

ESG PRESENTATION

JAN'24 – MAR '24



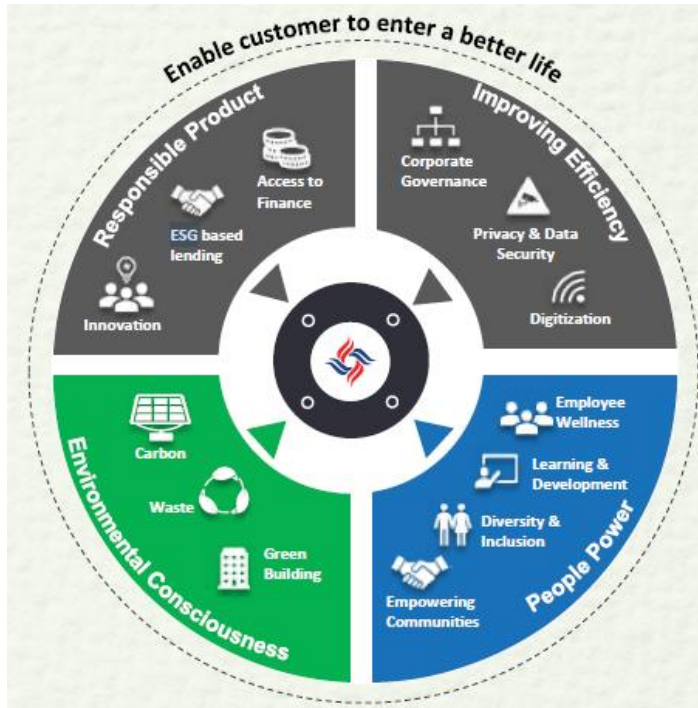
Contents

	ESG at Chola
	ESG Governance Structure
	Chola ESG Rating and Ranking
	Environmental Consciousness
	People Power
	Responsible Product
	Improving Efficiency
	Customer Relationship Management
	Regulatory compliance and Accountability

	Fair Practice Code
	Code of Conduct
	Customer Cyber Information
	Customer Escalation Matrix
	Social Media Google Review
	Initiatives in FY 24 Target vs Achievements
	Risk Culture
	Believeathon



Environmental, Social & Governance (ESG) at Chola



ESG Framework at Chola:

This framework guides us to reinforce principles of ESG in all aspects of the company’s businesses and focus its efforts on responsible products, improving efficiency, people power and environmental consciousness aligned with the expectations stated in the Business Responsibility and Sustainability Report (BRSR).

ESG Updates of Chola	Link
BRSR FY 22-23	Click here
BRSR FY 21-22	
Sustainability Report 20 – 21	
ESG Quarterly Presentations	
ESG profile update	





Board – The final authority for all the major policy and sustainability reports related to ESG

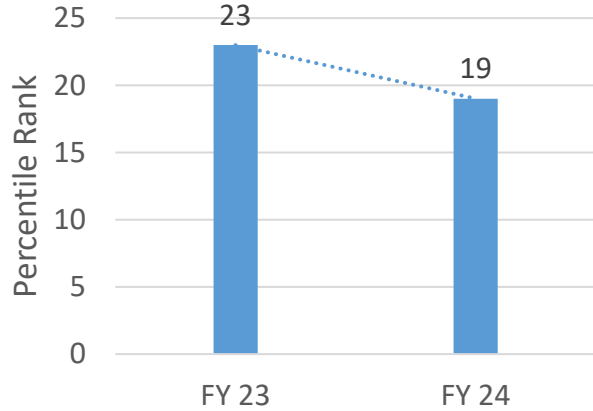
CSR Committee – This Committee comprises of Chairman, an independent Director and a non-executive Director to support and advise Board on the company’s policies, strategies and programs related to ESG

ESG Steering Committee – This Committee comprises Executive Director, CRO and key risk managers and other invitees from Businesses as may be required.

