

ESG Policy

INDEX

S. no.	Title	Page no.
1	Introduction to the Policy	7
2	Applicability	8
3	ESG Strategy & Reporting	9
4	Policy Objective	10
5	Policies to guide ICICI HFC's ESG objectives	13
6	ESG Awareness	13
7	Review of Policy	13

I. Introduction to the Policy

ICICI Home Finance Company (ICICI HFC) recognizes that its long-term success hinges on the well-being of the environment, people, and the communities served. This Policy outlines the company's approach to managing critical issues encompassing environmental, social, and governance (ESG) metrics. These include climate change, employee development and well-being, customer satisfaction, ethical business practices, cybersecurity, and data privacy. A robust governance structure (RACI Matrix) with clearly defined roles and responsibilities has been defined to ensure that sustainability principles guide decision-making at every level of the company.

ESG Policy Statement

ICICI HFC is dedicated to making home ownership a reality for Indians. The company actively pursues environmental and social initiatives as part of responsible business practices to enhance its position within the industry. The approach extends to upholding the highest ethical standards, fostering transparency, and embracing accountability across all operations.

ESG Vision: As a first step towards fostering the ESG spirit within its fold, ICICI HFC envisions following of responsible business practices by its employees to contribute positively towards societal progress and environment. Our ESG philosophy of 'Sustainability First' will guide the company's developing approach in the sustainability journey, supporting business initiatives that promote a sustainable future.

ESG Mission: At ICICI HFC, our ESG principles aim at setting high standards for sustainable business practices, generating long-term value for the organization by contributing positively to the environment and the community that it engages with. The following guiding principles underscore the Company's ESG commitments:

- **Leadership in Environmental Sustainability:** Demonstrate a commitment to implement practices to promote environmental sustainability across the Company's business functions and operations.
- **Fair Treatment of Stakeholders:** Actively engage with stakeholders to seek their valued inputs and address their concerns.
- **Diversity, Equity, and Inclusion:** Create an inclusive work environment that thrives on diversity, promoting equal opportunities for career growth.
- **Excellence in Customer Service:** Strive for excellence in every customer interaction, leveraging technology to enhance services and exceed customer expectations.

- **Ethical Business Practices:** Ensure the highest standards of ethical conduct and transparency guided by the ICICI Bank Group Code of Conduct.
- **Robust Risk Management Practices:** Proactively identify, mitigate, and adapt to ESG risks while safeguarding stakeholder interests.

II. Applicability

This policy aims to encompass internal stakeholders connected with selected material topics of ESG, including regulators/ government, investors, employees, communities and suppliers.

III. ESG Strategy & Reporting

ICICI HFC is committed to integrating ESG through a comprehensive strategy outlining its focus areas for the material topics, risk management approach, and ESG metrics disclosure.

Out of 21 potential material topics, the Company has identified eight primary material topics as focus in the short-term, namely Climate Change, Circular Economy, Workforce/Human Capital Development, Customer Satisfaction, Business Ethics, Corporate Governance and Risk Management, Digitalization and Cybersecurity.

The Company is committed to transparency and sustainable practices and endeavors to adopt the Global Reporting Initiative (GRI) framework and/or any other suitable framework for reporting and disclosure of ESG initiatives and performance, as may be relevant to the nature of the company's activities and operations.

IV. Policy Objective

Integrating ESG at various levels of the organization is a strategic imperative for ICICI HFC. The Company aims to inculcate environmental and social responsibility across its operations and business functions.

Environment

ICICI HFC acknowledges its responsibility to manage its carbon footprint. The Company endeavours to take practical steps within its operations by prioritizing energy efficiency, supporting green housing projects, and exploring renewable energy options.

The Company will strive to improve its environmental performance by developing systems, setting achievable targets, addressing environmental risks, and exploring circular economy principles. Transparent ESG reporting and open communication with stakeholders will support ongoing progress towards a sustainable future.

