

Grihum Housing Finance Limited
(Formerly, Poonawalla Housing Finance Limited)



**Environmental, Social, and
Governance (ESG) Policy**

Effective Date: 05.08.2024

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Approved By: Board of Directors

Policy Owner: Company Secretary

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Base Document	:	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)
Initial Document Prepared by	:	Company Secretary
Functional aspects Checked by	:	Chief Compliance Officer, Company Secretary
Governing Guideline/Policy	:	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)
Legal aspects checked by	:	Chief Compliance Officer, Company Secretary, Vinod Kothari & Company & Rupal D Jhaveri

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I. INTRODUCTION:

This policy (hereinafter referred to as the "Policy") shall be called "ESG Policy " of Grihum Housing Finance Limited (Formerly, Poonawalla Housing Finance Limited) (hereinafter referred a **"the Company/Grihum"**). The Company is a national-scale affordable housing finance company dedicated in achieving the goal of financial inclusion by extensively serving first-time customers with limited access to formal credit, particularly focusing on establishing a strong presence in semi-urban and peri-urban areas.

The Company is firmly committed to upholding the principles of the ESG framework, particularly focusing on the Social and Governance pillars. Our dedication to facilitating a seamless and dignified journey towards home ownership aligns with the social responsibility of creating sustainable and inclusive communities. By prioritizing the aspirations of self-made individuals, we contribute to the social fabric of 'real India' by providing equitable opportunities for home ownership. Moreover, our vision to be the most trusted partner reflects our commitment to governance practices that prioritize transparency, accountability, and ethical conduct, further reinforcing our alignment with the ESG framework.

The Environmental, Social and Governance (ESG) framework reiterates the Company’s commitment to oversee and implement sustainable strategies, policies and practices as a responsible corporate citizen.

II. PURPOSE:

The Company is committed to integrating Environmental, Social, and Governance (ESG) principles into its business operations, decision-making processes, and overall corporate strategy. The objective of our ESG policy is to enhance sustainable practices, promote social responsibility, and uphold high standards of corporate governance. By adhering to this policy, we aim to contribute positively to the well-being of the environment, society, and our stakeholders, fostering long-term value creation and resilience. The Policy shall serve as a guiding document to incorporate environmental, social and governance (ESG) considerations

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into operations and business, mitigate material impacts and risks thereof and serve as a guiding document for the ESG initiatives and activities undertaken by the Company.

The Policy aims to integrate the commitments of the Company with respect to:

- Implement a strong governance mechanism to effectively achieve the objectives outlined in this policy.
- Adhere to ethical practices and ensure transparency, aligning with all relevant laws and regulations.
- Establish and maintain systems and controls to address environmental and social impacts throughout the business value chain.
- Integrate the company's ESG ideology, identifying and managing risks and adverse incidents that could impact business operations.
- Reporting the measurable impacts of business activities on the environment and society.
- Ensure adherence to statutory and regulatory guidelines.
- Conduct business with a strong ethical foundation.
- Demonstrate the organization's commitment to stakeholders.

III. APPLICABILITY OF POLICY:

The applicability of our ESG (Environmental, Social, and Governance) policy is fundamental to our commitment to sustainable and responsible business practices. This policy is designed to guide our operations across all facets of the organization, ensuring that environmental considerations, social responsibilities, and governance principles are integrated into our decision-making processes. It is applicable to every level of our business, from strategic planning to daily operations, and across all departments, emphasizing a holistic approach to corporate responsibility. Presently, the Company has voluntarily adopted the same to ensure sustainable business growth while simultaneously ensuring adherence to ESG principles.

IV. ENVIRONMENT, SOCIAL, GOVERNANCE (ESG):

The Company firmly believes that it has commitment towards all its stakeholders – customers, employees and the community in which it operates, and it can fulfil this commitment only by sustainable and inclusive growth. The Company aims to improve the quality of life through its positive intervention in the community. Hence, the Company has derived its key focus areas of the ESG policy as below based on the materiality assessment and its strategic imperatives. The focus areas are subject to review in view of the rapidly evolving business environment and emerging stakeholder preferences.

Impact of business on environment:

The Company's operations do not include manufacturing activities and, therefore, are not energy intensive. The impact of businesses on the environment is a critical aspect that aligns closely with the Environmental, Social, and Governance (ESG) framework. Understanding and addressing these impacts is essential for fostering sustainable business practices and long-term value creation. The Company is dedicated to evaluating, managing, and mitigating the environmental and social impacts arising from its activities and

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operations, with a primary focus on continual enhancement and the adoption of industry-leading practices. Our commitment encompasses the following key areas:

- Encouraging use of renewable/replenishable / sustainable resources.
- Embracing best practices in employee health, workplace safety, and the safeguarding of human rights relevant to our business.
- Utilizing premier national and international guidelines as benchmarks to assess and track our environmental and social performance.
- Identifying and prioritizing the environmental and social aspects crucial to our business to propel performance improvement.

Ethical Business Practice:

The Company prioritizes ethical and lawful business conduct. Grihum believes in free and fair competition and does not subscribe to any unethical or illegal business practices to gain competitive advantage. Grihum has adopted Fair Practices Code which:

- a. Promotes good and fair practices by setting minimum standards in dealing with customers.
- b. Increase transparency so that the customers can have better understanding of what they can reasonably expect of the services.
- c. Encourage market forces through competition, to achieve higher operating standards.
- d. Promotes a fair and cordial relationship between customers and the Company.

