# ESG PRESENTATION
# JAN’25 – MAR‘25



Cholamandalam Investment and Finance Company Limited

# Contents


- ESG at Chola
- ESG Governance Structure
- Policies aligned with SDG
- ESG Rating and Ranking
- Environmental Consciousness
- People Power
- Responsible Product
- Responsible Process
- Improving Efficiency
- Internal Awareness campaign
- Women Empowered Branch
- WOW Work Place Award
- Fire evacuation
- Customer Escalation Matrix
- Social Media Google Review
- Sustainability Achievements
- BRSR Highlights
- Risk Culture

# 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 24-25 | Click here |
| BRSR FY 23-24 | |
| BRSR FY 22-23 | |
| BRSR FY 21-22 | |
| ESG Quarterly Presentations | |
| ESG profile update | |

# ESG Governance Structure




**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 ESG policy , strategies and programs.

**ESG Steering Committee** – This Committee comprises Managing 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.

# Policies aligned with SDG

| Sl. N | Chola Policies | Complied (Yes/No) | SDG |
|---|---|---|---|
| 1 | Appointment of Statutory Auditors | Yes | SDG 8 |
| 2 | Board Diversity Policy | Yes | SDG 5 |
| 3 | Board Policy on Resolution of Advances For Covid-19-Related Stressed Accounts | Yes | SDG 5 & 8 |
| 4 | Business Responsibility Policy | Yes | SDG 3, 4, 5, 8, 10, 11, 12 & 16 |
| 5 | Code of Conduct For Directors & Senior Management | Yes | SDG 10 |
| 6 | Code of Practices & Procedures For Fair Disclosure of unpublished Price Sensitive Information | Yes | SDG 5 |
| 7 | Conduct Outside office | Yes | SDG 11 & 16 |
| 8 | CSR focus areas | Yes | SDG 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, & 17 |
| 9 | Diversity Policy | Yes | SDG 5 & 8 |
| 10 | Domestic Travel Policy | Yes | SDG 8 |
| 11 | Driving Safely Policy | Yes | SDG 3 |
| 12 | Educational expenses reimbursement | Yes | SDG 4 & 8 |
| 13 | Emergency Loan/ Employee Loan policy | Yes | SDG 8 |
| 14 | Employee Leave Policy | Yes | SDG 8 |
| 15 | Internal job posting policy | Yes | SDG 8 |
| 16 | Local conveyance policy | Yes | SDG 8 |

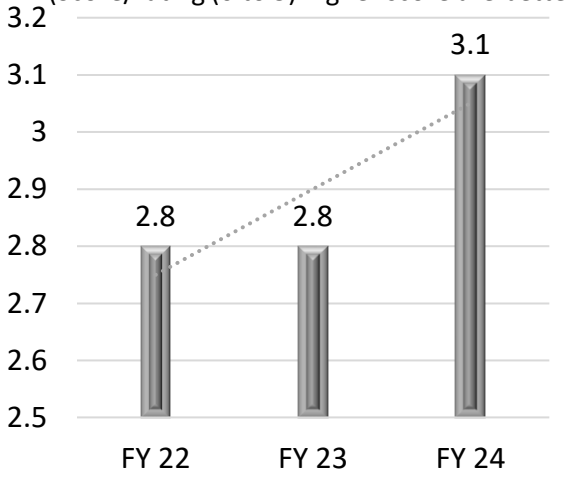
# Policies aligned with SDG

| Sl. N | Chola Policies | Complied (Yes/No) | SDG |
|---|---|---|---|
| 17 | Maternity & Paternity leave policy | Yes | SDG 3 |
| 18 | Murugappa Equal Opportunity Policy | Yes | SDG 5 & 10 |
| 19 | Policy For Claiming Unclaimed Interest or Principal on Non-Convertible Securities | Yes | SDG 8 |
| 20 | Policy on Co-Lending | Yes | SDG 8 |
| 21 | Policy on Material Subsidiaries | Yes | SDG 11 |
| 22 | Policy on Related Party Transactions | Yes | SDG 8 |
| 23 | Products aligned | Yes | SDG 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, & 12 |
| 24 | Referral Programme | Yes | SDG 8 |
| 25 | Remuneration Policy | Yes | SDG 5 & 10 |
| 26 | Sexual Harassment at work place | Yes | SDG 5, 8, & 16 |
| 27 | Transfer policy | Yes | SDG 8 |
| 28 | Travel policy | Yes | SDG 8 |
| 29 | Whistle blower policy | Yes | SDG 8 & 16 |
| 30 | Work days condition of employment | Yes | SDG 8 |