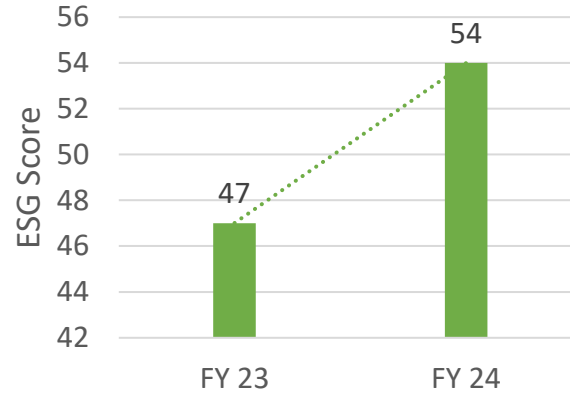
ESG Working Committee – This Committee comprises the members of the Risk Management (ERM) division and SPOCs from lines of business and functions, directly engaged into ESG related aspects to undertake implementation of the initiatives at the ground level, data obtaining, submission of reports, regulatory compliance, coordination etc.



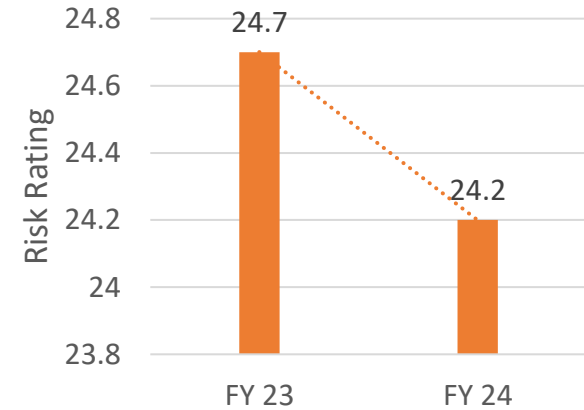
Member of FTSE4Good Index Score of 2.8
(Score/rating (0 to 5) higher score are better)



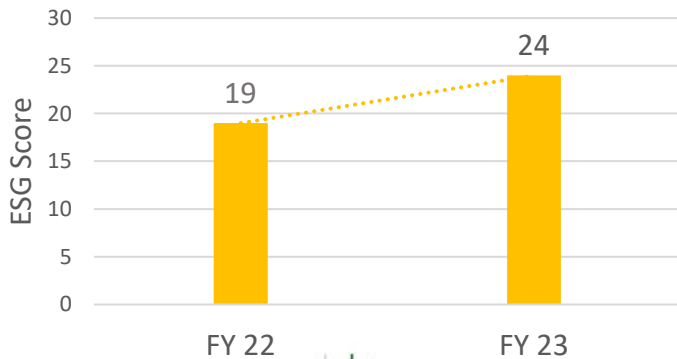
LSEG Rating
higher score indicates lower risks



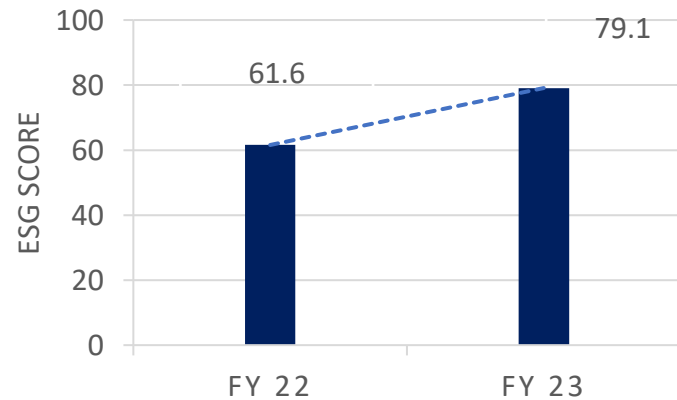
Sustainalytics
Lower rank indicates lower risk



S & P Global
higher score indicates lower risks



Stakeholders Empowerment Services (SES) Rating
higher score indicates lower risks



Environmental Consciousness



Green Building

- We have constructed our new office building at Guindy, under the supervision of a green consultant to imbibe Green Building principles. We are targeting Green Building Certification.
- Sensor based lights and Renewable energy used at Head office.
- Encourage the usage of glass bottles and glasses at Head Office



Waste

The Company follows the practice of waste disposal through approved vendors for the following categories of waste.

- Plastics
- Other Non-hazardous

In respect of E-waste, the company engages authorized recyclers who certify that all the material have been Dismantled and Destroyed as per the CPCB guidelines with responsibility to follow all compliances as per Environmental Act.



