



CREDITACCESS GRAMEEN LIMITED

[Environmental, Social & Governance Policy](#)

Revision History

Version	Author	Description of Changes	Release Date
1	Nilesh Dalvi, VP – Investor Relations	First version	March 23, 2022

Version	Author	Reviewed by	Approved by
1	Nilesh Dalvi, VP – Investor Relations	MD & CEO	Board of Directors

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Introduction

CA Grameen, India's largest microfinance institution (NBFC-MFI), has been working at the bottom-of-the-pyramid over past two decades providing access to affordable finance to unserved and underserved low-income households across India. The Company through its customer centric business model and diverse products supporting entire life cycle needs of the customer, has been creating large scale positive social impact across the communities, including our customers, employees and other stakeholders. The Company's business strategy and policies are pillared on customer centricity and employee centricity, allowing sustainable growth and empowering communities over long term.

CA Grameen acknowledges the responsibility to further strengthen its allegiance to global standards on Environmental, Social & Governance (ESG) practices and effectively integrate them into the Company's core business strategies. The Company remains committed to identify material stakeholder issues and the associated ESG risk implications and accordingly take necessary actions to strengthen the business model to mitigate such risks and strive towards long term sustainable business growth and stakeholder association.

ESG Approach and Policy Governance

To further our commitment to global ESG standards, CA Grameen has constituted a board approved ESG policy in 2022, outlining the framework to acknowledge various ESG risks, impacts and opportunities in the Company's business segments and operations. The Company has established an CSR & ESG committee, a management level committee comprising of senior members across major functions chaired by a member of the senior management team. The CSR & ESG Committee reports to the Board of Directors.

The ESG committee shall be working towards identifying risks and opportunities across various ESG aspects as listed below and devise necessary action plan and targets to mitigate such risks and build on the opportunities.

- Track, assess and manage the impact of existing and emerging E&S risks on the loan portfolio by adopting robust Environmental & Social Management System (ESMS) framework and policies on corporate social responsibility (CSR), supplier's code of conduct, responsible procurement, and business continuity.
- Identify opportunities for operational resource efficiencies and savings through continuous improvement in areas of emissions, energy, paper, water, and waste management.
- Establish robust workplace policies to strengthen the organisational fabric and promote conducive work environment. This entails focus on employee code of conduct, human rights, equal work opportunities, gender diversity, employee well-being and safety, performance reviews and remuneration.
- Promote strong corporate governance and ethical work culture through policies and guidelines on board diversity and inclusion, anti-bribery, anti-corruption, anti-money laundering, IT/data privacy and security, whistleblower, and corporate taxation.
- Identify emerging material stakeholder issues, risks and opportunities to provide timely feedback for alignment of core business strategies for addressal of such risks and opportunities.
- Work towards improving the overall disclosures to effectively demonstrate the Company's ESG commitment to its stakeholders.

The ESG policy framework will serve as a guiding document for all ESG actions and initiatives undertaken by the Company. The framework will be reviewed and updated on an annual basis, subject to approval by the ESG committee and the CSR committee of the Board. This will enable the Company to continually strengthen our adherence to various global ESG standards and improve the level of disclosures.

Key Focus Areas under ESG

Environmental and Social Risk Management in Lending

CA Grameen's Environmental and Social Management System (ESMS) will ensure compliance with applicable local and national laws on environment, health, and safety standards and International Finance Corporation (IFC) Performance Standards. It will help the Company to avoid and manage loans with potential environmental and social risks through adequate due diligence during loan disbursement and loan utilisation checks post loan disbursement. CA Grameen will ensure that it shall not extend any loans which fall under the IFC exclusion (prohibited activities) list. The Company's loan agreements will contain appropriate environmental and social requirements as stipulated in the ESMS. CA Grameen shall ensure timely communication of various environmental and social objectives to its stakeholders, along with proper mechanism for handling of queries/grievances. The Company shall also ensure adequate capacity building measures to identify and monitor environmental and social risks, including senior management, environmental and social (E&S) officer, and support team.

Refer to ESMS policy for further details [Environment and Social Management System Policy.pdf](#)

Climate Change Strategy

Energy & Emissions Management

CA Grameen is committed towards sustainable management and use of natural resources in the most efficient, cost-effective, and environmentally responsible manner. The Company aims to minimize the energy requirements of its assets, support sustainably sourced energy, foster an organizational culture that promotes energy conservation, and engage with its stakeholders to encourage energy-saving behaviour.

The Company aims to regularly measure and disclose our greenhouse gas (GHG) emissions indicators and externally verify them on an annual basis. The Company's initiatives on climate front will include –

- Evaluation of alternative energy sources and use of renewable energy sources wherever economically feasible.
- Optimisation of business and field processes to reduce energy usage intensity.
- Incorporating energy-efficient building designs where applicable.
- Ensuring fuel-efficient fleet of vehicles for business operations, regularly maintained to limit GHG emissions
- Prioritise two-wheelers over four-wheelers for field operations.
- Increase staff awareness on criticality of energy conservation.

