



Sustainable Financing Framework

January, 2022

Introduction

Indiabulls Housing Finance Ltd. (IBHFL) is India's third largest Housing Finance Company (HFC), regulated by the Reserve Bank of India (RBI). IBHFL is a non-deposit taking HFC registered with the National Housing Bank (NHB) and has a balance sheet size of ~\$11.6 billion¹ (₹ 0.86 trillion) as of 30th September, 2021. IBHFL has serviced more than 1 million customers and cumulatively disbursed loans of over ~\$38.5¹ billion (₹ 2.86 trillion). It has a strong nationwide presence and continues to reach out further with eHome Loans - India's first completely online home loan fulfillment platform.

IBHFL's operational presence comprises of Head office, Master Service Centres, Branch offices and Service Centres across India. As of 30th September, 2021, IBHFL had a network of 135 offices spread across 92 cities and a dedicated workforce of 4,196 employees, of which ~1,500 employees were part of the direct sales team located across the country.

IBHFL primarily offers Housing Loans to salaried and self-employed individuals for the construction or purchase of new dwelling units, the purchase of old dwelling units or renovation/ reconstruction of existing dwelling units with a focus on the affordable housing segment; and business loans to Micro, Small and Medium Enterprises (MSMEs), self-employed individuals and proprietorships for working capital or business expansion needs in India². IBHFL also offers loans to real estate developers in India for the construction of residential/ commercial buildings and Lease Rental Discounting (LRD) loans provided against the hypothecation of rent receivables from an operational commercial property. A majority of IBHFL's Assets under Management ("AuM") comprises of Housing Loans, including loans in the affordable housing segment (as defined by the RBI). As of March 31, 2021, Housing Loans and non-Housing Loans constituted 65% and 35%, respectively of IBHFL's consolidated AuM. IBHFL has shifted to an asset-light business model, focusing on co-lending of loans along with banks, other financial institutions and credit funds and an increased sell down of its loan portfolio.

Focus on ESG to drive sustainable growth

India is one of the world's fastest growing economies and yet 5% of the Indian population is estimated to be living in extreme poverty. Access to affordable housing is crucial for India to achieve its social objectives, including but not limited to, poverty alleviation and contributing to the United Nations' Sustainability Development Goals (SDGs). However, there remains a lack of supply and access to affordable housing with the Ministry of Urban Affairs' demand-based assessment estimating that demand for affordable housing is around 11.22 million homes (November 2021). The importance of addressing the affordable housing shortage in India is highlighted by the launch of the "Housing for All Mission" in 2015. The "Housing for All Mission" is the Government of India's initiative to provide 20 million affordable homes in urban areas by March 2022. PMAY (Pradhan Mantri Awas Yojana) was also launched in 2015 under the "Housing for All Mission" and incorporates a Credit-Linked Subsidiary Scheme (CLSS) that offers an interest subsidy to those applying for a Housing Loan under PMAY, with the intention of providing adequate and affordable housing for target populations. The Mission also supports women empowerment by pushing for ownership of houses in name of female member or in joint name and preference is directed to other weaker & vulnerable sections of the society, tying in with Priority Sector Lending (PSL) as referenced in this Framework.

Climate change and the environment are also topics of focus for the Indian Government. At COP26, Prime Minister Narendra Modi announced a target for net-zero carbon emissions by 2070, going beyond targets

¹ All currencies given in USD have been converted from INR using a conversion rate of 74.18 (USD/INR) as of 17th January 2022. The conversion rate as of this date (17th January 2022) will remain applicable in the context of this Framework. USD amounts have been rounded.

² The loans are appraised against business cash flow and secured against residential or commercial property. The end use of the loan is only for deployment in business and not for consumption.

