

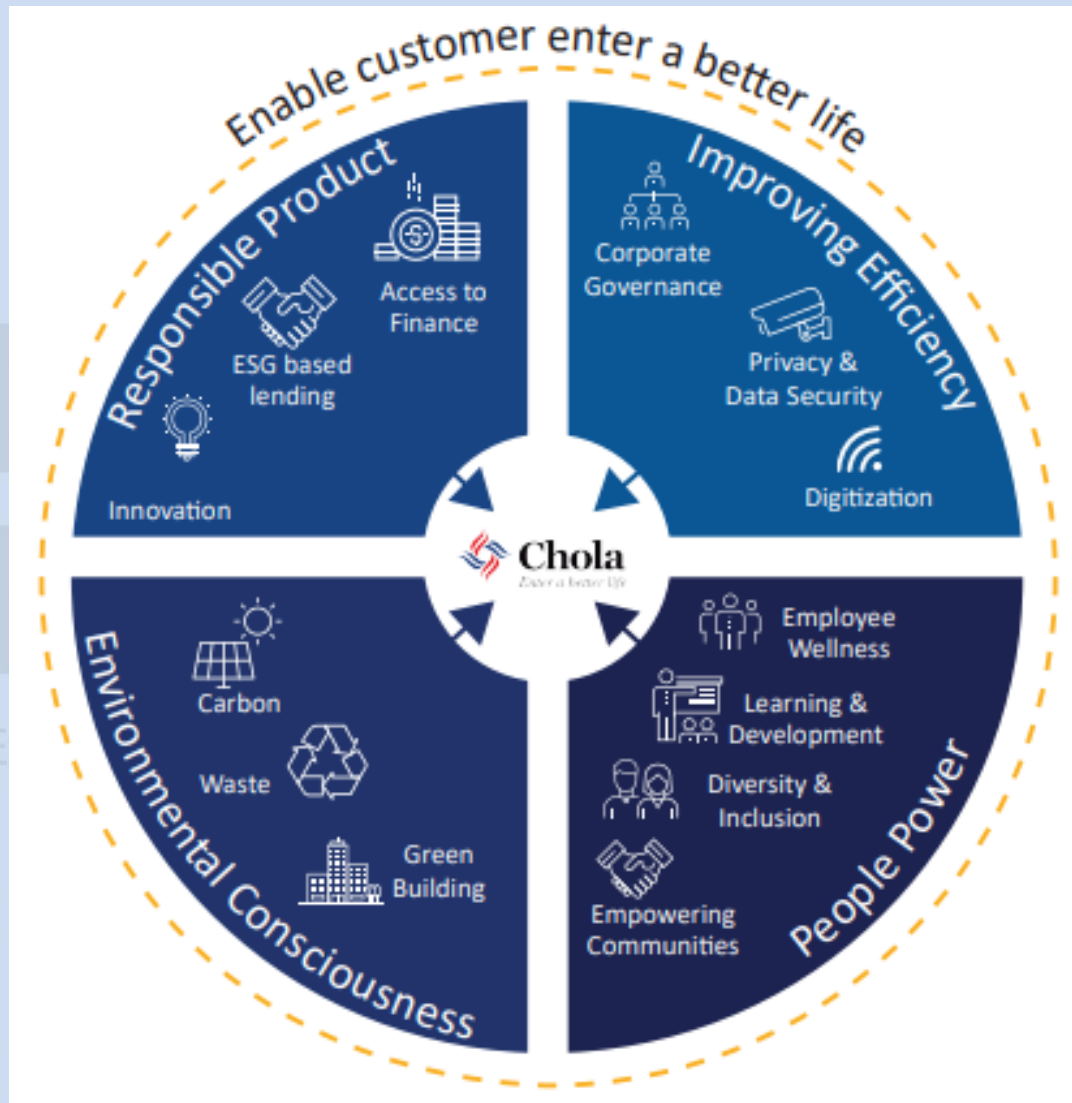
# EXPANDING HORIZONS

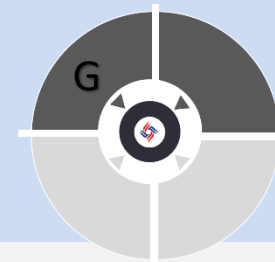
Exploring, Engaging & Empowering



**ESG PRESENTATION Dec 2022**

**Cholamandalam Investment and Finance Company Limited**





## Responsible Products

### 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

### Loan against Property

Focus on lending to small businesses against the collateral of self occupied residential property at affordable ROI

