

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Incorporated in 1990, we are a technology-driven company centered around building India’s largest network of last-mile retail outlets to deliver our services to the unserved and the under-served rural, semi-urban and urban population of the country. These Assisted Digital Convenience stores are called Nextgen Vakrangee Kendras, which act as the ‘One Stop Shop’ for availing multiple products and services.

We offer an extensive array of services across various sectors by providing Banking, Financial services, Insurance, ATM, E-Commerce & Logistics Services. Our Kendras are essential ‘One Stop Shop Assisted Digital Convenience Stores’, offering citizens goods and services at the competitive price, same time and same quality. We currently have more than 10,000+ operational outlets and another 24,000+ outlets under on-boarding process. Our presence is currently pan India across 32 states and Union territories.

Being one of the largest franchisee-based, multi-service retail network, we are focused on creating India’s extensive network of last-mile retail outlets at every postal code in the country, enabling unserved and under-served citizens to benefit from financial, social and digital inclusion. Through our 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 under-served rural and urban citizens by offering them the same products and services at the same time, competitive price and same service levels. We are acting as the biggest equalizer by bridging the gap between the urban and rural population in India.

Further, on technology Innovation front, we make use of disruptive technology such as e-KYC (Bio metric KYC), interoperability, and real-time transactions. We use advanced features that are environment-friendly, such as paperless banking, real-time banking, and bio-metric evaluation. Being digital and paperless in nature we are committed towards Responsible consumption; our Kendras generate negligible paper waste and zero plastic waste. Our outlets are located at the Gram Panchayat level or village locations so that the customers need not travel long distances and our outlets are open for banking services beyond normal banking hours thus providing convenience.

At our Vakrangee Kendras, we have adopted ‘Go Green’ initiatives. Our banking processes run on AePS (Aadhaar enabled Payment System) model. Moreover, ATM transactions do not generate printed receipts. The transaction acknowledgments are sent via SMS. We are working towards achieving environmentally sound management of paper through prevention, reduction, recycling, and reuse, in order to minimize their adverse impacts on the environment. Since our 80% outlets are located in remotest parts of the country in Tier 4 to 6 rural locations. It results into huge saving of travel for the citizens as well as all their needs are covered under one store. This results into huge amount of savings in Carbon emissions.

For more details, please visit our Corporate website - www.vakrangee.in

All our policies and Disclosures - https://www.vakrangee.in/policies_and_guidelines.html

ISO Certifications - <https://www.vakrangee.in/pdf/Policies-PDF/Vakrangee%20ISO%20Flag.pdf>

Integrated Annual report FY 2020 - https://www.vakrangee.in/pdf/Annual_Reports/Integrated%20Annual%20report%202019-20%20-%20Vakrangee%20Ltd.pdf

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	April 1 2019	March 31 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

India

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

INR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Financial control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	Our commitment for sustainability is supported by a robust governance mechanism. Our governance bodies oversee the impact areas of our business operations and major risks faced by all businesses, such as climate change risks. We have multiple roles and teams that are responsible for management of various aspect of sustainability in our operations. Board-level Responsibility 1. Accountability starts with our Board, which provides governance over the strategy and operations. 2. The Board actively and regularly reviews enterprise risk, which includes business continuity risk factors, among which are climate related factors. 3. The Board determines its own priorities and considers enterprise risk a key area for regular review on continuity, including climate-related risks, if identified as significant. 4. There is a dedicated Board ESG committee consisting of three Independent directors. The Board ESG Committee works with all the other Board Committees to assist the Board in fulfilling its responsibilities. The objective of the Committee is to a) Consider the material environmental, social and governance issues relevant to the Company's business activities and support the Company in maintaining its position as a global leader in ESG performance b) Review and Evaluate the Overall Business strategy from an ESG impact perspective. c) Monitor and review if the Sustainable development goals are integrated into any new Business strategy or new business initiatives. d) Review the progress of key initiatives being implemented by the GHG Reduction strategy Committee. e) Oversee the implementation of various environmental sustainability initiatives and commitments, including performance, challenges and opportunities. f) Oversee the delivery of the Company's disclosures relating to Climate-Related and GHG Carbon Emissions Disclosures. The Committee along with assistance of Board Risk Management Committee to reviews the adequacy of Management's approach in the identification and management of environmental risks and opportunities, including climate-related issues. 5. The Board oversees our senior management, to whom it has delegated authority to manage the day-to-day climate-related matters.
Other, please specify (GHG Reduction Strategy Committee)	Within the company's most senior management group, there is a dedicated committee – The GHG Reduction Strategy Committee, which determines and monitors key environmental strategies. It is a Strategy Committee which regularly discusses and identifies various Environment related issues and initiatives, monitor & measures those initiatives of the company from time to time. This committee reports to the Board ESG committee on quarterly basis. Management briefs the Board or the Nominating and Governance Committee, as applicable, on climate / environment -related issues.
Chief Operating Officer (COO)	Responsibilities of COO with a reporting to the CEO: 1. Assess and manage Environment-related risks and opportunities on a Quarterly basis 2. Implement the Environment related Initiatives across Business operations at the Field level. 3. Along with Admin Team, drive the operational progress needed to meet Resource efficiency targets, for example by supporting our facilities management teams to improve energy efficiency and ensure programs are appropriately resourced. 4. This two-pronged approach enables to make faster progress and articulate our journey consistently to employees and other stakeholders
Chief Executive Officer (CEO)	Responsibilities of COO with a reporting to the Board: 1. Integrate sustainable development goals into Business strategy & Operations. 2. Assess and manage ESG related risks and opportunities on quarterly basis. 3. Set and drive progress against company-wide objectives from a general business perspective, including through different business group 4. Management briefs the Board or the Nominating and Governance Committee, as applicable, on climate / environment -related issues.