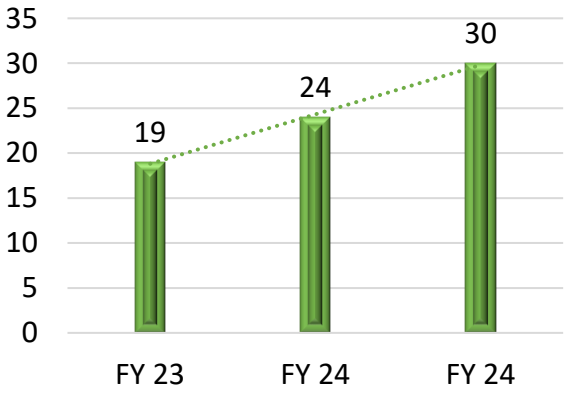


# Chola ESG Rating and Ranking

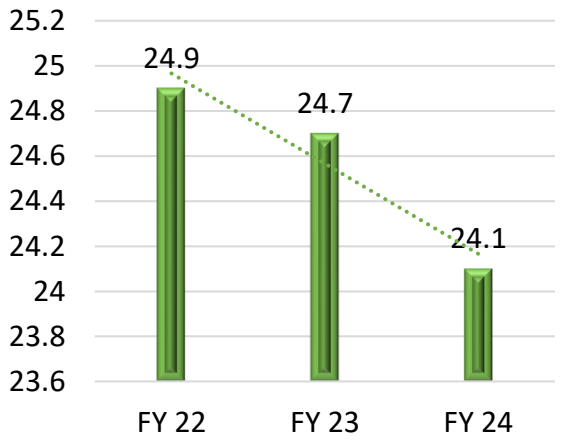
Member of FTSE4Good Index Score of 3.1
(Score/rating (0 to 5) higher score are better



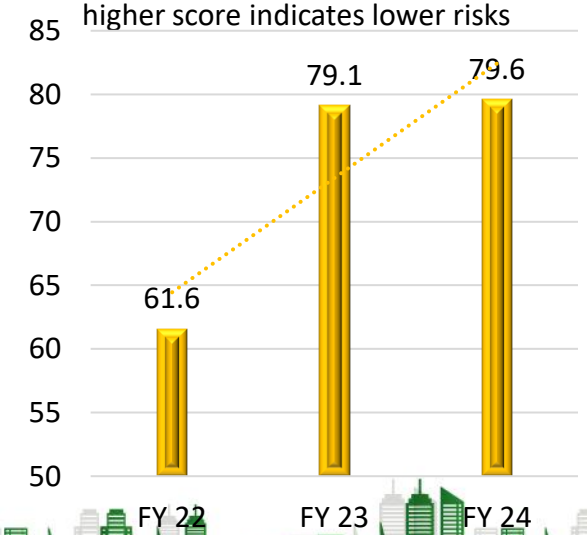

S & P Global
higher score indicates lower risks



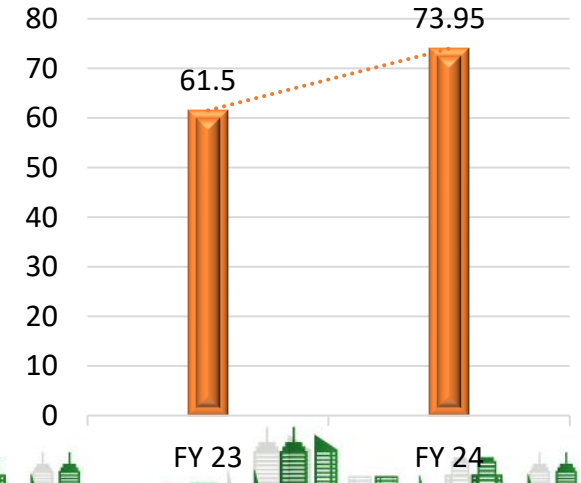

Sustainalytics
lower rank indicates lower risk



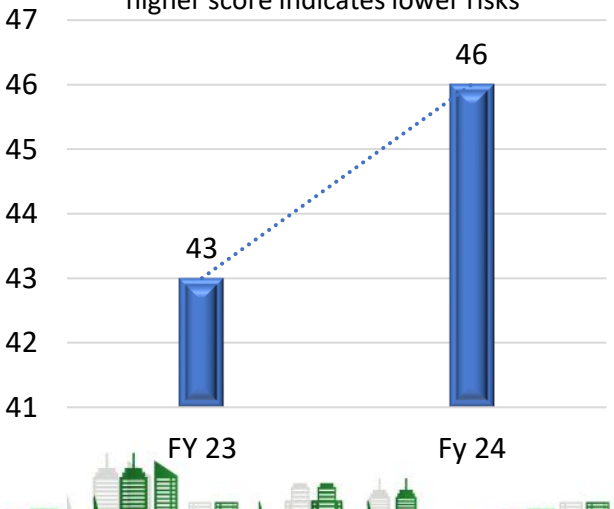

Stakeholders Empowerment Services (SES) Rating
higher score indicates lower risks




ESG Risk Assessment & Insights
higher score indicates lower risks




CSRHub
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 .

## 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.

Encourage the usage of glass bottles and glasses at Head Office, to eliminate paper/plastic cups

## Carbon

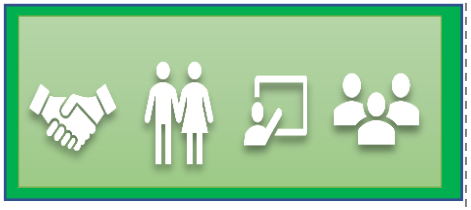
As an environmentally responsible company we have taken various steps towards sustainability by contributing towards water conservation, energy efficiency, and supporting micro businesses. The Company has taken strong measures to focus on carbon footprint reduction, for example use of recycled paper,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