The definition of MSMEs will be as per Government of India (GoI). Gazette Notification S.O. 2119 (E) dated June 26, 2020 read with circular RBI/2020-2021/10 FIDD.MSME & NFS.BC.No.3/06.02.31/2020-21 read with FIDD.MSME & NFS. BC. No.4/06.02.31/2020-21 dated July 2, 2020, August 21, 2020 respectively on 'Credit flow to Micro, Small and Medium Enterprises Sector' and updated from time to time. Further, such MSMEs should be engaged in the manufacture or production of goods, in any manner, pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 or engaged in providing or rendering of any service or services. All bank loans to MSMEs conforming to the above guidelines qualify for classification under priority sector lending.

previously set under India's Nationally Determined Contribution³ (NDC) under the Paris Agreement. The target will be achieved through a number of measures such as installing non-fossil fuel electricity capacity of 500GW by 2030; Sourcing 50% energy requirements from renewables by 2030; reducing 1 billion tonnes of projected emissions between 2021 and 2030; and achieving a carbon emissions intensity reduction of 45% by 2030 against a 2005 baseline. Many corporates recognize the role they can play in helping India achieve its vision. Corporate investment in the renewable energy sector will be required to meet national renewable energy capacity targets and green buildings can play a significant role in reducing Green-House Gas (GHG) emissions associated with the real estate sector. A combined effort across both the public and private sector will be required to meet the nation's accelerated ambition to address climate change.

The COVID-19 pandemic also completely re-shaped the way businesses look at the economy. As the pandemic unrolled, businesses and investors across the world have shifted focus from profits to people. These unprecedented circumstances in combination with the Indian national context have made IBHFL realize that the significance of sustainable and responsible practices cannot be over emphasized. IBHFL recognizes that it has a big responsibility to participate in and influence actions that help the environment and lead to social advancements of the communities around us.

As responsible corporate citizens, environmental and social considerations have always been key factors in the operations of IBHFL. To formalize its commitment, IBHFL pledged to embed ESG (Environment, Social and Governance) parameters into its institutional framework from this year (FY22) onwards. IBHFL believes that improvement on ESG parameters will also result in cost savings and improved operating efficiencies; help enhance the quality of service being offered to customers; and build stakeholder confidence, thus supporting IBHFL's vision of "sustainable growth". IBHFL has also engaged with leading ESG rating/grading institutions to further formalise, benchmark and measure its ESG approach to drive ESG best practices within the organisation, and further realise the efficiencies mentioned earlier, while also offering its stakeholders a transparent and independently ratified view into operations from an ESG perspective. IBHFL's FY21 Annual Report⁴ has laid out where it stands on key ESG aspects as well as near term (FY22) and long term objective targets for (FY27 and FY32). IBHFL has also enabled a link⁵ on its website, which provides an independent review of its sustainability initiatives.

Sustainable Financing

IBHFL recognises that embedding social and environmental considerations into lending and investment decisions is material for financial institutions to drive any sustainability measures. This means making the right choices in how, where and with whom IBHFL does business with can have a material impact on its mission to make a difference. With the help of this Framework, it is IBHFL's endeavour to take a step further to not only formalise, track and improve products it has focussed on but to also allow it to open up avenues for other sustainable considerations. Below are some of the products IBHFL already focuses on but will not limit to for social consideration for the purpose of the Framework.

Social

Affordable Housing

As a housing financier, IBHFL is in a unique position to help with one of humanity's basic needs – shelter. Loans towards Affordable Housing is not just a key business segment for IBHFL but is also a means by which it can make efficient funding available for purchase of Affordable Housing units to many first-time homebuyers. Aligned with the Government of India's mission of financial inclusion, IBHFL has pushed its way into new upcountry locations that can help more families buy their first house.

³ In the NDC, India has promised to create an additional carbon sink of 2.5 billion to 3 billion tonnes of carbon dioxide equivalent through forest and tree cover by the year 2030.