### Affordable Housing

Focus on underserved customers in tier III,IV,V, VI cities to enable them to achieve their dream of entering a better home, minimal documentation

### SME Loans

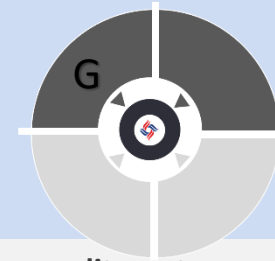
Support people such as farmers, flour mill owners and micro business owners who in-turn provide gainful employment to many more people in the workforce in remote locations

### CSEL

Consumer and Small Enterprise Loans (unsecured personal loans) provides finance to close to 10,000 new customers every month, in the monthly income range of INR 15000-20000, in underserved professions. We do this through partnerships, who use advanced techniques to appraise and underwrite customers. We have seen excellent portfolio behaviour thus far.

### SBPL

Small Business and Professional Loan: We are providing loans to small business entrepreneurs with loan of approximately INR 4 lakhs. In this segment, the monthly income range is 15,000-25,000 and they in turn provide employment to people in their locality. These loans are financing non-traditional businesses and these customers do not have traditional documents. E.g. businesses that operate in cash and hence have low documentation for proof of income.



## 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

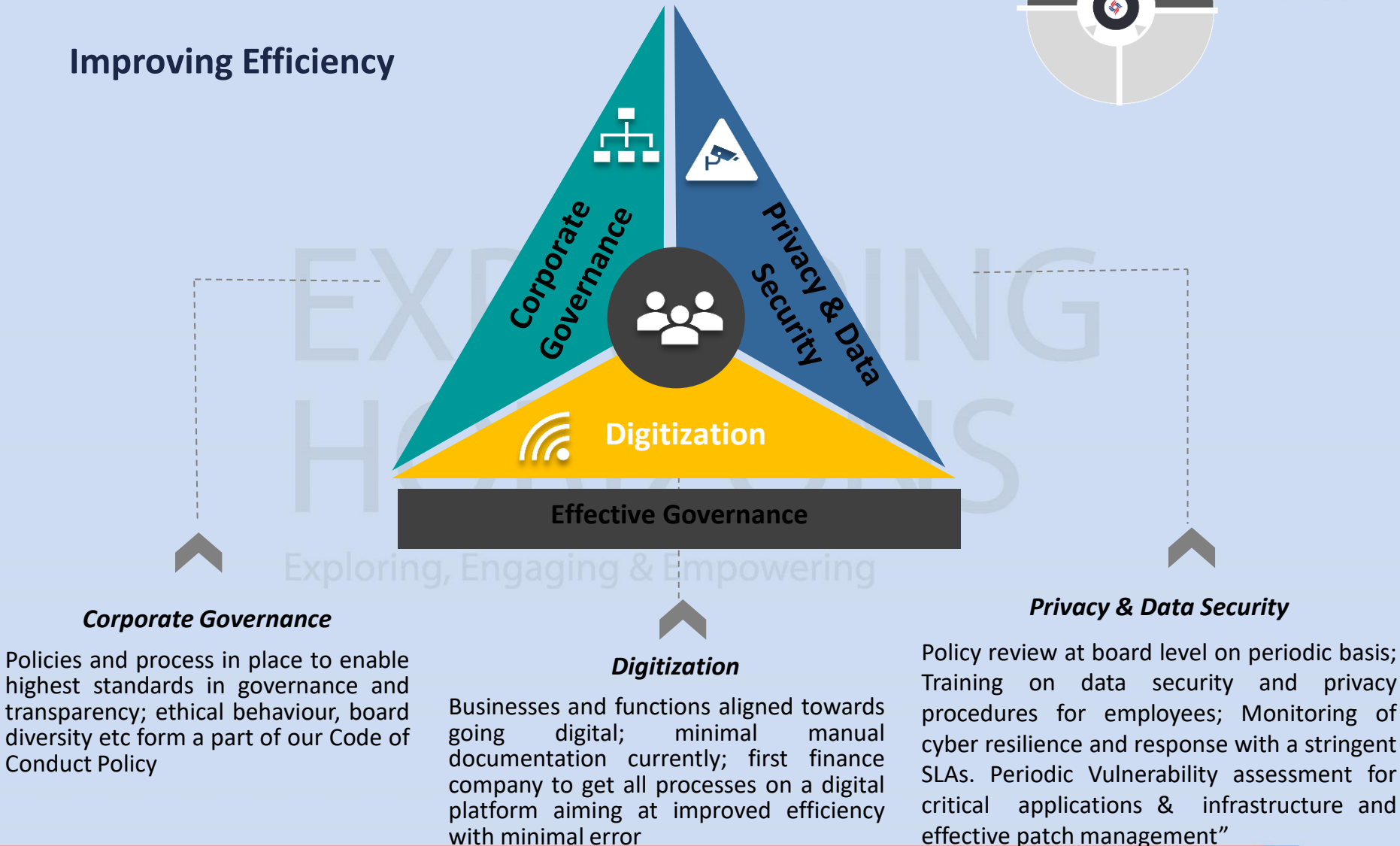
### *ESG Based Lending*

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.

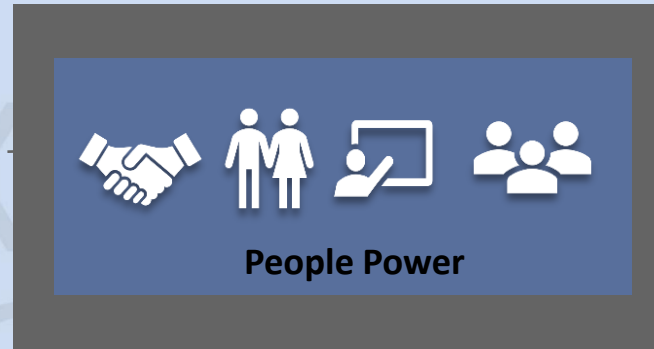
## Improving Efficiency



## 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

- Regular discussions carried out to recognize improvement areas of employees
- Anytime Anywhere access to learning through Digitization of learning journeys
- Vernacular medium of learning introduced
- Compliance & fair practices sensitivity build through training programs

### Empowering Communities

- CSR spend at INR 4343.41 Lacs for FY 22
- Key focus areas include upliftment in the Commercial Vehicle Crew Members
- Regular health and eye camps carried out at 'Transport Nagars' (Trucker Hubs)-golden quadrilateral across India- **383,000** eye screenings till January 2023
- Ongoing projects in the area of Health, Water & Sanitation, Education, road safety, environment sustainability etc.