Refer slide 27 for targets and achievements

# People Power

## Employee Wellness

- **Employee Wellness initiatives –** Wellness activity conducted (Medical Health Camp) at various region to ensure Health & safety of employees. Approx. **1835** of the employee have utilized this activity.
- **Camp's Covered** – Basic , Eye and Dental Care and Blood Donation Camp
- **Occupational Health & Safety Initiative** - Launched digital course on Road Safety for front line employees. large number of employees participated



## Learning & Development

- Conducted a Performance Booster Training for 1,985 VF Frontline Sales and Collection employees to elevate their performance after a low-performing last quarter.
- Conducted Employee Wellness Sessions on building healthy habits and routines, stress management using art therapy for 25 CPU employees, and a virtual townhall on NPS as a tax optimizing instrument.
- Conducted Leadership Development Programs for 149 mid-level managers from VF, LAP, and Home Loan to enhance their leadership skills, foster strategic thinking, and drive sustainable business growth.
- Conducted multiple virtual sessions for 175 Home Loan Area and Regional Level Leaders to guide them on maximizing PBT in their territories by leveraging various profitability levers
- Conducted Digital Adoption Training for 1,831 employees to support the swift adoption of a new Biometric Device for customer authentication in their VF business and new LOS and Digital Dealer Onboarding in their Consumer Durable business.
- Conducted Product and Process Training for 8,219 VF, Home Loan, and CSEL SME Frontline Sales Executives to enhance their knowledge, improve their efficiency.
- Soft Skill Development Workshop on Business Communication and Storytelling through Data for 38 employees of the Business Enabler Function

# People Power

## 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 and 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 1564 branches PAN India<br>• Retail customers especially in smaller towns and rural areas<br>• 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 710 (677 co-located with VF) branches<br>• 98% of assets are in tier 2,3,4 cities and suburbs of tier 1 cities<br>• 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 781 (771 co-located with VF) branches<br>• 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 **495** (494 co-located with VF) branches.<br>• 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<br>• 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 95 (all co located with VF) branches<br>• 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<br>• 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.<br>• Catering to customers with D2C digital processes that help eliminate paper |
| ***ESG Based Lending*** | • No exposure to clients in case those activities are detrimental to society and environment at large.<br>• 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.<br>• SBPL, HL, VF: B.Y.O.D (bring your own device) for SFEs, digitized collection(QR code)<br>• LAP, HL & CSEL: App for all financial needs<br>• HL: Digital Onboarding for pre-approved top up offers to existing customers APF module launch for enabling builder projects |
| ***Initiatives*** | • 303 branches in the under- banked districts identified by RBI circular<br>• 80+ branches in Aspirational Districts<br>• Across 32 states/Union Territories 91% 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

***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"

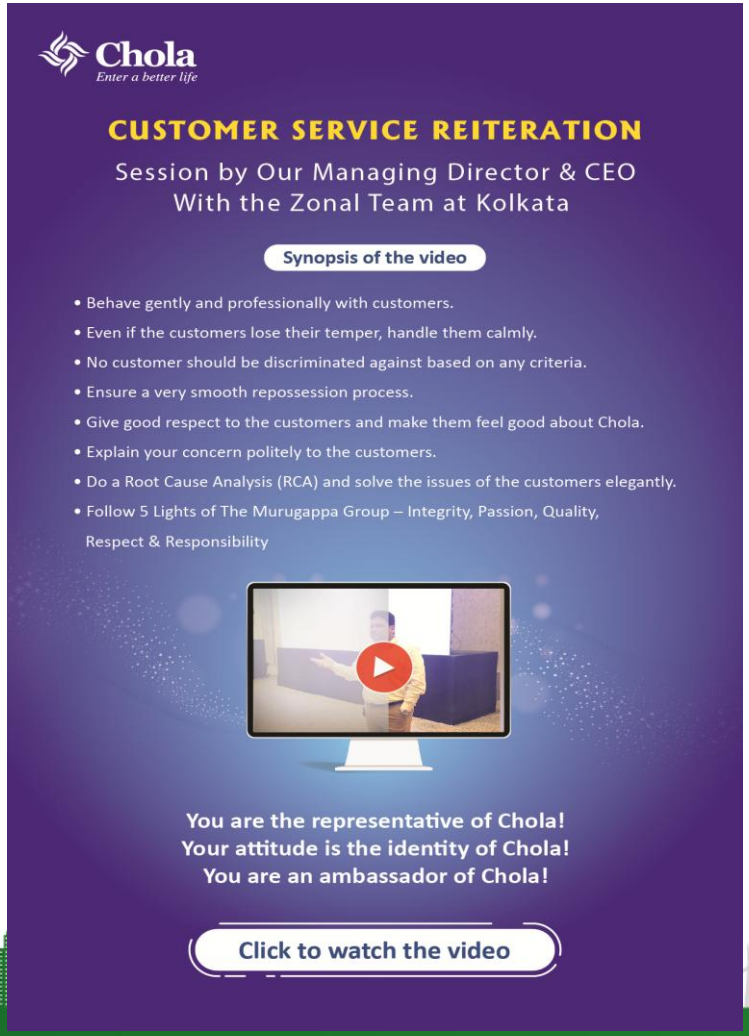
# Internal Awareness Campaign



# Customer Relationship Management

## 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






# Regulatory compliance and Accountability

Adhering to regulations while protecting customer privacy.
Promoting transparency and ethical practices in customer management

Chola
Enter a better life

## Decoding KYC Policy

## What is FATF?

FATF

The Financial Action Task Force (FATF) is an international intergovernmental organisation established to combat money laundering, terrorist financing, and other threats to the integrity of the global financial system. It is the global money laundering and terrorist financing watchdog. The FATF was established in 1989 in Paris, France.

