

ENVIRONMENTAL SOCIAL AND GOVERNANCE POLICY
(ESG Policy)



Contents

1	Introduction	3
2	Objective & Scope of the ESG Policy.....	3
2.1	Objective of ESG Policy	3
2.2	Scope of the ESG Policy	3
3	Implementation of the ESG Policy	3
4	ESG Framework	4
5	Functions	5
5.1	Functions of the CSR & ESG Committee	5
5.2	Functions of the ESG Steering Committee.....	5
5.3	Functions of the ESG Working Group	6
5.3.1	Environment Working Group:.....	6
5.3.2	Social & Governance Working Group:	6
5.3.3	Product Responsibility Working Group:	6
6	ESG Approach & focus areas.....	7
6.1	Climate change strategy	7
6.2	Sustainable operations	7
6.3	Waste Management	7
6.4	Environmental & social risk management in lending.....	7
6.5	Resilience to Catastrophe and Disaster	8
6.6	Procurement practices	8
6.7	Workforce and employment practices	8
6.8	Customers	10
6.9	Community & society.....	10
6.10	Good governance practices.....	11
6.11	Ethical Business Practices	11
6.12	Cyber Security and Information Security.....	11
7	ESG Disclosures & Reports	11
8	Review of the ESG Policy	12
	Annexure I- ESG Governance Framework.....	13
	Annexure II- Green Home Ecosystem Development.....	14

1 Introduction

Aavas Financiers Limited (**‘Aavas’, ‘Company’, ‘we’ or ‘us’**) is committed to environmental and social causes by promoting the values of sustainability, diversity, inclusion, equity, fairness, human dignity while enabling millions of households to achieve their dream of owning a home.

The Environmental Social and Governance (**“ESG”**) approach is holistic and solution-oriented, as the Company remains steadfast in its commitment to responsible lending and customer service, while embracing intra-organizational diversity and environmental stewardship across all its functionalities.

In light of the same, Aavas has formulated this ESG policy (**“ESG Policy”**) and is determined to play a more proactive role in supporting a sustainable future for all its shareholders, investors, employees, customers, community and future generations.

2 Objective & Scope of the ESG Policy

2.1 Objective of ESG Policy

The ESG Policy is intended to:

- i. Align the Company’s overall business objectives with Applicable Laws, Rules, Regulations along with International Standards including Sustainable Development Goals (SDGs), mandate of the Securities and Exchange Board of India (SEBI), i.e., Business Responsibility and Sustainability Report (BRSR) relevant global environmental, social, labor, conventions ratified by India as well as rules and regulations prescribed by Reserve Bank of India (RBI) and National Housing Bank (NHB).
- ii. Provide for an overarching framework for guiding the business activities of the Company. Based on the focus areas identified in the ESG Policy, the Company shall endeavor to integrate ESG dimensions into its day-to-day activities.
- iii. Provides a proactive mechanism of managing emerging national and international ESG policies, programs, regulation, investor’s expectations and national/international ESG ratings agency’s requirements.
- iv. Provide a mechanism for proactively identifying, evaluating, isolating and containing ESG indents at early-stage.
- v. Implementing mechanism(s) to achieve an equitable, healthy and safe working environment for Aavas’s employees. The policy is aimed at driving organization wide culture of merit, organic growth and excellence.
- vi. Establishing effective monitoring and reporting systems for continuous improvement of ESG performance.

2.2 Scope of the ESG Policy

The provisions of this ESG Policy shall apply to all employees as well as other internal and external stakeholders of the Company including customers, upstream and downstream value-chain partners (including shareholders, investors, lenders, suppliers, vendors etc.) and the community at large (to the extent possible) across all our branches and offices.

3 Implementation of the ESG Policy

To further strengthen its vision and focus on ESG:

The Company seeks to establish a three-tier ESG framework comprising: (i) *a Board-level CSR & ESG Committee*, (ii) *a management-level ESG Steering Committee* and; (iii) *three area specific working groups*. **Annexure I** to this ESG Policy sets out the said framework.