⁴ https://www.indiabullshomeloans.com/uploads/annual_report/ibhfl_annual_report_2020-210395615001625843817.pdf (pg. 25-pg 40)

⁵ <https://www.indiabullshomeloans.com/investor-relations/esg-world>

It has been IBHFL's endeavour to increase home ownership in India and is particularly focused on the mid-income and low-income Affordable Housing Segment. IBHFL has served over 1 million customers and understands that the purchase of a house is the single largest investment that a person makes in his or her lifetime. Therefore, its key focus has been to provide a seamless experience to its customers in the Affordable-Housing Segment in urban and semi-urban markets. IBHFL has adopted a "Phygital" model which entails a mix of 'physical' and 'digital' means of loan fulfilment and on-going loan account management. IBHFL offers fully digital, online loan fulfilment platform for customer segments which are well versed with technology, while at the same time continuing to serve other customers through its branch model. The "Phygital" strategy also helps drive expansion into geographies with low competitive intensity, contributing to better margins at low cost-to income without dilution in credit standards. IBHFL's efforts are directed towards reduction of its environmental footprint by promoting the fully digital eHome Loans platform for its new and existing customers.

Loans to Micro, Small and Medium Enterprises

IBHFL also extends loans to small business owners and Micro, Small and Medium enterprises (MSMEs). These loans help small business owners unlock the value of their property by availing loan against their property; these funds are then used by the customers for productive deployment in their businesses.

Loans to Priority Sector

Priority Sectors Lending (PSL) are loans to key sectors of the economy identified by the Reserve Bank of India (RBI) and the Government of India based on their social and economic importance. RBI mandates banks to direct a portion of their lending to these sectors, which include agriculture and allied activities, education, housing and food for the poorer population etc.

Extending Housing Loans to the priority sector (as defined by the banking regulator the Reserve Bank of India) is a key area of focus for IBHFL. The Reserve Bank of India defines Housing Loans under priority sector as loans to individuals up to ~\$47,000 (₹ 35 lakh) in metropolitan cities and up to ~\$33,700 (₹ 25 lakh) in other cities. Housing Loans under PSL are towards Affordable Housing, and help families purchase their first house, thus helping address the country's vast housing gap.

Lending to small businesses and Micro, Small & Medium Enterprises (MSMEs) also constitutes PSL. MSMEs are a vital category accounting for 30% of India's GDP. They are employment generating engines and employ about 110 million people. Many MSMEs are viewed as belonging to the "informal/ unorganised" sector and find it difficult to access efficient finance – timely finance at reasonable rates. IBHFL offers a means to these small businesses and MSMEs to unlock the value of their property and avail funding for their businesses at reasonable 'mortgage-backed finance' rates. Quick decision making also helps IBHFL offer timely financing solutions to these small businesses. IBHFL thus provides vital funding support to the economically and socially crucial small business and MSME sectors of the country's economy.

Environment

To decarbonize the global economy in alignment with the Paris Agreement, all businesses need to reduce their direct/ indirect Green-House Gas (GHG) emissions or facilitate the reduction of greenhouse gas emissions.

IBHFL has been following the ISO 14001:2015 Environment Management System (EMS) since 2017 to drive reduction of its direct operational emissions. It is an effective framework for working towards the UN Sustainable Development Goals (SDG) and helps IBHFL manage its environmental responsibilities in a systematic manner.

IBHFL is carrying out activities in a manner consistent with the long-term goals of the Paris Agreement and commits to align all its operational decisions by adopting the following:

- Remain mindful that any action of IBHFL does not hinder the achievement of climate objectives
- Align actions to directly or indirectly support low-GHG climate-resilient development across its business areas

Since IBHFL provides loans to real estate developers in India for construction of residential and commercial buildings it will, through this Framework, apply the same principles stated above in its lending decisions by embedding categories like green buildings or businesses whose focus is in the renewable energy space⁶.

Sustainable Financing Framework

IBHFL has decided to publish a Sustainable Financing Framework (“the Framework”) to support its wider sustainability efforts. The Framework is aligned with the ICMA Sustainability Bond Guidelines (“SBG”, 2021 edition)⁷ and in turn the key components of ICMA’s Green Bond Principles (“GBP”, 2021 edition) and Social Bond Principles (“SBP”, 2021 edition). The ICMA principles are a set of voluntary guidelines that recommend transparency, disclosure and promote integrity in the development of the sustainable finance market.

