Rating Rationale

IIFCL	Rating Symbol	Rating Score	Rating Action
ESG Rating	CareEdge-ESG 1	78.6	Assigned

* Please refer to www.careedgeesg.com for detailed understanding of CareEdge-ESG's rating symbols and definitions.

Leadership position in managing ESG Risk through
best-in-class disclosures, policies, and performance

ESG Score

Data Transparency Level: **Adequate**

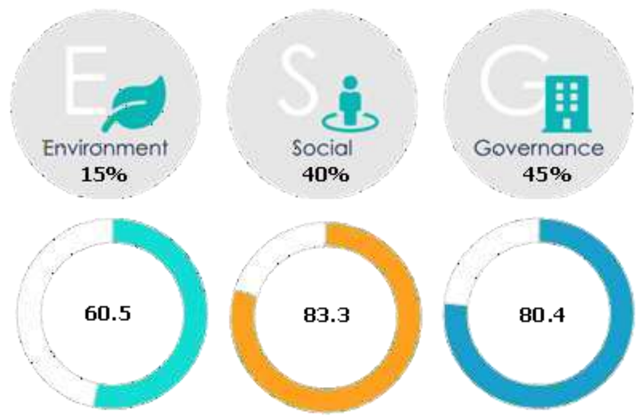
Data Reporting Boundary: **Standalone**

Overall Transition Pathway Trajectory: **Adequate**

Environment Transition Pathway Trajectory: **Adequate**

Social Transition Pathway Trajectory: **Strong**

Pillar Weights & Scores



Rating Scale

Please note: all scores mentioned in this document are on the scale of 0–100.

CareEdge-ESG Rating Assessment Criteria		
India & globally aligned	Physical & Transition risk	Comprehensive analysis

IIFCL's Policy Analysis		
Comprehensive	Board approved	Regularly reviewed

IIFCL’s Initiatives Impact

Mitigation

Rating Rationale

The ESG rating assigned to IIFCL reflects the company's structured and comprehensive approach to managing environmental, social, and governance risks across its operations. Its score of 78.6 underscores its leadership position in managing ESG risks through best-in-class disclosures, policies and performance. The company demonstrates a strong overall ESG profile, underpinned by its strategic role in financing sustainable infrastructure, increasingly well-developed environmental and social risk-management frameworks, an expanding green-finance portfolio, and governance architecture that benefits from the multiple layers of oversight inherent to a Government-owned institution. The institution is progressively embedding ESG considerations into both lending decisions and enterprise risk management, aligning its financing strategy with India's climate transition and infrastructure-development priorities.

The assigned ESG rating reflects IIFCL's strong performance across the environmental and social pillars, supported by its role in financing sustainable infrastructure, well-established employee welfare practices, effective stakeholder engagement mechanisms, integration of climate-related risks into its risk management framework, and the continued expansion of its green financing portfolio. The governance assessment remains supported by a robust regulatory and compliance framework, sound internal controls, and government oversight. However, the overall score is moderated by relatively limited board diversity, the composition of certain board committees, and the evolving maturity of ESG disclosures. Going forward, sustained improvement in the company's ESG profile will depend on the effective implementation of its Climate Strategy 2030, adoption of financed-emissions accounting methodologies, enhanced sustainability reporting aligned with internationally accepted disclosure frameworks, independent assurance of ESG disclosures, and further strengthening of board composition and governance practices.

Social Score

83.3

Transition pathway

Strong

The social pillar is particularly important for government owned financial institutions, as their mandate extends beyond financial returns to delivering measurable socio-economic development. Through financing critical infrastructure, they influence employment generation, access to essential services, community well-being, financial inclusion, and equitable economic growth. Consequently, strong social performance reflects not only responsible internal practices—such as employee welfare, diversity and inclusion, human rights, and stakeholder engagement—but also the institution's ability to create positive developmental outcomes through its financing activities. IIFCL has achieved a strong social pillar score of 83.3 (industry median 69.0), underpinned by its role in financing infrastructure that enhances connectivity and public services, complemented by robust human capital practices, effective stakeholder engagement, and the integration of gender equality and social inclusion considerations into its lending framework through the gender equality and social inclusion initiative.

As an infrastructure lender, IIFCL's social responsibility extends beyond conventional consumer protection to ensuring transparent borrower engagement, fair grievance resolution and responsible lending practices. Customer communication is governed through the Corporate Communications Policy, supported by half-yearly borrower satisfaction surveys, structured communication protocols during service disruptions, and financial awareness initiatives. A designated Grievance Redressal Officer oversees complaint resolution within a defined 21-day timeline, while the institution's coverage under the Right to Information Act provides an additional layer of public accountability and transparency.

