

Subject: ESG Policy	Original Issue Date: 03.05.2021	Version.: 1
	Last revision date:	

HOME FIRST FINANCE COMPANY INDIA LIMITED
(‘Home First’)

Environmental, Social and Governance (ESG) Policy
Statement

Table of Contents

Introduction	3
Our ESG Vision	3
ESG Mission.....	3
Objectives of the policy.....	4
Applicability of policy	4
Areas covered	4
Governance structure	5
Policy Advocacy.....	5
Policy updates on ESG topics	6
Consultation and feedbacks.....	6
Linkage to other Home First polices	6
Applicable reference framework	6
Annexure I: Home First’s ESG Governance Framework.....	7
Annexure II: Key responsibilities of ESG committee.....	8
Annexure III: Exclusion list for Home First’s ESG Policy.....	9

Confidentiality:

This document and its contents are the copyright property of Home First Finance Company India Limited (Home First). The release of this document to any third party outside of Home First is strictly prohibited without prior consent.

Introduction

'Home First Finance Company India Ltd' (Home First), was incorporated in 2010 as a housing finance company. The core product offered by Home First is a loan for building or buying a home. Home First provides these loans to the low- and mid-income segment of customers who generally find it challenging to deal with large lenders. The Company's vision is to "shape the future of financing homes and empower people to live better". To this end the Company has been leveraging technology to introduce newer and better processes and practices for providing home loans.

Our ESG Vision

To carry on our business in an ethical manner, maintain transparent and fair relationships with all stakeholders and co-exist peacefully with nature by ensuring minimal environmental impact.

ESG Mission

We will:

- Engage fairly with all stakeholders, understand their concerns and resolve issues quickly and transparently.
- Continue to be an equal opportunity employer, invest in developing a diverse and high-quality workforce and prohibit discrimination against any of our employees based on gender, caste, race, age, colour, ancestry, religion, belief, disability, sexual orientation, marital status or any other feature protected by law.
- Carry on our business of providing home loans with ease and transparency and excel at customer service.
- Maintain the highest standards in Corporate Governance by laying out and following clearly articulated policies and procedures for all activities.
- Assume a leadership role in environmental sustainability by implementing good practices within the Company as well as working closely with stakeholders and partners to implement these practices on a wider scale.
- Secure our earnings by following prudent risk management practices to ensure minimal risk to our portfolio

Commitment to United Nation's SDG:

- We work towards providing access to basic services such as housing by expanding our product portfolios across entire low- and medium-income segment of our country.
- We will promote a culture of productive employment, equal pay and decent work for all our employees across our value chain.
- We will support development of sustainable human settlements by providing loan for affordable housing.

Commitment to the SMART campaign principles:

- We will continue to establish clear and transparent business communication with our customers.
- We will treat our customers fairly and respectfully and will provide adequate safeguards against mis selling and corruption.
- We will respect the privacy of individual customer data and ensure compliance in accordance with relevant laws and regulations.

- We will provide timely and responsive grievance redressal mechanism for all our customers.

Objectives of the policy

The objective of this policy is to incorporate environmental, social and governance considerations into business activities thereby mitigating material impacts and risks. The approach towards ESG integration includes development of a robust governance mechanism, implementation framework, systems for risk management and controls, and integrating environmental, social and governance considerations into the standard operating procedures for Home First's business activities. This will involve:

- Institutionalizing a robust governance mechanism to ensure effective implementation of this policy's objectives
- Acting ethically and transparently in compliance with all applicable laws and regulations
- Establishing systems and controls to manage environmental and social impacts of business activities across the value chain
- Establishing effective monitoring and reporting systems for continuous improvement of ESG performance
- Implementing mechanisms to achieve an equitable, healthy and safe working environment for employees
- Driving a culture of excellence and growth in the workforce, while empowering each and every one to achieve their aspirations
- Contributing towards community development initiatives commensurate to our scale of operations and in line with the regulatory requirements
- Engaging with all relevant stakeholders to identify and manage our impacts on them and their expectations from us on a continuous basis

Applicability of policy

The ESG Policy is applicable to all employees of Home First and the relevant stakeholders. All employees will be trained on the policy. The relevant policy requirements will be communicated to all the stakeholders across the value chain.

