

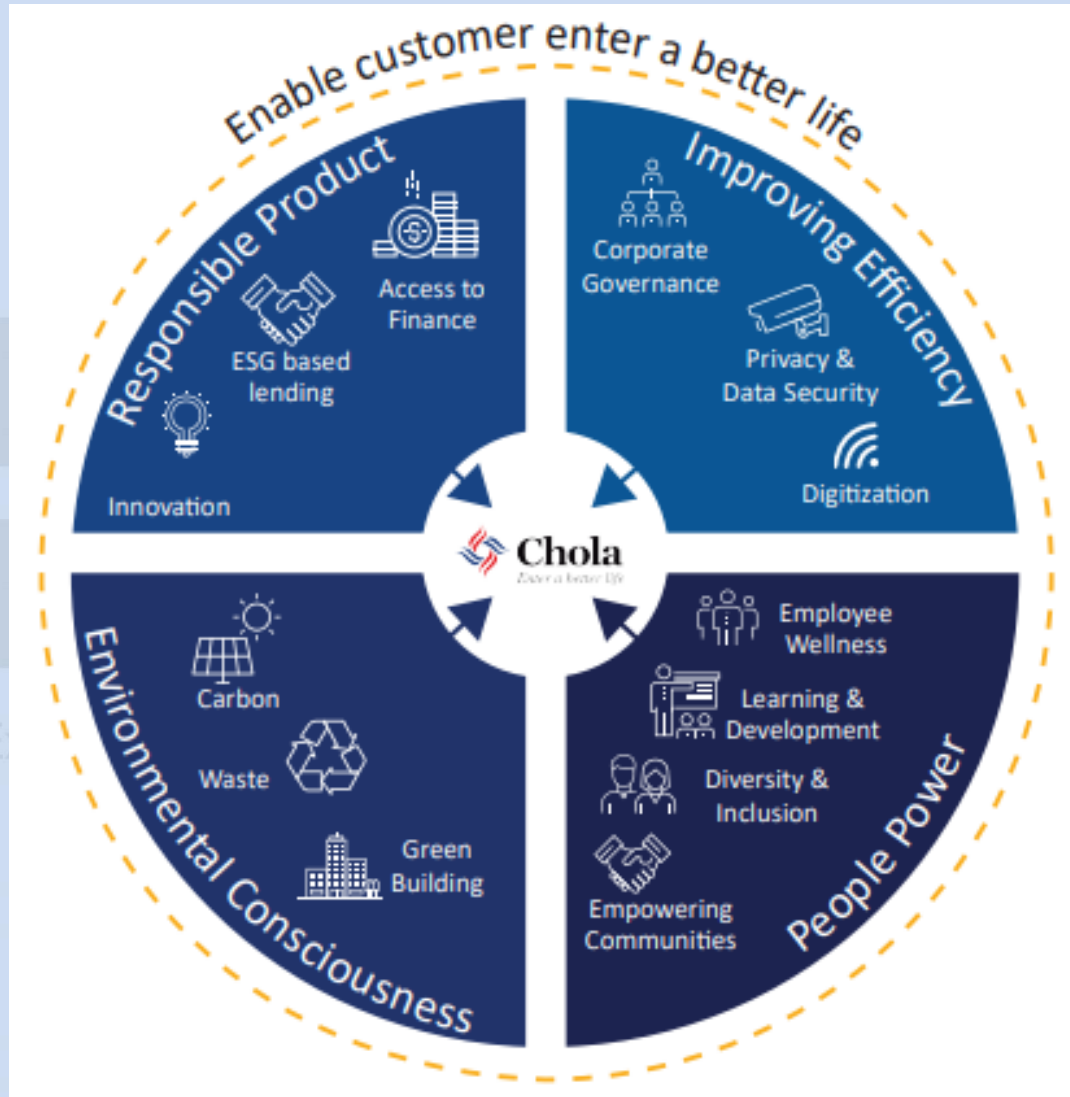
EXPANDING HORIZONS

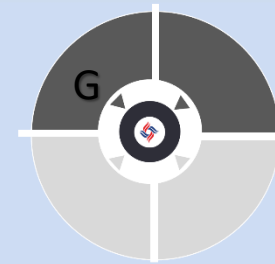
Exploring, Engaging & Empowering



ESG PRESENTATION MAR 2023

Cholamandalam Investment and Finance Company Limited





Access to Finance

First time borrowers, new to credit and customers in lower income group segments and non-traditional professions, using innovative ways to assess credit worthiness and repayment capacity.