The key environmental focus areas for ICICI HFC are outlined as follows:

- A. **Climate Action & Environmental Responsibility:** This recognizes the importance of accurate Greenhouse Gases (GHG) accounting (Scope 1 & 2 emissions) for managing environmental impact and mitigating risk. The company shall strategically evaluate opportunities in sustainable housing, prioritize energy efficiency across its operations, and assess the potential for integration of renewable energy sources. Its objective is to establish time-bound emissions reduction targets, underscoring a commitment to long-term resilience and environmental responsibility.
- B. **Sustainable Procurement:** ICICI HFC aims to integrate sustainable procurement principles across its operations and align its partners with these practices, fostering a shared focus on sustainability throughout the supply chain.
- C. **Waste Management:** ICICI HFC aims to adopt efficient waste management practices aligned with applicable compliance requirements. The company aims to minimize operational environmental impact and explore opportunities to integrate circular economy principles for waste reduction, reuse, and recycling.

Social

ICICI HFC recognizes its social responsibility and strives to operate ethically and in compliance with applicable laws. The Company aims to foster a diverse and inclusive workplace, actively engage in community development initiatives, support continuous learning and skill development, and safeguard employee rights through an accessible grievance redressal mechanism. This approach guides the Company to contribute positively to the communities it serves, and to the society at large.

The Company considers the following areas important to its social responsibility efforts:

- A. **Equal Opportunity:** Hiring a diverse and skilled workforce ensuring equal opportunities for all, regardless of any gender, race, ethnicity, or any other factors.
- B. **Fair Compensation:** Following fair compensation practices and policies that overall reflects an employee's role, potential, and contributions.
- C. **Talent Investment:** Cultivating a culture of continuous learning by investing in employee's development by nurturing skills, capabilities, and potential for growth.
- D. **Digital Enablement:** Investing in digital initiatives to support a digitally savvy workforce.

- E. **Diversity and Inclusion:** Foster a culture which helps in creating a diverse, equitable, and inclusive workplace where employees feel valued and respected, regardless of their background or identity.
- F. **Customer Satisfaction:** Striving to meet and exceed customer expectations, with endeavors to drive continuous improvement.
- G. **Technological Innovation:** Utilizing technological advancements to enhance efficiency, agility, and cost-effectiveness across departments.

Governance

ICICI HFC prioritizes the integration of its ESG principles across business operations. A robust governance structure is essential to ensure that these principles are consistently upheld, contributing to the company's long-term prospects and the creation of value for all stakeholders.

- I. **ESG Management Committee:** ICICI HFC has formed an ESG Management Committee to guide the strategic development and implementation of its ESG program. This Committee brings together senior leaders from across key functions (including ESG, infrastructure, operations, HR, compliance, finance, product, and marketing) to ensure a coordinated approach.
- II. **The ESG Management Committee will:**
 - Review the company's evolving ESG action plan.
 - Receive and act upon stakeholder feedback concerning ESG initiatives.
 - Collaborate with ICICI Bank to seek guidance on any ESG-related matters requiring clarity.
- III. **ESG Working Group:** An ESG Working Group has been established to support the ESG Management Committee in executing the ESG strategy and achieve the established goals. This Group includes representatives from various business areas directly involved in implementing ESG initiatives.

The key focus areas for ESG Governance at ICICI HFC are outlined as follows.