This ESG Policy is in consonance with the Applicable Laws, Rules, and Regulations along with International Standards and must be read with other policies/ guidelines of the Company which includes but is not limited to the following:

- i. Environment and Social related policies such as E&S Policy, Corporate Social Responsibility (CSR) Policy etc.
- ii. Human Resource Policies such as Employee Code of Conduct, Equal Opportunity Policy, Human Rights Policy, Leave Policy including provisions for paternity and maternity leaves, Attendance and Working Hours Policy including provisions for flexible working hours, Women Wellness Policy including provisions for paid menstrual leaves.
- iii. Governance related policies such as Internal Guidelines on Corporate Governance, Code of Conduct for Board of Directors and SMP, Succession Plan for Board and SMP, Fair Practices Code, Directors Duties, Nomination Remuneration Policy, Risk Management Policy, Prevention of Insider Trading Policy, FPC, Compliance policy etc.
- iv. Other business policies such as Operations policy, KYC & AML Policy, Compromise and Technical Write Off Policy, Credit Policy, Risk Management Policy, Investment policy etc.

The ESG Policy shall be communicated to Board of Directors (“**Board**”), Senior Management and Employees as well as relevant value chain partners from time to time.

The Board, Senior Management and Employees from concerned departments shall also be provided trainings on the ESG Policy as well as ESG best practices on corporate governance, environmental stewardship, gender sensitivity, diversity & inclusion, sustainability etc. from time to time.

4 ESG Framework

The Company hereby seeks to establish a three-tier ESG Framework comprising:

- i. **A Board-level CSR & ESG Committee:** The CSR committee shall be renamed as CSR & ESG Committee. The members, Secretary, Quorum, frequency of meetings, the role and functions of the said Committee shall be as prescribed in CSR policy¹. The CSR & ESG Committee shall be responsible for oversight and implementation of the ESG Policy in addition to its role and functions under the CSR Policy.
- ii. **A Management-Level ESG Steering Committee:** The ESG Steering Committee shall be a Management-level Committee responsible for implementation of the ESG Policy. It shall comprise of the Managing Director & Chief Executive Officer (MD & CEO), Chief Financial Officer (CFO), Chief Risk Officer (CRO), Chief People Officer (CPO), Chief Business Officer (CBO) and Company Secretary & Chief Compliance Officer (CS & CCO). The ESG Steering Committee shall meet as and when required and report to the CSR & ESG Committee members for the same.
- iii. **Three ESG Working Groups:** The following groups shall meet at such times as and when required, and shall submit quarterly reports to the ESG Steering Committee.
 - a. **The Environment Working Group:** CS & CCO, CSR Head, Admin Head & ESG Team.
 - b. **The Social & Governance Working Group:** CPO, CS & CCO, CSR Head & ESG Team
 - c. **The Product Responsibility Working Group:** CRO, CBO, CTO, Treasury Head, & ESG Team.

¹ Please see <https://www.aavas.in/img/pdf/corporate-social-responsibility-policy.pdf>

5 Functions

5.1 Functions of the CSR & ESG Committee

The CSR & ESG Committee shall, in addition to its functions under the CSR Policy, perform the following functions:

- i. **Framing ESG Roadmap:** To: (a) set the ESG roadmap of the Company with short-term and long-term ESG targets for continual improvement of Company's ESG performance, (b) define pertinent E, S and G-related KPIs, and (c) to evaluate the performance against each KPIs and (d) report the progress periodically to internal and external stakeholders.
- ii. **Monitoring Progress and Report:** To monitor the impact of the ESG Policy on an Annual basis through the BRSR Report as well as the Sustainability Report, which will be published each year. In case of any deviation from planned progress, identify root cause, and cause remedy to same.
- iii. **ESG Risk Monitoring:** To identify, assess and manage environment and social risks & opportunities and their associated impacts across its operations and value chains using the principles of materiality, and ensuring that such practices are integrated in business strategies with allocation of appropriate resources.
- iv. **Review & Amendment:** To review the ESG Policy of the Company annually or as and when required; and to also amend or modify this Policy in whole or in part as when significant changes occur, to reflect the national & global best practices, latest policy/ regulatory directions/ guidelines issued by the Government of India (GoI), RBI, NHB, SEBI and any other statutory/ regulatory authority as applicable for the Company.