Carbon

As an environmentally responsible company we have taken various steps towards sustainability by contributing towards water conservation, energy efficiency, and supporting micro businesses. Going forward, the Company has taken strong measures to focus on carbon footprint reduction, for example use of recycled paper, double side printing etc.



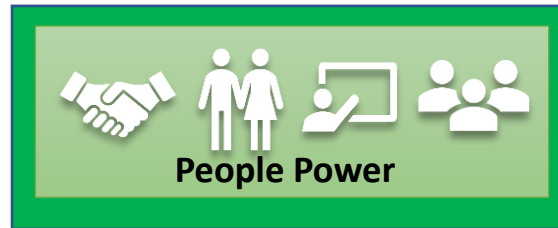
People Power

Employee Wellness

- **Employee Wellness initiatives** for engaging mind, body, spirit of employees.
- **Occupational Health & Safety Initiative** - Launched digital course on Road Safety for front line employees
- **Employee Assistance Program** – confidential, one on one, private therapy session to manage stress and handle distortions.
- **Touching Lives** – financial support for a period of 2 years for families of deceased during Covid
- Workshop conducted to build a community of Mental Health First Aiders
- Nil instances of work-related injury.
- Employee wellness initiatives through ISO 30408:2016 certified HR operations..

Learning & Development

- **Launched e-Modules on as a part of Governance Policy**
 - KYC AML – Know Your Customer And Anti Money Laundering Measures
 - BCPM - Business Continuity Planning and Management
- **Launched a digital learning module for enhancing customer satisfaction**
 - SBPL Operations Module
 - Neo mCollect App for Collections Team
- **Leadership Development training** for VF Sales team- East Zone



Diversity & Inclusiveness

- Business activities such as hiring, promotion, and compensation of employees, are conducted without any discrimination.
- Encouraging employment and participation of women in business and functional roles.
- Emphasis on local hiring

Empowering Communities

- Key focus areas, are ongoing projects of Health, Water & Sanitation, Education, Arts & Culture, Sports, Rural Development, Environmental Sustainability, Research and Development, Road Safety.
- refer link areas of implementation, reach and/or beneficiaries
<https://www.cholamandalam.com/community-relations>



Responsible Products

Vehicle Financing

- *Financing of Commercial, Passenger, Two-wheelers, Tractors and Construction Equipment in both New and Used Vehicles across 1334 branches PAN India*
- *Retail customers especially in smaller towns and rural areas*
- *65% of disbursements are to micro & small enterprises and agri-based customers*

Housing Finance

- *Focused on providing Home Loans under affordable segment with presence across 668 (630 co-located with VF) branches*
- *98% of assets are in tier 2,3,4 cities and suburbs of tier 1 cities*
- *Focuses on reaching out to lower and middle-income borrowers across the country, penetrating to smallest villages and towns.*

Loan against Property

- *Over 78% of the book is financed against Residential property as collateral. Our presence across 779 (771 co-located with VF) branches*
- *Lending to medium & small businesses against properties at affordable ROI under LAP & Micro LAP*

CSEL

- *Offers Personal Loans, Professional Loans & Business Loans to salaried, self-employed professionals and micro & small businesses through traditional DSA/DST model, partnerships and FinTech's. our presence across 424 (423 co-located with VF) branches.*
- *Funding to FTU customer through our partnership business to enhance financial inclusion segment*

SBPL

- *Loans to under-served self-employed non-professional customers, across 414 (all co located with VF) branches*
- *Monthly income range Rs. 25,000- 30,000, unorganised segment (grocery shop, dairy owners, low salaried/cash salaried workers)*

SME

- *Lending to micro, small and medium enterprises, across 75 (all co located with VF) branches*
- *Focus on small scale entrepreneurs in industries such as flour mills, textiles, automobile, hospitality, agricultural, plastics, Iron and steel, education institutions, etc. against the collateral of machinery/property or invoice at affordable ROI, who in-turn provide gainful employment to many more people in the workforce in remote locations.*



Responsible Process

Access to Finance

- Enabling organised credit to First time borrowers and ' New-to-credit' customers
- Partnerships to use advanced techniques to appraise and underwrite customers (for unsecured Personal Loans), in the monthly income range of INR 15000-20000, in underserved professions.
- Catering to customers with D2C digital processes that help eliminate paper and save fuel.

