

MOTILAL OSWAL HOME FINANCE LIMITED
POLICY ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE
("ESG")

Version 1.0

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VERSION DETAILS

Sr. No.	Details of Changes	Date of Creation/Change	Department	Version Number	Approved By
1	Original Document	December 29, 2021	HR & Admin	Ver. 1.0	Finance & Securities Allotment Committee

1. INTRODUCTION

Motilal Oswal Home Finance Limited (“MOHFL” or “Company”) is registered with Reserve Bank of India (RBI) as Housing Finance Company and is amongst the leading new age Housing Finance Companies in India having its presence across 11 states in Western, North-Central and Southern India.

The Company is a professionally managed housing finance company with unique combination of financially sound and technically experienced parentage having built public trust of over 3 decades in the domain of financial services. The group is known for their professional ethics, high knowledge and strong execution capabilities. The company works on the business philosophy of financial inclusion of Economically weaker section (EWS) and Lower Income Group (LIG) Indian families by providing them an access to long term housing finance to own their dream house.

The aims to touch the lives of a larger populace by allowing the EWS/LIG segment in realizing their dreams to own their own ‘PUCCA GHAR’ – a place where life is celebrated at its best – one’s own home – one’s own shelter – one’s own space in the world. – by providing simple and fast solution towards the Home Loan need. The Company make effective use of digital solutions including Online Housing Loans with optimum physical presence.

MOHFL acknowledges that ESG is a prime driver for the creation of long-term value for all stakeholders including investors. Therefore, the Company is focused on minimizing the ESG impacts arising out of its own operations whilst simultaneously offering products and services in a responsible manner.

As an organization, we aim to align our ESG approach with our strategic goals and the experience we seek to offer all our stakeholders. ESG is an area of heightened focus and investment for us and has changed our outlook towards our business.

2. OBJECTIVE

The objective of the Policy is to articulate Company’s commitment towards Environment, Social and ethical governance practices to serve as a guide for their implementation and to provide an inclusive, safe and healthy working environment and promote the well-being of all the stakeholders. Purpose of ESG Policy is to drive the MOHFL’s ESG strategy and integrate it with the core business strategy.

3. ESG POLICY STATEMENT

MOHFL being a HFC, neither has a sizeable consumption of any raw material nor produces any tangible goods. Its activities are limited to providing financial solutions to serve the needs of the people. MOHFL nurtures a culture of conservation that emphasises meticulous monitoring of consumption of resources and encourages innovations that aid in reducing the dependence on natural resources.

MOHFL operates in extended suburbs of metros and tier II / tier III cities with an aim to have a pan India presence. The Company has a robust technology platform built with an aim to

enable end to end processing (from sourcing to disbursement to collections) of home loan applications. With diverse, multi-state workforce across India Company is conscious of its responsibilities towards customers, employees as well as all other stakeholders.

In order to demonstrate the approach and commitment to ESG principles, MOHFL commits to:

- Comply with all relevant and applicable ESG statutory rules and regulations.
- Assess the impact of the company and its alignment of ESG related risks and opportunities with a company's business model and strategies.
- Maintain a high level of social and ethical conduct within own operations and communicate our ethical standards to the customers, third parties, investors and general public
- Embrace key international ESG standards and guidelines, relevant to our business and jurisdiction, and strive to adopt best practices.
- Allocate resources towards training workforce on ESG policy and commitments. Instill an organization wide culture aligned to our ESG policy.
- Ensure workforce policies and practices are consistent with the company's values and support its long-term sustainable success.
- Commits to fund environment friendly projects and strive to promote sustainable environment.

4. APPROACH AND FOCUS AREAS

A. Climate Change Strategy

Energy & Emissions

In our strategy to combat climate change and transitioning to a low carbon economy, we will strive to reduce our carbon footprint by taking on initiatives to monitor and reduce our energy consumption. Our initiatives will be aimed at:

- Installing LED lights across all offices and Branches which consumes less power
- Procurement of Energy Saving Green IT Equipment
- Implementing automated energy management solutions to reduce energy consumption
- Retrofitting existing high energy consuming devices and equipment to maximize performance while consuming less electricity
- Installing High-end Copier Machine in High Print volume to reduce the Carbon Footprint
- Disposal wastage IT assets in an environment friendly way.
- Use of thermal insulator which help in reducing the heat transfer thereby improving cooling inside the building and hence reducing power consumption.

