

# Vakrangee

सशक्त परिवर्तन

Communication on Progress



CORPORATE OFFICE:

Vakrangee Corporate House

Plot No. 93, Road No. 16, M.I.D.C., Marol, Andheri (East), Mumbai – 400093, Maharashtra

24<sup>th</sup> February 2020

To our stakeholders:

*I am pleased to confirm that Vakrangee Limited reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.*

*Through our unique business model with a vast network of outlets, we are driving financial, digital and social inclusion in rural India. Our ultimate purpose is to ensure that every Indian has the opportunity to benefit from financial, digital and social inclusion and has access to the global marketplace.*

*We are taking the financial and digital literacy to the bottom of the socio-economic pyramid and serving as the last-mile link to connect India's unserved and underserved rural and urban citizens by offering them the same products and services at the same time, competitive prices and same service levels. We are acting as the biggest equalizer by bridging the gap between the urban and rural population in India.*

*In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.*

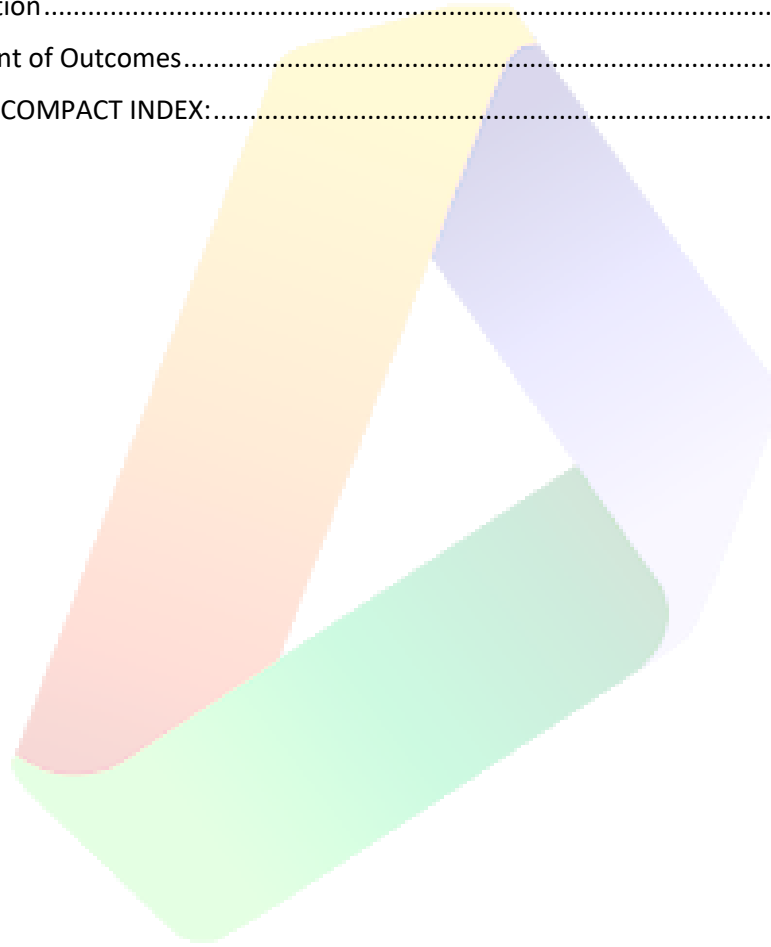
*Sincerely yours,*

*Dinesh Nandwana*

*Managing Director & Group CEO*

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## 1. Description of Actions

### 1.1 Human Rights

Vakrangee Limited recognizes the valuable role that business can play in the longer-term protection of human rights of all the employees. The Company is committed to respecting the human rights of our workforce, communities and those affected by our operations wherever we do business (including our franchisees, vendors and business partners in line with internationally recognised frameworks including the Social Accountability 8000 International Standard and its associated international instruments).

Our Human Right policy applies to Vakrangee Limited, the entities that we own, the entities in which we hold a majority interest and the facilities that we manage. Vakrangee Limited is guided by fundamental principles of human rights, such as those enumerated in the United Nations Universal Declaration of Human Rights.

Our Human Resource Policy is aimed at fostering socio-economic empowerment through inclusive growth. This policy document provides a broad framework to ensure that all employees are treated with respect and dignity and common set of principles that apply to our business practices to ensure that we do not condone human rights violations or abuses. We adhere to the policy by respecting human rights and seeking to avoid involvement in human rights abuses, identifying, assessing and minimizing potential adverse impacts through due diligence and management of issues, and resolving grievances from affected stakeholders effectively. It resonates with our belief that as an organization our actions must have a positive impact on the future of all our stakeholders.

Corporate Human Resources is responsible for reviewing and updating standards on social policies, and for providing guidance and support to all concerned.