ESG Based Lending

- No exposure to clients in case those activities are detrimental to society and environment at large.
- Target for EV based lending (covered in subsequent slides)

Innovation

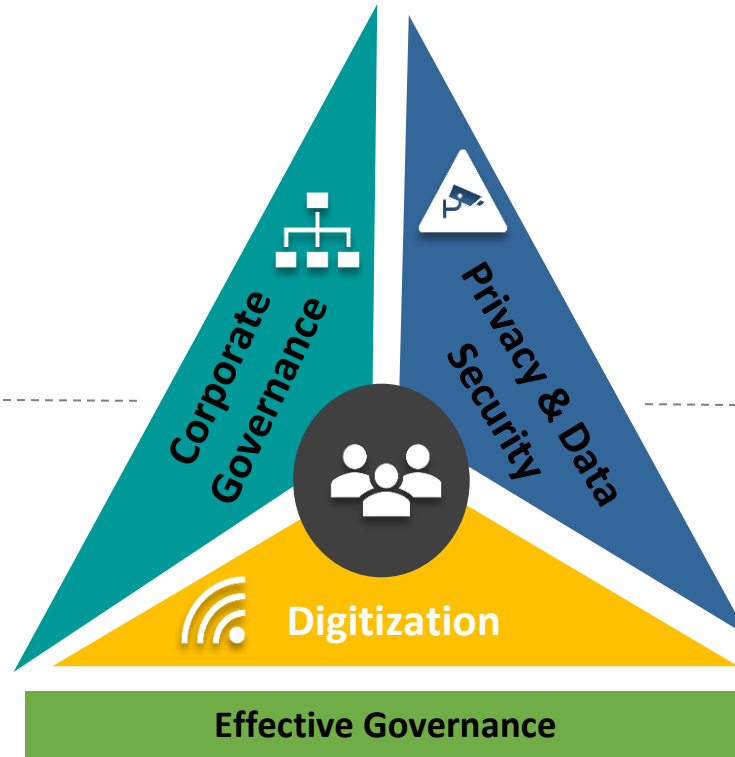
- [Gaadi Bazar](#): online Trusted marketplace for buying and selling car, truck, bus, two wheeler and three wheeler.
- SBPL, HL, VF: B.Y.O.D (bring your own device) for SFEs, digitized collection(QR code)
- LAP, HL & CSEL: [App for all financial needs](#)
- HL: Digital Onboarding for pre-approved top up offers to existing customers APF module launch for enabling builder projects

Initiatives

- 252 branches in the under- banked districts identified by [RBI](#) circular
- 80+ branches in [Aspirational Districts](#)(MSME),
- Across 32 states/Union Territories 90% presence across tier III—VI towns



Improving Efficiency



Corporate Governance

Policies and process in place to enable highest standards in governance and transparency; ethical behaviour, board diversity etc form a part of our Code of Conduct Policy



Adobe Acrobat Document

Digitization

Businesses and functions aligned towards going digital; minimal manual documentation currently; We are one of the first finance companies to transition all processes to a digital platform aiming at customer satisfaction with improved efficiency.

Privacy & Data Security

Policy review at board level on periodic basis; Training on data security and privacy procedures for employees; Monitoring of cyber resilience and response with a stringent SLAs. Periodic Vulnerability assessment for critical Applications & Infrastructure and effective patch management”



Internal Awareness Campaign



Charter of Customer Rights

- Right to Equitable and Fair Treatment
- Right to Transparency
- Right to Suitability
- Right to Privacy and customer confidentiality
- Right to Grievance Redressal and Compensation



Stick To Strict RBI Norms

Speech By
Ravindra Kumar Kundu
Executive Director

**Chola is growing tremendously!
Realize that our responsibilities are also growing!**

Synopsis of the video

- Follow the rules and regulations of RBI.
- Understand the importance of compliance.
- If you find the customer to be fraudulent, kindly report it to the compliance team.
- Solve customer queries at the first instance itself and avoid escalations.
- Complete the Fair Practice Code learning module.
- Ensure smooth collection process.
- Follow KYC policy properly as per RBI norms.
- Collection & repossession should be done in a peaceful manner.
- Be transparent to the customers.
- Be polite even if the customer looks irritated.

**Till now, we have successfully implemented RBI's norms and regulations.
We should continue our good work seamlessly.**



Follow Chola's Values! Keep Up Our Standards!

