

HOME CREDIT



ESG Highlights India

A NOTE FROM THE CEO

“We are supporting India’s post-Covid recovery by making it easier to gain access to credit.”



Ondrej Kubik
CEO, Home Credit India

The world has undergone significant changes over the past two years. Many of us have lived through turbulent times that have impacted on our health, work and families. However, one constant has remained the same: our purpose to empower people to live the life they want now.

Since entering India in 2012, we have grown into one of the leading providers of affordable and responsible consumer finance in the country. Fundamentally, we provide finance to first-time borrowers: people who may not previously have had a bank account or a credit history. In a country with an unbanked population of nearly 200 million, this is a critical lifeline for many individuals and families.

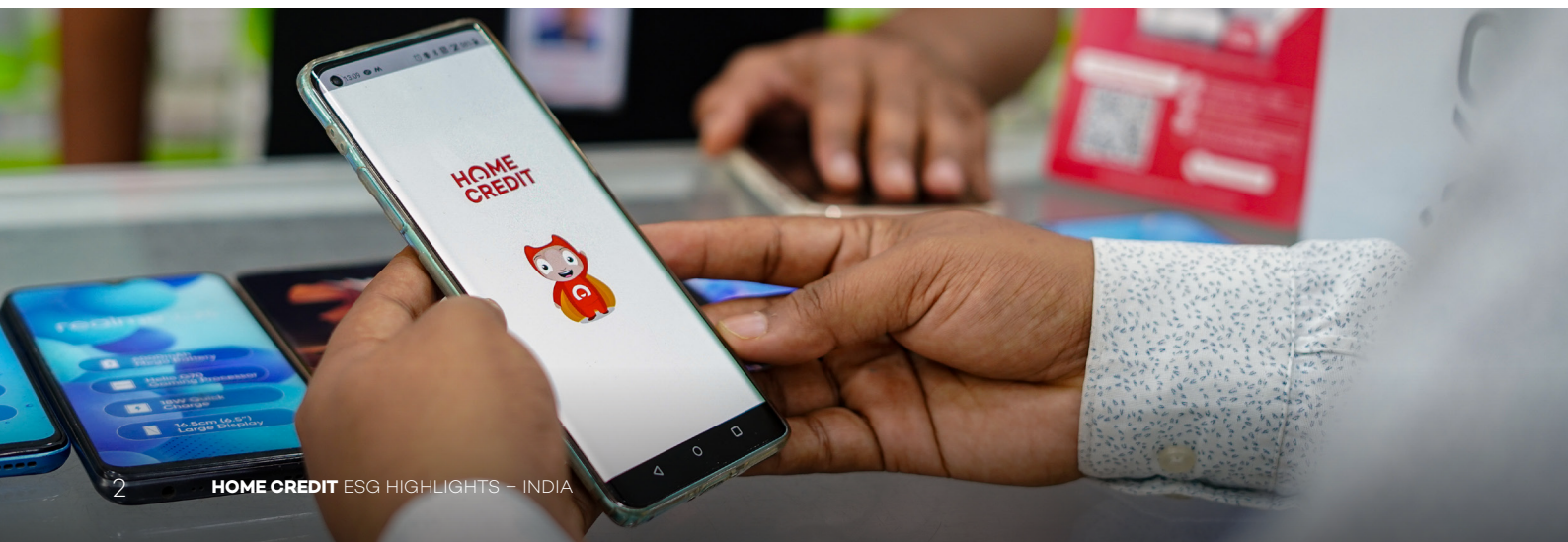
The pandemic had presented society with huge challenges. We responded swiftly by donating masks and hygienic kits where most needed and supported those who struggled most during the lockdowns, providing 30K free meals to stranded migrant workers. As a company, we held up together during this difficult period, and made maximum effort to ensure our employees had the right information and access to vaccines.