The Framework is presented through the following key pillars:

- Use of Proceeds
- Project Evaluation and Selection
- Management of Proceeds
- Reporting
- External Review

⁶ As defined in the section “Use of Proceeds”.

⁷ As outlined in the Sustainability Bond Guidelines (SBG), this means that the Framework also aligns with the key components of ICMA’s Green Bond Principles (GBP 2021 edition) and Social Bond Principles (SBP 2021 edition). <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Sustainability-Bond-Guidelines-June-2021-140621.pdf>

Use of Proceeds


An amount equal to the net proceeds raised through any Green, Social or Sustainable Bonds issued will be used to finance or re-finance eligible Green or Social projects that align with the eligibility criteria as detailed in the Framework.

Eligible assets include:

- Loans to businesses and/or projects that align with the eligibility criteria outlined below
- Loans for General Corporate Purposes (GCP) to businesses that derive 90% or more of revenues from activities that align with the eligible categories
- IBHFL's own operating or capital expenditures for which use of proceeds meet the eligibility criteria

A look-back period of 36 months will be applied.

Eligible Social Project Categories:




SBP category	Eligible Projects	SDG mapping
Affordable Housing	<p>Housing loans to individuals for the purpose of Affordable Housing under Priority Sector Lending as defined by the RBI⁸</p> <ul style="list-style-type: none"> - Housing Loans to individuals up to ~\$47,000 (₹35 lakh) in metropolitan cities (with a population of 1 million and above) and up to ~\$33,700 (₹25 lakh) in other cities for purchase/construction of a dwelling unit per family provided the overall cost of the dwelling unit in the metropolitan city and at other cities does not exceed ~\$60,700 (₹45 lakh) and ~\$40,500 (₹30 lakh) respectively - Housing Loans up to ~\$13,500 (₹10 lakh) in metropolitan centres and up to ~\$8,000 (₹6 lakh) in other centres for repairs to damaged dwelling units conforming to the overall cost of the dwelling unit as described above <p>Affordable Housing Project under Priority Sector Lending as defined by the RBI⁸</p> <ul style="list-style-type: none"> - Loans for construction of Affordable Housing Projects defined as using at least 50% of FAR/FSI for dwelling units with carpet area of no more than 60 sq.m. 	 <p>SDG1: End poverty in all its forms everywhere</p>

⁸ As per the RBI Master Direction (https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11959). Given RBI definitions of housing sector limits are subject to change, IBHFL will apply the most recent definitions in line with any updates made by the RBI.

IBHFL finances/ refinances housing loans to salaried and self-employed individuals for the construction or purchase of new dwelling units, the purchase of old dwelling unit or renovation/ reconstruction of existing dwelling units with a focus on the affordable housing, to the following target segments:

- a) Economically Weaker Section (EWS) and Low Income Groups (LIG) with an annual income level of up to ~\$8,000 (₹ 6 lacs) for affordable housing
- b) Economically Weaker Section (EWS), Low Income Groups (LIG) and Middle income Groups (MIG) with an annual income of up to ~\$24,200 (₹ 18 lacs) for purchase of the family's first home

Also, support various schemes like PMAY etc. operated by various Governments and Public Agencies that may vary from time to time.

SBP category	Eligible Projects	SDG mapping
Socioeconomic advancement and empowerment	<ul style="list-style-type: none"> – Housing loans to women for purchase of homes⁹ – Women founded start-ups/MSMEs which are majority owned or majority managed (at the most senior level) by women¹⁰ 	  <p>SDG5: Achieve gender equality and empower all women and girls SDG8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>
Employment generation, including through potential effect of MSME financing and microfinance	<p>IBHFL provides loans to Micro, Small and Medium Enterprises (MSMEs), self-employed individuals and proprietorships for working capital or business expansion needs in India¹¹</p> <p>These loans are primarily to the micro and small enterprises with a loan ticket size varying from ~\$33,700 (₹ 10 lakh) to ~\$1,34,800 (₹ 10 Cr)¹²</p>	 <p>SDG8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>