[Click to watch the video](#)



Customer First

Speech By
Prashant Kumar, Business Head - Home Loans

**Remember! You are a representative of Chola!
Your behaviour with the customer should uplift our brand reputation!**

Synopsis of the video

- Customer Focus is keeping the Customer First.
- Take utmost care while addressing the requirements of the customer.
- Align your processes perfectly so that customer is always pleased.
- Make sure that you explain our terms to the customer transparently.
- Be polite and speak to the customers in very gentle language.



**To be successful,
To take Chola to the next levels,
Follow the 5 Lights of MURUGAPPA GROUP**

Integrity | Passion | Quality | Respect | Responsibility

**Ensure Transparency To The Customer!
Ensure Effective Customer Service!**

[Click to watch the video](#)



Customer First!

Ms. P. Sujatha, Company Secretary

Synopsis of the video

- Understand and adhere to Chola's policies and SOPs.
- Read and follow the instructions sent through corporate announcement mailers.
- Follow Fair Practice Code (FPC) in every process.
- Deal with the customers professionally.
- Resolve customer queries elegantly.



**The deal is to be ideal!
Ensure Effective Customer Service!**

[Click to watch the video](#)



Decoding KYC Policy

What is **PMLA**?



Prevention of Money Laundering Act, 2002 (“PMLA”) is a key Indian legislation aimed at combating money laundering and terrorist financing. PMLA mandates financial institutions to verify identity of customers, monitor financial transactions, maintain records of transactions and report suspicious activities to the Financial Intelligence unit (FIU) of India to prevent and control money laundering.

For clarifications, please contact the Compliance Team at HO

Mr. Balaji H - balajih@chola.murugappa.com | Mr. Shakil - shakilac@chola.murugappa.com



Decoding KYC Policy

Are you familiar with the abbreviation AML?

ANTI MONEY LAUNDERING



Money laundering (ML) is the process of camouflaging the origins of illegally obtained money by making it appear as if it came from lawful sources. To combat money laundering effectively, Government and Financial Institutions employ anti-money laundering (AML) measures.



Anti-money laundering (AML) includes policies, laws, and regulations to prevent criminals' financial crimes and illegal activity arising from the profit made out of corruption, drug trafficking, market manipulation, fraud, and tax evasion, with the intent to conceal the crimes.

For clarifications, please contact the Compliance Team at HO

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Appearance Matters!
The way you dress is an expression of your personality





During customer visit, you must be appropriately dressed, neat and tidy

Always avoid untidy and unprofessional appearance



It's the right time to contact!

Always contact the customer between
8:00 AM to 7:00 PM



REFRAIN FROM SPRAY PAINTING!!!

DO NOT Spray paint on the mortgaged properties of customers!!!
Spray painting is an unfair practice and prohibited.



Please contact Compliance Team at HO for further clarifications

- Appearance Matters
- It's Right time to Contact
- Refrain from Spray Painting

- Peaceful Repossession
- Strict No to Personal Humiliation
- Watch your Language



Peaceful Repossession!
Safety of customers/passengers is Chola's first priority

DO 



Ensure peaceful Repossession.

DON'T 



Don't use force or damage the Customer's property



Strict No to Personal Humiliation!
Be Modest, Respectful and understand

DO 



DON'T 



Confine your discussion only to asset recovery and do not make personal comments



Watch your LANGUAGE!
Language is the dress of thought



Treat the customer with dignity, maintain decency and be polite during your conversation.
Avoid rudeness, abusive & inappropriate language.

DO'S   **DONT'S** 

	Respect your customers: Follow Chola's five lights	Always remember Customer is the King. Don't be rude to your customers	
	Always take ownership to resolve the complaint and provide complete resolution	Don't be indifferent to customers or ignore their queries	
	Always put yourself in the customer's shoes before responding to their query	Don't treat customers as transactions	
	Be transparent with customers on company's grievance escalation matrix	Don't refuse. Try & resolve the issue as soon as possible	
	Equip yourself with: • Product/Service Knowledge • Process/Service Knowledge	Don't be ignorant of company's products/processes	
	Maintain turnaround time to respond to customer's TAT	Don't delay responses to customers	
	Maintain decorum while dealing with customers. Follow the code of conduct of the company	Don't deviate from company policies and procedures	
	Always ensure mandatory displays at branches • RBI Ombudsman Scheme • Escalation matrix of the company		