C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues 	<Not Applicable>	<p>The dedicated Board ESG Committee works with all the other Board Committees to assist the Board in fulfilling its responsibilities. The objective of the Committee is to consider the material environmental, social and governance issues relevant to the Company’s business activities and support the Company in maintaining its position as a global leader in ESG performance. Board ESG Committee conducts meeting on a quarterly basis. Name Designation Mr. Avinash Vyas - Chairman Mr. Ramesh Joshi - Member Ms. Sujata - Member</p> <p>The Role and responsibilities of the Board ESG Committee include: -</p> <ul style="list-style-type: none"> Reviewing the performance and results of key ESG investor Initiatives / surveys and global benchmarks Overseeing the implementation of key initiatives identified, or areas for improvement identified from ESG investor surveys and global benchmarks Considering emerging ESG issues to understand their materiality with regard to Company’s long term value creation Reviewing and Evaluating the Overall Business strategy from an ESG impact perspective. Monitoring and reviewing if the Sustainable development goals are integrated into any new Business strategy or new business initiatives. Assisting the NRC Committee in reviewing the performance of senior management from an ESG deliverable perspective. Reviewing the progress of key initiatives being implemented by the GHG Reduction strategy Committee. Environmental – <ul style="list-style-type: none"> Oversee the implementation of various environmental sustainability initiatives and commitments, including performance, challenges and opportunities Oversee the delivery of the Company’s disclosures relating to Climate-Related and GHG Carbon Emissions Disclosures The Committee along with assistance of Board Risk Management Committee to reviews the adequacy of Management’s approach in the identification and management of environmental risks and opportunities, including climate-related issues. Social – <ul style="list-style-type: none"> Oversee the implementation of group social responsibility and sustainability initiatives or commitments, Oversee and monitor processes and mechanisms for building relationships with Franchisees, customers, suppliers and other key stakeholders and understanding their expectations. Review the effectiveness of the initiatives and policies that support human rights and Diversity in Company’s operations and supply chain. The Committee along with Board Remuneration Committee has oversight of Company’s inclusion, diversity and general people & culture practices and related frameworks. Governance – <ul style="list-style-type: none"> Oversee the reputational impacts of the Company’s business strategies and practices Monitor the Company policies and initiatives to ensure appropriate safeguards are in place for dealing fairly and ethically with third party capital partners, suppliers and other stakeholders Review and endorse to the Board on an annual basis Company’s Sustainability Performance Pack, Corporate Governance Statement.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other committee, please specify (GHG Reduction Strategy Committee)	<Not Applicable >	Both assessing and managing climate-related risks and opportunities <i>Managerial Responsibility of the Committee • Environmental protection: Integrate environmental considerations into business operations and take proactive steps and leverage technology for energy conservation throughout our operations with an aim to lower our carbon footprint. • Assess and Integrate Environmental considerations into the design of our new IT infrastructure. • Reduce Carbon footprint through Energy efficiency measure with a focus to increase the composition of Renewable energy in our Total consumption. Adopt a sustainable waste management philosophy in line with the concept of circularity of through waste management, re-cycling and eco-friendly disposals through Industry best practices. • To Implement initiatives focused on resource efficiency in operations, • Consider stakeholder expectations with regard to improvement of our infrastructure, operations, processes and solutions to the extent possible • Monitoring Implementation of Green procurement policy</i>	<Not Applicable>	More frequently than quarterly
Chief Operating Officer (COO)	<Not Applicable >	Both assessing and managing climate-related risks and opportunities <i>1. Assess and manage Environment-related risks and opportunities on a Quarterly basis 2. To implement the Environment related Initiatives across Business operations at the Field level. 3. Along with Admin Team, Drive the operational progress needed to meet Resource efficiency targets, for example by supporting our facilities management teams to improve energy efficiency and ensure programs are appropriately resourced. 4. This two-pronged approach enables to make faster progress and articulate our journey consistently to employees and other stakeholders</i>	<Not Applicable>	Quarterly
Chief Executive Officer (CEO)	<Not Applicable >	Both assessing and managing climate-related risks and opportunities <i>To integrate sustainable development goals into Business strategy & Operations. 2. Assess and manage ESG-related risks and opportunities on regular periodic quarterly basis. 3. Sets and drive progress against company-wide objectives from a general business perspective, including through different business groups</i>	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Where in the organization structure these positions/committees lie and rationale for assigning to these positions:

Accountability at our organization starts all the way from the top with our Board which provides governance and oversight over the strategy, operations, and management. To provide focused efforts on addressing ESG issues, a separate ESG committee at the Board level consisting of 3 independent directors has been formed.

The Company has constituted the GHG Reduction strategy committee for the GHG monitoring and measurement which acts as an Internal check. This committee consists of Chief Strategy officer, Chief Technology Officer & Chief Operations officer. The Executive management and Directors of the Board oversees the operations and reports of the GHG Reduction Strategy Committee.

Apart from this, Chief Executive Officer has responsibilities to address climate-related issues as he drives organization's business strategy. To address these issues at the operations level within the organization, Chief Operating Officer, who reports to the Chief Executive Officer, has been given responsibility.

Responsibilities:

Board:

1. Actively and regularly review enterprise risk, which includes business continuity risk factors, among which are climate related factors
2. Determine its own priorities and consider enterprise risk a key area for regular review on continuity, including climate-related risks, if identified as significant
3. Oversee our senior management; to whom it has delegated authority to manage the day-to-day climate-related matters

Board ESG committee:

1. Consider the material environmental, social and governance issues relevant to the Company's business activities
2. Review the performance and results of key ESG investor Initiatives and global benchmarks
3. Consider emerging ESG issues to understand their materiality with regard to Company's long term value creation
4. Review and Evaluate the Overall Business strategy from an ESG impact perspective
5. Monitor and review if the Sustainable development goals are integrated into any new Business strategy or new business initiatives
6. Review the progress of key initiatives being implemented by the GHG Reduction strategy Committee

GHG Reduction Strategy Committee:

1. Integrate environmental considerations into our business operations and take proactive steps and leverage technology for energy conservation throughout our operations with an aim to lower our carbon footprint and save Carbon Emissions
2. Integrate Energy and Environmental considerations into the design of our new IT infrastructure
3. Reduce Carbon footprint through Energy efficiency measure with a focus to increase the composition of Renewable energy in our Total consumption
4. Adopt a sustainable waste management philosophy in line with the concept of circularity of through waste management, recycling and eco-friendly disposals through Industry best practices
5. Implement initiatives focused on resource efficiency in operations, especially for key resources like energy and water
6. Consider and discuss stakeholder expectations with regard to improvement of our infrastructure, operations, processes and solutions to the extent possible
7. Monitor the Implementation of the Green procurement policy

Chief Executive Officer:

1. Integrate sustainable development goals into Business strategy & Operations
2. Assess and manage ESG-related risks and opportunities on regular periodic quarterly basis
3. Set and drive progress against company-wide objectives from a general business perspective through different business groups

Chief Operating Officer:

1. Assess and manage Environment-related risks and opportunities on a Quarterly basis
2. Implement the Environment related Initiatives across Business operations at the Field level
3. Along with Admin Team, drive the operational progress needed to meet Resource efficiency targets, for example by supporting our facilities management teams to improve energy efficiency and ensure programs are appropriately resourced.

How Climate related issues are monitored:

The ESG Committee at the Board level conducts quarterly meetings to monitor the ESG issues related to company's business activities.

The GHG Reduction Strategy Committee sets, benchmarks and reviews environmental objectives and targets on an ongoing basis towards achieving continual improvement in environmental performance and addressing climate-related issues. For e.g., it works with CTO to monitor the steps taken to reduce carbon footprints by using technology.

In the quarterly meetings held by the Chief Executive Officer, he reviews the progress made by various business functions. For e.g, he monitors that the new suppliers onboarded by the procurement team are adhering to the environment norms defined by the company.

