35

Note- MT denotes Metric tonnes

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, the assessment of GHG Emissions was carried out by an independent consultant firm, "Care Analytics and Advisory Pvt. Ltd."

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Company is striving to minimize its GHG emissions where feasible. The Corporate Office of the Company was certified LEED Gold in May 2022. Further, through its Corporate Social Responsibility initiatives, the Company is taking forward its commitment to an eco-friendly and sustainable future by proactively undertaking various projects on environmental sustainability like Tree plantation drive – 'Each One Plant One' initiative and Plantation drive initiated by NHB falls under 'Meri Maati Mera Desh' initiative led by Government of India, investment in clean energy, and Green Housing Initiative.

Savings from	Carbon Reduction (MT Co2 -e)
295 KWP solar plants	430.7
1,850 + Tree Plantation	59.67
Total Savings	490.37

9. Provide details related to waste management by the entity:

As the nature of business of the Company is providing housing finance, the only key waste product is plastic.

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	4.825*	3.933*
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive Waste (F)	-	-
Other hazardous waste. Please specify if any. (G)	-	-
Other non-hazardous waste generated. Please specify, if any. (H)	-	-
Total (A+B+C+D+E+F+G+H)	4.825	3.933
Waste intensity per rupee of turnover (Total waste generated/ Revenue from operations) MT/₹	0.00000000022	0.00000000024
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/ Revenue from operations adjusted for PPP)	-	-
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – (Total waste generated /Full Time Employees) MT/FTE	0.00056	0.00056
For each category of waste generated, total waste recovered through recycling, reusing or other recovery operations (in metric tonnes)		
Category of Waste		
(i) Recycled	-	-
(ii) Re-used	0.24	0.59
(iii) Other Recovery Operations	-	-
Total	0.24	0.59

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	4.58	3.34
Total	4.58	3.34

*Computed with respect to the Corporate Office which is the only owned premises of the Company.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Given the nature of the business, there is no usage of toxic and hazardous chemicals by the Company. The only key waste product is plastic. In the Financial Year under review, approximately 4.825 metric tonnes of waste was generated at the Company's Corporate Office, out of which 0.24 metric tonnes of plastic waste was put to reuse.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format.

All the offices as well as branches of the Company are in premises which have the requisite building permits, including environmental approvals.

S.No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and the corrective actions taken if any.
Nil			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current Financial Year.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Nil					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

Based on the nature of business, the Company is in compliance with applicable environmental norms.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Nil				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- Name of the area- Not Applicable
- Nature of operations- Not Applicable
- Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) –the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/ No) If yes, name of the external agency.

No.

2. Please provide details of total Scope 3 emissions & its intensity in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions	MT Co2e	13,387	6,272.11
Total Scope 3 emissions per rupee of turnover	-	-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/ No) If yes, name of the external agency.

Yes, the assessment of GHG Emissions was carried out by an independent consultant firm, "Care Analytics and Advisory Pvt. Ltd".

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

NA.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S.No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	GATI	Aavas is committed to continuous improvement and has recently embarked on a digital-first initiative called Project 'GATI'. The project involves building a single platform to streamline the entire loan origination and customer service journey, providing customers with a more seamless experience.	The new system will significantly reduce manual data entry, paper work and project assessment time, thereby ensuring a seamless customer experience.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Yes, the Company has a Board approved Business Continuity Management Policy (BCMP) which focuses on safety and protection of people, minimizing damages and liabilities, timely recovery of critical business processes at all the offices to provide continuous service to customer.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Given the nature of the Company's business, there has been no adverse impact on environment.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

NA.

Principle

7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

The Company is a member of 3 trade/industry chamber/associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	The Associated Chambers of Commerce & Industry of India (ASSOCHAM)	National
2.	PHD Chamber of Commerce and Industry (PHD Chamber).	National
3.	Confederation of Indian Industry (CII)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

NA.

Name of authority	Brief of the case	Corrective action taken
	NA	

Leadership Indicators

1. Details of public policy positions advocated by the entity:

The Company does not take part in any lobbying and has not propagated any public policy positions.

S.No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/ Quarterly / Others -please specify)	Web Link, if available
			Nil		

Principle

8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current Financial Year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S.No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
NA						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has various mechanisms in place to receive and redress grievances of its various stakeholders. Details of such mechanisms and policies are given in Section A: General Disclosure of this report.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	21.14%	26.98%
Sourced directly from within India	97.90%	91.78%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24* (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Permanent	Other than Permanent	Permanent	Other than Permanent
Rural	0.27%	0.10%	-	-
Semi-Urban	10.38%	3.12%	-	-
Urban	21.77%	3.46%	-	-
Metropolitan	57.05%	3.85%	-	-

* The places are categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan and Census 2011.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount Spent (₹)
NA			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

(b) From which marginalized /vulnerable groups do you procure?