⁹ It is well recognized that for women’s empowerment, to enhance women’s status in Indian society requires changes in ownership or control over property and other assets (only 16.3% of residence owning households with women as owners in FY11-12 <https://www.researchgate.net/publication/296873167> Not in her name women’s property ownership in India pg 19, Table 4). Evidence shows that property in women’s name is empowering and can have a transformative effect on their lives and of their families and children (Oduro et al 2015; Doss 2013; Swaminathan et al 2011). In order to provide social and financial security to women, IBHFL has always worked towards advocating this social need by incentivising and providing concessions in processing fee and/ or rate of interest for loans towards purchase of home where women are either the borrower or co-borrower under various campaigns from time to time.



¹⁰ Majority defined as >50%.

¹¹ The loans are appraised against business cash flow and secured against residential or commercial property. The end use of the loan is only for deployment in business and not for consumption.

The definition of MSMEs will be as per Government of India (Gol). Gazette Notification S.O. 2119 (E) dated June 26, 2020 read with circular RBI/2020-2021/10 FIDD.MSME & NFS.BC.No.3/06.02.31/2020-21 read with FIDD.MSME & NFS. BC. No.4/06.02.31/2020-21 dated July 2, 2020, August 21, 2020 respectively on ‘Credit flow to Micro, Small and Medium Enterprises Sector’ and updated from time to time. Further, such MSMEs should be engaged in the manufacture or production of goods, in any manner, pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 or engaged in providing or rendering of any service or services. All bank loans to MSMEs conforming to the above guidelines qualify for classification under priority sector lending.

¹² MSMEs are employment generating engines and employ about 110 million people. Many MSMEs are viewed as belonging to the “informal/ unorganised” sector and find it difficult to access efficient finance – timely finance at reasonable rates. IBHFL focuses on lending to non-metro/ up-country micro and small enterprises with a loan ticket size of ~\$13,500 (₹ 10 lacs) to ~\$0.2 million (₹1.5 Cr.) Even amidst the pandemic, micro & small enterprises (especially micro) were most impacted due to disruption of business cycle & had limited or no access to organised lending. Even though the government came up with schemes like Ex-gratia payment, moratorium or top-up under ECLGS, these were limited to businesses with existing loans.

Eligible Green Project Categories:

GBP category	Eligible Projects	SDG mapping
Green Buildings	<p>Financing and/or refinancing to real estate developers for construction of residential or commercial buildings that meet the following criteria:</p> <ul style="list-style-type: none"> Green building certifications¹³ such as LEED (Gold or above), BREEAM (Excellent or above)¹⁴, Green Star (5 star or above)¹⁵, Green Rating for integrated Habitat Assessment (4 star or above), Indian Green Building Council (Gold or above) and IFC Edge¹⁶ Buildings that achieve an energy/ emissions performance improvement of at least 30% compared to a baseline¹⁷ 	 <p>SDG11: Make cities and human settlements inclusive, safe, resilient and sustainable</p>
Renewable Energy	<ul style="list-style-type: none"> Loans up to a limit of \$4.05 million (₹30 Cr) to developers and corporates for purposes of manufacturing, constructing, installing and/or developing renewable energy sources(e.g. solar panels and solar based power generators)¹⁸ Loans to individual households, the loan limit will be \$13,485 (₹10 lakh) per borrower, to install renewable energy capacity (e.g. solar panels) within their household¹⁸ 	 <p>SDG7: Ensure access to affordable, reliable, sustainable and modern energy for all</p>

IBHFL will not lend/ provide financing for projects or to MSMEs that are involved in the following operations and will therefore not be eligible for the Sustainable Project Portfolio:

- Large scale hydropower projects¹⁹
- Fossil fuel related activities including activities that are knowingly and intentionally dedicated to support the expansion of fossil fuel-based technologies
- Carbon intensive sectors such as steel and cement
- Production or trade in Palm oil
- Mining related activities
- Nuclear and nuclear related technologies
- Defense related activities (e.g. arms and ammunition)
- Weapons, alcohol, tobacco, gambling and adult entertainment
- Child labor and human trafficking

¹³ Internationally recognised green building certifications serve as a proxy for the environmental performance of a building. Under ICMA's GBPs (June 2021), green buildings aligned with regional, national and internationally recognised certifications for environmental performance are an eligible green project. Minimum certification thresholds have been outlined to ensure only buildings with top green building certifications qualify as an eligible project under this Framework.

¹⁴ <https://www.breeam.com/discover/how-breeam-certification-works/>

¹⁵ <https://gbca-web.s3.amazonaws.com/media/documents/introducing-green-star.pdf>

¹⁶ <https://edgebuildings.com/certify/>

¹⁷ In line with the Climate Bond Initiative's (July 2020) requirement for a 30% minimum improvement in energy/emissions for a building upgrade. Baseline refers to pre-refurbishment energy/ emission performance.

¹⁸ Renewable energy (including the production, transmission, appliances and products) is an eligible green project as outlined in ICMA's GBPs (June 2021) and is one of the sectors outlined in RBI's priority sector lending paragraph 14. (https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11959)

¹⁹ Large scale hydropower as outlined by CBI - <https://www.climatebonds.net/files/files/Hydropower-Criteria-doc-March-2021-release3.pdf>

Process for Project Evaluation and Selection

IBHFL has in place an ESG Committee of the Board which comprises of its directors and members of its senior management team. The ESG Committee oversees the process of identification, measurement, and mitigation of the environmental and social risks. To help the ESG Committee drive all the sustainability related initiatives, IBHFL also has a Sustainability Committee comprising of senior members of key departments. With a special focus on initiatives related to sustainable lending, a Sustainable Lending Working Group (“SLWG”) has also been constituted, comprising of representatives from Treasury, Finance and Accounts and Business Credit teams. Both, the Sustainability Committee and SLWG work hand in hand and report to the ESG Committee.

For the purpose of assessment of eligible Green and Social Projects, the SLWG will meet on a quarterly basis. The ESG Committee is responsible for identifying and mitigating social and environmental risks associated with the Use of Proceeds as defined under this Framework and the eligible project list identified by the SLWG and Sustainability Committee will be approved by the ESG Committee. The Sustainability Committee along with the SLWG will report progress on various initiatives as well as progress on Use of proceeds.

The ESG Committee will govern the process and is responsible for:



Evaluating the compliance of proposed projects with the Eligibility Criteria, including the Look-back Principle (36 months) upon issuance of a Sustainable Financing Instrument, outlined in the “Use of Proceeds” section.



Approving the inclusion of pre-selected Eligible Projects in the Sustainable Project Portfolio (the ESG Committee has full discretion to object the inclusion of any project).



Monitoring and managing the Sustainable Project Portfolio and corresponding Sustainable Financing Instruments. IBHFL will maintain a virtual register, which captures the initial and continued assignment of Eligible Projects to the Sustainable Project Portfolio.



Replacing projects that no longer meet the Eligibility Criteria or due to any divestments.



Observing developments in the Sustainable Financing markets and approving updates to this Framework accordingly to reflect relevant changes in the company’s strategy or market developments.

Management of Proceeds

IBHFL will establish a Sustainable Project Portfolio and track the allocation of net proceeds from any Green, Social or Sustainable Bond issuances to Eligible Sustainable Projects. All Eligible Projects must meet the Eligibility Criteria throughout the term of the Green, Social or Sustainable Bonds. If an Eligible Project ceases to fulfil the Eligibility Criteria or exit IBHFL’s portfolio, IBHFL will, on a best effort basis, substitute the project as soon as reasonably practicable²⁰.