FATF regularly publishes reports that raise awareness about the latest money laundering, terrorist financing, and proliferation financing techniques so that countries and the private sector can take the necessary steps to mitigate these risks.

For clarifications, please contact the Compliance Team at HO
Mr. Balaji H - balajih@chola.murugappa.com | Mr. Shakil - shakilac@chola.murugappa.com

Chola
Enter a better life

## Decoding KYC Policy

## Suspicious Transaction



A suspicious transaction means a transaction, including an attempted transaction, whether or not made in cash, to a person acting in good faith, arising suspicion of crime, or involves financing activities relating to terrorism; unusual or unjustified complexity; having no economic rationale or bona fide purpose.

### Suspicious Transactions Reporting

Suspicious Transactions Reporting (STR) is a critical tool for financial institutions to detect potentially illicit activities. Suspicious Transactions Reporting (STR) plays a crucial role in assisting law enforcement agencies and regulatory bodies in investigating and combating financial crimes. Any transaction identified as suspicious shall be reported to the Financial Intelligent Unit – India (FIU-IND) by the regulated entity.

For clarifications, please contact the Compliance Team at HO
Mr. Balaji H - balajih@chola.murugappa.com | Mr. Shakil - shakilac@chola.murugappa.com

Chola
Enter a better life

## Decoding KYC Policy

## What is CDD?




Customer Due Diligence (CDD) is a mandatory process of verifying a customer's identity (such as name, address, photographs, KYC documents, the customer's business activities, etc.) to ensure that the true identity of the customer is established.

When the true identity of the potential customer is not established or the company is unable to apply appropriate CDD measures, no transaction or account-based relationship will be undertaken with such a person or entity.

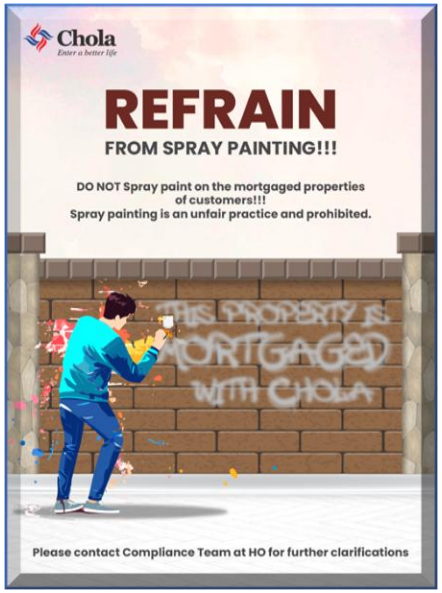
For clarifications, please contact the Compliance Team at HO
Mr. Balaji H - balajih@chola.murugappa.com | Mr. Shakil - shakilac@chola.murugappa.com

# Fair Practice Code










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

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









# Code of Conduct

An excellent customer experience can transform the way customers think about a company. We believe that every Chola employee is an ambassador of Chola to the customer. The way you speak, dress and communicate with customers reflect the values of the 5 lights (Integrity, Passion, Quality, Respect & Responsibility) that Chola holds dear. In this regard we have put down a few Dos & Don'ts for you to follow while handling customers. We request you to abide by them and be a true champion for Chola.



# Customer Cyber Information

## Stay Safe online




## Cyber Security Awareness - Email Security !!

Dear All,

Cybersecurity is everyone's responsibility and we are now a days facing a common threat under the name of Phishing. The phishing email can be from any look alike trusted source landing in to your official mail ID or personal mail ID.

Identifying the malicious email is the first step to preventing e-mail phishing risk. In this context at the organization level we have imposed a "Caution Notification" as below whenever the chola employee receives a mail from an external source (Mail originated from Non-Chola domain like personal mail id or any social media platforms).

**CAUTION: This Email has been sent by an *"External source & Outside of Chola or Murugappa Group "*. Please check the genuineness of the sender before opening any hyperlink, attachments etc in this email.

Hence lets be cautious of the mails that

1. Come from known or unexpected senders either to personal email ID or official email ID asking for Credentials, Personal or company related information. This is also applicable for any fake calls or alerts that we receive.
2. Contain certain urgent or alarming messages asking you to act quickly. For example asking to you share your credentials as it's a ask from Top management, Supervisors etc.
3. Asking for personal information or financial data to be submitted for processing any of the needs.
4. Include suspicious links or unnecessary attachment which looks very alarming.
5. Have poor Grammar , spelling mistakes or unusual formatting for instance ; Contain some information about our company but the senders name and the mail body would be totally of suspicious nature and content.

Steps to Follow :

1. Please be vigilant whenever you see this Caution message.
   a. If you do not have any hint on the external mail "Don't attend the email / Delete"
   b. Validate the authenticity of the external e-mail if there is a need of "Clicking the links / Download the attachments or Sharing information"
   i. Check the sender name and e-mail id - (Should be known sources with correct name & email id)
   ii. Check the domain name – (Should be known organization & correct domain name)
1. Report the issue via report phishing Option in mail box else you also report to Supervisor/IT team/Cyber security team.