(c) What percentage of total procurement (by value) does it constitute?

Although the Company does not have a specific procurement policy but it covers the procurement practice under its ESG Policy. The Company strives to procure, as far as possible, inputs, which are locally sourced from small vendors/ MSMEs, especially women-led MSMEs

The Company expects its value chain partners to adhere to the same laws, regulations, and human rights standards as are observed by the Company, including laws pertaining to safety & wellness at workplace, prohibition of forced labour, human trafficking, environment protection etc.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current Financial Year), based on traditional knowledge:

S.No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/ No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Nil				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Nil		

6. Details of beneficiaries of CSR Projects:

S.No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Rural Development & Community Development - Vishwakarma - Gram Siddhi - Community Infra	15,600 52,800 1,00,000	100% (The primary object of our CSR programs of the Company is to support and upgrade lives of marginalized and vulnerable communities such as rural women, disabled women, rural youth, construction workers, children etc. We strive to improve the social economic condition of these communities.)
2.	Health Care & Wellness - Food Distribution at Hospitals (Aavas Foundation, under its 'Annadan' Initiative) - Heart Surgeries of Children - Hospital in Uttarkashi - Open Jail Activity	2,72,000	
3.	Environment Environment (Solar and Plants)	3,05,850	
4.	Education & Holistic Development - Road safety awareness - Education and Holistic Development	36,000 1,17,000	
	Total	8,99,250 lives touched	

Principle**9**

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

Essential Indicators**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company has put in place a Grievance Redressal Policy for prompt and effective redressal of customer complaints. The said Policy is available on the website of the Company at <https://www.aavas.in/resource/grievance-redressal-policy>.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	All our loan products and Most Important Terms & Conditions (MITCs) are completely transparent and disclose all product related details. Our MITCs are available in 8 languages, including English, Hindi and 6 other regional languages.
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		Remarks
	Received	Pending resolution		Received	Pending resolution	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising						
Cyber-security						
Delivery of Essential Services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NA	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has a framework and policy on cyber security and risk related to data privacy. The IT Strategy Committee which is headed by Independent Director of the Company takes care of cyber security framework and policies. Information Security Audit is conducted by Information Security Auditor of the Company and Audit Report is placed before the Audit Committee. The policy can be accessed on the website - <https://www.aavas.in/privacy-policy>.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No penalties/regulatory action has been levied/taken on the above parameters.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches- Nil
- Percentage of data breaches involving personally identifiable information of customers- Nil
- Impact, if any, of the data breaches - Nil

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Detailed information relating to all financial services provided by the Company is available on the Company's website, <https://www.aavas.in/product>. In addition, the Company actively uses various social media and digital platforms to disseminate information on its products and services.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company has a Fair Practices Code, KYC Policy, Most Important Terms & Conditions (MITCs), Schedule of Charges. Abovesaid documents are available at all the branches as well as on the Company's website for transparent and responsible dealings with its customers.

3. Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services.

In the event of any disruption/discontinuation of essential services, the Business Continuity and Management Plan (BCMP) gets activated and as per the process, we approach the customer through physical and digital mode.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes. The Company provides the product information through the most important terms and conditions (MITCs).

No, the Company does not carry out any survey with regard to customer satisfaction relating to the major services of the Company.

Annexure-A

Independent Practitioner's Limited Assurance Report on Identified Sustainability Information in Aavas Financiers Limited's Business Responsibility and Sustainability Report (BRSR) for the Financial Year ended March 31, 2024

To,
The Board of Directors
Aavas Financiers Limited
Jaipur, Rajasthan, India

- We have been engaged to perform a limited assurance engagement for Aavas Financiers Limited ('Aavas' or 'the Company') vide our engagement letter dated March 19, 2024, in respect of the non-financial information pertaining to Core attributes of BRSR (the "Identified Sustainability Information") in accordance with the criteria stated below. This Identified Sustainability Information is as included in the Business Responsibility and Sustainability Report (BRSR) of the Company for the financial year ended 31 March 2024.