We get third party audits done in regular intervals by an independent third party. We have incorporated and implemented the ISO14064:2006, ISO 14001:2015, ISO 20400:2017 requirements into our environmental management system and regular monitoring is done to maintain the same.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	The Nomination and Remuneration Committee evaluates the performance of Director, Key Managerial Personnel and Senior Management Personnel yearly or at such intervals as may be considered necessary. The portion of incentive pay, and variable pay is quantitatively determined using pre-established parameters such as Outlet Onboarding Targets, Revenue targets and ESG performance targets released by the Company which includes climate related targets. We believe linking Environmental, Social and Governance (ESG) performance to pay can help hold executive management accountable for the delivery of sustainable business goals. This alignment presents opportunities for engagement to promote the consideration of ESG issues when setting pay. We have released a detailed quantitative ESG performance Target of Vakrangee on the website giving emphasis on reduction of Green House Gases emissions from our own operations. Also, our NRC policy available on website states the same.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Director on board	Monetary reward	Emissions reduction target Energy reduction target Environmental criteria included in purchases Supply chain engagement	The Nomination and Remuneration Committee evaluates the performance of Director, Key Managerial Personnel and Senior Management Personnel yearly or at such intervals as may be considered necessary. The portion of incentive pay, and variable pay is quantitatively determined using pre-established parameters such as Outlet Onboarding Targets, Revenue targets and ESG performance targets released by the Company which include Climate related targets such as Carbon Emissions saved during the year using Technology, Responsible consumption - % of Renewable energy contribution, GHG reduction targets from Operations. Targets include implementation of Green procurement program and all IT related products bought are EPEAT certified. Targets also include successful ISO audit certifications and compliance done on GHG Emissions (ISO 14064-1:2006 & ISO 14064-2:2006), Environment Management system(ISO 14001:2015) as well as Sustainable procurement Management system (ISO 20400:2017). Our Short-term Yearly targeted goal is a 5% reduction per year in absolute Scope 1 and 2 GHG emissions from our own operations, We believe linking Environmental, Social and Governance (ESG) performance to pay can help hold executive management accountable for the delivery of sustainable business goals. Executive pay should be aligned with performance and long-term strategy in order to protect and create value which is in the interest of both companies and their investors. We have released a detailed quantitative ESG performance Target of Vakrangee on the website giving emphasis on reduction of Green House Gases emissions from our own operations.
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction target Efficiency target Environmental criteria included in purchases Supply chain engagement	The Nomination and Remuneration Committee evaluates the performance of Director, Key Managerial Personnel and Senior Management Personnel yearly or at such intervals as may be considered necessary. The portion of incentive pay, and variable pay is quantitatively determined using pre-established parameters such as Outlet Onboarding Targets, Revenue targets and ESG performance targets released by the Company which include Climate related targets such as Carbon Emissions saved during the year using Technology, Responsible consumption - % of Renewable energy contribution, GHG reduction targets from Operations. Targets include implementation of Green procurement program and all IT related products bought are EPEAT certified. Targets also include successful ISO audit certifications and compliance done on Environment Management system (ISO 14001:2015) , GHG Emissions (ISO 14064-1:2006 & ISO 14064-2:2006) as well as Sustainable procurement Management system (ISO 20400:2017). Our Short-term Yearly targeted goal is a 5% reduction per year in absolute Scope 1 and 2 GHG emissions from our own operations, We believe linking Environmental, Social and Governance (ESG) performance to pay can help hold executive management accountable for the delivery of sustainable business goals. Executive pay should be aligned with performance and long-term strategy in order to protect and create value which is in the interest of both companies and their investors. We have released a detailed quantitative ESG performance Target of Vakrangee on the website giving emphasis on reduction of Green House Gases emissions from our own operations. Weightage of ESG performance target will be of 33.33 % of the variable pay of the employee. The variable pay of 33.33% will be paid to the employee in the proportion of target achieved by the Company, capped to the 33.33% of the total variable pay. Eg: If the company achieves 60% of the target of ESG Performance, variable pay of employee linked to the ESG target will be 33.33% X 60% = 20%. Details are mentioned in Remuneration and Compensation Policy on website. Also, company level ESG performance targets are mentioned on website in GHG reduction program as well as ESG performance target document.
Chief Operating Officer (COO)	Monetary reward	Emissions reduction target Efficiency target Behavior change related indicator Environmental criteria included in purchases Supply chain engagement	The Nomination and Remuneration Committee evaluates the performance of Director, Key Managerial Personnel and Senior Management Personnel yearly or at such intervals as may be considered necessary. The portion of incentive pay, and variable pay is quantitatively determined using pre-established parameters such as Outlet Onboarding Targets, Revenue targets and ESG performance targets released by the Company which include Climate related targets such as Carbon Emissions saved during the year using Technology, Responsible consumption - % of Renewable energy contribution, GHG reduction targets from Operations. Targets include implementation of Green procurement program and all IT related products bought are EPEAT certified. Targets also include successful ISO audit certifications and compliance done on Environment management system (ISO 14001:2015), GHG Emissions (ISO 14064-1:2006 & ISO 14064-2:2006) as well as Sustainable procurement Management system (ISO 20400:2017). Our Short-term Yearly targeted goal is a 5% reduction per year in absolute Scope 1 and 2 GHG emissions from our own operations, We believe linking Environmental, Social and Governance (ESG) performance to pay can help hold executive management accountable for the delivery of sustainable business goals. Executive pay should be aligned with performance and long-term strategy in order to protect and create value which is in the interest of both companies and their investors. We have released a detailed quantitative ESG performance Target of Vakrangee on the website giving emphasis on reduction of Green House Gases emissions from our own operations. Weightage of ESG performance target will be of 33.33 % of the variable pay of the employee. The variable pay of 33.33% will be paid to the employee in the proportion of target achieved by the Company, capped to the 33.33% of the total variable pay. Eg: If the company achieves 60% of the target of ESG Performance, variable pay of employee linked to the ESG target will be 33.33% X 60% = 20%. Details are mentioned in Remuneration and Compensation Policy on website. Also, company level ESG performance targets are mentioned on website in GHG reduction program as well as ESG performance target document.
Corporate executive team	Monetary reward	Emissions reduction target Energy reduction target Efficiency target Environmental criteria included in purchases Supply chain engagement	The Nomination and Remuneration Committee evaluates the performance of Director, Key Managerial Personnel and Senior Management Personnel yearly or at such intervals as may be considered necessary. The portion of incentive pay, and variable pay is quantitatively determined using pre-established parameters such as Outlet Onboarding Targets, Revenue targets and ESG performance targets released by the Company which include Climate related targets such as Carbon Emissions saved during the year using Technology, Responsible consumption - % of Renewable energy contribution, GHG reduction targets from Operations. Targets include implementation of Green procurement program and all IT related products bought are EPEAT certified. Targets also include successful ISO audit certifications and compliance done on GHG Emissions (ISO 14064-1:2006 & ISO 14064-2:2006) as well as Sustainable procurement Management system (ISO 20400:2017). Our Short-term Yearly targeted goal is a 5% reduction per year in absolute Scope 1 and 2 GHG emissions from our own operations, We believe linking Environmental, Social and Governance (ESG) performance to pay can help hold executive management accountable for the delivery of sustainable business goals. Executive pay should be aligned with performance and long-term strategy in order to protect and create value which is in the interest of both companies and their investors. We have released a detailed quantitative ESG performance Target of Vakrangee on the website giving emphasis on reduction of Green House Gases emissions from our own operations. Weightage of ESG performance target will be of 33.33 % of the variable pay of the employee. The variable pay of 33.33% will be paid to the employee in the proportion of target achieved by the Company, capped to the 33.33% of the total variable pay. Eg: If the company achieves 60% of the target of ESG Performance, variable pay of employee linked to the ESG target will be 33.33% X 60% = 20%. Details are mentioned in Remuneration and Compensation Policy on website. Also, company level ESG performance targets are mentioned on website in GHG reduction program as well as ESG performance target document.
Chief Procurement Officer (CPO)	Monetary reward	Environmental criteria included in purchases Company performance against a climate-related sustainability index	Chief procurement officer has to implement Green procurement policy of the organization as well as Sustainable sourcing policy. (mentioned on website in policy section) Environmental criteria is included in purchases: Our Procurement process include environmental, social and governance (ESG) performance of prospective suppliers as a weighted factor for purchasing decisions in the categories with the largest sustainability impact (IT, travel, and workplace and facilities). All our Suppliers have to sign a supplier code of conduct which covers all the ESG factors including climate related. Further, we have a review and monitoring exercise which procurement team does an Audit survey from an ESG perspective. Key Environment related criteria implemented in Green procurement policy. For example, All IT related purchases which is the key procurement from a technology company perspective have to be EPEAT certified products. Supply chain monitoring and assessing the key vendors from an ESG perspective is required to be completed and part of key deliverables.
All employees	Monetary reward	Emissions reduction target Energy reduction target Environmental criteria included in purchases Supply chain engagement	We believe linking Environmental, Social and Governance (ESG) performance to pay can help hold executive management accountable for the delivery of sustainable business goals. This alignment presents opportunities for engagement to promote the consideration of ESG issues when setting pay. We have released a detailed quantitative ESG performance Target of Vakrangee on the website giving emphasis on reduction of Green House Gases emissions from our own operations. Weightage of ESG performance target will be of 33.33 % of the variable pay of the employee. The variable pay of 33.33% will be paid to the employee in the proportion of target achieved by the Company, capped to the 33.33% of the total variable pay. Eg: If the company achieves 60% of the target of ESG Performance, variable pay of employee linked to the ESG target will be 33.33% X 60% = 20%. Details of targets are mentioned in ESG performance target presentation available on website. Also, Remuneration and compensation policy is available on website.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	These time horizons are directly aligned with the nature of our business and operations. We are a technology company and we always have a key focus on how we can leverage technology and innovation to disrupt the traditional ways how are services delivered. In this context, we are continuously working with our service partners to apply innovation and leverage technology to deliver services in the most sustainable manner. As our services rapidly rotate with this technology revolution, so too must the rest of the business; therefore, a short-term time horizon is critical and highly relevant in a fast-paced, rapidly changing environment. This time horizon is consistent across all categories of risk, including climate related.
Medium-term	3	10	Equally important is a medium term horizon. At 10 years or less, this allows us to look at the business from a slightly longer time dimension. Strategic planning, financial planning, franchisee infrastructure planning, and implementation of advanced technologies etc., all have a foot in the present/short term, but also have a foot in the future allowing us to plan for the near-term future of our business. This time horizon is consistent across all categories of risk, including climate related
Long-term	10		We are a last mile technology based distribution platform providing multiple service. Although, our platform and business model is well defined from a long term perspective, our services and products keep on evolving. Our aim is to provide the consumer market with innovative and new services that evolve with the ever-changing, disruptive use of technology. Disruption is less predictable, certainly in the long-term. That said, we do take a longer-term view. This time horizon is consistent across all categories of risk, including climate related.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