Regards,

Team - Cybersecurity and IT

# Whistle Blower Policy

Chola
*Enter a better life*

murugappa

Chola
*Enter a better life*

## Awareness On Company's Whistle Blower Policy / Vigil Mechanism

### OBJECTIVE:

In line with Chola's commitment to the highest standards of ethical, moral, legal business conduct and open communication, Chola has in place a whistle blower / vigil mechanism to provide an avenue to raise genuine and serious concerns on improper practices that could have a large impact on it. The mechanism provides for adequate safeguards against victimization of whistle blower who avail of the mechanism.

### POLICY:

Chola's whistle blower policy *inter alia* lays down the process to be followed for dealing with concerns/complaints raised under vigil mechanism. The policy is available on Chola's website (https://files.cholamandalam.com/files/whistle_blower_policy.pdf) and intra-net site (https://cholaconnect.peoplestrong.com/)

### APPLICABILITY:

Whistle blower policy is applicable to the directors, employees, customers and vendors of Chola and its subsidiaries.

### IMPROPER PRACTICES:

Serious concerns that would have impact on Chola, such as actions (suspected or actual) that:

- may lead to incorrect financial reporting;
- are not in line with company policy;
- involve any instance of bribery, embezzlement or misappropriation;
- amount to unethical behaviour;
- amount to actual or suspected fraud;
- are violative of Company's code of conduct;
- involve leakage of Unpublished Price Sensitive Information;
- are unlawful;
- otherwise amount to serious improper conduct.

*THIS IS AN ILLUSTRATIVE LIST AND NOT EXHAUSTIVE.

### REPORTING OF CONCERNS / COMPLAINTS:

**Whistle Blower Committee:**

| Name | Designation | Contact details |
|---|---|---|
| Mr. Ravindra Kumar Kundu | Managing Director | 044 4090 7459 |
| Mr. D Arulselvan | Chief Financial Officer | 044 4090 7676 |
| Ms. P. Sujatha | Company Secretary & Chief Compliance Officer | 044 4090 7055 |

e-mail: whistleblower@chola.murugappa.com

### SAFEGUARDS TO WHISTLE BLOWER:

- **Harassment or Victimisation** - Chola has zero tolerance for harassment or victimization of the whistle-blower.
- **Confidentiality** - Every effort will be made to strictly protect the whistle-blower's identity, subject to legal constraints.
- **Anonymous Allegations** - Concerns expressed anonymously will not be usually investigated but subject to the seriousness of the issue raised, the Committee can initiate an investigation.
- **Malicious Allegations** - Malicious, frivolous, or baseless allegations by whistle-blowers would result in disciplinary action.

**For clarifications, please contact compliance team at HO.**



murugappa

# Awareness on Prevention of Sexual Harassment at Workplace

Chola
Enter a better life

murugappa



## PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE - AWARENESS

# STAND UP! DON'T STAND BY!

*Sexual Harassment is Offensive, Unfair and Illegal*

### OBJECTIVE:

Chola believes in the right of all its employees to work with dignity in a safe and secure environment free from any kind of sexual harassment. All persons working with Chola are expected to treat their colleagues in a professional manner with respect and dignity.

### APPLICABILITY:

The policy is gender neutral and is applicable for both male and female employees of the Company.

### POLICY:

Chola has a policy on sexual harassment to give protection to all its employees and has zero tolerance to any misconduct at the work place.

### SEXUAL HARASSMENT CAN BE:

Any unwelcome act or behaviour, whether directly or by implication and includes the following:

- Physical contact or advances;
- A demand or request for sexual favours;
- Making sexually coloured remark;
- Showing pornography;
- Any other unwelcome physical, verbal or non-verbal conduct of sexual nature

Any implied or explicit preferential treatment, threat of detrimental treatment, creating an intimidating, offensive & hostile work environment or humiliating treatment in connection with an act of sexual harassment may also be treated as sexual harassment.

*This list is illustrative and not exhaustive. For any doubt as to whether any particular conduct amounts to sexual harassment, please contact HR/ Compliance Head for clarifications*

### WHO CAN HELP?

Report sexual harassment to any of the following members of **Internal Complaints Committee (ICC),** within three months from the date of occurrence of incident(s).

| Name | Contact details |
|---|---|
| **Ms. P Sujatha** (Chairperson & Presiding Officer) | 044 - 40907055 / *sujathap@chola.murugappa.com* |
| **Ms. Indumathy Ravi** (Advocate, External Member) | 9841047971 / *induravitalks@gmail.com* |
| **Mr. Jeeva Balakrishnan** (Member) | 044 - 40907634 / *jeevab@chola.murugappa.com* |
| **Ms. Mariam Mathew** (Member) | 044 - 40047216 / *mariamm@chola.murugappa.com* |

### HOW TO REPORT SEXUAL HARASSMENT?

A written complaint may be submitted to any of the members of ICC, containing the following:

- Name and contact details of complainant
- Name and details of alleged harasser
- Details of alleged incident(s) of sexual harassment
- Evidence (if any)
- Witnesses (if any)

*ICC will not investigate an anonymous complaint.*

### CONFIDENTIALITY:

During the course of inquiry, ICC will limit disclosure of the details of complainant to the extent practicable.