IIFCL resolved 100% of customer complaints during the reporting period, demonstrating an effective grievance management framework. Lending exposure remains reasonably diversified across regions, helping to mitigate concentration risk while supporting broader regional access to development finance. Although not directly a consumer protection metric, this diversified lending profile strengthens the institution's ability to serve a wider range of regions. IIFCL also operates under a formal Quality Management System Framework Document. In FY2025-26, the company established a dedicated Quality Management department tasked with improving internal operational efficiency, complemented by defined product information channels for stakeholders. The institution holds ISO 9001 certification, underscoring a structured, process-driven approach to quality management across operational areas.

In the theme of cyber security, IIFCL maintains a formal, Board-approved data privacy policy. Its cybersecurity architecture includes dual data centres, ongoing cloud and ERP modernisation, endpoint protection, regular data backups, restricted device access, and periodic employee awareness training, underpinned by standardised IT policies and regular internal, information-systems, regulatory and audit reviews. The company has not obtained ISO 27000 certification yet. Performance is a clear strength: zero data breaches, and 100% of employees trained on data privacy and cybersecurity in FY2025 — ahead of the industry median (99.0%) and matching industry-best (100%). This clean track record is specifically cited as reinforcing IIFCL's broader reputation for a safe and well-governed operating environment.

In terms of community development, it is intrinsic to IIFCL's mandate as a development finance institution, complementing its lending activities with targeted social investments in underserved regions. The company's CSR programme is governed through a Board-approved CSR Policy that is fully aligned with the Companies Act, 2013, and operates under a two-tier governance structure comprising Board-level oversight and a senior management implementation committee. The institution demonstrates a strategic focus on development impact through geographically targeted spending. CSR expenditure in Aspirational Districts is more than twice the industry median of ₹1,094.6, reflecting a deliberate allocation of resources towards historically underserved regions. Investments across healthcare, nutrition and rural development are supplemented by field visits and direct community engagement, strengthening implementation oversight and improving the effectiveness of programme delivery. This targeted approach is consistent with IIFCL's broader developmental mandate, although improving overall CSR utilisation per year as well as following social responsibility related ISOs like ISO 26000 remains an area of improvement.

IIFCL demonstrates strong compliance and policy depth on human capital matters. Its premises are accessible to persons with disabilities, and the company has adopted a dedicated Equal Opportunity Policy for Persons with Disabilities (PwDs) in line with the Rights of Persons with Disabilities Act, 2016, covering non-discriminatory recruitment, workplace accessibility and inclusion. As a Government of India undertaking, IIFCL's diversity and inclusion approach is also shaped by mandated reservation policies covering Scheduled Castes, Scheduled Tribes, Other Backward Classes and Economically Weaker Sections. Training and development is actively encouraged, including reimbursement of up to 95% of course fees (subject to caps) for employees pursuing higher qualifications such as an MBA or CFA.

In terms of human capital, the company maintains a lean team with 153 employees as of March 31st, 2026. Workforce-facing initiatives include a dedicated grievance portal and cell for both internal and external complaints, maternity and paternity leave provisions, and flexible entry/exit working hours. Differently-abled employees make up 2.0% of the total workforce, 26.7% of employees received training on ESG related principles, and 100% of employees were trained on skill upgradation during the fiscal year, a notably strong figure.

Cost incurred on employee wellbeing measures, as a percentage of total revenue, rose modestly to 0.05% in FY2025 from 0.04% in FY2024, though this remains below the industry median (FY24 median: 0.14%, FY25 median: 0.13%). The reason for this could be attributed to relatively lean team and small employee base with considerably high turnover compared to the peer sector. In terms of attrition, overall employee turnover rose to 5.7% in FY2026 from 3.2% in FY2025 — a 2.5 percentage-point increase. However, the rate is still well below levels that would be considered concerning in absolute terms and far below the industry median of roughly 26.0%.

Gender diversity within the workforce has also improved. The organisation employed approximately 37 women for every 100 men in FY2026, compared with 33 women for every 100 men in FY2025 and 32 women for every 100 men in FY2024. This places IIFCL well above the industry median of 14–15 women per 100 men. The organisation also demonstrates strong performance on gender pay equity. IIFCL reported a female-to-male median remuneration ratio of 1.00 in both FY2025 and FY2024, indicating complete pay parity. This performance exceeds the industry median (FY24 median:0.85, FY25 median:0.87).

