

ESG Policy

PEL recognizes the importance of conducting business in a responsible manner for building trust and credibility among stakeholders. PEL's ESG Policy aligns with its goal of sustainable development and aims to minimize risks and impacts through robust and documented systems. The policy covers all PEL operations and business portfolios and is accessible on the company's website. Our ESG policy vision is to become the best-in-class financial institution that creates long-term sustainable value for stakeholders. Our ESG goals include ensuring profitability with ethical, environmental and social responsibility, mainstreaming ESG practices into business and operations, and getting a head start on emerging ESG issues.

Our policy maintains the objective of creating value for all stakeholders by making prudent lending and investment decisions to support sustainable economic growth. It incorporates ESG considerations into operations, emphasizes on conducting business with integrity and good governance practices, ensures compliance with human rights throughout the entire value chain, establishes effective communication with stakeholders, maintain employee safety and well-being, and focuses on reducing emissions.

DATA PRIVACY AND CYBER SECURITY

We understand that safeguarding privacy and data protection are major concerns for organizations and individuals alike, and we have a long-standing pledge to uphold the protection of personal information and utilize it with prudence.

We have integrated cyber security into our IT security policies and procedures to mitigate

risks and have implemented an Information Security Governance Program and regularly reviews policies and processes to protect against insider threats and frauds. We have also implemented an easy-to-understand privacy policy that includes details on how customers can exercise their rights to access, correct, or delete their personal data.

We use real-time AI/ML models in important business decision-making areas such as credit, fraud, and collection management. Our in-house systems are integrated with cloud and third-party service providers through APIs for seamless decision-making. Despite this, the threat landscape is growing with more advanced attacks like ransomware and data breaches.

All our employees are required to complete mandatory gamified online cybersecurity training. Piramal Information Security also conducts phishing assessments and cyber quizzes to test awareness, and sends periodic awareness emails, newsletters, and posters.

DIGITALIZATION

Banks and financial institutions are adopting digitization solutions to modernise their lending business. The continuous developments and innovations for better consumer experience in the lending market are expected to create lucrative opportunities for lending market to grow. The lending industry's growing innovations and the companies' increasing investments for digitalization propel the growth of the market. Further, continued investments in building a robust tech platform and ramping up of digital stacks will ensure healthy growth in this segment.

Our technology team is driving the business transformation with various technology and digital initiatives, promoting energy efficiency and sustainability. Leveraging Robotic Process Automation has helped us automate repetitive manual tasks.

Retail finance scaled the core Loan Origination Platform for new product lines (Used Car Loans, Unsecured Business Loans), and across all erstwhile DHFL branches. We have also set up an in-house software development team in Bengaluru to build digital products that help serve our customers.

PEL has invested in creating AI-based underwriting and fraud models that rely on multiple variables. This enables us to achieve a superior risk ranking system as compared to various credit score models. The customized models reduce subjectivity and facilitate us to make more objective lending decisions. As a result, larger portion of the population can achieve their financial aspirations, such as owning a home, car, or business. PEL has also developed innovative alternate data models. This enables to evaluate borrowers with no credit history with alternative information thereby making finance accessible to first time borrowers.

The digital solutions not only allow the employees to access information on performance and progress, rather they enable them to collaborate and work together remotely, streamline processes and provide them with access to real-time data helping them make more informed decisions.