We urge you to get yourself familiar with the detailed Policy which is available on the intra-net site

https://cholaconnect.peoplestrong.com/altLogin.jsf

**For clarifications, please contact the Compliance Team at HO**

murugappa

# Chola's first ever WOMEN EMPOWERED branch

We have long been a trailblazer in India's NBFC sector, renowned for our customer-focused approach and innovative financial solutions. In a landmark move, Chola inaugurated its first Women Empowered branch at Mawlai in Meghalaya setting a new benchmark for inclusivity and gender diversity in the financial services industry.



This initiative is a significant step forward, as it not only promotes employment opportunities for women but also encourages financial literacy by establishing a women-led branch.

**E**nabling Diversity,

**E**mpowering Women,

**E**nhancing Growth




Many industries have introduced women-centric loan products, but Chola's approach goes beyond just providing financial services—it actively involves women in decision-making roles within the organization by opening a women empowered branch. This not only strengthens gender diversity within the company but also builds trust among women customers, making financial services more approachable and relatable to them.

# Chola's WOW Work Place Award




Celebrating our HR Excellence! We're thrilled to receive the prestigious Jombay WOW Workplace Award in the BFSI category! The nomination for this award was purely based on the positive feedback from our employees, making it even more special.

At Chola we're committed to creating an inspiring workplace that nurtures growth, innovation, and happiness. Chola believes in enabling a better life for our people, employees, customers, and community.

# Fire Evacuation Drill At Chola Crest

Chola
Enter a better life

## Fire Evacuation Drill At Chola Crest

26th March 2025.

Here are a few glimpses of the event.