Waste Management

The Company shall make efforts to dispose waste in the most responsible manner. The IT wastes are outsourced to vendor which disposes off the wastes as per proper waste disposal mechanism. Also the old papers and documents are scrapped in such a manner such that they may be recycled. Further, food wastage awareness drive is conducted in head office.

The Company is conscious of paper usage in its operations, transactions and customer communications. Our push to go digital will continue to reduce paper consumption, thereby reducing paper waste. Printing and photocopying operations by employees across offices and branches will also continue to be monitored and regulated in order to reduce wastage of paper. The Company has also introduced e-Board/ Committee meetings which are conducted in a completely paperless manner thus making significant efforts to reduce the consumption of resources, specifically paper, wherever it can. The Company is equipped with rainwater harvesting system and recycles waste water to reuse as flush water and in watering plants. Further, sensors in water taps are used to reduce wastage of water.

The Company has stopped the usage of plastic cups, bottles and straws for beverages and instead has distributed ceramic coffee mugs to all the employees and reusable cutlery is used in cafeteria. The Company will strive to reduce the use of all forms of plastic in its offices, branches as well as in its promotional, marketing and outreach events.

B. Environmental & Social Risk Management in Lending

We are cognizant of our environmental and social risks in our lending and hence evaluate these risks as part of our credit appraisal process. We ensure that we fund to projects which is on non-agriculture land & non forest land and having all environmental clearance. Our Technical team verify the provided Plans & working drawing and confirm the property acceptability. Endeavour should be to disburse loans only to those properties which complies respective authorities of local building codes and construction requirements. Company focus on enabling home ownership in tier 2 & tier 3 cities thereby helping in reducing the strain and load on resource in tier 1 cities. Company also offers home loan at concessional rate to women borrowers working in private companies and self-employed women running their own businesses. We shall also endeavour to work on "Green Housing Project" to finance and build environmental friendly homes.

The Company will continue to evaluate all loans for adherence to Environmental, Health, Social & Safety norms.

C. Procurement Practices

The Company recognizes the need to work closely with our suppliers to reduce waste, improve efficiency, reduce carbon footprint and engage with them to understand their commitment towards human rights and labour practices. We will thus continue to work towards greater integration of environmental & social considerations in our procurement practices.

The Company will make efforts to procure products which are -

- Recycled
- Environment friendly
- Energy efficient
- Locally sourced

The Company will also set clear expectations with vendors and suppliers to abide by labour laws, human rights and regulations in their regions of business. They are expected to adhere to laws addressing child, forced or trafficked labour.

D. Managing employee relationship and ethical working conditions

Non-Discrimination & Fair Treatment

Our employees are central to everything we do and satisfaction of our employees is critical to the long term success of the Company. We will provide fair and equal employment and advancement opportunities to all its employees and there will be no discrimination on the basis of race, caste, color, age, sex, disability and socio-economic status of the candidate. We ensure a fair recruitment process that helps us identify and hire people with the right values, who are then groomed, encouraged and retained through a combination of financial and non-financial incentives.

To bridge the gender gap in the organization Company has formed a committee W-I-N-G-S (Women Initiative to Nurture, Grow & Succeed). This committee focuses on the following:

- To have substantial women representation in mid-senior level of the organization;
- Increase the ratio of women representing mid and senior level positions;
- Develop Internal women mentor;
- Provide structured opportunities & networking platform for development of women Associates;
- Bringing gender diversity at leadership level.

Through this platform we track and measure Gender Impact.

Remuneration and career progression.

The Company will continue to create an inclusive culture to ensure representation across gender, caste, creed, religion, region, physical ability and military/ veteran status. The Company is making structured efforts on gender diversity initiatives. The percentage of women in our workforce is at 20% and we aspire to increase this percentage over the period of time.

Employee Health & Well-being

The Company is committed to continue to take steps to promote a safe and conducive work environment for its employees and will provide guidance on occupational health and safety, appropriate healthcare benefits and medical cover to all its employees. The Company will continue to conduct regular health check-up for its employees.

Employee Ethics & Code of Conduct

The Company also has an exhaustive manual and online portal on human resources which covers all aspects pertaining to employment with Group which encourages principles of ethics, transparency and accountability. Further, the Company arranges lot of training, conduct seminars for employees to abide by the Company's policies in true spirit. The Company's Conduct Regulations also define good corporate practices, financial transactions & personal account dealings, professional code of conduct and management action that will continue to promote a culture of good integrity and ethics amongst its employees.