5.2 Functions of the ESG Steering Committee

It shall perform the following functions:

- i. **ESG Goal Alignment:** (a) Help the CSR and ESG Committee to set ESG roadmap, (b) Align short-term and long-term ESG targets with Company objectives, (c) Help to track progress using KPIs defined by CSR and ESG Committee, (d) Approve cost of ESG implementation vis-à-vis the benefits, and; (e) Report progress on achievement of ESG targets to the CSR & ESG Committee.
- ii. **Gap identification in case of non-attainment of targets:** (a) Help the CSR & ESG Committee to identify gaps in implementation in case of non-attainment of targets/slippages, (b) Help identify root-causes and help remedy them.
- iii. **Coordination between Working Groups:** To coordinate the activities of the three working groups, esp. while working in unison or overlapped objectives.
- iv. **Stakeholder identification, engagement and management on ESG issues:** To (a) oversee identification of internal and external stakeholders, (b) identify and ensure means of engagement with relevant internal and external stakeholders on ESG issues and (c) where necessary, provide and take feedback from relevant internal and external stakeholders on ESG issues.
- v. **Education and Awareness:** Promote ESG awareness and understanding among employees and relevant external stakeholders, facilitating training and communication initiatives.
- vi. **Monitoring & Reporting:** To monitor and evaluate ESG performance of all three working groups as well as ESG related reports/assurances and present a report of the same before the CSR & ESG Committee members as and when required..

- vii. **Policy Implementation and Compliance:** Monitor the implementation of the ESG Policy to ensure its effectiveness and relevance, as well as ensuring ongoing compliance with the latest policy, regulatory, and statutory guidelines issued by relevant authorities, including the GOI, RBI, NHB, SEBI, and other applicable regulatory bodies.

5.3 Functions of the ESG Working Group

5.3.1 Environment Working Group:

- i. **Setting Targets:** This working group shall be responsible for recommending targets on environment (water consumption, air emission, effluent generation, waste generation) and climate related issues for the Company. These targets may include: reducing greenhouse gas emissions, conserving energy, minimizing water usage, reducing paper usage and reducing waste generation etc.
- ii. **Identifying Opportunities for Improvement:** It shall identify opportunities and adopt measures to improve the Company's environmental performance by sustainable operations. This may involve identifying new technologies, practices, or strategies to minimize environmental impact, and improve Company's overall ESG performance.
- iii. **Monitoring and Reporting:** It shall monitor the Company's progress toward meeting environmental targets / KPIs and ensure that relevant data is collected and reported to stakeholders. This includes GHG accounting, Carbon footprint, waste foot printing, water foot printing etc.

5.3.2 Social & Governance Working Group:

- i. **Corporate Governance:** The working group shall be responsible for establishing and overseeing corporate governance policies and practices to ensure the organization operates transparently, ethically, and in the best interests of shareholders and other stakeholders, as may be defined from time to time.
- ii. **Human Resource Policies:** The working group on developing and maintaining workplace policies and Human Rights policies pertaining to Code of Conduct, Equal Opportunity Employee Wellbeing, Diversity, Equity & Inclusion, Career Advancement, Work-Life Balance and Respect for Human Rights.
- iii. **Stakeholder Engagement:** The Working Group shall (a) develop strategies for identification of relevant and material internal and external stakeholders (including employees, value chain partners and the community at large) w.r.t. ESG related issues & initiatives; (b) They will further ensure that these relevant group of internal and external stakeholders are aware of Company's ESG policy, procedure and practices at large; and (c) any feedback from the relevant internal and external stakeholders on Company's ESG practice(s) is captured and referred to the relevant authorities.