The pandemic, however, also acted as a catalyst for positive changes. We have seen a rapid rise in demand for digital options during the pandemic. At Home Credit, we have accelerated our digital transformation and invested heavily in digital innovation. We have boosted

our digital ecosystem through B2B partnerships, enhancing the scope of our services, for example by facilitating e-payments, offering a greater variety of insurance products and enabling fully online onboarding (through our Know-Your-Customer process). Creative application of AI and data science has helped us to find ways of supporting customers and partners even more efficiently, and to build a powerful omnichannel presence.

Maintaining this great momentum would be impossible without engaged employees. The key to an engaged workforce is a strong culture of meritocracy, providing the best conditions for our people to grow and develop in a fair and open environment, with a diverse workforce. As a result, we are proud to be certified as a Great Place To Work in 2021.

We believe that strong investment in sustainability is one of the things that makes us stand out and be competitive in the long run. Developing our reputation as a responsible finance provider is therefore our top priority.



FINANCIAL INCLUSION

India is the second largest consumer market in the world and has a huge number of people without a bank account. Our focus on financial inclusion allows us to serve this untapped market, with 40% of our customers being first-time borrowers who have no credit history. Over the past ten years, we have helped more than 10 million Indians access credit facilities and achieve their dreams.

By leveraging technology, we can further democratise access to lending products. As the Indian economy begins to revive – the OECD has projected growth of 9.4% in the fiscal year 2021-22 and 6.9% in 2022-23 – we can help to satisfy pent-up demand. Our latest annual [Home Credit survey of consumer borrowing](#) has shown a strong renewal in borrowing intentions. Thanks to our partnerships with retailers and manufacturers, we can offer popular zero-interest schemes. At the same time, this approach is helping our partners, the vast majority of whom are small, family owned businesses, to boost sales and general economic activity.

40%

of our customers are first-time borrowers

45%

of the consumer loans we offer are at zero interest

75%

of our customers are millennials

55%

of customers are self-employed

53k

partner retail stores

95%

of retail partners are small, family-owned businesses

625

towns and cities covered with a business presence

60%+

of our points of sale are in areas with limited access to financial services

RESPONSIBLE FINANCE

Access to responsible credit services

Most of our active customers are young, tech-savvy millennials and Gen Zs who are starting to build their livelihoods. By serving this market in a responsible fashion, with products and services that are easily accessible and affordable, we can help to transform the quality of people's lives, empowering them to fulfil their dreams.

What distinguishes us is our focus on responsibility to our customers. Once customers enter into a loan, they receive a welcome call the next day where we double-check that they clearly understand all the essentials of the service. Furthermore, the service can be cancelled at any time during a two-week cooling-off period free of charge. Thanks to this we help our clients on their way to developing a positive credit history, which further improves their access to financial services.

Customer testimonial

Recognising that people's financial circumstances changed during the

pandemic, we quickly rolled out payment holidays and deferred payments for customers – while protecting their credit scores.

One customer who took advantage of this facility was Kavita Sharma, a worker in an export house in New Delhi who was made redundant when Covid-19 hit India's economy hard. Not only did she lose her job but the pandemic also meant that her family suffered from dramatically rising health costs.

“Home Credit supported me when I was jobless and had to manage my family's medical expenses,” says Kavita. “The payment relaxation programme was a saviour.”

During the period that Home Credit allowed her to skip payments, Kavita was able to focus on caring for her Covid-hit family and, when her financial situation improved, to begin paying instalments again when the crisis eased.

“

As a responsible lender, we ensure that customers understand every aspect related to their loan application and have a seamless experience throughout the loan journey. That way, we've helped millions achieve their dreams and enabled customers to build a positive credit history.

”



Vivek Kumar Sinha
Chief Marketing Officer

57

NPS: customer satisfaction among the highest in the country

0.16%

complaint rate



FINANCIAL LITERACY

According to a report by the Global Financial Literacy Excellence Center, only 24% of India's adult population is financially literate. As a financial services company, we are ideally placed to administer financial education to our customers as well as to the general public. The crucial skill everyone needs to acquire is personal money management to be able to make informed decisions about money, investments and debt. These skills are not only useful for the individuals concerned but are good for the economy as a whole – and for our business.