With respect to employee health and safety, the nature of IIFCL's operations presents relatively limited occupational health and safety risks compared with more asset-intensive industries. Accordingly, the company's performance in this area is underpinned more by employee wellbeing initiatives than by traditional workplace safety management. While IIFCL has not yet adopted a standalone employee health and safety policy, it has implemented several measures to support employee wellbeing. These include HR-led mental and physical wellness programmes, such as yoga sessions and other wellbeing initiatives, alongside non-occupational healthcare support. In addition, all employees are covered by life insurance, including term insurance coverage of ₹1 crore per employee. Performance indicators reflect a strong level of employee protection. During FY2025, 100% of employees were covered under both health insurance and accident insurance, and no health and safety complaints were reported. Furthermore, any complaints received were resolved in full, resulting in a 100% resolution rate. Health and safety training reached 59.0% of employees during the reporting period. Although this demonstrates meaningful implementation of awareness initiatives, expanding training coverage and formalising these practices within a dedicated health and safety policy could further strengthen the organisation's governance framework and align its policy architecture with its existing operational performance.

IIFCL maintains a zero-tolerance approach to workplace sexual harassment through a policy aligned with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, with violations explicitly classified as misconduct under the IIFCL Staff Service Regulations. Oversight is provided through an Internal Committee under the POSH framework and a dedicated SC/ST Cell to address discrimination and harassment-related concerns. In addition, all employees undergo five days of mandatory training covering key compliance topics, including POSH. While the company has established a sound framework for employee protection and workplace conduct, there remains scope to further strengthen the breadth and institutionalisation of human rights-related practices through standalone policies and extending the coverage of trainings. Human rights-focused training reached approximately 40.0% of employees during the assessment period, compared with an industry median of 85.0% and an industry best of 99.8%, indicating an opportunity to enhance employee awareness and capacity-building in this area.

Overall, IIFCL demonstrates a strong and well-balanced social performance profile, supported by robust outcomes across key workforce, customer, and community indicators. Key strengths include complete gender pay parity, improving workforce gender diversity, universal health and accident insurance coverage, an absence of reported cybersecurity incidents, and strategically targeted CSR interventions focused on Aspirational

Districts. These practices reflect a sustained commitment to employee welfare, responsible business conduct, and inclusive social impact.

Nevertheless, opportunities remain to strengthen the company's social governance framework. In particular, the absence of standalone employee health & safety and human rights policies limits the formalisation of practices that are currently implemented through internal processes and regulatory compliance. Human rights training coverage also remains below industry benchmarks, indicating scope to broaden awareness across the workforce. In addition, although CSR initiatives demonstrate clear strategic focus, the company's CSR expenditure relative to its statutory obligation remains below peer levels. While these gaps do not materially weaken the company's overall social performance, addressing them would further strengthen governance maturity, enhance alignment with emerging ESG best practices, and improve the transparency and institutionalisation of existing social management systems.

Governance Score

80.4

For this sector, the Governance pillar carries the highest weighting at 45%, reflecting the critical importance of robust corporate governance, ethical conduct, and effective oversight in managing financial and non-financial risks. With a Governance score of 80.4, IIFCL demonstrates strong performance in this pillar, outperforming the industry median across key governance themes, including ESG oversight and business ethics. The company's governance framework reflects a high degree of institutional maturity, supported by well-established oversight mechanisms and governance practices.

From a statutory governance perspective, the company demonstrates compliance across several structural parameters. The Audit Committee, Risk Management Committee, Nomination and Remuneration Committee (NRC), Stakeholders Relationship Committee (SRC), and CSR Committee have all been constituted, the Audit Committee is chaired by an independent director, the CSR Committee satisfies applicable independence requirements, and overall Board size is in line with SEBI requirements.

IIFCL's Board comprises seven directors with a broad mix of professional expertise, supporting institutional oversight. Board composition remains broadly supported by an appropriate governance framework and oversight mechanisms. However, there is scope to further strengthen board independence through enhanced representation of independent directors, which would support greater alignment with evolving governance best practices and reinforce the overall effectiveness of board oversight. This is primarily attributable to appointments by the Government of India, which is responsible for nominating directors to the Board, rather than company-specific governance decisions.