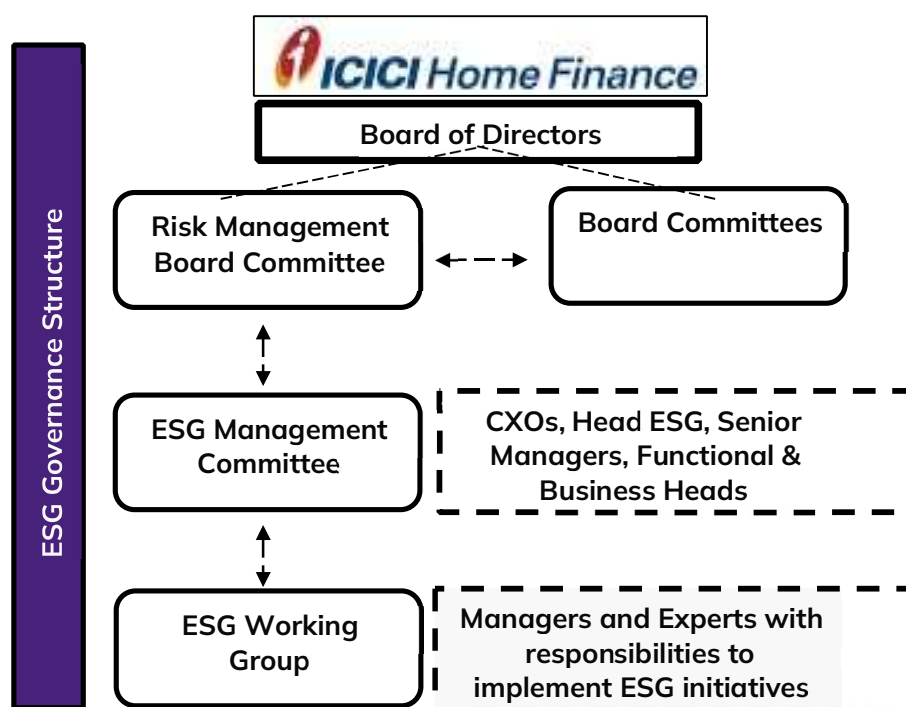


Figure 1 Governance Structure

A. Business Ethics: ICICI HFC shall continue to abide by the ICICI Group Code of Conduct¹. The policy outlines the following guidelines for ethical business practices and professional conduct:

- **Conflict of Interest and Outside Activities:** Avoid any activities, interests or relationships that might interfere with or appear to interfere with their ability to act in the best interests of ICICI HFC and its customers.
- **Privacy/Confidentiality:** Protect the confidentiality of proprietary and confidential information of ICICI HFC, its customers, suppliers, and other external parties.

¹ [ICICI Group Code of Conduct \(icicihfc.com\)](http://icicihfc.com)

- Anti-Bribery and Anti-Corruption/Gifts and Entertainment: Discourage any bribes or illegal benefits or payments to or from anyone for the purpose of obtaining or retaining business or any favorable action.
- Prohibition of Insider Trading: Prohibit personal investments that could affect or appear to affect their ability to make unbiased business decisions for ICICI Group. Comply with the Code of Conduct for Prevention of Insider Trading and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
- Know Your Customer (KYC)/Anti Money Laundering (AML): Exercise due diligence in selecting and conducting business with customers and counter parties by adhering to the Anti Money Laundering Policy and report any suspicious transactions or activities.
- Raising Ethical Issues: Report any concerns or suspected violations of the Code, internal policies, external legal and regulatory requirements by following the reporting mechanism outlined in the Whistle Blower Policy.

B. Corporate Governance and Risk Management: ICICI HFC has adopted a robust corporate governance framework, complying with regulatory and legal requirements. All policies, codes, and procedures are actively monitored, and the Company maintains transparency through appropriate disclosures. The instituted processes for corporate governance and risk management are overseen by empowered Board Level committees. ICICI HFC strictly adheres to the 'fit and proper' criteria for directors as outlined in the RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. This includes obtaining declarations, undertakings, and signed Deeds of Covenant from directors, along with submitting quarterly statements to the NHB regarding director changes.

C. Cybersecurity and Data Privacy Governance: ICICI HFC actively safeguards individual privacy through a comprehensive approach to cybersecurity and data privacy.

- The Company has developed a comprehensive Cyber Security Policy to ensure protection of the Company's cyberspace against cyber-attacks, threats, and vulnerabilities.
- The IT Risk (including cyber security risk) is managed by the Information Technology Strategy Committee (ITSC) of the Company.
- The Company ensures awareness of cyber security among all employees by periodic trainings and guidance issued through periodic mailers.

- The Company's core IT systems are presently hosted at ICICI Bank's data center, and the Group follows the Information Security Risk Management framework for risk assessment of these IT systems.
- The Company respects customer privacy and ensures that all personal data is protected in accordance with applicable laws
- The key risks related to cybersecurity and data privacy are reported periodically by the Chief Risk Officer to the Board of Directors, Board level committees, and the senior management.

D. Stakeholder Engagement and Accountability: ICICI HFC believes in building trust and nurturing relationships with regulators/ government, investors, employees, communities and suppliers. The Stakeholder Engagement demarcates the Company's approach towards addressing stakeholder expectations.

V. Policies to guide ICICI HFC's ESG objectives

The ESG Management Committee will have appropriate oversight of the policies being implemented to provide the framework to align ESG initiatives with stakeholder interests and the Company's vision of being a leading catalyst for sustainable value creation.

VI. ESG Awareness

The company shall foster awareness and share updates, events and milestones with employees and stakeholders to ensure effective understanding, alignment and implementation of ESG commitments.

VII. Review of Policy

This policy will be reviewed by Risk Management Committee as and when required.