5.3.3 Product Responsibility Working Group:

- i. **ESG Risk Assessment:** This working group shall identify, evaluate and mitigate Environmental, Social and Governance risks, including climate-related risks, material to the Company's lending activities and strive towards safeguarding the Company portfolio against such risks. Please refer to Company's Environmental & Social Policy² version 0.5 dated 3 August 2023.
- ii. **ESG Opportunities:** The working group shall review and assess the existing value chain to identify areas where improvements could be made to reduce environmental and social impacts. It shall identify opportunities in aligning the business with sustainability goal, to positively contribute towards environmental and social causes.

² Please see <https://www.aavas.in/img/pdf/environment-social-policy.pdf>

- iii. **Create sustainability awareness amongst business frontline teams:** This Working Group shall strive to create awareness amongst Relationship Managers (RM), Credit & Risk (CR) team members and Technical team members.

6 ESG Approach & Focus Areas

6.1 Climate change strategy

The Company (a) measures, (b) externally verifies and (c) disclose its Greenhouse Gas (GHG) emissions every year as per GHG Protocol Corporate Accounting Standards. In its strategy to combat climate change and transitioning to a low carbon economy, the Company is committed to playing its part in the transition towards carbon neutrality by: (i) reducing its own carbon footprint, and when not feasible (ii) when reduction is not feasible, by offsetting it.

The Company is leveraging technology towards digital transformation & automation, to ensure not only seamless service but also minimal paperwork. The Company is also striving towards sustainable value chain by demonstrating climate-friendly practices across all its value chain partners, internal & external stakeholders, industry peers and the community at large through seminars, workshops and social media campaigns.

6.2 Sustainable operations

The Company endeavors to minimize adverse impact on environment and social aspects by promoting use of sustainable products and services across its operations. The Company is also working towards promoting sustainable sourcing of inputs for carrying out its business activities.

The Company aspires to take initiatives for:

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

6.3 Waste management

The Company strives to dispose of the waste in the most responsible manner, especially endeavoring disposal of E-waste through Central Pollution Control Board (CPCB) authorized E-waste handlers. The Company will maintain a record of annual disposal of E-waste.

The Company's push to go digital across services, will continue to reduce paper consumption, thereby reducing paper waste. Printing and photocopy operations are being constantly monitored and regulated. The Company also strives to adopt measures to segregate waste and ensure recycling/reuse of waste, wherever practicable.

6.4 Environmental & Social Risk Management in lending

The Company refrains from providing loans for activities, which fall under the "Exclusion List of Prohibited Activities" as per its **Annexure I** of its Environmental and Social (E&S) Policy³. The said list includes activities such as child labour, forced labour, production of harmful substances and other illegal/hazardous activities. The

³ Please refer to <https://www.aavas.in/img/pdf/environment-social-policy.pdf> for Aavas Financiers Ltd.'s Environmental and Social Policy version 0.5 dated 03 August 2023

Company endeavors to give due consideration to environmental and social risks in its lending decisions and in particular, considering:

- i. **Social considerations:** Upgrading lives of lower & middle-income communities, employment generation and compliance to labour laws, including prohibition of child / forced labour.
- ii. **Resettlement & rehabilitation:** Impact on livelihood; facilities provided to families and its acceptability in the community; and number of villages / populations affected by projects.
- iii. **Environmental Consideration:** Encouraging use of sustainable and green measures as provided in Annexure II.

6.5 Resilience to Catastrophe and Disaster

The Company strives towards developing safe workplace with fire alarms, panic buttons, CCTV cameras, smoke detectors, fire extinguishers, fire exit, safety instructions on elevators, in its offices and branches. The Company also maintains first aid boxes at its offices/branches.