Board functioning remains a relative strength, supported by robust meeting frequency, regulatory compliance, and effective committee operations. The company complies with statutory requirements relating to AGM timelines, director rotation and auditor appointment. Board engagement appears active, with the Board convening eleven meetings during FY2024–25 and the Audit Committee meeting eight times, while statutory quorum requirements were consistently achieved. Further strengthening board independence and diversity, together with continued capacity-building and ESG-related training for the Board and Key Managerial Personnel (KMP), would enhance board effectiveness and support the continued evolution of governance practices. Overall, operational effectiveness of the Board is assessed as strong despite the structural limitations in Board composition.

In terms of oversight on ESG, IIFCL has established a relatively well-developed governance framework for ESG oversight, supported by multiple Board-approved policies aligned with the ESG commitments. These include Climate Strategy 2030, the Climate Risk Management Framework, the Sustainability and ESG Financing Framework, the ESG Risk Rating Framework, and the Environmental and Social Safeguards Framework (ESSF). Implementation responsibilities are supported through a dedicated Sustainability Finance Department, reflecting increasing institutional integration of sustainability considerations into business processes.

The governance framework has continued to evolve through the proposed establishment of a Board-level Sustainability & ESG Financing Committee and the expansion of the Environmental and Social Management Unit's mandate to include ESG assessments, environmental and social due diligence, and Gender Equality and Social Inclusion (GESI) initiatives. However, the absence of a formal ESG materiality framework, documented materiality assessment, and standalone sustainability reporting limits alignment with emerging leading practices in ESG governance.

The company's governance framework benefits from a comprehensive ethics and compliance architecture. Compliance with insider trading regulations and related-party transaction requirements is supported through Board-approved policies and established approval mechanisms at both the Audit Committee and shareholder levels. Ethical conduct is further reinforced through a Code of Ethics and Business Conduct, alongside dedicated Anti-Money Laundering, Whistleblower, and Anti-Corruption & Anti-Bribery policies. Notably, the company reports 100% employee coverage under training on the Code of Conduct, Anti-Corruption and Anti-Bribery policies, reflecting a strong emphasis on embedding ethical standards across the organisation.

As a Government of India-owned institution, IIFCL's governance framework is further strengthened by external vigilance mechanisms, including oversight under the Central Vigilance Commission's Public Interest Disclosure and Protection of Informers (PIDPI) framework. Procurement integrity is reinforced through the Integrity Pact, General Financial Rules, and independent monitoring by CVC-empanelled External Monitors, extending ethical oversight across the company's value chain. The company's remuneration framework is viewed as supportive of sound governance. Compensation for senior management is largely governed by Government of India guidelines, resulting in a structured and transparent remuneration framework with limited scope for excessive executive compensation. The company also reports a relatively low pay differential between the Managing Director/CEO and the median employee, indicating balanced remuneration practices and a comparatively equitable compensation structure.

Overall, IIFCL demonstrates several governance strengths, including robust internal controls, an established risk management framework, a consistent financial reporting track record, and a comprehensive ethics and anti-corruption architecture. Board composition, however, remains below prevailing regulatory expectations and governance best practices with respect to independence and diversity, largely reflecting delays in director appointments under the Government of India's nomination process. Within management's sphere of influence, further strengthening ESG governance through the operationalization of the proposed Sustainability & ESG Financing Committee, development of a formal ESG materiality framework, and enhancement of sustainability disclosures, including external assurance over ESG data, would support continued improvement in governance practices over time.

Environment Score

60.5

Transition pathway

Adequate

Considering low environmental footprint of the sector, a weight of 15% is allocated to the environment pillar. The company has a score of 60.5 (Industry median 33.8) in the pillar of environment. Given IIFCL's business model as a capital allocator to infrastructure, the rating places proportionately greater analytical weight on climate change risk management practices, environmental risk integration into lending decisions, and its contribution to India's low-carbon transition, rather than on the comparatively modest footprint of its own operations.

Climate risk management represents a relative strength within IIFCL's environmental framework, reflecting the institution's increasing integration of climate considerations into both strategy and risk governance. The company has developed climate risk models incorporating assessments of physical climate hazards alongside sector-specific and borrower-level transition risks, supported by disaster risk mapping across 783 districts in India. Climate considerations are embedded within the credit appraisal process through an ESG assessment framework that evaluates environmental, social and governance risks at the project level, including occupational health and safety, labour welfare, diversity and climate-related risks prior to financing decisions.

The framework is further supported by a Board-approved Sustainable Finance Framework governing green and sustainability-linked financing, while strategic partnerships with the Asian Development Bank (ADB) and the

Multilateral Investment Guarantee Agency (MIGA) provide access to concessional financing and risk-sharing mechanisms that enhance the institution's capacity to finance sustainable infrastructure.