Vehicle Financing

Focus on transport entrepreneurs, first time borrowers (FTB) and new to credit customers (NTCC); predominantly in geographies with limited presence of organized financiers,

Affordable Housing

Chola has launched a product for those who receive their salaries in Cash. These customers are usually excluded from the purview of formal finance. Chola Home Loans has disbursed 101.95 Crs to Cash salaried customers in YTD Feb'23.

SME Loans

SMEs starting from Micro, Small and Medium Enterprises, these enterprises provide employment to the lower strata of society. Co. offers machinery loans, vendor and dealer finance limits, Healthcare financing for small SMEs, which don't fit the banking norms. Chola also launched Leasing, Co-lending, Factoring and Inventory Funding products during FY 23 and expecting to launch in First Quarter of FY 24, where we support SME customers in the form of machinery loans, term loans, working capital loans for working capital purchase and business expansion, etc.

SBPL

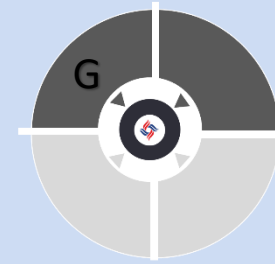
The Secured Business & Personal loan (SBPL) product is aimed at providing Funding to the under-served self-employed non-professional customers (for instance grocery shop, dairy owners, unskilled labours, low salaried/cash salaried workers).

Loan against Property

The business has planned expansion in Tier 3 and 4 towns, where there is less competition from private banks and HFCs and has plans to increase disbursals in Micro LAP segments where the yields are higher

CSEL

Funding to FTU customer through our partnership business to enhance financial inclusion segment and funding to MSME customer segments to meet out their working capital needs



Responsible Products

Access to Finance

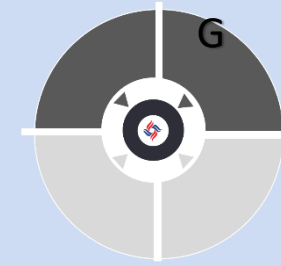
Our products focus on first time borrowers (FTB) and new to credit customers (NTCC) ensuring financial inclusion of sections of society including micro business owners

ESG Based Lending

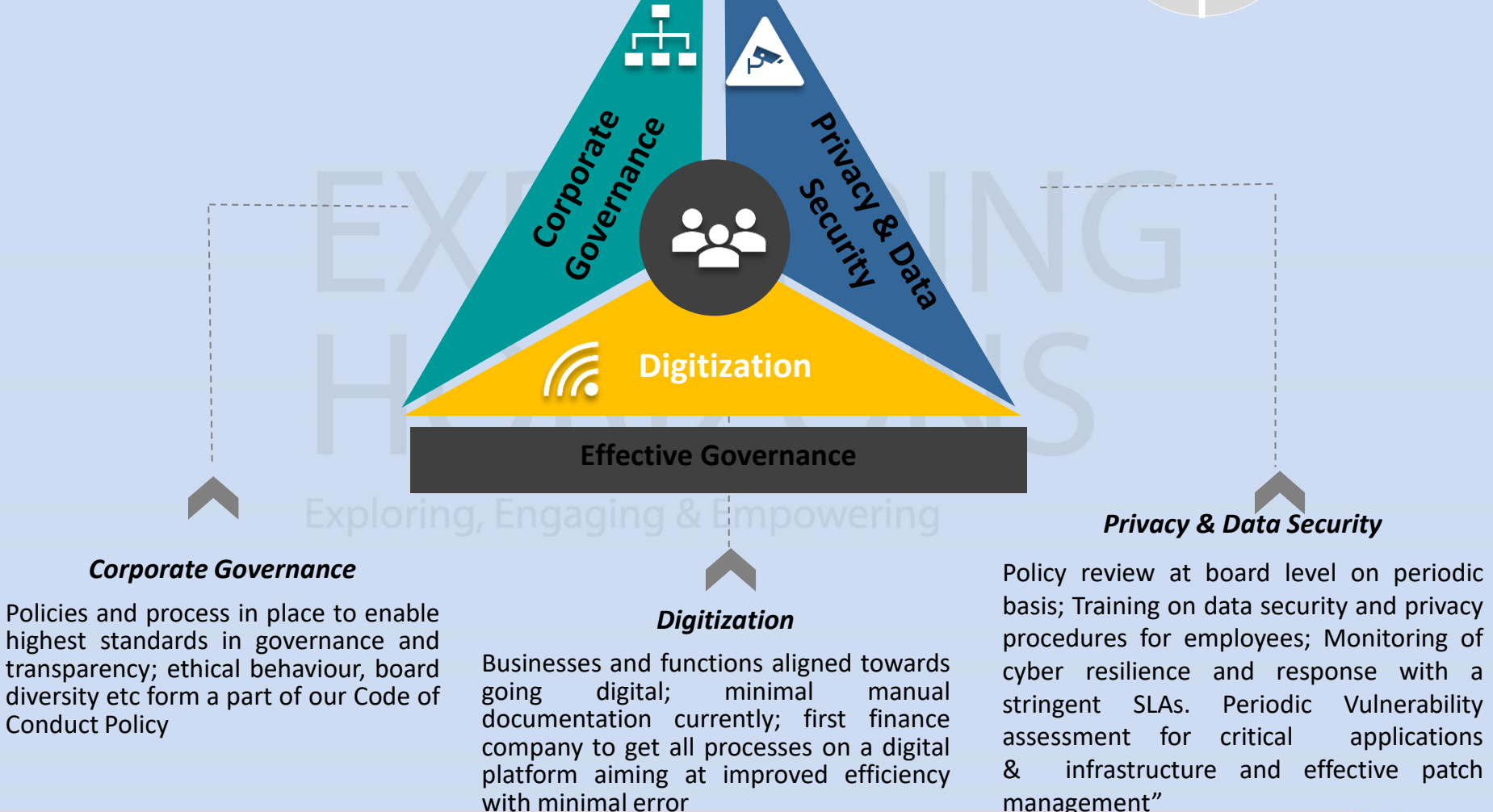
We have identified negative industries that pose a threat to the environment & are not supported by us; in line with the IFC guidelines. Environmentally unsafe or polluting businesses are monitored separately and suitably highlighted to the management to support decision making / business inclusion. Our Company has been included in the FTSE4Good Index Series