The Company ensures appropriate measures for resilience to catastrophe and disaster with its Board approved Business Continuity Management Policy (BCMP) to respond a disaster situation appropriately and implement measures for protecting people, minimizing damages and liabilities, timely recovery of critical business processes at all the offices to provide continuous service to customers. The Company continues to impart safety trainings and conduct mock fire drills for its employees on periodic basis for building resilience within its workforce.

6.6 Procurement practices

The Company strives to procure, as far as possible, inputs, which are:

- i. Recycled/reusable
- ii. Environment friendly
- iii. Energy Efficient
- iv. 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.

6.7 Workforce and employment practices

6.7.1 Non-discrimination & fair treatment

The Company regards employees as critical to its long-term success and prioritizes equal advancement opportunities to all its employees. Its ideology of abstaining from any form of discrimination based on race, caste, colour, region, age, sex, disability etc. is incorporated in its Equal Opportunity Policy, Human Rights Policy, Vishaka Policy and various other Human Resource policies of the Company pertaining to work-life balance, paid leaves, parental leaves etc. The Company carries out a fair recruitment process to identify and hire people with the right qualifications, merit, who are then groomed, encouraged and retained through a combination of financial and non-financial incentives.

6.7.2 Diversity & Inclusion

The Company, with its Equal Opportunity Policy, Human Rights Policy, and various other policies and projects, continues to create an inclusive culture to ensure representation across diverse genders, castes, creeds, religions, regions, abilities etc.

The Company has launched ‘Prerna’ initiative to promote gender diversity, equality of opportunity and inclusion within the organization to enable and empower women across all levels to realize their full potential and aspirations. The Company also aspires to improve the representation of women across all functionalities with this initiative. The Company has also introduced ‘**Women Wellness Policy**’ to make provision for monthly paid menstrual leave for all women employees.

6.7.3 Employee health & well-being

The Company is committed to promote a safe and conducive work environment for its employees by striving towards basic safety, good health and wellbeing initiatives at workplace with various initiatives towards:

- i. Guidance on occupational health and safety,
- ii. Fire extinguishers, with trained marshals on their usage
- iii. On-site emergency plans, with regular mock drill and evacuation programs
- iv. Group insurance, accidental and health insurance
- v. Annual Leaves
- vi. Maternity and paternity leaves
- vii. Work-life Balance and Flexible Working Hours
- viii. Women Wellness, including provision for paid menstrual leaves each month
- ix. Weekly health check-up facility for its employees
- x. In-house 24 hours professional and confidential counselling services for mental and emotional wellbeing of employees
- xi. Supporting life upgradation of employees with home loans and car loans

6.7.4 Employee Ethics & Code of Conduct

Under its Code of Conduct, the employees of the Company are expected to uphold high standards of integrity, discipline, and ethical conduct while fostering a positive work environment. This includes maintaining office decorum, resource conservation, and avoiding conflicts of interest. Adherence to the Code of Conduct is mandatory for all employees.

6.7.5 Prevention of Sexual Harassment

The Company has mechanisms in place to deal with issues related to inhumane treatment including mental or physical coercion or verbal abuse, sexual harassment, sexual abuse and slavery, of employees.

The Company professes zero tolerance to sexual harassment at workplace under its Vishaka Policy for Prevention of Sexual Harassment at Workplace (POSH). Under the said Policy, it has set up an Internal Complaints Committee (ICC) that investigates cases of sexual misconduct and take preventive actions. The Company will continue to promote and protect the well-being of all women employees, especially women who are required to work late due to business requirements. The Company has setup Head Office, State level and Branch level Committees to address the complaints. The Company continue to improve workshops for employees for creating awareness about POSH through webinars, emailers, trainings and awareness series.