The company's Climate Strategy 2030 provides a structured transition roadmap, targeting at least 50% of incremental lending of ₹1 lakh crore towards green infrastructure by 2030, alongside a phased reduction in exposure to fossil fuel-based power generation and achievement of Net Zero Scope 1 and Scope 2 emissions by 2030. Interim milestones of directing 30.0% of incremental lending towards green infrastructure by FY2027 and 40.0% by FY2029 provide measurable checkpoints against long-term commitments.

Implementation progress has been encouraging. Green financing as a proportion of assets under management increased to 18% in FY2025 from 12% in FY2024, bringing the company broadly in line with current industry-leading levels. Growth in the dedicated green loan portfolio has also been robust, increasing to ₹15,164 crore (19.8% of the outstanding loan book) as of September 2025 from ₹12,485 crore (17.9%) at March 2025, representing approximately 21% growth within six months. This trajectory indicates continued progress in portfolio reorientation towards climate-aligned assets rather than reliance solely on policy commitments.

IIFCL's operational carbon footprint remains inherently limited given the nature of its business model as a development finance institution. Operations involve no direct industrial processes or primary fuel combustion, with energy consumption largely confined to purchased electricity, while backup diesel and gas generators are owned and operated by building landlords rather than the company. Consequently, greenhouse gas emission intensity remains low at approximately 2.6 tCO_2e per employee.

The company has also initiated measures to reduce operational emissions through gradual fleet electrification and green building occupancy. Of its total fleet of eleven vehicles, five are being phased out for disposal, with future replacements planned through electric vehicles. In addition, operations are conducted from IGBC-certified green buildings, with new office premises added during the year in a GRIHA 3-star certified building in New Delhi. These initiatives support the company's stated commitment to achieving Net Zero Scope 1 and Scope 2 emissions by 2030.

Despite the relatively modest operational emissions profile, carbon disclosure remains mixed. Scope 2 emissions intensity improved marginally to 2.58 tCO_2e per employee in FY2025 from 2.60 tCO_2e in FY2024, although it remains materially above both industry median and leading-practice benchmarks. Energy intensity was 13.1 GJ/employee in FY2025, essentially flat versus 13.2 GJ/employee in FY2024 — materially above both the industry median (~3.3-3.5 GJ/employee). This divergence likely reflects IIFCL's small headcount relative to its office footprint rather than genuinely energy-intensive operations, though it remains an area flagged for closer monitoring and benchmarking. Scope 1 emissions intensity per employee has not been tracked, while Scope 3 and financed emissions remain unreported.

While IIFCL has made progress in strengthening its climate-related disclosures, there remains an opportunity to further enhance the comprehensiveness of its environmental reporting through the assessment and disclosure of Scope 3 and financed emissions. Given the company's role as a development finance institution, financed emissions are expected to represent an important component of its overall climate footprint. The gradual adoption of internationally recognised methodologies to measure, disclose, and manage financed emissions would further strengthen the company's climate risk management framework and support closer alignment with evolving global reporting and disclosure practices.

IIFCL maintains a e-Waste Management Policy embedded within its IT Policy, with specific focus on e-waste handled in line with government regulations. Concrete initiatives include a broad shift toward paperless operations, reinforced in FY2026-27 by migration to an e-office system, along with discontinuation of single-use plastic bottles and plastic folders.

Quantitatively, several waste metrics remain unreported — including percentage of total waste safely disposed and waste intensity per employee for both FY2025 and FY2024. This absence of granular data is consistent with the broader observation that, notwithstanding genuinely low absolute waste generation (a function of a small employee base operating from two offices), IIFCL’s tracking mechanisms for operational environmental parameters remain underdeveloped relative to the ambition set out in its 2030 strategy.

Overall, IIFCL’s environmental performance is supported by IIFCL’s inherently low operational emissions profile, a well-defined Climate Strategy 2030, and continued progress in integrating sustainability considerations into its financing activities. The company has demonstrated measurable advancement in expanding its green financing portfolio, with performance tracking favourably against its interim climate targets and reflecting increasing alignment of capital allocation with its long-term transition strategy.

The assessment is moderated by several areas where environmental management and disclosure frameworks remain under development. These include the absence of independent external assurance over environmental and emissions data, limited disclosure of certain operational environmental metrics such as energy, water and waste management, and the early stage of financed emissions measurement and reporting. Given the nature of IIFCL’s business model, strengthened measurement and disclosure of portfolio-level emissions will be particularly important in enhancing transparency around climate-related risks and impacts.