Finance class website

We publish entertaining blogs on our Paise Ki Paathshala (Personal Finance Class) website, aimed at helping customers to improve their financial literacy and money management savviness – all while having fun. The highly popular site, which has so far engaged with 3 million people, uses simple, interactive and exciting videos, games and quizzes to get its message across in Hindi and English. Blogs on our main website also tackle financial literacy issues.

In addition, we have reached an estimated 175m people in India by

placing articles on financial literacy in the mainstream and regional media, both in print and online. These are developed by our in-house experts and offer tips on topics such as debt management.

In 2021 we piloted the Saksham Employee Value Proposition (EVP) project – an opportunity for our employees to volunteer as financial literacy trainers. This year we are joining hands with the Indian Development Foundation (IDF) to scale up our reach, aiming to help approximately 30k Indian women and girls manage their money in a smarter way.

“

Financial literacy is the greatest gift we can give the youth of today. It will help them understand the world better and make wise financial decisions.

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Rahul Chauhan

Employee Volunteer
for Saksham Home
Credit India

3m

people came to our Financial Literacy website Paise Ki Paathshala to search for financial knowledge

175m

people reached through our financial literacy articles in the mainstream and regional media

30k

women will be reached in offline capacity-building workshops held in partnership with the Indian Development Foundation (IDF)



EMBRACING THE WORLD OF E-EVERYTHING

The Covid pandemic has not only brought the world together but has accelerated moves towards global digitalisation. We have embraced this trend by digitalising all our offerings and services end-to-end, to build an omnichannel connection with our products and services. Our customers and retail partners can now sign up with us via a seamless and paperless process through our apps or website. Half of our customers now follow the complete journey fully online, and metrics show that these numbers are growing each day.

Our Home Credit app has undergone a rapid evolution, converting into a self-service hub and ecosystem, making it easier for customers to access services and for retailers to thrive in an increasingly online-to-offline economy.

Our app is compatible with the Universal Indian ID (Aadhaar), streamlining transactions (such as registering a change of address) for customers and merchants. We are also bringing in optical character recognition to autofill documents with information validated digitally by government agencies. And we are implementing face recognition technology to enhance security. Due to the quick and seamless documentation process offered by digitalisation, our average loan disbursal time has been reduced by 67%.

Our Marketplace app has evolved into a vibrant hub of information where customers can browse products, compare prices and buy from local retailers. Our merchant partners use the Marketplace app to foster sustainable consumption by promoting energy-efficient products and to encourage people to participate in the circular economy.

“
With digitalisation picking up pace in a post-Covid world, we're embracing the trend with full digital offerings. Our apps streamline processes to cut average loan dispersal times and provide customers with a vibrant hub where they can browse products, compare prices and shop locally.
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Milan Dolansky
Chief Digital Officer

67%

reduction in loan disbursal time thanks to increased digitalisation

4.3

app rating on the Google Play Store

<1

median time-to-decision for a client after getting the required information



SUPPORTING COMMUNITIES

As a company, we are part of the community in which we operate, and therefore it is natural to give back to, and support, that community in times of need. We help our communities become more inclusive and resilient by supporting those who live in poverty, by promoting entrepreneurship, employment and education for people from underprivileged backgrounds or from under-represented groups, and by improving the general health and wellbeing of the population.

Helping women become entrepreneurs

We provide assistance to over 500 female entrepreneurs through a partnership with the Self Employed Women's Association (SEWA Bharat), helping socially excluded women build their lives by teaching them handicraft skills as well as the basic principles of online business. This experience has helped them to stand on their own two feet and supports the Indian government's promotion of Atmanirbar Bharat – a self-reliant India.