Innovation

All our products are custom designed to suit our customer's need. We provide customized credit models, with minimal documentation. *Gaadi* bazar is one such example, which focuses on emerging market trends. With customer satisfaction as our key focus we have adapted our products as per their inputs.



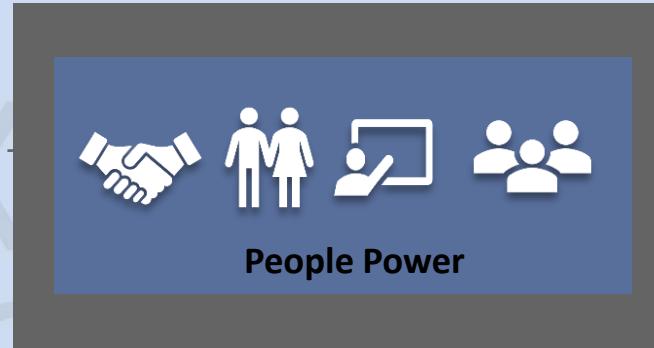
Improving Efficiency



People Power

Employee Wellness

- Employee Wellness drives for engaging mind, body, spirit of employees.
- Employee Assistance program – confidential, one on one, private therapy session to manage stress and handle distortions.
- Touching lives – continued financial support for a period of 2 years for families of deceased employees
- Helpline for employees for addressing grievance, queries, and clarifications.
- Emphasis on road safety
- ISO 30408:2016- Human Resource Management certified



Diversity & Inclusiveness

- Business activities such as hiring, promotion, and compensation of employees, conducted without regard to race, colour, religion, gender etc.
- Hiring more women in business roles and achieve gender equality in our organization.
- Emphasis on local hiring

Learning & Development

- Launched vernacular learning module in Hindi for VF CBSL employees
- Workshop conducted to build a community of Mental Health First Aiders
- Fair Practise Code e-learning module developed and assigned to employees to build awareness
- Digital business adoption facilitated through supplementary system/ process walkthrough learning modules

Empowering Communities

- 10,79,087 persons are benefited through CSR project on FY 22-23
- Key focus areas include upliftment in the Commercial Vehicle Crew Members
- Ongoing projects in the area of Health, Water & Sanitation, Education, road safety, environment sustainability etc.