Key Rating Drivers

Strengths

Strong strategic positioning in sustainable infrastructure financing

IIFCL has established itself as a significant financier of India's low-carbon transition, supported by a rapidly expanding green lending portfolio, measurable Climate Strategy 2030 targets, and increasing allocation of capital towards renewable energy and green infrastructure. The pace of portfolio transition demonstrates execution beyond policy commitment.

Well-developed climate risk integration within lending operations

Climate considerations are increasingly embedded into enterprise risk management through dedicated climate risk models, environmental and social due diligence, ESG risk assessment frameworks, and project-level climate screening. This strengthens the institution's ability to identify and manage long-term transition and physical climate risks inherent in infrastructure financing.

Robust governance and risk management architecture

Governance benefits from comprehensive enterprise risk management, multiple layers of regulatory and external oversight, mature ethics and compliance frameworks, strong internal controls, and an established culture of regulatory compliance. ESG governance has also strengthened through dedicated sustainability frameworks and increasing integration of ESG considerations into business processes.

Strong human capital management and workforce stability

IIFCL demonstrates sound human capital practices, supported by comprehensive employee welfare programmes, extensive learning and development initiatives, full gender pay parity, improving female representation across the workforce and senior management, and relatively low employee turnover. Comprehensive health and insurance coverage, structured career development, and high employee retention collectively support organisational stability and institutional capability, while reflecting a favourable workplace culture.

Weaknesses

Board composition remains constrained by limited independence and diversity

Board effectiveness continues to be moderated by relatively low independent representation and gender diversity at Board level. While these constraints largely reflect the Government of India's director appointment process, they remain below evolving governance best practices and moderate the overall governance assessment.

Financed emissions measurement and broader environmental data management remain at an early stage

Despite significant progress in green financing, the institution does not yet measure or disclose financed emissions or broader Scope 3 emissions, limiting visibility over the most material environmental impacts associated with its lending portfolio.

Scope to strengthen measurement of environmental performance

While the company's direct environmental footprint is inherently limited, monitoring and public disclosure of operational indicators relating to energy, water, waste and resource consumption remain relatively limited, constraining assessment of environmental performance improvements over time.

ESG disclosure maturity trails leading financial institutions:

The absence of a standalone sustainability report, formal ESG materiality assessment, external assurance of ESG data, and comprehensive disclosure of operational environmental metrics reduces transparency and limits comparability with international reporting practices.

Key ESG Parameters of IIFCL

Parameters	Unit	2025-26	Industry Median
Environment			
Scope 1 intensity	tCO2e/employee	NR	0.04
Scope 2 intensity	tCO2e/employee	2.6	0.5
Scope 3 intensity	tCO2e/employee	NR	0.7
Energy intensity	GJ/employee	13.0	3.5
Waste intensity	MT/employee	NR	0.002
Social			
Employee turnover	%	5.7%	26.0%
Female to male employees' ratio	per 100 male employees	37.0	15.0
Female to male employees' median pay	per Rs.100 of male employees' median pay	100.0	83.8
Health & safety complaints	#	0.0	0.0
POSH complaints upheld over reported	X/Y	0.0	-
Governance			
No. of Female in board	#	1	1
% board members trained on ESG	%	0.0%	100.0%
Income gap ratio (CEO pay to median pay)	X:Y	1.9	90.4

Data source: company information, public sources, CareEdge-ESG research & analysis
KL = kiloliters | MT = metric tons | GJ = gigajoules | NR= Not reported

Rating Sensitivities

Positive Factors

- Improved disclosures on environmental metrics on waste, energy, carbon emissions
- Comprehensive reporting of financed emissions
- Increase coverage of training on health and safety, ESG principles
- Increased representation of independent members on the board

Negative Factors

- Increase in attrition rate
- Decrease in representation of women
- Occurrence of POSH or human rights complaints
- Decreased concentration on green finance

Analytical approach

Rating boundary: CareEdge-ESG has considered standalone data of IIFCL for assessment.

Methodology/Criteria

For detailed understanding of the criteria and methodology used by CareEdge-ESG, please refer to the methodology document available on www.careedgeesg.com

About the company and industry

India Infrastructure Finance Company Limited (IIFCL) is a Government of India-owned infrastructure finance institution, established in 2006 under the Ministry of Finance to address long-term financing gaps in India's infrastructure sector. IIFCL plays a strategic role in supporting the country's infrastructure development agenda by providing long-tenor debt financing, refinancing, take-out financing and credit enhancement solutions for commercially viable infrastructure projects.