Areas covered

This policy will cover the following areas:

Impact of business on environment:

The Company is committed to assess, control and reduce any environmental and social impacts of its activities and operations, focusing on continuous improvement and best industry practices. These will be aimed towards the following:

- Following best practices in areas such as energy management, carbon emission reduction, waste management and water use efficiency.
- Following best practices for employee health and wellness, safety at workplace, and human rights aspects relevant to our business.
- We will adopt best-in-class national/international guidelines to measure and monitor our environmental and social performance.
- We will identify environmental and social aspects material to our business and set targets to drive performance improvement.

Corporate Governance:

- We will adopt best-in-class corporate governance practices to ensure strategic guidance of the company, effective monitoring of management by the board, and the board's accountability to the company and the shareholders.
- We are committed to bring transparency and accountability in all relevant ESG disclosures and engagements with our stakeholders for effective implementation of this policy. We are responsible for developing and implementing relevant policies required for establishing effective governance mechanism.

Stakeholder Relationship:

We are committed to:

- Adopt a stakeholder identification, analysis and engagement process to facilitate a constructive dialog with all our stakeholders.
- Develop and maintain a safe, healthy and conducive work environment for all our employees.

Compliance:

The Company is committed to comply with legal requirements, standards and regulations applicable to the organization.

Controls and Systems:

We are committed to develop and implement an ESG management system, relevant to nature and impacts of our business, products and services to ensure compliance with our ESG commitments.

Risk Management:

- We are committed to assess ESG risks and impacts associated with our business and adoption of appropriate mitigation measures.
- We will also identify climate change related risks and develop a mitigation strategy relevant to our business to reduce the carbon intensity of the value chain.

Governance structure

The ESG policy will be governed by the Chief Executive Officer (CEO) of Home First. He/she will be responsible for appointing the ESG committee, which will be responsible for the review and implementation of the ESG policy. The CEO will oversee the activities of the ESG committee. The ESG policy document will be version controlled and it will be reviewed annually (or as needed) in consultation with the ESG Committee. The recommended changes, if any, would be placed and discussed in ESG Committee review meetings. Once agreed upon, the changes to the document will require an approval of the CEO, followed by the Audit Committee and subsequently the Board of Directors. The ESG Committee is responsible for sharing the updated versions of the document with all the relevant stakeholders. Please refer **Annexure I and II** for understanding ESG Governance framework:

Policy Advocacy

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 engaged in any of the activities mentioned in **Annexure III**.

Policy updates on ESG topics

The policy is currently aligned to the material ESG topics identified by Home First's internal stakeholders and is subject to regular updates and revisions as the Company sees prudent. Any change with respect to Home First's material topics will be reflected in its policy statement. Further, this policy is subjected to periodic reviews and the information therein is updated by incorporating feedback from relevant stakeholders.

Consultation and feedback

All relevant stakeholders will be consulted on an annual basis (or as needed) to seek feedback on the policy. An appropriate grievance mechanism will be made available to all stakeholders.

Linkage to other Home First policies

The Company has prepared other policies that should be adopted along with this policy. List of policies mentioned below:

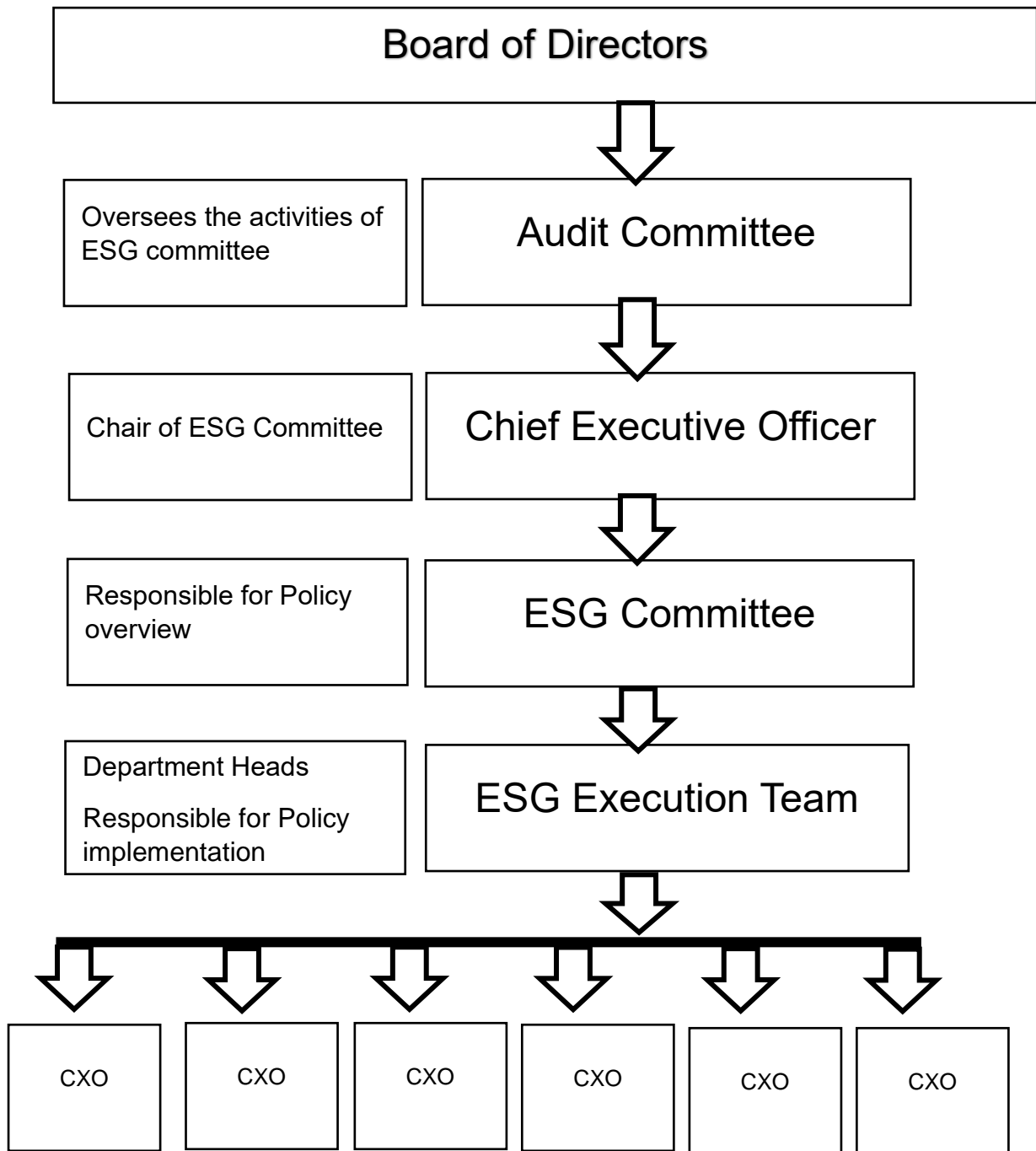
- Code of Conduct
- Corporate Governance Policy
- Risk Management Policy
- Whistle Blower Policy
- Fair Practices Code
- Anti-money laundering Policy
- Anti-bribery and corruption Policy
- Prevention of Sexual Harassment Policy
- Corporate Social Responsibility Policy
- ESOP policy
- Branch specific scorecards