## Environmental Consciousness



### Green Building

We aim at incorporating green methods in the construction of our upcoming office buildings. The latest office construction at Guindy is under the supervision of a green consultant and aims to imbibe Green Building principles

Our processes are ISO 9001:2015  
Quality Management System Certified



### Waste

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



### 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

## 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
- GOAL: 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. Presently they are INR 52.78 Cr YTD Dec '22. The target has been achieved for FY 23.

- GOAL: Enabling people work force through continuous learning and development programs
  - Target:
  - To conduct employee wellness programs on road safety and career development aspects
  - Within 30 days of joining, 100% of new employees will be introduced to our products, policies and governance aspects like lending, data privacy and information security etc.
  - Implement digitization solutions for enhanced learning and development purposes.
- Achievement:
- Mailer instructions on road safety are circulated among employees periodically.
- We have an internal employee portal that provides space for employees to access support on career development.
- To enable 100%, we have launched Digital Induction, Digital Functional induction, Digital SFE learning, using the People strong (LMS) to serve new employees and existing employees. This is made available for access to all new employees on 3<sup>rd</sup> day of joining.
- E-learning of business specific functions, workflow simulations, DYK series have been implemented using digitization solutions.

- 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:
- Roll out of secure access solution in our journey towards zero trust based resource access
- 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

- 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 for corporate office is on target for completion in 2023.
  - 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.

# Thank You

# EXPANDING HORIZONS

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