Women Safety

The Company has a Zero tolerance Policy on Prevention of Sexual Harassment and an Internal Complaints Committee (ICC) that investigates cases of sexual misconduct and investigates them through a fair and transparent process and take action against erring employees. 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. Female employees are allowed to work late to meet urgent business requirements only with written approval of Head - Human Resource & Admin Department (HR & Admin).

Training & Development

The Company has always believed that its employees are its most valued resource and hence, has always ensured their all-round development through regular training & leadership programmes. There is Human Resources Development Department that ensures that employees are sufficiently trained in functional and behavioral skills to ensure high standards of service to internal and external stakeholders and identify, promote, and realise the adoption of best environmental and sustainability practice at all levels of MOHFL operations.

The Company nominates its employees for self-development and leadership programs for further enhancing their competencies and skill-sets.

Digitization of the HR functions has enabled creation of an environment that fosters learning and growth. As a Company we realize the importance of continuous learning and regular workshops are held covering key processes and procedures, adoption of best environmental and sustainability practice, customer service standards, underwriting process, collection, credit disbursals, treasury functions, soft skills and behavioural aspects.

Our Customers

We recognize that maintaining the trust and regard of our customers is important for our success and longevity, in a fiercely competitive market. Through our digital platforms and initiatives, we will provide our customers, the flexibility to access and consume our services over any digital platform of their choice. We recognize that product quality and service delivery is vital for our business growth. The Company seeks to achieve this by regularly reviewing service levels and capturing feedback from customers.

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.

Community & Society

Guided by our board governed Corporate Social Responsibility (CSR) policy, the Company will continue to create value for marginalized communities in the country, through well-structured programs and interventions. Our umbrella of social initiatives through a Foundation called 'Motilal Oswal Foundation' has touched many lives and helped empower and strengthen communities.

Our CSR programmes focus on distinct areas of intervention such as Promotion of Education, Healthcare & Hygiene, Skill Development & Livelihood Enhancement, etc.

Transparency & Accountability to Stakeholders

By means of the Whistle Blower policy, the Company will continue to empower and encourage various stakeholders including employees, customers, suppliers, vendors, shareholders and other stakeholders to bring to the notice of the Company, any issue involving compromise/ violation of our code of conduct/ ethical norms, legal or statutory provisions without fear of reprisal, retaliation, discrimination or harassment. Chairman of Audit Committee addresses these concerns by initiating a thorough enquiry conducted by the appropriate authoritative body within the Company.

Good Governance practices

We are committed to maintaining the highest levels of ethical standards of integrity, corporate governance and regulatory compliance. These parameters form the bedrock of our corporate governance policy. We have proactively upheld good governance practices and are constantly striving to enhance our standards. Our Board of Directors is responsible for setting the course for, and evaluating the Company's performance with regards to corporate governance. The parameters of evaluation include compliance, internal control, risk management, information and cyber security, customer service, social & environmental responsibility.

The Company's corporate governance framework complies with the Indian companies Act, the regulations and guidelines of the Securities and Exchange Board of India ("SEBI") and the requirements of the listing agreements entered into, with the Indian stock exchanges.

We will continue to adopt and adhere to the best recognized corporate governance practices and is continuously benchmarking itself with best in class practices.

5. ESG DISCLOSURES & REPORTS

The Company has identified Head-HR & Admin as the key person for implementation of ESG initiatives and shall take internal/external approvals wherever necessary. The Company is also planning to form an internal ESG Committee to look after ESG related matters.

As per existing regulatory framework, currently the Company is not required to make disclosure on ESG. However, as a part of better corporate governance practice the Company has started publishing ESG performance in Annual Report and endeavour shall be to publish detailed report over the period of time.

We will drive the implementation of our policy through widespread awareness and concrete actions, while being open to continual improvement. We believe that the policy serves as a strong foundation for seamless integration of our marketplace, workplace, environment, and community concerns with Company's business operations in order to support the larger goal of sustainable development.

We shall communicate this policy to all employees, customers, business associates, and other stakeholders and ensure it is available to the public.

We shall review the ESG Policy and allied management systems periodically to ensure their continuing applicability and relevance to our operations and evolving stakeholder expectations.