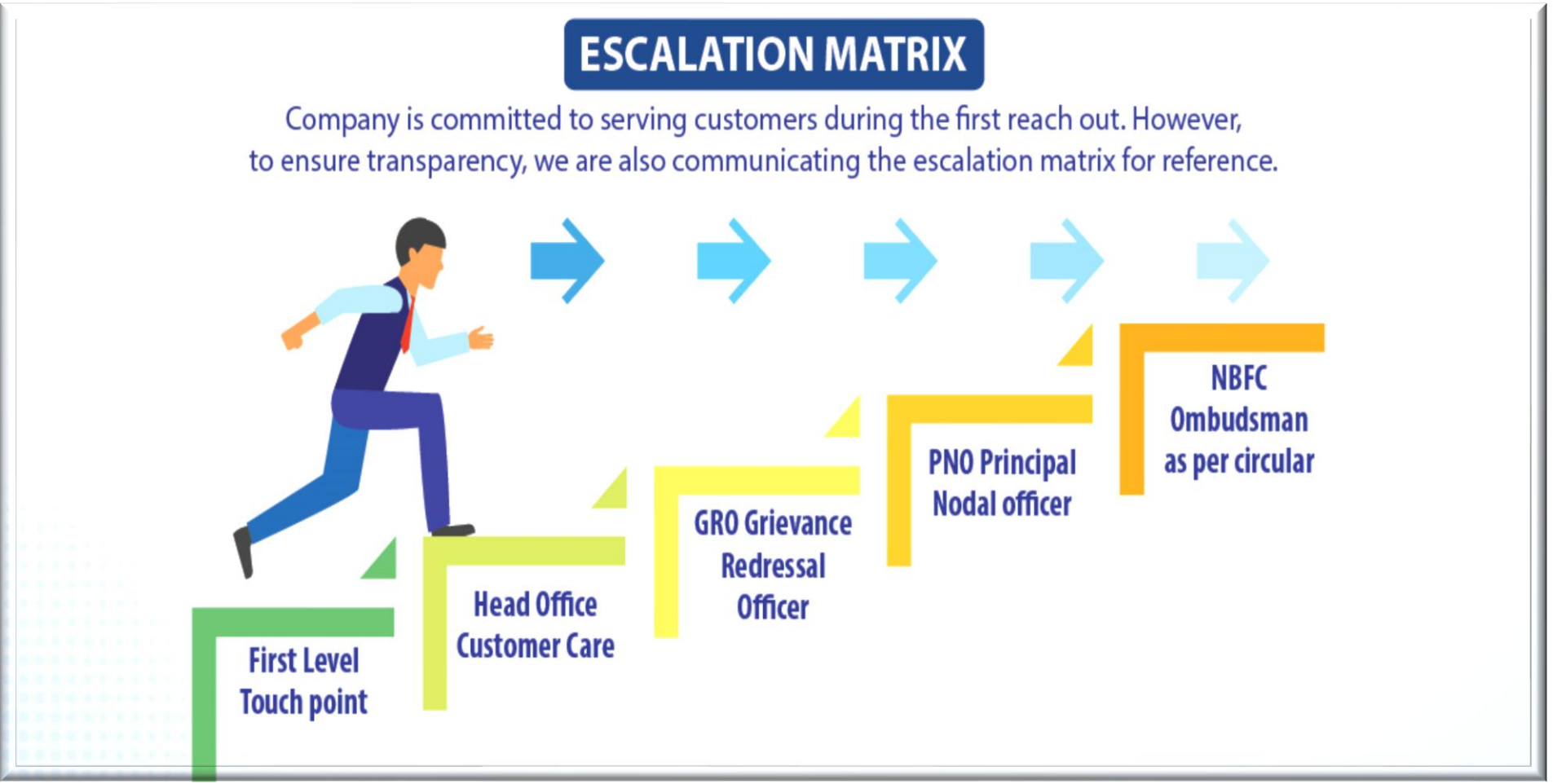






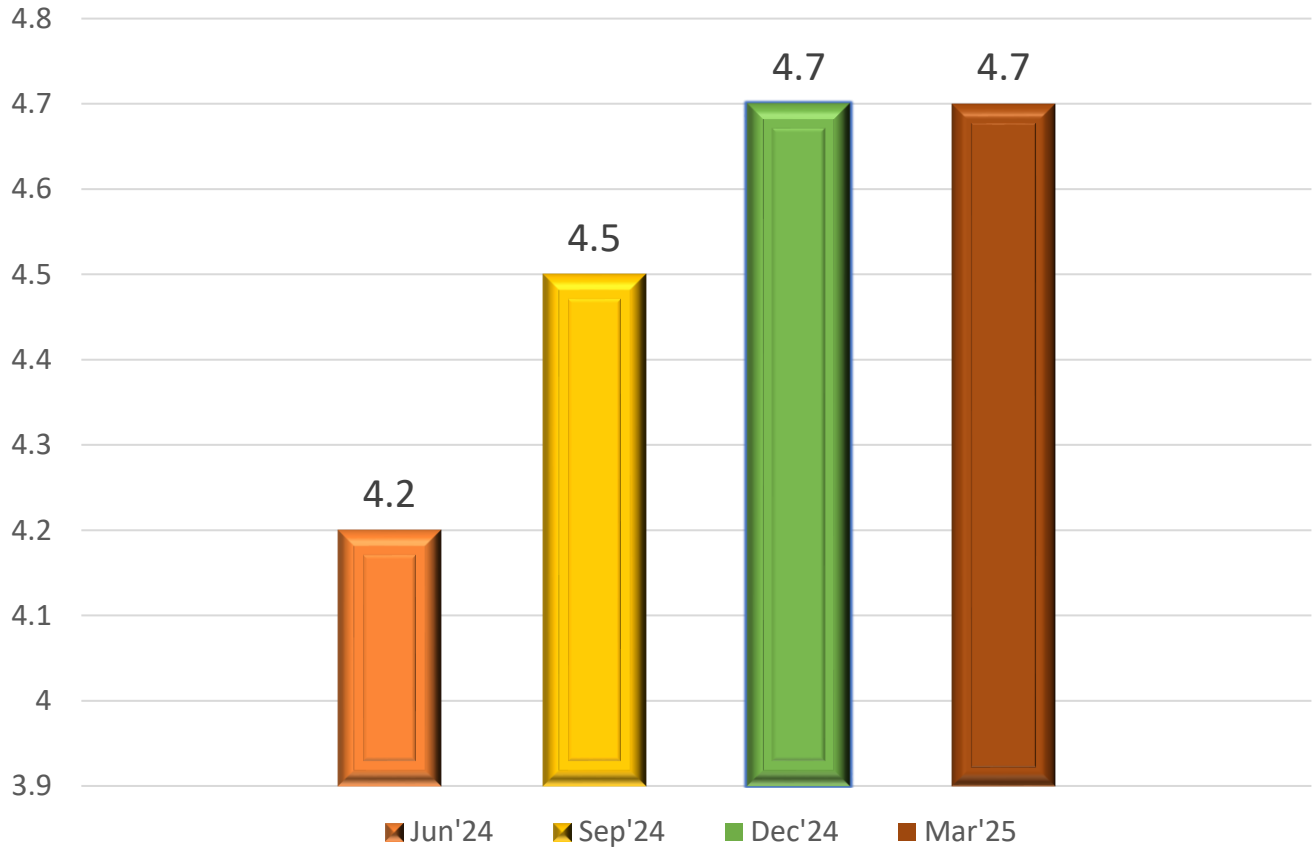


# Customer Escalation Matrix




https://www.cholamandalam.com/contact-us/grievance-redressal

# Social Media Google Review



# Sustainability achievements

**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 86.99 Cr in QTD Mar'24 and increased to INR 115.94 Cr in QTD Mar'25.
- The targeted 5% year-on-year improvement in disbursement was significantly overachieved. A total of INR 525.46 crores was disbursed in FY 2024–25, compared to INR 298.41 crores in FY 2023–24, reflecting a robust growth of 76% YoY.

# Sustainability achievements

- **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.
- Energy efficiency - Replacement of all the CFL's to LED's across all our operations - replace 100% of CFL lighting with LED systems by 2025
- Water conservation 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 99%+ branches replaced.
- All Chola(New & Existing) branches are fitted with water aerators.