The institution finances projects across a broad range of sectors including transportation, renewable energy, power transmission, urban infrastructure, logistics, ports, airports, water supply, healthcare and social infrastructure. In addition to direct project lending, IIFCL mobilises capital through domestic and international borrowings, including partnerships with multilateral development institutions such as the Asian Development Bank (ADB), the World Bank Group and other development finance institutions, enabling greater deployment of long-term capital towards nationally significant infrastructure projects.

Sustainability has become an increasingly important component of IIFCL's business strategy. Recognising the growing impact of climate-related risks on infrastructure assets, the company has embedded environmental, social and governance (ESG) considerations into its lending and risk management processes through a suite of Board-approved frameworks, including Climate Strategy 2030, the Climate Risk Management Framework, the Sustainability & ESG Financing Framework, the ESG Risk Rating Framework and the Environmental and Social Safeguards Framework (ESSF). These frameworks integrate environmental and social due diligence into project appraisal while strengthening climate risk assessment across the lending portfolio.

Green finance represents a key strategic priority for the institution. IIFCL has built a sizeable renewable energy financing portfolio spanning solar, wind, hydro and hybrid energy projects, while Climate Strategy 2030 establishes measurable targets to progressively increase the proportion of green infrastructure financing and reduce exposure to fossil fuel-based power generation. The company has also committed to achieving Net Zero

Scope 1 and Scope 2 emissions by 2030, supported by initiatives including green buildings, fleet electrification and resource efficiency measures.

Source of information

While assigning ESG Ratings, CareEdge-ESG has considered publicly available information such as integrated annual reports of the company, policies, certifications, quarterly presentations, and additional non-public information and comments provided by the company.

Status of non-cooperation with previous ERP: Not applicable

Rating history for last three years:

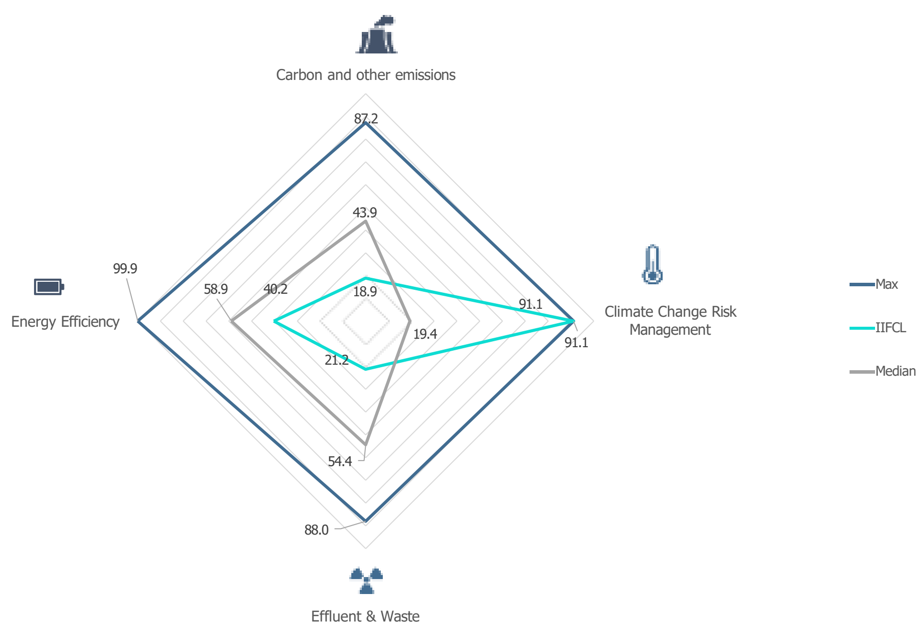
Sr. No.	Name of Product	Current Rating		Rating history		
		Rating	Score	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
1	ESG Rating	CareEdge-ESG 1	78.6			-

Annexure: Graphical summary of key rating drivers[2]

Hierarchy: While arriving at pillar level scores for IIFCL, CareEdge–ESG has assigned theme weights based on relative importance and sectoral hierarchy as depicted in the exhibit below.