The Company is committed to respecting the human rights of our workforce, communities and those affected by our operations wherever we do business (including our franchisees, vendors and business partners in line with internationally recognized frameworks including the Social Accountability 8000 International Standard and its associated international instruments)

- Vakrangee is a technology driven company where it provides services of various kinds to customers such as ATM, Banking, Logistics, Online Shopping, etc. There is no manufacturing activity undertaken.
- We are a service-based organization having no manufacturing operations. We make use of disruptive technology such as e-KYC, inter-operability, and real-time transactions. Furthermore, all our services are internet based hence it does not harm or threaten human life.
- Vakrangee aims to improve the standard of living of rural citizens in the country. We are the human equalizers of life, bridging the gap between India's urban and rural population. Our Next Gen Vakrangee Kendras are in sync with our theme "Ab PooriDuniyaPados Mein". Our Kendras are 'One Stop Shop Convenience Stores', offering the urban and rural citizens goods and services at the same price, same time and of the same quality.
- We ensure that the employees are provided safe, suitable and sanitary work facilities.
- We are committed to Protect workers from workplace harassment, including physical, verbal, sexual or psychological harassment, abuse or threats

- Vakrangee has an online grievance redressal mechanism where all the grievances are treated on a fair basis. We maintain a zero-tolerance approach to sexual harassment for which we have created a committee called “Vishakha Committee” to address all its issues.
- We maintain ‘Zero Tolerance’ towards any kind of harassment. We have formed a special committee named “VISHAKHA COMMITTEE” to address harassment incidents as and when reported. Further to address any act of misconduct, we have the internal complaint committee which takes up the matter.

## 1.2 Labour

Vakrangee prohibits from all forms of harmful child labour, forced / trafficked labour including prison labor, indentured labor, bonded labor, military labor, modern forms of slavery and any form of human trafficking

- No person below the age of 18 is engaged by us or any of our stakeholders
- We maintain positive legal compliance with applicable constitutional and regulatory human rights requirement including minimum wage requirements
- Vakrangee is committed to become a truly diverse and inclusive company. We embrace and encourage different perspectives and believe we are made stronger by our unique combination of culture, race, ethnicity, age, gender, sexual orientation, physical or mental ability, and work-life situations. We consistently drive diversity and inclusion across our organization

## 1.3 Environment

Vakrangee is committed to preserving the planet. To this end, we consistently take efforts to reduce our environmental footprint, produce and consume responsibly, provide clean drinking water facility and contribute towards the overall development of the ecosystem.

- Vakrangee as a responsible and a socially conscious corporate citizen, is committed to environmental sustainability. We recognize environmental impact and climate change among the key sustainability challenges to businesses and society affecting economic stability, ecology and vulnerable communities.
- Our Vakrangee Kendras contribute towards reducing carbon footprint. We provide banking services, insurance products, e-Governance services, logistics services and e-Commerce products and services. We cater to our customers by offering them a bouquet of products and services within walking distance, which is time effective and saves fuel cost. Our Kendras are also helping towards saving substantial carbon emissions by being located at walkable distances.
- We are a service-based organization having no manufacturing operations. All our services provided are environmentally sustainable. We make use of disruptive technology such as e-KYC, inter-operability, and real-time transactions. Furthermore, we use advanced features that are environment-friendly, such as paperless banking, real-time banking, and biometric evaluation. We generate zero paper waste and plastic waste. No generation of such waste prevents the exposure of community members to hazardous and non-hazardous waste.

- Our Kendras also minimize hazardous waste by using refillable ink cartridges. Minimal generation of waste prevents exposure of community members to hazardous and non-hazardous waste.
- At Vakrangee Workplace: We have equipped our office with solar power. Our workplace is constructed with glass walls to allow maximum sunlight within the premises. By doing this, we are eliminating the use of electricity by replacing it with daylight. We have also installed LED lightings to ensure responsible consumption of electricity.
- We have adequate policies in place for environmental protection and waste management

## 1.4 Anti-Corruption

Vakrangee always takes initiative to fight corruption. Examples include:

- We do not tolerate bribery or corruption in any form. This commitment underpins everything that we do. Our employees and franchisees should not, directly or indirectly, offer or receive any illegal or improper payments or comparable benefits that are intended or perceived to obtain undue favors for the conduct of our business.
- Vakrangee has a detailed anti-corruption and anti-money laundering policy in place
- Vakrangee has internal controls and operating procedures to detect and prevent improper activities. In addition to this we have a Whistleblower policy in place to report any corrupt practices being taken place.

## 1.5 Measurement of Outcomes

At Vakrangee, we follow a franchisee-based model whereby the franchisee is a member of the local community. We direct our efforts towards empowering rural entrepreneurship, employment generation as well as skill development, thereby bringing urban convenience at the doorsteps of rural dwellers.

Our banking services are paperless, thereby reducing ink and paper wastage. Transactions from Vakrangee ATMs do not generate printed receipts. The transaction acknowledgments are sent via SMS.