We offer three business segment services in the last mile delivery Digital retail outlets named – Next Gen Kendras. We offer Banking BFSI services, ATM services and E-commerce & Logistics facilities at our Kendras through our partners. Since we are a technology platform providing services in an environment friendly format at the last mile in rural remote locations, our services are always sustainable in nature as we provide Paperless bio metric enabled banking and paperless ATM services. However, these areas of operation have been the basis of determining the material topics for our business. By the materiality exercise, we aim to identify both the ESG risks and opportunities we face as a business. As part of our existing ongoing engagement with our stakeholders, we undertook our materiality exercise in FY 2019-20, where our stakeholders communicated the material topics in relevance to their relationship with us.

We have classified risks having substantive financial and strategic impact based on the three criteria mentioned below:

- A) Infrastructure: Any climate related risks, that could result in the need to relocate more than 25% of employees to other locations along more than 10% of impact on infrastructure cost is categorized under substantive financial impact.
- B) Any climate related risk which can constrain the ability to achieve business objective and have a financial impact of INR 10 Million of net-profit will have substantive financial impact.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

A specific climate-related risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

We offer three business segment services in the last mile delivery Digital retail outlets named – Next Gen Kendras. We offer Banking , Financial services, Insurance services, ATM services and E-commerce at our Kendras through our partners. Since we are a technology platform providing services in an environment friendly format at the last mile in rural remote locations, our services are always sustainable in nature as we provide Paperless bio metric enabled banking and paperless ATM services. However, these areas of operation have been the basis of determining the material topics for our business. Process: Climate-related risks—company level At a company level, the GHG Reduction Strategy Committee consists of Chief Technology officer, Chief Strategy officer and Chief Operation Officer. The committee aims to integrate environmental considerations into our business operations and take proactive steps and leverage technology & innovation for energy conservation throughout our operations with an aim to lower our carbon footprint and save Carbon Emissions. Its role also includes to regularly discuss and identify the various Environment related Issues, risk assessments, and initiatives and to monitor & measure those initiatives of the company from time to time. The GHG Reduction Strategy Committee meets monthly with our department heads to discuss emerging climate related risks and opportunities. It discusses changing risk conditions across all time horizons and drives a materiality and environmental risk assessment with the respective stakeholders. The committee in coordination with the respective Business vertical head and stakeholders also conduct materiality exercise. By the materiality exercise, we aim to identify both the ESG risks and opportunities we face as a business. As part of our existing ongoing engagement with our stakeholders, we undertook our materiality exercise in FY2020, where our stakeholders communicated the material topics in relevance to their relationship with us. During the materiality assessment process, risks are evaluated for materiality based on a combined score from two indices of importance: importance

to business success and importance to sustainability. Importance to sustainability includes a number of climate-related considerations, such as governmental regulations, environmental agreements, and sustainability-related investment decisions. A risk is considered to be material in part if it has a significant impact in any of these categories, and the magnitude of sustainability risks (including climate-related risks) are considered with equal weight as the risk's importance to business success. Risks are classified either as company-level, when evaluated during the materiality assessment process, or asset-level, when evaluated through the Business Continuity Program. Process: Climate-related risks—asset level Assets Side Risks covered through Business continuity Plan: Vakrangee also utilizes a risk assessment process as part of our Business Continuity Program. The GHG reduction committee meets with respective Business Heads along with IT team to review the Business continuity plan on a quarterly basis. The Business Continuity plan focuses on sustaining the organization during and after disruption. This policy ensures that the our Business Continuity Management arrangements are developed and implemented in a safe, prioritized and structured manner with the commitment of the senior management team. This policy refers to a coordinated strategy involving plan, procedures and technical measures that enable the recovery of process after disruption. Environment related risks considered such as Natural Calamities on Business Operations - Our premise is situated at higher altitude in the Western coast of India which is low seismic and non-flooding zone. In case of major disaster, operation can be moved to DR recovery site. Fire accidents - Our premise is equipped with state-of-the-art integrated building management system which gives advance alert for any disaster like fire and any other disaster. Catastrophic events - In the case of Catastrophic events such as: • Floods • Earthquakes • Acts of terrorism • Accidents or sabotage All Our product and services are based through an online platform. We have an online disaster recovery for our Servers and we are in process of setting up active-active DC-DR setup. To ensure sustainable business growth, and promote a proactive approach in evaluating, resolving and reporting risks associated with business, we have formulated a Risk Management Policy. Our policy adheres to Regulation 21 of SEBI LODR and RBI's guidelines on Risk Management in Banking Correspondence and White Label ATM (WLA) business. Risk management is active identification, analysis, evaluation, treatment and documentation of risks that may pose a threat to our business. Our Board of Directors periodically review and evaluate risk management system of the Company including the ESG risks which include climate related risks. The Dedicated Board ESG committee along with assistance of Board Risk Management Committee also reviews the adequacy of Management's approach in the identification and management of environmental risks and opportunities, including climate-related issues. Similarly, our respective Head of Departments are responsible for implementing the risk management system, as applicable, and report to the Board and Audit Committee. We also consider climate-related risks and opportunities when planning and implementing new facilities. For example, our new corporate office is a sustainable office with a Green Building acknowledgement from Team one Architects (Certificate available on website - under policies and disclosure section). Further, the building has a solar panel and 15% of our energy consumption is through renewable energy. The Collaborative workplace environment is a prominent feature of the building which was designed with Energy conservation and Sustainability in mind. The Building is clad with Double Glazed Units (6-10-6mm thk) with Mirror reflective Glass and Automated Roller blinds which controls the Heat Dissipation. Day lighting Harvesting is sufficiently designed to percolate to building interior, which is also provided with glass partition to all cabins & meeting rooms throughout office area. Strict usage Led lights for all indoor areas with Optimal lux levels of 300 lux in task-oriented areas is provided. No building flood lights/uplights have been provided throughout the external facade as well. The IoT (Digital Automation) platform has been strategically incorporated to acquire asset-level (air handling units [AHUs], vrf etc.) data, which is analyzed to improve asset efficiency and operations.