Materiality	Environment	Social	Governance
HIGH	Climate Change Risk Management	Customer protection Privacy & data security	Oversight on ESG Business Ethics
MEDIUM	Carbon and other emissions Energy Efficiency	Human Capital Human rights	Board Functioning Reporting, filling & disclosures
LOW	Waste	Community support & development Employee Health & Safety Product Safety & Quality Value Chain	Board Composition Remuneration

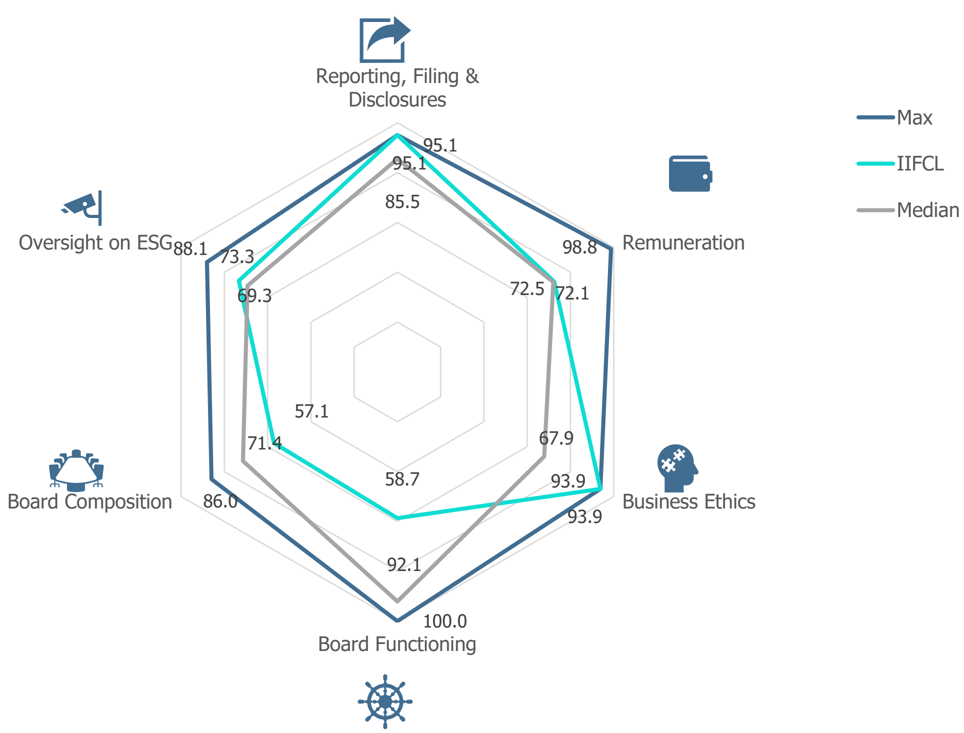
Environment Pillar: IIFCL's theme-wise performance and industry benchmarks



[2] Comprehensive analytical insights, inferences and benchmarking is provided in CareEdge-ESG's detailed ESG Report

Social Pillar: IIFCL's theme-wise performance and industry benchmarks

Governance Pillar: IIFCL's theme-wise performance and industry benchmarks



Summary Pillars and Theme Scores

Theme	IIFCL FY25	Industry Median
Carbon and other emissions	18.9	43.9
Climate change risk management	91.1	19.4
Effluent & waste	21.2	54.4
Energy Efficiency	40.2	58.9
Total Environment Score	**60.5**	**33.8**
Product safety & quality	93.8	65.4
Consumer Protection	88.1	70.6
Human Rights	86.5	75.1
Human Capital	81.9	53.8
Employee health & safety	88.7	91.7
Privacy & Data Security	83.1	73.4
Value Chain	69.5	76.2
Community support & development	53.7	60.0
Total Social Score	**83.3**	**69.0**
Reporting, Filings and Disclosures	95.1	85.5
Remuneration	72.5	72.1
Business Ethics	93.9	67.9
Board Functioning	58.7	92.1
Board Composition	57.1	71.4
Oversight on ESG	73.3	69.3
Total Governance Score	**80.4**	**74.7**
Total ESG Score	**78.6**	**65.8**

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About:

CareEdge is a knowledge based analytical group that aims to provide superior insights based on technology, data analytics and detailed research. CARE ESG Ratings Limited (CareEdge-ESG) is one of the India's pioneer ESG rating provider fostering sustainability with ESG insights. With an aim of being a catalyst of change for a sustainable future with the most credible ESG assessments, CareEdge-ESG provides a 360-degree appraisal for the ESG performance benchmarking cum transition enabling ESG risk mitigation and enhanced decision-making capabilities for all stakeholders.