Applicable reference framework

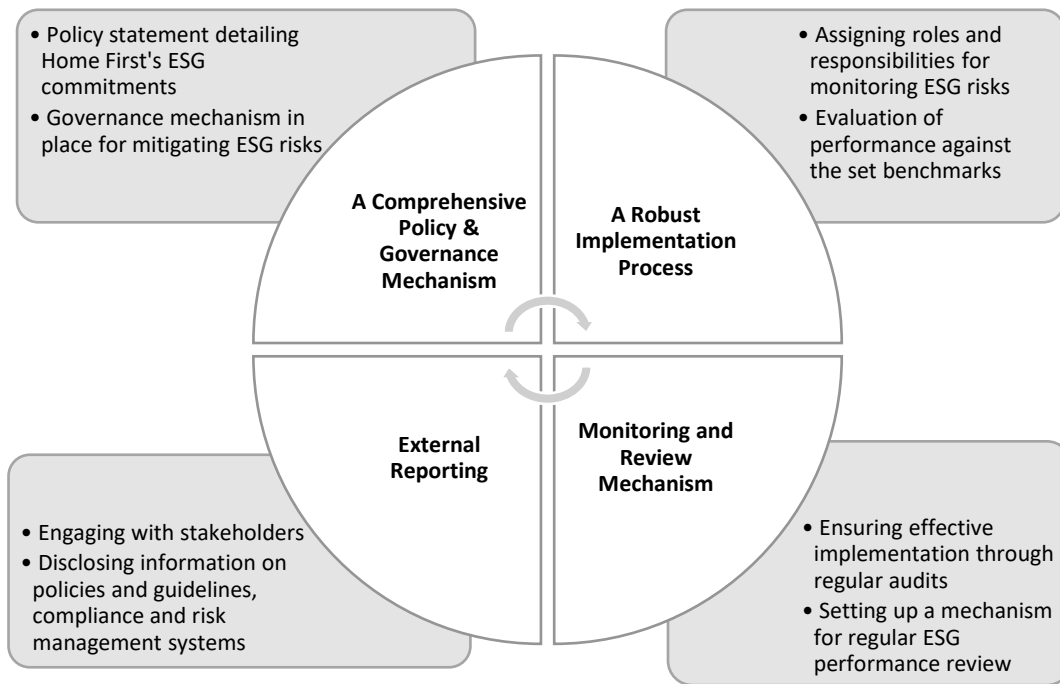
The Policy has been developed with reference to the following standards:

- Applicable local, national and international environmental and social (including occupational health and safety) legislations;
- United Nation's Sustainable Development Goals (SDG)
- National Guidelines for Responsible Business Conduct (NGRBC)
- SMART campaign principles
- Global Reporting Initiative (GRI);
- Sustainability Accounting Standards Board (SASB);
- IFC Performance Standards, 2012;
- IFC's Corporate Governance Development Framework, 2017;
- ADB's Safeguard Policy Statement (SPS 2009);
- ADB Social Protection Strategy, 2001;
- IFC/World Bank EHS General and relevant Sector Specific Guidelines as applicable;
- G20/OECD Principles of Corporate Governance; and
- True North's ESG Policy

Annexure I: Home First ESG Governance Framework



Annexure II: Key responsibilities of ESG committee



Annexure III: Exclusion list for Home First's ESG Policy

Sr. No.	Exclusion list for Home First loan approvals
1	Non-compliance of the property with the environmental and social laws and regulations
2	Properties located at places which are prone to disaster and have an adverse impact on the environment and ecology
3	Property hazardous for human habitation such as landfills, waste dump sites, mining sites, near high tension cables, canals
4	Property located at places which are prone to disrupt or displace indigenous or vulnerable groups.
5	Customer's business activities lead to release of hazardous waste that is not disposed off in an environment friendly manner
6	Customer in businesses related to production and trade of products such as wildlife and wildlife products or activities deemed illegal under national and international conventions
7	Mass storage of fuels and chemicals at the proposed property (collateral)
8	Health and Safety Standards: <ol style="list-style-type: none"> <li data-bbox="331 954 1406 1010">i. Non-compliance with safety standards and building regulations stipulated by local authorities <li data-bbox="331 1010 1406 1077">ii. Incremental housing which is leading to extra load on the existing structure that is not sustainable
9	Ability to pay <ol style="list-style-type: none"> <li data-bbox="331 1111 1406 1144">i. Lending not commensurate with the customer's intention and ability to pay <li data-bbox="331 1144 1406 1196">ii. Customer is currently under litigation for non –payment of loans, frauds or criminal offence.