**“ YOU ARE AN
AMBASSADOR OF CHOLA
TO THE CUSTOMERS! ”**

PARAMETER	 DO'S	 DON'T'S
APPEARANCE	The person visiting the customer must be neatly dressed and tidy in appearance	Untidy and unprofessional appearance to be avoided
CONTACT PLACE	Customer should ordinarily be contacted at residence or at his mailing address.	Do not visit the customer at a place which they specifically want to avoid
IDENTITY	Representative should identify themselves and mention they are representative of the company while interacting with customer. Please carry ID cards.	Please do not give fake names while speaking to the customer
PRIVACY	For initial delinquency, please visit customer with appointment Please respect his privacy requirements if he puts forth any request	Do not enter premises without customer consent Do not call customer at unspecified times if he asks to avoid the same Avoid occasions such as accidents or bereavements
LANGUAGE	Treat the customer with dignity and be polite in speech with customer Maintain decency and decorum in all discussions	Avoid communications which is abusive and rude Do not use obscene language
CONTACT TIME	Customer should be ideally contacted between 8 am and 7 pm only	Customer requirement to avoid calls during specific times/hours to be honored
DETAILS OF DUES	Customer to be given all his details of his dues correctly	Do not provide any incorrect or adhoc information regarding dues.
CONFIDENTIALITY	The customer's debt obligations should be discussed with customer only	In case of customer non availability, discussions should not be done with elderly, minors or third party
DISPUTES	If customer raises dispute, the same to be noted and all assistance rendered to resolve the same	No misleading of customer or avoidance should be done.
COMPANY CONTACTS	Please provide correct contact information of company basis customer requirement	Please do not provide any false or incorrect contact inputs
RECIEPTS	Please issue receipts to the customer for every payment collected immediately	Do not delay receipt issuance or take payment without receipt issuance
FAIR PRACTICE	CFE /Caller shall engage in fair practices only	CFE /Caller shall not engage in any unfair or misleading practices or resort to any forcible, unfair, illegal or criminal means and shall not engage in any conduct or practice which harasses, oppresses or abuses the Customer or any person in connection with Collection services; CFE should not show any violent behavior towards any person or property while meeting the customer
COLLECTION OF AUTHORIZED AMOUNTS	Agent /Caller shall collect only any amount that he is authorized to collect	Agent /Caller should not collect any amount that he is not authorized to collect
NO PERSONAL HUMILIATION	Discussion will confine to the loan and emi or vehicle recovery. No personal comments to be made	Caller/CFE will not falsely state the character, amount or legal status of any Outstanding or imply that the Customer has committed a crime in order to disgrace and/or humiliate the Customer.

Don't Fall Prey To KYC Frauds!.

Data Privacy Day - 2024 - BE PRIVACY CONSCIOUS

“Be Privacy Conscious & handle your personal information, organization information prudently”
“Privacy is everyone’s responsibility”

Chola
Enter a better life

Don't fall prey to KYC Frauds!

Be aware of scammers impersonating bank/NBFC officials and coercing unsuspecting individuals into sharing their KYC details under the guise of urgency

Dos and Don'ts to Prevent Yourself from KYC Frauds

DOs

- In the event of receiving any request for KYC updation, i.e., your data or any document details like PAN, Driving Licence, Aadhar, etc. please contact the financial institution for confirmation/ assistance. Do not divulge this especially if the call seems suspicious!
- Obtain the contact number/ customer care phone number of the bank/ financial institution only through its official website/ sources. Do not entertain any other mode.
- Inform your bank/ financial institution immediately in case of any cyber fraud incident. Enquire with the branch to ascertain available modes/ options for updating KYC details.
- For additional information on the requirements and channels for updation/periodic updation of KYC, please read paragraph 38 of the RBI Master Direction on KYC dated February 25, 2016, as amended from time to time.

DON'Ts

- Do not share account login credentials, card information, PINs, passwords, or OTPs with anyone.
- Do not share KYC documents or copies of KYC documents with unknown or unidentified individuals or organizations.
- Do not share any sensitive data/ information through unverified/ unauthorized websites or applications.
- Do not click on suspicious or unverified links received on mobile or email.