Value chain stage(s) covered

Upstream
Downstream

Risk management process

A specific climate-related risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Process for Climate Related Risk: Procurement & Supply Chain We consider climate related risks during procurement as well as dealing with all the vendors on the supply side. We carry our Risk assessment and ESG surveys periodically. Every supplier is made aware of our ESG framework and also needs to attend an engagement session as well as sign our supplier code of conduct which clearly mentions of environmental key aspects considered. All our suppliers need to comply with necessary environmental sustainability standards defined in our policy and adopt best practices to reduce our environment footprint. We expect our suppliers to review these standards, ensure adherence and improve upon parameters on a regular basis to help contribute to the welfare of the society and environment. We have a robust supply chain monitoring and compliance system in place. We reserve the right to ask the supplier to create full supply chain mapping back to origin to facilitate assessment of supply chain compliance. We reserve the right to audit any supplier's facilities periodically. Any results of such audits will be provided to the supplier with areas for improvement clearly identified. As a process, we have dedicated contract managers who monitor all supplier contracts. Contract managers continuously assesses and verify ESG parameters defined by the organisation. We also implement in-depth monitoring of suppliers' social, ethical and environmental practices, thus guaranteeing expertise, transparency and independence of assessments. All procurement of the company have been identified and mapped in terms of risks as well as opportunities related to each purchasing category. The ensuring matrix distinguished three levels of stake: low, medium and high. This is related to the impact in terms of environment, social, product, service use, supply chain and business integrity. We conduct a document-based audit of suppliers on four pillars: environment, labour practices, fair business practices and supply chain management. After assessment, suppliers receive scorecards that detail their performance with respect to other suppliers, their areas of improvements and areas performing well. Suppliers are also encouraged to consider feedback to implement Corrective Action Plan (CAP) to improve their performance. We also perform on-site audits . For effective supplier ESG performance monitoring and management, we ensure that the contract manager follows the below steps for robust Risk management : a) Conduct regular random inspections of the supplied goods and/or services during the contract period to ensure that they meet ESG specification and are of a suitable standard and no workplace health and safety violations are being done b) Check that all conditions and clauses in the contract are acted upon; the contract manager should be aware of any breaches of contract and be prepared to take action (after seeking legal advice) if any non-conformance on ESG parameters with the contract occurs c) Advise the supplier in writing if dissatisfied with any aspect of ESG performance under the contract d) Perform regular inspections of work to ensure ESG compliance with any applicable legislation, contract conditions, quality provisions; or workplace health and safety – depending on the nature of the procurement, its complexity and associated risks, this could be on a daily, weekly or monthly basis To ensure sustainable business growth, and promote a proactive approach in evaluating, resolving and reporting risks associated with business, we have formulated a Risk Management Policy. Our policy adheres to Regulation 21 of SEBI LODR and RBI's guidelines on Risk Management in Banking Correspondence and White Label ATM (WLA) business. Risk management is active identification, analysis, evaluation, treatment and documentation of risks that may pose a threat to our business. Our Board of Directors periodically review and evaluate risk management system of the Company including the ESG risks which include climate related risks. The Dedicated Board ESG committee along with assistance of Board Risk Management Committee also reviews the adequacy of Management's approach in the identification and management of environmental risks and opportunities, including climate-related issues. Similarly, our respective Head of Departments are responsible for implementing the risk management system, as applicable, and reporting to the Board and Audit Committee. ISO Audit & Certifications ensure implementation of Best Practices & Robust Risk management framework Vakrangee is certified with ISO 14001:2015 Environmental Management System to improve the environmental performance through more efficient use of resources and reduction of waste, gaining a competitive advantage and the trust of stakeholders. ISO 20400 is the world's first International Standard for sustainable procurement and Vakrangee is ISO 20400 certified company. It helps us to : • Meet the demands of customers and other stakeholders to assume responsibility for its supply chain • Identify legal, financial and moral risks associated with sustainability in the supply chain • Monitor and improve the sustainability performance of suppliers Risk Management & Monitoring on Suppliers - In our extended supply chain, we monitor and verify suppliers' performance and improvement as per our Sustainable sourcing policy. Furthermore, we will consider every effort of suppliers to embrace sustainability within their business. We reserve the right to ask suppliers to map supply chain back to origin, in order to facilitate assessment of supply chain compliance. In addition, we reserve the right to audit any supplier's facilities periodically. We provide results of audits, including areas of improvement, to suppliers. Our certification on Sustainable Procurement implements responsible sourcing. In the reporting year, we assessed 7 suppliers on their environmental and social impact. We are committed to sustainable procurement. We give preference to suppliers with lower environmental impact of products and services, thereby having a clear focus on the

following parameters: • Reduction of water consumption • Reduction in consumption of energy • Efforts in keeping the environment green • Encouraging diversity of talent • Encouraging compliance with human rights conventions • Adhere to all applicable laws of land • Provide clear, accurate and appropriate reporting to the company on all relevant matters