6.7.6 Learning & Development

The Company recognizes the importance of having a skilled workforce with necessary competencies to deliver on the Company’s strategic and operational plans. The Company is committed towards providing an environment that is conducive and promotes training and development opportunities to all employees through online as well as offline modes.

The Company has developed well- structured training modules to assist in job specific development as well as personal development of the employees. For continued learning and keeping its workforce up-to-date with business

process and developments, the Company organizes weekly Monday Morning Learning Hour Sessions. The Company also organizes leadership programs with leading B-schools for advanced skill and leadership development within its workforce. The Company shall continue to organize periodic trainings, workshops and seminars on ESG for employees, senior management and the Board.

6.8 Customers

The Company has adopted a 'Customer-First Approach' for achieving long-term success and prosperity. The Company has adopted 4F's approach, which is an abbreviation of four key values of our Company, which are-

- i. **Fair-** We are Fair and transparent in our dealings.
- ii. **Flexible-** We are flexible in our approach and try sincerely to match our customer's need & expectations.
- iii. **Fast-** We act fast, as our customer's priority are our priorities.
- iv. **Friends-** We are friend for life.

The above-prescribed objective is achieved through the following initiatives:

- i. **Customer Centricity:** The Company by following its customer centric approach is fully compliant with all the NHB and RBI's regulatory requirements.
- ii. **Digitized Operations:** The Company is committed to improving the quality of service provided with its digital-first initiatives 'Gati' and 'Unnati', to streamline the entire loan process and provide more seamless experience for its customers through a wide range of user-friendly Apps. The Company also helps its customers in calculating their Credit Score. The Company has started 'Go Green Initiative' across all its branches to encourage minimal paper usage by eliminating usage of printed versions of Bank Statements, Bureau Reports, CAM, verified KYC & PAN cards, Legal, Technical & Risk Reports, and Financial Reports like ITR and GST Returns.
- iii. **Customer Satisfaction:** In order to achieve success and longevity, the Company recognizes the importance of maintaining customers' trust and respect. To achieve such trust and respect, the Company will endeavor to periodically review the service levels and collect feedback from customers in the form of Net Promoter Score (NPS). The Company provides Information Booklet, Schedule of Charges, Rate Conversion Policy, MITC, and EMI Calculator on website and developed Chat-bot in order to solve customer queries. The customers are prior informed about changes in their borrowing rate.
- iv. **Customer Privacy:** The Company will continue to treat customers' data with utmost sensitivity and privacy. The Company will also undertake initiatives to combat cybercrime and data theft by means of a comprehensive mechanism of information and data security with its Cyber Security Policy.
- v. **Grievance Redressal:** In order to address effectively any operational, social, environmental, labour and other general concerns, the Company has in place a structured Grievance Redressal Mechanism on its website, with email and contact details of the Nodal Officer. This mechanism can be used not just by its customers, but also by its employees, vendors and the community at large. The Company has its own Customer Service Center to resolve the customer related concerns.

6.9 Community & society

Guided by its Board governed CSR Policy⁴, the Company will continue to undertake socially useful programs for welfare and sustainable development of the community at large. The Company has touched millions of lives and helped in empowering and strengthening communities with social initiatives in five distinct areas of intervention which are specified in Schedule VII of the Companies Act, namely:

⁴ Please see Aavas's CSR Policy <https://www.aavas.in/img/pdf/corporate-social-responsibility-policy.pdf> version 1 dated 2 February 2023.

- i. Rural, community and skill development
- ii. Healthcare & wellness
- iii. Reducing inequalities
- iv. Environment
- v. Education & holistic development

The Company shall undertake CSR projects in aspirational districts designated by NITI Aayog and shall also establish a mechanism for collecting and addressing complaints from the community at large. The Company is committed to engage with relevant institutions to propagate policies which are aimed at sustainable development at the sectoral, national and global levels. Business relationships will not be established with entities / persons engaged in any of the activities mentioned in “Exclusion List of Prohibited Activities” given in **Annexure I of the E&S Policy**.