“Stay Vigilant, Stay Safe”

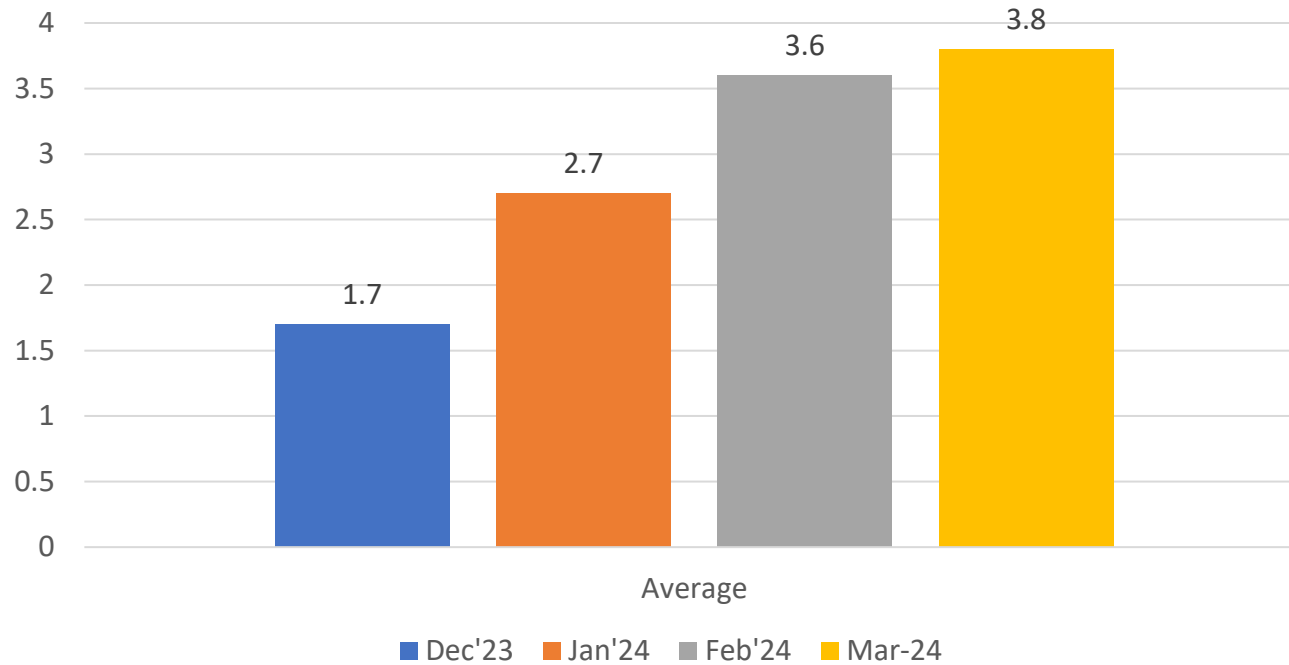
DEBUNKING PRIVACY MYTHS

MYTH 	FACT
Sharing my Aadhar card online is harmless, it's just a unique ID	Aadhaar data is highly sensitive and misuse can lead to financial fraud, identity theft, and social profiling. Only share it with trusted parties and authorized websites
Clicking “Accept” on a privacy policy is just a formality, I don't need to read it	Before giving consent, review the privacy policy to understand how your data will be processed. You have the rights to be informed and refuse data processing for specific purposes
Deleting my browsing history or social media posts erases my data permanently	Even deleted data often leaves traces on the servers. Be mindful of what you share online, as it can be a difficult to truly erase your digital footprint

ESCALATION MATRIX

Company is committed to serving customers during the first reach out. However, to ensure transparency, we are also communicating the escalation matrix for reference.





PAN CHOLA overall ratings have reached **3.8** on a scale of 1-5 as on 31st Mar'24



GOAL: Support greener environment through Electric Vehicles (EV's) financing..