Refer to Energy Management policy for further details [Energy Management Policy.pdf](#)

Waste Management

CA Grameen is cognizant of the importance of responsible waste management and its impact on environmental sustainability. The wastes generated through the CA Grameen operations are e-waste, dry waste (primarily paper waste), and wet waste (primarily from the cafeteria). The Company will ensure that all wastes produced are disposed of responsibly, using approved & authorized waste contractors/recyclers, in line with the prescribed regulations and industry best practices. The Company will try to minimize waste generation at source and facilitate repair, reuse, and recycling over the disposal of wastes, where it is cost-effective. The Company will promote environmental awareness in order to increase and encourage waste minimization, reuse, and recycling.

CA Grameen is conscious of use of paper in its business operations. Increasing use of digital applications at field is gradually helping in reduction in paper consumption, thus leading to lower paper wastage. The Company also aims to control the printing and photocopying operations by employees across all office locations in order to reduce wastage of paper.

Refer to Waste Management policy for further details [Waste Management Policy.pdf](#)

Workplace and Employee Centric Approach

Work Ethics and Code of Conduct

CA Grameen expects all employees to strictly act in accordance with the high professional and ethical work standards. The employees are expected to avoid conflicts of interest and remain committed to integrity in all work-related aspects and comply with applicable laws, regulations, and Company policies. The employees are expected to avoid misuse or misappropriation of the Company's assets and ensure highest levels of confidentiality with respect to customer information, unpublished price sensitive information and promote fair dealing within and outside the Company. Adequate policies and procedures will be defined to take necessary disciplinary actions and report any violations from the policies.

Human Rights

CA Grameen is committed to uphold employee rights and treat all employees with respect and dignity in order to promote a healthy and conducive work environment for the employees. The Company aims to comply with United Nations (UN) Guiding Principles on Business and Human Rights and International Labour Organisation (ILO) conventions which are ratified by India. The Company's human rights policy will ensure equity, diversity, and inclusion within the organization, non-discrimination, prevention of human rights violations across entire value chain, and adequate training/ awareness on human rights.

Equal Opportunities and Gender Diversity

CA Grameen remains committed to value equal opportunities, diversity and inclusion at the workplace. The Company shall encourage diverse workforce without any discrimination on basis of age, gender, sexual orientation, marital status, physical or mental disabilities, race, caste, colour, national or ethnic origin, religion or language. The Company aims to leverage diverse thinking, skills, and experience of employees, and provide flexibility to accommodate evolving needs of employees at different career and life stages. The Company aims to eliminate various structural and cultural barriers, attract diverse talent, position as employer of choice and effectively respond to changing societal expectations.

Women Safety

CA Grameen remains committed to foster safe working environment for women, with zero tolerance policy on sexual harassment along with quick investigation and redressal of complaints through fair and transparent process. Further, the Company believes that all employees, regardless of their gender, have the right to work in an environment safe from verbal/ physical abuse and unsolicited sexual overtures.

Employee Wellbeing, Career Growth, Remuneration and Benefits

CA Grameen remains committed to promote a safe and conducive work environment for its employees, ensuring their occupational health and safety, adequate healthcare benefits including life insurance, accidental insurance and medical cover. The Company encourages growth opportunities and career progression by prioritizing internal job opportunities wherever appropriate. The Company's remuneration policies stipulate reasonable compensation sufficient to attract, motivate and retain talent and ensure alignment of employee's performance with short-term and long-term objectives of the Company.

Training and Development

CA Grameen remains committed to its goal of inclusive development for which it takes responsibility to nurture young workforce from rural and semi-urban communities. The Company's preference is towards recruiting fresh talent from customer families and local communities. The Company ensures pre-hiring training to prospective employees followed by extensive post-hiring training to help employees develop the required skills and explore internal growth opportunities. Right training helps to inculcate the organisational culture and build synergistic environment between employees and customers. The Company aims to imbibe ESG aspects in periodic training sessions for all employees to keep them updated on various latest developments on ESG front and ensure compliance with ESG standards on continuous basis.

Customer Centric Approach

CA Grameen's larger thrust on financial inclusion and holistic development of customer families is effectively delivered through its customer-centric approach aligned with unique needs of customer families. Responsible financial inclusion encompasses core Client Protection Principles to help financial service providers practice good ethics including fair pricing, code-of-conduct, non-coercive recovery practices, customer grievance mechanism, and community engagement.

In the course of its business, CA Grameen collects, stores, and processes data of its customers, which must be dealt with properly and securely. The Company remains committed to ensuring the privacy and security of the customer data by complying with its data privacy policy and cyber-security policy and implement adequate processes to protect the personal and financial information of customers.

Community Engagement

CA Grameen has always aligned business priorities with social commitments, targeting need-based interventions for community welfare in our operating geographies. The Corporate Social Responsibility (CSR) interventions are focused on enhancing quality of life of the communities that are located in the vicinity of business location by way of creating awareness and providing support.