6.10 Good Governance Practices

The Company is committed to maintaining the highest levels of ethical standards of integrity, corporate governance and regulatory compliance. The Company has proactively upheld good governance practices and is constantly striving to enhance its corporate governance standards.

The parameters of evaluation include compliance, internal control, risk management, information and cyber security, customer service, social & environmental responsibility. The Company corporate governance framework complies with the Companies Act, the regulations and guidelines of the SEBI and the requirements of the listing agreements entered into, with the Indian stock exchanges. The Company shall strive to adhere to the best corporate governance practices and is continuously benchmarking itself with best practices across the globe.

6.11 Ethical Business Practices

The Company prioritizes ethical and lawful business conduct. The Company believes in free and fair competition and does not subscribe to any unethical or illegal business practices to gain competitive advantage. The Company does not use any information, material, intellectual property or confidential information of any stakeholders for its business operations. The Company expects its value chain partners to adhere to the same standards of ethics, transparency and fairness as are observed by the Company.

6.12 Cyber Security and Information Security

The Company guided by its Cyber Security Policy has established a comprehensive and robust mechanism in place to ensure the highest degree of data protection. The Company guided by Information Security Policy shall continue to adhere to the principles of Confidentiality, Integrity and Availability (CIA) with respect to information security. The Board of Directors of the Company has constituted the Information Technology (IT) Strategy Committee which 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 Company has formed IT Steering Committee as per the Master Directions - Information Technology to enhance safety, security, efficiency in processes leading to benefits for NBFCs and for their Customers.

7 ESG Disclosures & Reports

The Company shall measure and monitor the impact of the ESG Policy through an annual Business Responsibility & Sustainability Report (BRSR), which shall be published annually as per the format prescribed by SEBI for ESG

disclosures and an annual Sustainability Report (SR), which shall form a part of its Annual Report and will be disclosed on its website.

The Company shall annually report its GHG emissions as per the GHG Protocol and the same shall be assured by Independent Auditor(s).

The Company shall also continue to provide an independent review of its ESG initiatives with international ESG standards such as UN SDG, SASB, TCFD, UNGC etc. on its website.