Identified Sustainability Information

- The Identified Sustainability Information for the financial year ended 31 March 2024 is summarised below:

Attribute	Principle	Key Performance Indicator
Energy footprint	Principle 6 – 1	- Total energy consumption (in Joules or multiples) and energy intensity % of energy consumed from renewable sources - Energy intensity
Water footprint	Principle 6 – 3	- Total water consumption - Water consumption intensity
Greenhouse (GHG) footprint	Principle 6 – 7	Greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity
Embracing circularity - details related to waste management by the entity	Principle 6 – 9	- Details related to waste generated by the entity (category wise) - Waste intensity - Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations - For each category of waste generated, total waste disposed by nature of disposal method
Enhancing Employee Wellbeing and Safety	Principle 3 – 1(c)	Spending on measures towards well-being of employees and workers (including permanent and other than permanent)
	Principle 3 – 11	Safety related incidents: - Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) - Total recordable work-related injuries - No. of fatalities - High consequence work-related injury or ill-health (excluding fatalities)

Attribute	Principle	Key Performance Indicator
Enabling Gender Diversity in Business	Principle 5 – 3(b)	Gross wages paid to females as % of total wages paid by the entity
	Principle 5 – 7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
Enabling Inclusive Development	Principle 8 – 4	Percentage of input material (inputs to total inputs by value) sourced from suppliers
	Principle 8 – 5	Job creation in smaller towns – Wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the locations, as % of total wage cost
Fairness in Engaging with Customers and Suppliers	Principle 1 – 8	Number of days of accounts payables
	Principle 9 – 7	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events
Open-ness of business	Principle 1 – 9	Details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties

3. Boundary of the report covers Aavas and its operation in India which includes the Corporate Office, Regional Offices and Branches.
4. Our limited assurance engagement is with respect to the financial year ended 31 March 2024 information only unless otherwise stated and we have not performed any procedures with respect to earlier periods or any other elements included in the BRSR and therefore, do not express any conclusion thereon.

Criteria

5. The criteria used by the Company to prepare the Identified Sustainability Information for the financial year ended 31 March 2024 is summarised below ('BRSR Framework'):
 - Regulation 34(2)(f) of the Securities and Exchange Board of India (the "SEBI") (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended;
 - Business Responsibility and Sustainability Reporting Requirements for listed entities as per Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11 July 2023; and
 - SEBI Circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July 2023 and clarifications thereto issued by SEBI.

Management's Responsibilities

6. The Company's management is responsible for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations, if any, related to reporting on the Identified Sustainability Information,

identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the BRSR and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error.

Inherent limitations

7. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Auditor's Independence and Quality Control

8. We are independent of the Company and have fulfilled our other ethical responsibilities in accordance with the requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants' ('IESBA') and have the required competencies and experience to conduct this assurance engagement.
9. Our firm applies International Standard on Quality Management (ISQM) 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

10. Our responsibility is to express a limited assurance in the form of a conclusion on the Identified Sustainability Information based on the procedures we have performed and evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.
11. A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, identifying areas where material misstatement is likely to arise in the Identified Sustainability Information whether due to fraud or error, designing and performing procedures to address identified risk areas as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information.
12. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.
13. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records.
14. Given the circumstances of the engagement, in performing the procedures listed above, we:
 - Carried out discussions at the corporate office for data and document verification;
 - Interviewed senior executives to understand the reporting process, governance, systems and controls in place during the reporting period;
 - Reviewed the records and relevant documentation including information from audited financial statements or statutory reports submitted by

the Company to support relevant performance disclosures within our scope;

- Evaluated the suitability and application of Criteria and that the Criteria have been applied appropriately to the subject matter;
- Selected key parameters and representative sampling, based on statistical sampling tables and agreeing claims to source information to check accuracy and completeness of claims such as source data, meter data, etc;
- Re-performed calculations to check accuracy of claims;
- Reviewed data from independent sources, wherever available;
- Reviewed data, information about sustainability performance indicators and statements in the report;
- Reviewed and verified information/ data as per the BRSR framework; and
- Reviewed accuracy, transparency and completeness of the information/ data provided.

Exclusions:

15. Our limited assurance engagement scope excludes the following and therefore we do not express an opinion on the same:
 - Any disclosure other than those mentioned in the Scope section above;
 - Data and information outside the defined reporting period;
 - Data related to Company's financial performance, strategy and other related linkages expressed in the Report;
 - The Company's statements that describe expression of opinion, belief, aspiration, expectation, forward looking statements provided by the Company and assertions related to Intellectual Property Rights and other competitive issues; and
 - Mapping of the Report with reporting frameworks other than those mentioned in Reporting Criteria above.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Conclusion

16. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Sustainability Information included in the BRSR for the financial year ended 31 March 2024 is not prepared, in all material respects, in accordance with the Criteria.

Restriction on use

17. Our limited assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely, to assist the Company in reporting on the Company's sustainability

performance and activities. Accordingly, the Assurance Statement may not be suitable for any other purpose and should not be used by any other party other than the Board of Directors of the Company. Further, we do not accept or assume any duty of care or liability for any other purpose or to any other party to whom the assurance report is shown or into whose hands it may come.

Grant Thornton Bharat LLP

Abhishek Tripathi

Partner

Dated: 1st July, 2024

Place: Plot No. 19A, 2nd Floor, Sector - 16A,

Noida - 201301,

Uttar Pradesh, India