The Company's CSR program and initiatives include following activities –

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Provided, notwithstanding the above, there is no restriction on the Company to undertake such other activities as may be allowed under Schedule VII of the Companies Act, 2013.

The Company shall implement its CSR activities through CreditAccess India Foundation, a Section 8 company, which is incorporated specifically for the purpose of implementation of CSR activities of group companies.

In addition to CSR activities, the Company aims to contribute to the society as a part of its business operations. The Company does not want to restrict itself to the realm of only credit provider and be the financial partner to the customers. It wants to transcend the existing boundaries and be the employment provider as well as be the growth partner of the customers and the community. CA Grameen strongly believes that locals have better understanding of the requirements of rural customers and help them with right solutions Hence, our aim is to hire the people from the local community for our field operations and provide them with ample learning and development opportunities to rise in the corporate ladder.

With an aim to create socio-economic awareness among our customers, the Company aims to carry various field initiatives to generate awareness on topics like health management, food and nutrition, children's care, financial literacy, sanitation, and many more. The information is disseminated to our customers through our loan officers during centre meetings.

Procurement Practices & Supplier Code of Conduct

CA Grameen's procurement practices shall ensure fair and impartial assessment of all potential vendors and suppliers, ensuring access to environmentally friendly and energy efficient products and encouraging local sourcing wherever possible.

CA Grameen will always require that our suppliers comply with all applicable laws, regulations, and standards within the geographies in which they operate and adhere to recognized ESG standards in letter and spirit. The supplier shall comply with all local employment, labour laws, and laws regarding human rights in the operating geographies, eliminating any kind of forced labour & child labour. All our suppliers must conduct their business ethically. They shall follow anti-corruption and anti-bribery laws and comply with all applicable national and international antitrust and trade control regulations.

Transparency & Accountability

CA Grameen's Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees & Directors by giving them direct access to the Chairman of the Audit Committee in exceptional cases. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

Good Governance

Good governance is an essence of sustainable value creation. It promotes participation, responsiveness, transparency, accountability, equity, inclusiveness, and efficiency among value chain partners and enables effective decision making. At CA Grameen, the principles of good governance are ingrained in the organizational culture and values, which helps us to serve the stakeholders at our best possible capacity.

The Company believes that effective and ethical leadership is centered around integrity. The Company recognizes that ethical leadership within CA Grameen improves public trust, enhances risk, compliance and ethics management, and strengthens stakeholder relationship. The Company strongly believes in the ethos of transparency and accountability for which it shall ensure established systems for timely flow of information to keep our stakeholders abreast with the organisational activities. The Company has regular board meetings to review and improve our transparency and accountability policies. The board plays a pivotal role in effective compliance and implementation with respect to regulatory and stakeholder demands.

CA Grameen aims to maintain the composition of the Board of Directors in conformity with Regulations 17 of Listing Regulations, which stipulate that the Board should have an optimum combination of executive and non-executive directors with at least one woman director and at least 50% of the Board should consist of non-executive directors. It further stipulates that if the Chairperson of the Board is a non-executive and non-promoter director then at least one-third of the board should comprise of independent directors. The Company shall ensure that the Board of Directors comprise a diverse mix of expertise, professionalism, knowledge, diversity, experience and values in Banking and Operations, Audit and Financial Statements, Financing, Investment, Risk Management, Entrepreneurship, Micro-finance, Management, Information Technology and Human Resource Development.

Disclosures

ESG Disclosures & Reports

CA Grameen has always strived for maintaining high transparency and disclosure standards. The Company has been annually publishing Business Responsibility Report (BRR) to highlight our performance against stated principles of the National Voluntary Guidelines developed by the Indian Ministry of Corporate Affairs (MCA). The Company has voluntarily published its first Business Responsibility and Sustainability Report (BRSR) for the financial year 2020-21 in compliance with the National Guidelines on Responsible Business Conduct (NGRBC). Further, the Company also annually publishes its Social Performance Management Report, Corporate Governance Report, Corporate Social Responsibility Report.

The Company prepared its first Integrated Annual Report for the financial year 2020-21, measuring performance and strategy in compliance with the six capitals laid out by the International Integrated Reporting Council (IIRC). The Integrated Annual Report also measures alignment with the United Nations Sustainable Development Goals (UN SDGs) and maps various disclosures with the Global Reporting Initiative (GRI) standards.

The Company aims to effectively integrate ESG principles into our business model and adopt sustainable business practices as we scale our business in future, focusing on both financial and non-financial commitments and align our business strategy, performance and governance to build long term sustainable value for all our stakeholders. The Company aims to further strengthen the ESG disclosures in line with the requirements of various global ESG standards.

Independent Third-Party Assurances on ESG Disclosures

Our Integrated Annual Report disclosures were externally verified by third party auditor based on the ISAE 3000 Standards. CA Grameen shall continue to seek third party assurance on our ESG disclosures to demonstrate credibility of our publicly available information.