Eligible Sustainable Projects financed by net proceeds of any Green, Social and/or Sustainable Bonds will not be affected by ex-ante changes to the Sustainable Financing Framework and will remain in the Sustainable Project Portfolio for as long as they meet the Eligibility Criteria prevailing at the time of the Green, Social and/or Sustainable Bond issuance and remain internally/virtually allocated to an outstanding Green, Social or Sustainable Bond. The SLWG will review and report to the ESG Committee on the Sustainable Project Portfolio on at least a quarterly basis.

²⁰ This does not apply to the repayment of a loan.

IBHFL intends to fully allocate the net proceeds of any Sustainable Financing Instrument in line with the evaluation and selection process outlined above, within 36 months. Prior to full allocation, proceeds will be held in line with the IBHFL’s investment policy in conjunction with liquidity guidelines in cash, cash equivalents, and/or other liquid marketable instruments.

Reporting

IBHFL is committed to publish an Allocation and Impact Report of any Green, Social and/or Sustainable Bonds and these will be updated on an annual basis, until full allocation. On a best effort basis, IBHFL will align the reporting with the portfolio approach described in “Green Bonds - Harmonised Framework for Impact Reporting (June 2021)”²¹ and other Social Impact metrics. This reporting is to be based on the IBHFL’s Sustainable Project Portfolio and the outstanding Sustainable Financing Instruments. Commencing one year from issuance, IBHFL will publish the allocation and impact report on their website (<https://www.indiabullshomeloans.com/>)

Allocation reporting

- Total amount of outstanding Sustainable Financing Instruments and the share of proceeds used for financing vs. re-financing purposes on best effort basis
- Size of the common Sustainable Project Portfolio as well as a split by Project Categories
- Any shortfall or amount of assets unallocated
- Illustrative examples describing Eligible Projects to which Sustainable Financing net proceeds have been allocated (subject to confidentiality commitments)

Impact reporting

IBHFL will strive to report on the environmental and social impact of Eligible Projects financed by Sustainable Financing Instruments. On a best effort basis and subject to the availability of suitable data, the impact reporting may include, but not limited to, impact metrics as outlined in the table below. Assumptions on units in use as well as the relevant benchmark emissions will clearly be stated in the reporting:

SBP category	Potential impact indicators
Affordable Housing	<ul style="list-style-type: none"> - Number affordable housing loans disbursed under eligibility criteria - Total loan amount disbursed to affordable housing
Socioeconomic empowerment	<ul style="list-style-type: none"> - Total loan amount disbursed to women for home purchase - Number of loans disbursed to women for home purchase - Total loan amount disbursed to women founded start-ups/MSMEs which are majority owned or majority managed by women - Loan amount disbursed to women founded start-ups/MSMEs which are majority owned or majority managed by women
Employment generation, including through potential effect of MSME financing and microfinance	<ul style="list-style-type: none"> - Total loan amount disbursed to MSMEs and start-ups - Number of loans disbursed to MSMEs and start-ups

²¹ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2021-100621.pdf>

GBP category	Potential impact indicators
Green Buildings	<ul style="list-style-type: none"> – Total loan amount disbursed to green buildings – Number of loans allocated to green buildings – Number of certified green buildings financed
Renewable Energy	<ul style="list-style-type: none"> – Total loan amount disbursed to renewable energy sector – Number of loans allocated to renewable energy sector

External Review

Pre-issuance: Second Party Opinion (SPO):

IBHFL has engaged with Sustainalytics to review the Sustainable Financing Framework. Sustainalytics has provided an opinion on the Framework's environmental and social credentials and its alignment with the Sustainability Bond Guidelines has been received by Sustainalytics. The independent SPO will be published on the IBHFL website (<https://www.indiabullshomeloans.com/>)

Post-issuance: Verification:

IBHFL will seek to obtain a limited assurance report from an independent auditor, which will be issued annually until full allocation of proceeds, confirming that an amount equal to the net proceeds of the Sustainable Financing Instruments has been allocated in compliance with all material respects of the eligibility criteria set forth in this Sustainable Financing Framework.

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