Environmental Consciousness



Green Building

We achieved at incorporating green methods in the construction of our new office buildings at Guindy is under the supervision of a green consultant to imbibe Green Building principles Our processes are ISO 9001:2015 Quality Management System Certified



Waste

At Head office we are doing the Non-hazardous waste (Carton, White Paper, Colour Paper, New paper, Plastics, Tissues, Paper Cups, Mixed Paper, Metal Waste) recycling



Carbon

As an environmentally responsible company we have taken various steps towards sustainability by contributing towards water conservation, energy efficiency, supporting micro businesses in the Renewable energy sector etc. Going forward, we will focus on carbon footprint reduction

E-Waste – Certificate

DESTRUCTION CERTIFICATE			
Reference- SY/WEE/559/22-23		Date- 09/03/2023	
M/s Cholamandalam Investment and Finance Comp Any Ltd Dare House, Parry House No 2 NSC Bose Road, Chennai - 600001			
Dear Sir/ Madam,			
This is to certify the receipt of E-waste Material for Destructions/Recycling at our Facility Centre, Plot SW 17B, Apparel Park Phase 2, Doddaballapura Industrial Area, Bengaluru Rural District – 561 203.			
DETAILS ON RECEIPT OF E-WASTE MATERIAL:			
Sl.No.	Details of E-waste	Qty in Kgs	Destruction Date
1	ITEW – Tablet	893.80 Kgs.	08/03/2023
NAME OF THE COMPANY <u>CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LTD</u>			
TOTAL LOT RECEIVED <u>1 LOT</u>			
DATE OF RECEIPT OF E-WASTE <u>3rd February 2023</u>			
TOTAL WEIGHT OF E-WASTE <u>893.80 Kgs.</u>			
DESTROYED QUANTITY OF E-WASTE <u>893.80 Kgs.</u>			
AUTHORIZATION No. OF RECYCLER: "PCB/WMG/2864/E-waste/2018-19" Dated 05-07-2019			
All the material has been Dismantled and Destroyed as per the CPCB guidelines at our Facility Centre, Plot SW 17B, Apparel Park Phase 2, Doddaballapura Industrial Area, Bengaluru Rural District – 561203 as being the authorized Recycler with responsibility to follow all compliances as per environmental act.			
Thanking you, SOGO SYNERGY PART LTD  Authorized Signatory			
Data Security: If you have not erased your data, be rest assured that your data will not be accessed. The laptops/ Desktops/Systems will be disassembled and the hard drives will be crushed to be used as raw material at a later stage.			

With a clear focus on sustainability, we have a well defined e-waste policy which ensures that disposal of e-waste is carried out only through authorized e-waste vendors at all our facilities. It strives to make sure that e-waste is disposed of in the most scientific way, that the recycling organization has a valid permit and follows the required protocols laid down by regulatory bodies

ESG Certification – FTSE Russell



Our Company has been included in the FTSE4Good Index Series, created by the global index and data provider FTSE Russell. The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.

The FTSE4Good indexes are used by a wide variety of market participants to create and assess responsible investment funds and other products. FTSE Russell evaluations are based on performance in areas such as Corporate Governance, Health & Safety, Anti-Corruption and Climate Change. Businesses included in the FTSE4Good Index Series meet a variety of environmental, social and governance criteria.

Continuing strong performance in ESG

- Our ESG initiatives have been rated by CRISIL as 'Strong' in the month of May '22.
- We have released the first sustainability Report for FY 21 was released in March 22 and is available on web site
- BRSR FY 22 (Management report) uploaded on web site
(Link-<https://www.cholamandalam.com/esg-presentation.aspx>)
- On track to complete BRSR FY 23 with 100% compliance with essential and leadership indicators.
- Subsequent slides are dedicated to help monitor the performance vs the targets the Company has set for itself

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

- 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 50+% of total VF disbursements in FY 2023.
- EV loan disbursements were INR 11.97 Cr in FY 22 and INR 115.38 Cr in FY 23.

GOAL: Enabling people work force through continuous learning and development programs

Target:

- To enable learning enhancement opportunities impacting productivity for DSTs in Home Loans business

Achievement:

- 97% of DSTs in Home Loans business were trained on Product, Process and Credit norms to aid better product level alignment and orientation, resulting in a post training productivity shift of 1 unit.

Exploring, Engaging & Empowering

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 had an initiation discussion with TUV –NORD to implement ISO 27001 for applicable Information Technology domains, proposed plan to get ISO 27001 certification during next financial year

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- **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 by 2023
- 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 in '23.
- 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.
- Water Aerator –
Central locations (i.e. Chola offices in Chennai) - have water aerators.
Our new branches are fitted with water aerators.

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Thank You

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