Value chain stage(s) covered

Direct operations
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Process for Climate Related Risk - Franchisee Partners All franchisee partners are made aware through dedicated engagement and training session is organized to make them understand the ESG framework and company related policies on Environment sustainability. All franchisee partners thereafter sign a documented Code of conduct policy. On a on-going basis, we conduct physical store assessment surveys where we check if all the guidelines related to sustainability are followed or not. Also, whether they are following the waste disposal methods properly or not. As a process, the entire Hardware kit for our franchisee outlets is procured centrally by the Vakrangee procurement team and ensures that all the products are in alignment with our Green procurement policies. Further, there is engagement and training session how to deal with wastage generated at the outlets. We also do engagement audits and surveys with sample number of outlets with both franchisees as well as customers on periodic basis to identify the key areas of improvements as well to understand the impact of key initiatives. We also check the adherence to our policies and guidelines. We ensure that the Business Continuity Plan considers various climate-related risks. This includes working with our franchisees to ensure that their Kendras have mechanisms in place to climate-related risks. For example, we encourage our franchisees to build their Kendras in areas which will be least impacted in case of flood or water logging. Also, we have taken shop insurance for all our franchisees centrally to ensure that the services at the Kendras can be restored within minimum delay. Based on survey feedback and observations, our GHG reduction committee does a quarterly meet to discuss the climate related risks identified as well as the potential opportunities identified. Accordingly, the plan of action is prepared in coordination with the respective stakeholder.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Any current regulation that imposes restrictions on how we operate has the potential to affect our business. Vakrangee evaluates current and emerging climate-related regulation as part of its materiality assessment process. Governments set environmental, labor, human rights, intellectual property, and other standards that impact our Company's ability to operate and provide services. Our GHG Strategy committee along with respective department meets monthly to discuss the latest environmental issues and review business implications. The GHG committee anticipates, identifies, assesses, and prioritizes risks to the company, reports material risks to senior management and the Risk management committee for discussion. The Board ESG committee which is a dedicated ESG committee also meets on quarterly basis to envisage and discuss the regulatory climate related risks and their proactive measures. Company has implemented various pro-active measures such as Green procurement with EPEAT certified products, technology innovations such as paperless banking and ATM transactions. Few Examples of risk types considered: (i) Taxes on Fuel and Energy (ii) Renewable Energy Regulation (iii) Regulations for providing energy efficient equipment
Emerging regulation	Relevant, always included	Vakrangee evaluates current and emerging climate-related regulation as part of its materiality assessment process. Governments set environmental, labor, human rights, intellectual property, and other standards that impact Company's ability to operate and provide its services. The GHG committee anticipates, identifies, assesses, and prioritizes risks to the company, reports material risks to senior management and the Risk management committee for discussion. The Board ESG committee which is a dedicated ESG committee also meets on quarterly basis to envisage and discuss the regulatory climate related risks and their proactive measures. Few Examples of risk types considered: (i) Rise in cost of procuring Energy (ii) Taxes on Fuel and Energy (iii) Renewable Energy Regulation
Technology	Relevant, always included	As a technology company, Vakrangee is continually assessing technology risks and opportunities. we always have continuous focus on technology innovation and climate related risks and opportunities are an inherent part of this process. Vakrangee evaluates climate-related technology risks as part of its materiality assessment process. Vakrangee's innovation, research and development is essential to maintaining the company's competitive advantage in existing markets and is key to success as we operate in the remotest parts of the country. Over the years, we have been a pioneer in technology innovation and made use of disruptive technologies such as Bio-metric enabled banking and paperless ATM transaction which has enabled significant savings in Carbon emissions. Few Examples of risk types considered: (i) Adoption of latest energy efficient technologies (ii) Remote Working technology adoption of employees (iii) Adoption of technology in various business verticals and building equipment monitoring
Legal	Relevant, always included	Vakrangee has License from Reserve Bank of India for ATM services and Business correspondent Banking license tie up with various banks. As governments or regulatory bodies increase their expectations of corporate climate performance, we constantly update our practice to align with the most current regulatory environment or risk facing substantial costs for noncompliance as well as potential reputational impacts. Vakrangee evaluates current and emerging climate-related regulation as part of its materiality assessment process. One example considered during our risk assessments is whether the company is exposing itself to the risk of litigation for misrepresenting the environmental attributes of our products or services.
Market	Relevant, always included	Vakrangee evaluates market-related climate risks as part of its materiality assessment process. Whether in response to environmental commitments, regulatory requirements, rising energy costs, or reputational risk, businesses are increasingly looking to reduce their carbon footprint. Our business model itself is sustainable in nature as provide the wide array of products and services in the remotest parts of the country in the most environment friendly manner. Even in period impacted by COVID-19 Pandemic, our outlets have been open providing essential services like Banking, ATM and tele-medicine services in the most environment friendly manner. One example considered is the environmental performance of Vakrangee in comparison with those of our main competitors. our ATM is paperless hence customers prefer using Vakrangee ATM as they receive digital SMS instead of paper slip for every mini statement requested.
Reputation	Relevant, always included	Local communities play an important role in influencing the brands and companies that can operate and sell within their regions, especially with the rise of social media and the increasing sophistication of local community-based organizations, civil society members, and governments. As our business model is a Franchisee based model as well as we provide services to the citizens and hence reputation risk management is of prime importance. Company's reputation within these communities, including reputation associated with climate-related issues, is evaluated as a part of its materiality assessment process. Example of risk considered: Risk arising due to reputation damage stemming from compliance issues and social/community concerns related to environmental impacts leading to reduction of stock prices, revenue loss and inability to do business.
Acute physical	Relevant, always included	Acute and chronic climate-related risk to Vakrangee assets are evaluated as part of the company's Business Continuity Program. Types of climate-related risks considered include local incidents like building fires, Natural calamities or catastrophic events or national incidents like pandemic illnesses. As the physical impacts of climate change become more extreme, facilities that we operate in affected areas have the potential to experience damage. Depending on the extent of damage, this could lead to increased costs (for example, to repair or relocate the facilities). We have a robust business continuity program to monitor those risks and have in place business continuity measures to help ensure continued reliability. For Example: Selection of the location of our data centres considering the seismic zones. We keep evaluating the location of the data centres basis the climate changes and future predictions in order to assess the risks related to functioning of our data centres and DRs.
Chronic physical	Relevant, always included	Acute and chronic climate-related risk to Vakrangee assets are evaluated as part of the company's Business Continuity Program. Types of climate-related risks considered include local incidents like water shortage, average temperature changes, building fires, Natural calamities or catastrophic events or national incidents like pandemic illnesses. As the physical impacts of climate change become more extreme, facilities that we operate in affected areas have the potential to experience damage. Depending on the extent of damage, this could lead to disruption in providing services through our Kendras (for example, to repair or relocate the facilities). We have a robust business continuity program to monitor those risks and have in place business continuity measures to help ensure continued reliability. For Example: We also consider the mean temperatures of specific regions while Selection of the location of our data centres. This helps us determine location where the cost of maintaining the data centers would be low since less cooling will be required in locations where the mean temperatures are low. We keep evaluating the location of the data centres basis this parameter and future predictions in order to assess the risks related to functioning of our data centres and DRs.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
----------------	--

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

We have Vakrangee Kendras spread across all parts of the country. Due to this vast geographical spread, we have Kendras in regions which are prone to extreme weather events such as floods or cyclones. In case of such events, business can be impacted as our franchisees will face challenges in commuting to their Kendras to provide services to the citizens. The equipment present at the outlet such as laptops, ATM, Printers, etc. can be affected due to floods or cyclones causing further disruption in providing services to the citizens. Also, such events can affect the functioning of State office staff and Field staff which provides operational support to the franchisees on

the field. This can result in delay of resolution of operational issues at the ground level.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

10100000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

In case of an extreme weather event such as cyclones or floods, we have taken the following points into consideration for calculation of the estimated financial impact. 1) About 7% of our Kendras are present in flood/cyclone prone areas. In case such an event arises, we assume that these outlets will be impacted and the revenue loss faced by the company due to disruption of their services would be about INR 10 million. This is calculated assuming that these Kendras would be non-operational for seven days before they open to public and provide uninterrupted services. 2) Along with our franchisee locations, our field staff would also get impacted due to such events. About 8% of our field workforce is present in cyclone/flood prone areas. Assuming that 25% of the field force is impacted and is unable to perform its duties for two working days, the financial impact will be of INR 0.1 million. This calculation is done on the basis of per man hour cost.