Corporate Governance:

The Company is dedicated to upholding corporate values for itself, Senior Management, and other employees, setting expectations for conducting all business in a legal and ethical manner. Additionally, the Company is committed to communicating corporate values, professional standards, and the Code of Conduct. As part of its commitment to good corporate governance, Grihum has adopted Corporate Governance Policy, Policy on Corporate Social Responsibility and Breach of Integrity and Whistleblower Policy, allowing employees to report illegal, unethical, or questionable practices without fear of victimization.

The Company has also constituted various committees namely; Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Information Technology Strategy Committee, Risk Management Committee including the Corporate Social Responsibility Committee (CSRC) which drives the CSR of the Company.

At Grihum, our CSR philosophy is dedicated to fostering positive change within various communities and sectors. Through our flagship programs, we exemplify our commitment to igniting opportunities and knowledge for a brighter future. By empowering individuals through targeted initiatives that improve skills and create better livelihood opportunities, Grihum enriches lives, nurtures pride within the communities it serves, and supports them in leading a life with dignity.

The Company engages in activities encompassing four pillars to fulfill its CSR commitments.

- **Khushiyon Ka Angan:** which is dedicated to promoting girl child education. Our aim is to provide educational opportunities to underprivileged girls and empower them to achieve their full potential and to ensure that we reach those who need it the most.

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- **Swayam:** which aims to encourage our employees to contribute their ideas for giving back to society. We believe in the power of collective action and are committed to making a positive impact on our communities.
- **Hunar Se Parichay:** focuses on skill development, empowering marginalised individuals with disabilities, underprivileged men and women, and unemployed youth. Through this initiative we supported individuals wherein they are taught skills which enhance their employability.
- **Swasthya Ke Saath:** which focuses on the well-being of school-aged children. Through our efforts, we have arranged eye and health check-up camps to encourage healthy living among these children. Our objective is to ensure that every child receives the proper care and attention they need for a healthy future. Ultimately, our mission is to create a healthier community and bring joy to the faces of those we serve during these check-up camps.

ESG Framework

The Company shall establish an ESG Committee comprising of the Chief Financial Officer, National Technical Manager, National Manager - Administration, Chief Business Officer, Chief Compliance Officer, Vice President - Treasury and Lead - CSR.

The Chief Financial Officer shall be the Chairperson of the Committee.

Meetings and Quorum:

The ESG Committee shall meet at least once in a financial year and the quorum shall comprise of two members or one third of the total members of the ESG Committee, whichever is higher.

The Company Secretary will act as a Secretary to the Committee but shall not be a member.

Roles and Responsibilities of the Committee

Oversight of ESG Matters

The Committee will have, without limitation, the following roles and responsibilities:

- Recommend to the Board the Company’s overall general strategy with respect to ESG Matters.
- Oversee the Company’s policies, practices and performance with respect to ESG Matters.
- Oversee the Company’s reporting standards in relation to ESG Matters, if applicable.
- Report to the Board current and emerging topics relating to ESG Matters that may affect the business, operations, performance, or public image of the Company or are otherwise pertinent to the Company and its stakeholders and, if appropriate, detail actions taken in relation to the same.
- Advise the Board on stakeholder proposals and other significant stakeholder concerns relating to ESG Matters.

Responsible Lending Activities:

The Company is committed to assess and mitigate environmental & social risks in its lending portfolio. The Company, through its lending activities, shall endeavor to ensure fair and transparent access to credit to individuals in a manner that promotes inclusive and equitable development. The Company shall strive to ensure that its lending activities are compliant with applicable Indian laws and regulations. To the best

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possible extent, the Company shall refrain from lending to activities which adversely impact the environment, violates human or animal rights or is deemed illegal as per national/ international laws.

Further, the Company is encouraging to increase lending for affordable, smart and green housing and enhance other sustainable and inclusive lending opportunities, including supporting various housing finance initiatives of the Government of India to help meet its vision of 'Housing for All'.

Sustainable Operations:

The Company is dedicated to minimizing its environmental and social impact by advocating for the utilization of sustainable products and services throughout its operations. It aims to decrease paper consumption through increased digitalization initiatives, implement sustainable procurement practices in its supply chain, and actively contribute to environmental conservation and protection. This commitment extends to Corporate Social Responsibility (CSR) projects focusing on ecological restoration, sanitation, waste management, and other related areas. The company also emphasizes the importance of climate-conscious decision-making among its employees, exemplified by initiatives such as eliminating the use of plastic water bottles in office premises, reducing paper cup consumption, and implementing effective waste segregation practices.

Employees:

The Company shall continue to provide fair and equal employment and advancement opportunities to all its employees without any discrimination on the basis of race, caste, color, age, sex, disability and socio-economic status of the candidate in adherence to its Equal Opportunity Policy for employees. The Company shall continue to promote an environment that is conducive to the training and skill development of all its employees.

The Company shall continue to provide a comprehensive suite of financial and non-financial benefits and facilities to promote the well-being of its employees. The Company shall also continue to provide a dedicated policy to promote a safe and conducive work environment, appropriate healthcare benefits and medical cover to promote the welfare of its employees.

Grihum is committed to implement the compliances under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (POSH Act) and has a Policy on Prevention and Redressal of Sexual Harassment in place with an internal committee headed by senior officers to sensitively address the incidents of sexual harassment at workplace.

V. REVIEW:

The Board of Directors or Audit Committee may review the policy from time to time as may be required, on the recommendation of ESG Committee, changes, if any, shall be effective only upon approval by the Board.

VI. INTERPRETATION

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Articles of Association of the Company and /or the Companies Act, 2013 or Rules made thereunder or Listing Regulations or under other applicable laws.

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VII. CHANGE CONTROL RECORD:

Version No.	Change Request by	Memorandum of Change	Approval Date
1.0	Secretarial Team	Initial Policy	05.08.2024