Target:

- Support the cause of a greener environment through initiating electric vehicle financing and attempting to increase EV loan disbursements by 5% YOY from 2023-2025

Achievement:

- EV loan disbursements were INR 38.35 Cr in QTD Mar'23. Presently they are INR 86.99 Cr in QTD Mar'24.
- The target of 5% improvement Y-o-Y was over achieved 320+%. (Rs. 298.41 cr disbursed in FY 24, while Rs 91.12 cr was disbursed in FY 23)



- **GOAL:** Establish green operational measures across all office branches and raise green awareness among employees and key stakeholders including customers, visitors, CSR recipients etc

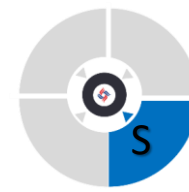
Target:

- Achieve green building status for corporate office.
- Replacement of all the CFL's to LED's across all our operations - replace 100% of CFL lighting with LED systems by 2025
- Reduce water consumption through efficient water flow solutions

Achievement:

- Green building status will be achieved shortly.
- All our new branches have LED lighting. The older branches are in process of being replaced with LED lighting and we expect to complete this well before 2025, almost 90%+ branches replaced.
- All Chola(New & Existing) branches are fitted with water aerators.





GOAL: Continue to focus on providing credit to transport entrepreneurs, new to credit customers and first-time buyers and users

Target:

- Continue to have strong focus towards ensuring financial inclusion of various marginalized sections of society by offering loans for the purchase of, new and used commercial & passenger vehicles, tractors/farm equipment, construction equipment etc. that contribute to the economy and to the social well-being of the borrowers.

Achievement:

- We are majorly present in in Tier III+ cities which makes it organically focused on transport entrepreneurs, new to credit customers and first-time buyers and users.
- New to credit constituted 41+% of total VF disbursements.



GOAL: Implement best-in class data protection tools and IT governance to ensure 0% data breaches in customer data protection

Target:

- We will organize periodic information security awareness programs across the organization which will include all types of learning mediums, and the same will be measurable
- We will attain ISMS certification by the year 2025

Achievement:

- Continuous cyber awareness activity through Phishing Simulation Exercise and Cybersecurity awareness campaigns through periodic mailer and various types of assessments.
- We have commenced the process to implement ISO 27001 for applicable Information Technology domains and completed Stage1 Audit.



Risk governance & reporting | Clearly defined roles & responsibilities for effective corporate governance, aligned with COSO framework.

Organization structure setup to ensure effective governance



Well-defined tracking mechanism & review cadence

- RCSA (Risk control and self-assessment)** conducted across businesses periodically
- Multiple Board-led committees** to monitor org risk-

Name of the committee	Key risk reviewed
Risk Management Committee	Overall enterprise risk management policies & processes across each key risk area
Asset Liability Committee	Capital & liquidity position & risk
Audit Committee	Chola's compliance of policies and processes
Business Committee	Business-wise performance & key risks
IT Strategy Committee	IT & cybersecurity framework; IT disaster recovery process
Stakeholders' Relationships Committee	Reputational risk & shareholders' outlook
CSR Committee	Policies, strategies and programs related to ESG

- Comprehensive monitoring & tracking thresholds:**
 - Risk Appetite Statement** to define organizational risk goals
 - Risk registers defined** encompassing **300+ metrics** with strong linkages to businesses/functions

Regulatory & compliance risk | Governance further strengthened by robust compliance mechanisms



Cyber risk | Regular monitoring & strong internal processes to prevent, detect & mitigate cyber risk



People

- 1 Well-equipped, adept team of security professionals to mitigate cyber risk at organizational level
- 2 Regular employee trainings & readiness exercises
 - Phishing simulations, crisis management drills, etc.



Process

- 3 Continued effort towards strengthening protocols
 - Code review process
 - Business continuity & Disaster recovery exercises
- 4 Quarterly war gaming & red teaming assessments



Tools & Technology

- 5 Continuous expansion of suite of tools to monitor threats, potential privacy breaches and improve cyber resilience-
 - User access security (SASE)
 - DevSecOps
 - Cloud container security
 - API security

50+ initiatives planned for FY25 to further strengthen cyber risk mitigation





We Chola officially announce the launch of Believeathon on 16th November 2023 , a pan India Campaign that aims to unite Cholaites to our common vision – Believe in India, Believe in Chola and Believe in Yourself.

The campaign focuses on the belief torch that will travel to all our branches across the country. The Believe Torch is a symbol of light, hope and belief and as we pass it on, we pass on the message of belief to every nook and corner of the country.



Believeathon - Glimpses of the Journey so far

The Believeathon Torch reached 1084 branches on 125 days



During the said Believeathon Journey covered the below Environmental and Social activities.



THANK YOU