Cost of response to risk

6000000

Description of response and explanation of cost calculation

The following mechanisms are used to manage these risks 1) We ensure that the Business Continuity Plan considers various climate-related risks. This includes working with our franchisees to ensure that their Kendras have mechanisms in place to climate-related risks. For example, we encourage our franchisees to build their Kendras in areas which will be least impacted in case of flood or water logging. Also, we have taken shop insurance for all our franchisees centrally to ensure that the services at the Kendras can be restored within minimum delay. 2) We continuously review the insurance taken by us for our State offices as well as Corporate offices to ensure that they cover all scenarios for extreme weather events. This helps us in addressing any kind of negative financial impacts due to such events. The additional insurance cost involved has not been taken into consideration while calculating the response to risk. 3) We work with our IT team to ensure that employees have work-from-home facility so that they can continue working seamlessly in case they are unable to travel due to disruptions at the field level. The cost to implement these solutions would be about 6 million for a period of 3 years.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
----------------	--

Primary potential financial impact

Other, please specify (Decreased revenues due to disruption in services)

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

All the services provided at our Kendras are through a single sign in portal called Vakrangee Kendra Management System (VKMS). A franchisee logs in to the portal and finds a list of all services which can be provided to the customer. Due to this, our complete transactions flow through our data servers and location of these data servers is of prime importance keeping in mind the climate-related risks. In case of any extreme weather events such as cyclones or floods at locations where our data servers are present, our business will get impacted as our franchisees would not be able to provide services to the customers from our portal. This is a big business risk we face as we would be dependent on restoring of our data servers to ensure business continuity. Despite extreme weather events having occurred in a specific city/location where our data servers are placed, the impact would be multi fold as business operations will get impacted across the country at all our Kendras.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

20000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

With the existing data servers that we have, in cases of extreme weather events such as cyclones or floods, we would be facing disruption in services. The timelines of restoring the same would be about one day to make the DR active. Keeping this mind, we estimate a financial loss to the amount of INR 20 million. This calculation is done considering revenue of INR 7 billion of one financial year.

Cost of response to risk

53000000

Description of response and explanation of cost calculation

The following mechanisms are used to manage these risks 1) We ensure that the Business Continuity Plan considers various climate-related risks and the same is reviewed and updated from time to time. We also include review meetings with our vendors responsible for hosting our data servers in which climate-related risks are also discussed along with their mitigation. 2) Currently, our data servers function on active-passive mode. In such setup, in case of any downtime at our primary data center, we require a timeline of about one day to shift to our disaster recovery setup and restore our functioning. We are working on setting up active-active setup for our data servers. In this setup, apart from our primary data center, we would be having a near Disaster recovery site to reduce latency and a far Disaster Recovery site in a different seismic zone to address earthquake related risks. In this setup, there would be no or minimal downtime required to shift from primary data center to disaster recovery site. This will result in no impact on our business operations at our Kendras. One-time setup cost of this setup would be INR 50 million. Along with this, increase in monthly operational cost of the setup would also increase by INR 3 million per year.

Comment**Identifier**

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Reputation	Shifts in consumer preferences
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Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

We have Vakrangee Kendras spread across all parts of the country. In this vast geographical spread, we have approximately 10% of Kendras present in urban areas where the customers have alternate options available, whereas in the rural areas customers do not have alternate option available in the nearby vicinity. Vakrangee being a highly visible company which attracts many diverse stakeholders it has a big reputational risk involved. This visibility and extensive stakeholder interest heighten the perceived impact of our operations and products. Ever-evolving consumer data continues to show emphasis on environmental issues, including climate change, demonstrating the reputational risks to companies of poor environmental performance. For example, if Vakrangee is not transparent and does not adequately explain its actions to its stakeholders, public misconception could create the perception that the Company is not environmentally responsible. This will limit Vakrangee's ability to communicate effectively with our stakeholders. Though any one incident is unlikely to affect the Company's reputation, over time and cumulatively a perceived lack of transparency could detract from Vakrangee's brand value, and could reduce people's inclination to purchase from, invest in, or work for Vakrangee.

Time horizon

Medium-term

Likelihood

Unlikely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

76000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We have Vakrangee Kendras spread across all parts of the country. In this vast geographical spread, we have approximately 10 % of Kendras present in urban areas where the customers have alternate options available, whereas in the rural areas customers do not have alternate option available in the nearby vicinity. Ever-evolving consumer data continues to show emphasis on environmental issues, including climate change, demonstrating the reputational risks to companies of poor environmental performance. We believe if Vakrangee is not environmentally responsible then 10% of our customers in urban areas who have easy access to other competitors. This will lead to an impact of 1% of our revenue on the basis of FY 20. Net impact of INR 76 Million on a revenue of INR 7.6 Billion.

Cost of response to risk

6000000

Description of response and explanation of cost calculation

Vakrangee manages this risk by taking visible actions that define and communicate our values as a Company, and by disseminating clear and factual information on an ongoing basis. Regarding climate change, Vakrangee releases annual environmental reports. Vakrangee also creates additional opportunities to interact with stakeholders on an ongoing basis. The cost of disseminating clear, accurate information about Vakrangee's climate change agenda is low—less than 0.1 percent of Vakrangee's annual operating expenses, or less than INR 6 million.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Vakrangee is a technology driven company focussed on building a last mile network of retail outlets offering BFSI, ATM and E-Commerce services. We have leveraged technology to enable Bio-metric enabled real time paperless banking transactions. As 80% of our outlets are in rural India and many of the people in rural India are illiterate, so they cannot read and write and hence are unserved in universal Banking access. With BIO-Metric enabled paperless banking there is no physical documentation requirement and universal banking access is made available to unserved and under-served communities. We believe by providing environmentally friendly products/services it will lead us to gain advantage over our competitors.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

228600000

Explanation of financial impact figure

If new efficient products and services are implemented, we would be in a stronger position than our competitors to sell more products/services. We believe in the short term Vakrangee's annual revenue can increase by 3% that is by INR 228 million on an annual revenue of INR 7.6 billion. This financial impact could vary widely from this estimate; therefore, we included a range of financial return from 0 to this estimate. Further, our Franchisees would had to spend on operational recurring cost of providing paper slips and ink for the printer, this entire recurring operational costs is avoided due to Paperless banking services resulting into lower operational costs and better profitability for our ecosystem. Based on type of banking transaction the amount of paper waste and paper cost is calculated. Total 49,622,241 paperless banking transactions done during FY 19-20.

Cost to realize opportunity

50000000

Strategy to realize opportunity and explanation of cost calculation

Every outlet of Vakrangee will have a Bio-metric evaluation device to enable Bio-metric based paperless banking services. As we have paperless banking services it caters to large proportion of population who are illiterate or senior citizens who are not capable to documentation work. This would result into bigger target customer base and result into better revenue potential and profitability. Since we plan to have 25,000 outlets by December 2020, per Bio-Metric device costs Rs. 2,000 and hence overall cost is Rs. 50 million.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Vakrangee is a technology driven company focussed on building a last mile network of retail outlets offering BFSI, ATM and E-Commerce services. We have a network of more than 5,000 operational ATMs and 75% of these ATMs are located in remote rural locations. We have emerged as third largest ATM operator in Rural India. We have enabled our entire ATM network as paperless ATM which gives digital receipts via SMS and there is no requirement of printer and paper roll in our ATMs which not only reduces the capex due to removal of printer but also reduces operational cost of refilling paper rolls.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

228600000

Explanation of financial impact figure

We believe that a service provider's commitment to minimizing its impact on the environment will be among the criteria that customers use when they select a service. Theoretically if we were to gain—for example—up to 3 percent additional business from our competitors because we have demonstrated our commitment to energy efficiency in the construction and running of our datacenters and providing energy efficient services, the impact based on FY20 (the reporting period) revenue would have been an increase of up to INR 228 million. Note that the likelihood rating of "very likely" applies to the opportunity itself and not the financial impact.