# Sustainability achievements

**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 38+% of total VF disbursements.

# Sustainability achievements

**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.
- Achieved ISO 27001:2022 Certification



TÜVINDIA

Certificate

TUVINDIA
TUV INDIA PVT. LTD.
ISO/IEC 27001:2022
www.tuv-nord.com/in

Management system as per
**ISO/IEC 27001:2022**

The Certification Body TUV INDIA PVT. LTD. hereby confirms as a result of the audit, assessment and certification decision according to ISO/IEC 17021-1:2015, that the organization

**CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED**
**No. 1, SIDCO Industrial Estate, Tamarai Tech Park,**
**2nd Floor North Wing and South Wing,**
**Guindy, Chennai – 600 032,**
**Tamil Nadu,**
**India**

Chola Enter a better life

operates a management system in accordance with the requirements of ISO/IEC 27001 : 2022 and will be assessed for conformity within the 3 year term of validity of the certificate.

Scope

**Enabling CIFCL's Businesses Through Digital Technology Services which Includes**
**(I) Deployment and Maintenance of IT Infrastructure.**
**(II) Design, Development, Testing, Deployment and Support of Mobile and Web Based Applications.**
**As per the Statement of Applicability of 01.12.2023 Version 1.0**

Certificate Registration No. **IND 121 24395459** Valid from **27.09.2024**
Audit Report No. **Q 13483/2024** Valid until **26.09.2027**
Initial certification **27.09.2024**

Visit our database to verify the validity of this certificate.

Mumbai, **27.09.2024**
Certification Body at TUV INDIA PVT. LTD.

TUV INDIA PVT. LTD.
801, Raheja Plaza 1, L.B.S Marg,
Ghatkopar (W) Mumbai – 400 086,
India
www.tuv-nord.com/in

NABCB IS 007

TÜV®

TÜVNORDGROUP

# BRSR Highlights

| Metrics | Chola – FY 25 | Chola – FY 24 |
|---|---|---|
| **Renewable energy usage increased** significantly 159 GJ | **193.23** | 34.2 |
| **Reduced Energy intensity** per rupee of turnover | **3.46** | 3.98 |
| **Reduced Water intensity** per rupee of turnover | **22.88** | 27.94 |
| **dropped Scope 1 and Scope 2 emissions** per rupee of turnover | **0.66** | 0.84 |
| We **exceeded** our **EV loan target**, and disbursement **increased by 76.08%** | **525.46** | 298.41 |
| **Dropped** reduced **total Scope 3 emissions** per rupee of turnover | **1.31** | 1.54 |
| **Employee Turnover rate is reduces** 5.42% | **27.19%** | 32.61% |
| **Increased** Percentage **coverage by training** and awareness programme on the BRSR Principles among employees | **84%** | 56% |
| Details of measures for the well-being of employees: **increase Health insurance %** | **100%** | 77% |

# BRSR Highlights

| Metrics | Chola – FY 25 | Chola – FY 24 |
|---|---|---|
| No of Bribery or corruption were reported. | **0** ⇔ | 0 |
| Ensure **responsible disposal of electronic waste.** | ✔ ⇔ | ✔ |
| Our presence in number of **Under-banked districts** | **300** ↑ | 252 |
| Our presence in number of **Aspirational districts** | **82** ↑ | 80 |
| Our **value chain partners** are assessed for sustainability and responsibility | **100%** ⇔ | 100% |
| Lost Time Injury Frequency(LTIFR) Rate on Safety incident | **0** ⇔ | 0 |
| Sustain **Zero** Number of instances of **data breaches** | **0** ⇔ | 0 |
| Capital expenditure investment **increased 10.78 Cr** improve the **environmental and social impacts of product and processes.** | **25.5** ↑ | 13.72 |
| Employee training on Health and safety measures | **38%** ↑ | 24% |

# Chola – Risk Culture

## Risk governance & reporting | Clearly defined roles & responsibilities for effective corporate governance

### Organization structure setup to ensure effective governance




### Well-defined tracking mechanism & review cadence

1. **RCSA (Risk control and self-assessment)** conducted across businesses periodically
2. **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 |
| … | |

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

# Chola – Risk Culture

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

**Annual review** and approval of all key policies **by the Board**

**Internal Disciplinary Committee** to review violations of policies/process

**Robust and transparent whistle blower mechanism** & policy




Regular **Independent Audit Committee meetings** held
*Specific focus on review of compliance of policies and processes*

Monthly concurrent compliance **audits on 'Know Your Customer' & 'Fair Practice Code'** compliance

**Fully automated stringent insider trading compliance system in place**
*Any transaction by insiders need prior compliance approval*

# Chola – Risk Culture

## 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.
   - – Annual Refresher course on ISMS
   - – Quarterly online quiz for ISMS awareness

### Process

3. Continued effort towards strengthening protocols
   - – Code review process
   - – Business continuity & Disaster recovery exercises
4. – External and internal VAPT
   - – Internal and external audits
   - – Robust documentation control with Annual review
   - • Continuous Red Team assessment and Threat intelligence

### 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 security
   - – API security
   - – PIM /PAM
   - – SOC / SIEM integration
   - – DLP implementation
   - – Email Restriction
   - – Brand Monitoring

**50+** initiatives planned for FY26 to further strengthen cyber risk mitigation

DevSecOps - Development Security Operations, API – Application programming interface

# THANK YOU

Chola Crest, C54-55 & Super B-4, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai - 600032. | Tel.: 044 4090 7172 | Fax: 044 4090 6464 | Email : customercare@chola.murugappa.com | Website : www.cholamandalam.com