



ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) POLICY FRAMEWORK

(Effective from March 11, 2024)

Contents

- 1. Introduction 3
- 2. Approach & Policy Governance 3
- 3. Approach and Focus Areas 4
 - 3.1 Climate Change Strategy 4
 - 3.2 Procurement Practices 5
 - 3.3 Our Workforce and employment practices 5
 - 3.4 Our Customers 6
 - 3.5 Community & Society 6
 - 3.6 Transparency & Accountability to Stakeholders 7
 - 3.7 Good Governance Practices 7
- 4. Disclosures & External Standards 7

1. Introduction

Our Company has a strong commitment to positively impact the environment, our customers, employees and the community at large. Our core values have guided our ESG practices, which seek to drive growth and empower communities through our corporate decision-making processes. Our ESG vision and ambitions continue to drive value for all our stakeholders.

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. Disclosure framework on Climate-related Financial Risks, 2024 issued by RBI regarding disclosure of information about climate-related financial risks and opportunities of the Companies for the users of financial statements. The glide path for detailed disclosures by the Company on the areas of “Governance”, “Strategy” and “Risk Management” will be applicable from FY 2025-26 onwards and Metrics and Targets will be applicable from FY 2027-28 onwards. Hence the Company will incorporate the disclosure requirements prior to the even date of the applicability.

2. Approach & Policy Governance

Climate change is a growing concern and its impact is garnering global attention. The Company recognizes the importance of sustainability and mitigating the negative effects of climate change. It supports environmentally sustainable programmes that seek to bring about positive change.

We have mapped our contribution to the Sustainable Development Goals (SDGs) through the HDB ESG vision and ambitions.

To strengthen our vision and focus on ESG, we have a Corporate Social Responsibility & ESG (CSR & ESG) Committee who shall be responsible for the Environmental, Social and Governance (ESG) matters arising out of the activities and operations of the Company and to monitor the Company's ESG Framework, strategy, goals and disclosures. The Company's aim is to adopt the principles and guidelines on Social, Environmental, Governance and Economic responsibilities promoted by the regulatory bodies and to embed them in the Company's activities. The Committee shall also monitor adherence to appropriate ESG-related regulatory standards, assess ESG disclosures and performance toward targets and objectives. The Company is committed to:

- Embedding the Company's ESG ideology and identifying ESG related risks and adverse incidents that can affect business operations
- Conduct business ethically having value driven approach in decision making
- Demonstrate organizational commitment to stakeholders meeting their requirements and expectations
- Reporting the measurable impacts of business activities on the environment and society
- Ensuring robust compliance management with applicable statutory and regulatory guidelines
- Continual evaluation and adoption of relevant measures to improve upon ESG Maturity

The ESG Policy framework will serve as a guiding document for all ESG initiatives and activities undertaken by the Company. This framework covers the Company's operations in India. The framework will be reviewed and updated every year after ratification and recommendation by the CSR & ESG Committee of the Board.

3. Approach and Focus Areas

3.1 Climate Change Strategy

Energy & Emissions

We endeavour to measure, verify and disclose our GHG (Greenhouse Gas) emissions every year. 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:

- Adopting renewable energy in our offices and premises, where possible
- Incorporating energy efficient building designs, where applicable
- Implementing automated energy management solutions to reduce energy consumption, where possible
- Retrofitting existing high energy consuming devices and equipment, where possible to maximize performance while consuming less energy
- Incorporating energy efficiency at our data centers, by reducing server rack space, using environment friendly batteries in UPS devices and use ozone friendly refrigerants for cooling to the extent possible.

The Company will strive to reduce its combined Scope 1 & 2 emissions intensity.

**Scope 1: Direct Emissions Scope 2: Indirect Emissions*

Waste

The Company shall make efforts to dispose waste in the most responsible manner.

The Company is conscious of paper usage in its operations, transactions and customer communications. Our push to go digital across service and product lines will continue to reduce paper consumption, thereby reducing paper waste. Printing and photocopying operations by employees across large offices will also continue to be monitored and regulated in order to reduce wastage of paper. The Company will ensure that E-waste will be disposed-off in an Environment Friendly manner as per E-Waste Management and Handling Rules. The Company will ensure that no hazardous electronic waste is sent from the Company to the landfill.

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.

3.2 Procurement Practices

The Company recognizes the need to work closely with our vendor's/ service providers 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/ services which are recycled, environment friendly, energy efficient and locally sourced. The Company will also set clear expectations with vendors and service providers to abide by applicable laws including labour laws, human rights and regulations in their regions of business. They are expected to adhere to laws addressing child, forced or trafficked labour.

3.3 Our Workforce and employment practices

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 our employees and there will be no discrimination on the basis of race, caste, colour, 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.

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 will make efforts to improve its gender diversity.

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 its employees.

Employee Ethics & Code of Conduct

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

is guided by the HDB Code of Conduct, an internal document available to all employees. 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.

Training & Development

The Company recognizes the importance of having a skilled workforce with necessary competencies to deliver on the Company's strategic and operational plans through well- structured training modules to assist in job specific development as well as personal development of the employees. The Company is committed towards providing an environment that is conducive to and promotes training and development opportunities to all employees.

3.4 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.

Abiding by its Privacy policy, 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.

3.5 Community & Society

The Company is committed to building a resilient society, and will continue to invest in the socio-economic development of marginalised and vulnerable groups through CSR programmes. Our community interventions foster effective collaborations between stakeholder groups to achieve desirable outcomes in a responsible and sustained manner.

Our CSR programmes focuses on Promotion of Healthcare & Hygiene, Literacy and Livelihood Enhancement, and Environmental Sustainability, and other areas that are aligned with India's development agenda for nation-building.

3.6 Transparency & Accountability to Stakeholders

By means of the Whistle Blower policy, the Company will continue to empower and encourage various stakeholders including customers, non-governmental organizations, employees of other agencies deployed for the Company's activities, contractors, vendors, suppliers or agencies (or any of their employees) shareholders of the Company and any other person having an association with the Company, to make protected disclosures of aberrations and dealing with it at the earliest through an established mechanism.

Whistle Blower Committee, headed by Head-Internal Audit, receives and addresses these concerns by initiating a thorough enquiry and has all resources at its disposal to conduct any enquiry.

3.7 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 Code. 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 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 Companies Act, the regulations and guidelines of the Securities and Exchange Board of India ("SEBI"), RBI Master Directions including RBI Scale based regulations, IRDA regulations and the requirements of the other applicable laws and regulations.

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

4. Disclosures & External Standards

ESG Disclosures & Reports

We shall publish an annual Business Responsibility & Sustainability Report to highlight our performance against stated principles of the National Voluntary Guidelines developed by the Indian Ministry of Corporate Affairs (MCA). We shall report our emissions, energy consumption and our strategy to combat climate change in our annual response to the Carbon Disclosure Project (CDP). We publish in detail, our corporate governance disclosures in our Annual Report. We will publish through the Integrated Report, our performance and strategy in conjunction with the six capitals laid out by the International Integrated Reporting Council (IIRC).

We will disclose our ESG information in relevant ESG indices and forums to demonstrate our commitment to stakeholders.

Independent Third Party Assurances on ESG Disclosures

We will seek third party assurance on our ESG disclosures to demonstrate credibility of our publicly available information.