8 Review of the ESG Policy

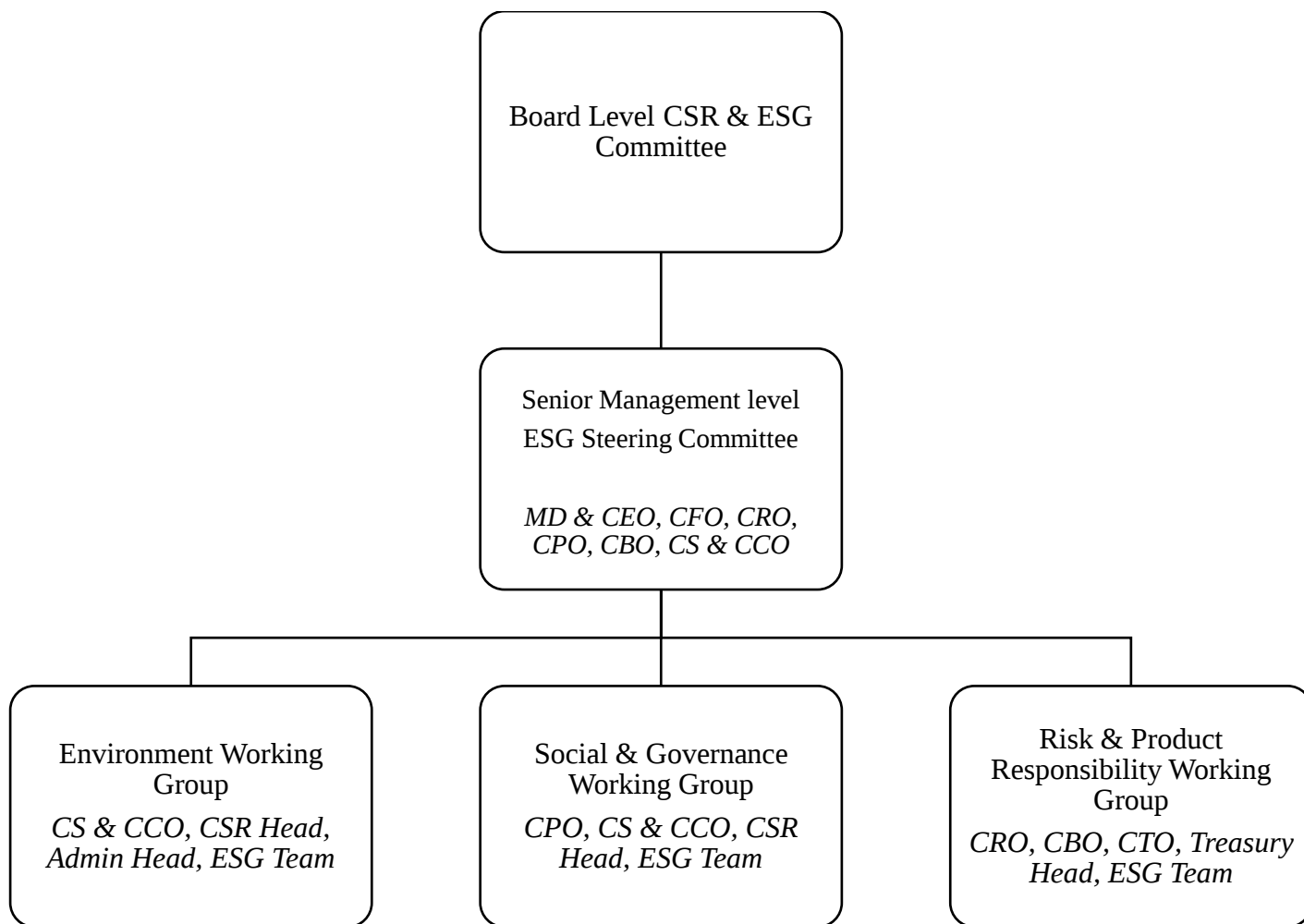
The ESG Policy of the Company shall be effective from February 01, 2024. The ESG Policy of the Company shall be reviewed annually or earlier when significant changes occur, in order to reflect the latest policy/ regulatory directions/ guidelines issued by the GOI, RBI, NHB, SEBI and any other statutory/ regulatory authority as applicable for the Company.

Date of approval by the Board: February 01, 2024

Date of review/amendment by the Board: January 30, 2025

Version: 1.1

ANNEXURE I
ESG GOVERNANCE FRAMEWORK



ANNEXURE II
GREEN HOME ECOSYSTEM DEVELOPMENT

Green Housing Initiative is an integral part of the long-term climate strategy taken by the Company towards supporting climate action that is scalable and cost-friendly.

As per the definition adopted by international green building certification platform Excellence in Design for Greater Efficiencies (EDGE), a green home is any home which saves 20% more water, 20% more electricity and 20% more energy from building material and design, as compared to an ordinary home.

The Company endeavours to promote green housing across all its stakeholders and value chain partners through various initiatives in Green Home Ecosystem Development including brochures, manuals, social media, blog articles, press releases and audio-visual films.

Following are the ten green housing parameters for all Construction (C) and Purchase + Construction (P+C) cases:

1. Avoid red brick for construction
2. Energy saving appliances
3. Window visors
4. Taps with low flow rate
5. Showers with low flow rate
6. Toilets with dual flush tanks
7. Reflective white paint
8. Solar water heaters
9. Solar photovoltaic panel
10. Rainwater harvesting system

NOTE: The parameters from 1-7 are mandatory for all cases to qualify certification as a green home and the parameters from 8-10 are only mandatory for MIG & HIG cases.