Aiding the community during the pandemic

At the outset of the pandemic we established a partnership with the non-profit Don Bosco Network to distribute basic nutrition packages to 20k migrant workers who had

their access to food curtailed due to Covid lockdowns in our hometown base of Gurgaon. During the second wave of Covid, we joined hands with NGOs to provide 10k medical and hygiene kits to people living in poor areas and organised medical camps for under-privileged and homeless people.

Volunteering

It is important that our employees have ways to directly help our efforts to support their local communities. Following a successful pilot scheme, we are introducing an employee volunteering program, Saksham, across the country. This will offer opportunities for employees to volunteer their time and money to good causes.

1.8m

masks and respirators donated to India's Ministry of Health to tackle the Covid-19 pandemic

20k

meals for migrant workers stuck in Gurgaon during the lockdown, in partnership with Don Bosco Network

10k

hygiene kits for people living in poor areas, to help the spread of Covid-19

1.3k

under-privileged and homeless people provided with healthcare in quarantine camps

500

female entrepreneurs assisted to build e-commerce business for their handicrafts, project in partnership with Self Employed Women's Association (SEWA Bharat)



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We're incredibly happy to announce that SEWA Bharat has partnered with Home Credit to equip and empower over 500 female entrepreneurs at a time of extreme need to acquire the means and ways to sell via largely digital channels.

”

Sanchita Mitra

National Coordinator of SEWA

DIVERSITY AND INCLUSION

“Our employee engagement strategy focuses on establishing an open environment where employees can speak freely. And we’ve gone beyond the conventional in our approach to DE&I by focusing on training our managers in unconscious biases, micro-aggression and inclusivity. We’re also living up to our belief in equal opportunity by making our job descriptions gender neutral and through our gender pay analysis to ensure inclusive pay parity.”



Harshita Uppal
Chief People Officer



NURTURING OUR WORKFORCE

Our nearly 5K employees are our most important asset. That is why providing an attractive workplace with a vibrant, inclusive and agile culture is our top priority. We are proud to be certified as a Great Place To Work (July 2021 – July 2022), with high scores on the trust index survey, and also to be ranked among companies with the highest Employer Net Promoter Score, standing at 71. We are determined to maintain our reputation in this area, and to further improve the development, career-growth opportunities and work-life balance of our employees. To this end we have introduced a flexible working scheme called 3+2, which is encouraging a hybrid model of work patterns based on three days in the office and two from home.

Training offerings

We pride ourselves on our continuous investment in employees. This approach is embodied by our robust in-house learning and development programme. On average we provide 26 hours of development training per employee (on top of technical training) through one of our 49 new staff-training modules. These include courses on leadership qualities as well as niche skills. One of our priorities is to stay abreast of technological developments, so we try to involve our employees in regular market updates.

Promoting equality

The value of a diverse workforce is immense. Not only does a fair and inclusive culture contribute to a more engaged workforce but diversity helps to unite multiple perspectives and enhances decision making across a business.

In our quest to promote equal opportunity, we have adopted a number of measures that support our female employees, such as anti-bias and anti-discrimination training, gender-neutral job descriptions and 'home drop' services for female employees working overtime.

More broadly, we aim to create an open environment where employees feel free to speak their minds and raise any concerns without fear of recrimination. In 2021 we created a whistleblowing mechanism, run by our people management team, through which any employee can

raise issues confidentially, including on sensitive issues such as sexual harassment.

Responding to Covid

The coronavirus struck India particularly hard, calling for a rapid response. Proactive measures were taken to safeguard our employees and ensure business continuity. We created a Covid taskforce and made an INR 1.3m care fund available as support for our employees. During lockdown we offered all employees a free subscription to DocOnline, an app that provides access to medical help via the web.

Finally, the wellbeing of our employees has been on our mind.

14k+

hours of training given to employees

49

new staff training modules created

26

hours of soft skills training per employee per year

Approx 5k

employees vaccinated free of charge at our offices

As the pandemic took hold, we increased our focus by setting up weekly seminars, webinars and virtual events on health-related topics – both mental and physical. We will continue with these for the foreseeable future.