The Company had engaged Grant Thornton India's Centre of Excellence for Sustainable Development (CoE-SD) to study the economic, social, cultural and environmental impact it has created through its business operations on various stakeholders like beneficiaries, Kendra owners, employees, business partners and shareholders. According to an Impact Assessment study done by Grant Thornton (GT), a Vakrangee ATM saves 150 paper slips per day that would have been generated at other ATMs.

Further the Company has engaged Grant Thornton to do a review and do an assurance services on our Integrated Annual report.

Below are the most relevant indicators to measure outcomes. Examples include:

- Through our unique business model with a vast network of outlets, we are driving financial, digital and social inclusion in rural India. Our ultimate purpose is to ensure that every Indian has

the opportunity to benefit from financial, digital and social inclusion and has access to the global marketplace. Financial inclusion is achieved through the promotion of Government's financial and social inclusion initiatives such as PMJDY and social security insurance schemes. Through our Kendras, we provide universal access to banking, insurance and pension schemes as well as Direct Benefit Transfer of subsidies.

- We are taking the financial and digital literacy to the bottom of the socio-economic pyramid and serving as the last-mile link to connect India's unserved and underserved rural and urban citizens by offering them the same products and services at the same time, competitive prices and same service levels. We are acting as the biggest equalizer by bridging the gap between the urban and rural population in India.
- At Vakrangee, we follow a franchisee-based model whereby the franchisee is a member of the local community. We direct our efforts towards empowering rural entrepreneurship, employment generation as well as skill development, thereby bringing urban convenience at the doorsteps of rural dwellers.
- Our banking services are paperless, thereby reducing ink and paper wastage. Transactions from Vakrangee ATMs do not generate printed receipts. The transaction acknowledgments are sent via SMS. According to an Impact Assessment study done by Grant Thornton (GT), a Vakrangee ATM saves 150 paper slips per day that would have been generated at other ATMs.
- Our Vakrangee Kendras contribute towards reducing carbon footprint. Earlier, citizens in rural areas used to travel long distances to avail Banking, ATM and Financial Services. Due to deep penetration of Nextgen Vakrangee Kendras in rural areas, these services are now available to the citizens within walking distance, which leads to lower fuel consumption and saves time & cost of the citizens. Environmental footprint before a Vakrangee Kendra was 0.908 Kg CO<sub>2</sub> to 3.859 Kg CO<sub>2</sub> per customer per visit and after a Vakrangee Kendra it has been reduced to 0 to 0.29 Kg CO<sub>2</sub> per customer per visit
- We use Solar Panels at our Head Office, thus reducing the carbon emissions. As of now, 16% of our energy requirement at the Head Office is met thorough Solar Panels
- We use LED lights at our workplace which enables energy conservation thus reducing environmental load at our Office. Furthermore, Our corporate office has glass walls through which natural light is used more often and lesser electricity is used thus enabling conservation of energy
- We have sensor-based lights installed at various locations due to which energy is conserved when these locations are not in use.
- We understand the importance of having access to clean and safe water. Every Vakrangee Kendra has an arrangement of a water cooler providing drinking water facilities to people, free of cost. Since 70% of Vakrangee Kendras are centered in Tier V and Tier VI cities, we are thus creating clean water drinking facilities in remote areas.
- We encourage our franchisees to construct the Vakrangee Kendras on already established land so that the citizens do not get physically or economically displaced due to Kendra.
- Our Vakrangee Kendras minimize hazardous waste by using refillable ink cartridges
- Vakrangee has a focus on gender equality. We invite both male and female as franchisees. We ensure full and effective participation and equal opportunities for leadership at all levels of decision making. Additionally, we adopt and strengthen sound policies for the promotion of gender equality and women empowerment.

## 1.6 UN GLOBAL COMPACT INDEX:

Human Rights	Covered under following Policy
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Human Right Policy, Sustainable Sourcing Policy, Diversity and Inclusion Policy
Principle 2: Make sure they are not complicit in human rights abuses	Human Right Policy, Sustainable Sourcing Policy, Diversity and Inclusion Policy
Labour	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Sustainable Sourcing Policy, Human Right Policy
Principle 4: The elimination of all forms of forced and compulsory labor	Sustainable Sourcing Policy, Human Right Policy, Business Conduct Policy
Principle 5: the effective abolition of child labor; and	Sustainable Sourcing Policy, Human Right Policy, Business Conduct Policy
Principle 6: the elimination of discrimination in respect of employment and occupation.	Sustainable Sourcing Policy, Human Right Policy, Diversity and Inclusion Policy
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	Sustainable Sourcing Policy
Principle 8: undertake initiatives to promote greater environmental responsibility; and	Environment Policy
Principle 9: encourage the development and diffusion of environmentally friendly technologies	Business Conduct Policy
Anti-Corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Sustainable Sourcing Policy, Business conduct Policy





**Thank You**

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