Cost to realize opportunity

50000000

Strategy to realize opportunity and explanation of cost calculation

Every outlet of Vakrangee will have a Bio-metric evaluation device to enable Bio metric based paperless banking services. As we have paperless banking services it caters to large proportion of population who are illiterate or senior citizens who are not capable to documentation work. This would result into bigger target customer base and result into better revenue potential and profitability. Since we plan to have 25,000 outlets by December 2020, per Bio-Metric device costs Rs. 2,000 and hence overall cost is Rs. 50 million.

Comment**Identifier**

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Other, please specify (Use of lower-emission sources of energy)

Primary potential financial impact

Other, please specify (Reduced exposure to future fossil fuel price increases)

Company-specific description

We recently moved to new Corporate office building which is a Green Building certified by Team One Architects. We also have Solar panel installed in the corporate office as well as energy efficient solutions have been implemented. Also as a policy we have planned for all offices and data centers to be Green initiatives. The Collaborative workplace environment is not only prominent feature of the building which was designed with Energy conservation and Sustainability in mind, which has been the main manifesto of the Vakrangee Group. Currently around 15% of the energy demands of Vakrangee's headquarter is met by renewable energy such as solar. We plan to increase this to 30% by the year 2025. Energy Efficiency at Corporate Office Building: The Building is clad with Double Glazed Units (6-10-6mm thk) with Mirror reflective Glass and Automated Roller blinds which controls the Heat Dissipation. Daylighting Harvesting is sufficiently designed to percolate to building interior, which is also provided with glass partition to all cabins & meeting rooms throughout office area. Strict usage Led lights for all indoor areas with Optimal lux levels of 300 lux in task oriented areas is provided. No building flood lights/uplights have been provided throughout the external facade as well. All solid masonry walls for Toilets & Data centre blocks has been covered by aerocon made from recycled flyash components. The IoT (Digital Automation) platform has been strategically incorporated to acquire asset-level (air handling units [AHUs], vrf etc.) data, which is analyzed to improve asset efficiency and operations. The most significant portion of our energy optimization falls in the area of analytics, leading to aligning/streamlining HVAC operations and set-points (ODUs and AHUs) with ambient temperature levels, occupancy levels, executives comfort levels, and scheduling odu operations to operate more efficient handling of the Vrf Outdoor units. The building terrace and metal roof is clad with power generating Solar Photovoltaic panels where power is given back to the Energy as Net Metering. Recycled materials - All materials used here having a component of upto 70% Recycled materials. Net Zero Discharge - All water discharged is recycled in the Sewage treatment plant and reused for Horticultural purposes and Car washing purposes. All urinals and faucets are available with Sensors with maximum water saving features.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

10000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

By installing additional solar roof panels at our Company Headquarters we will be able to generate more than 30% of our energy requirements from Solar Energy. Considering our annual expenditure of INR 3 Million on electricity consumption at our headquarters, once we generate 30% through solar energy we would be able to save INR 1 Million annually through it, with a life of 10 years we believe it will save us a total of INR 10 Million during its life.

Cost to realize opportunity

2000000

Strategy to realize opportunity and explanation of cost calculation

We are actively working to improve the energy efficiency of our facilities. The Collaborative workplace environment is not only prominent feature of the building which was designed with Energy conservation and Sustainability in mind, which has been the main manifesto of the Vakrangee Group. The building terrace and metal roof is clad with power generating Solar Photovoltaic panels where power is given back to the Energy as Net Metering. We would require investment to be made for additional solar panel to be installed at our Headquarters. On the basis of the inquiries done with the respective vendors we believe we would incur capital expenditure of INR 2,000,000.

Comment**C3. Business Strategy****C3.1****(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?**

Yes, and we have developed a low-carbon transition plan

C3.1a**(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?**

Yes, qualitative and quantitative

C3.1b**(C3.1b) Provide details of your organization’s use of climate-related scenario analysis.**

Climate-related scenarios and models applied	Details
IRENA RCP 2.6 REMIND	Vakrangee is undertaking qualitative and quantitative scenario analysis on the potential effects of increased extreme weather events to inform our energy procurement strategy. If extreme weather events become more likely, conventional sources of energy may not deliver the reliability of supply Vakrangee needs to ensure business continuity. In 2019-20 we conducted a thorough climate-related risk priority assessment where we have assessed acute physical, chronic physical and Transitional risks across a 10-year timescale 2030 and 2040, through a host of internal and external information, survey and interviews, and identified 2 degree scenario for scenario analysis. Our assessment considers a 2030 timeline (10+1years). The scenarios have 2030 timelines, but these are extrapolated down to 2040, where appropriate. This timeline is most likely to be in line with our thinking beyond 2020. The identified priority climate-related risks are split between the two scenarios. In a BAU business-as-usual world, the following are the top priority risks: - • Energy on demand and Energy in-efficiency • Changes to weather and precipitation patterns limiting the availability of ingredients and raw materials • Extreme weather events disrupting production and limiting distribution • Water scarcity disrupting sourcing and/or production. • Changes to consumer perceptions affecting corporate reputation • Population growth • Carbon pricing Additionally, we assessed the likelihood and frequency by which these scenarios will be updated and also, the comparability to other datasets was considered. We assessing default risks from climate change REMIND model and via data integrity. Our internal functions considered as part of our scenario analysis includes the major functions each impacted by the priority risks mentioned above including procurement, technology, R&D team, stakeholders, administration functions, risk management, finance and insurance functions. At this time, we are working an assessment of the top priority risks against the two scenarios BAU and 2-degrees, and the results will be briefed and concluded in the top priority risks listed above. This exercise has informed the development of a global enterprise risk management framework, including the impact of climate-related events as a key input to the suite of business risks across the enterprise. We also focus and give highest priority on water-related impacts under the BAU scenario which has established a clear link to our global water sustainability strategy. Given the nature of our business, we are focusing on de-risking our operations for a) future regulation, b) potential changes to available energy mix and c) pricing changes in our energy supply by procuring more renewable energy and reducing our energy usage. For this and other reasons we have been pursuing a renewable energy strategy. In fiscal 2020, we continued to use IRENA to help envision the scenarios where the deployment of renewable energy and energy efficiency can help us deliver the emissions reduction targets.

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	There has been demand for products and services with reduced Carbon footprint. Also, another problem area we identified was a key part of rural population is not well acquainted with paper documentation and hence we saw the opportunity of environment friendly paperless banking technology through Bio-metric enabled AePS technology. At a company level, the GHG reduction strategy committee which consists of Chief Technology officer, Chief Strategy officer and Chief Operation officer who are also the key members of the Corporate strategy committee thereby Sustainability Initiatives are completely aligned with the Business strategy. The committee aims to Integrate environmental considerations into our business operations and take proactive steps and leverage technology & Innovation for energy conservation throughout our operations with an aim to lower our carbon footprint and save Carbon Emissions. On technology Innovation front in Business operations, we have accordingly implemented use of disruptive technology such as e-KYC (Biometric KYC), interoperability, and real-time transactions. We use advanced features that are environment-friendly, such as paperless banking, real-time banking, and biometric evaluation. Being digital and paperless in nature we are committed towards Responsible consumption; our Kendras generate negligible paper waste and zero plastic waste. Each year, the GHG team works with subject matter experts from across the company to identify climate-related risks. The committee identifies the risk and opportunity once a year relating to the products and services provided by the Company. Case Study : Resource efficiency and reduction in direct and Indirect costs opportunity identified with ATM machines has been an influence. we have removed the printer from the ATM machines thereby reducing the capital cost of the machines and also recurring operational cost is reduced as consumption of paper roll is reduced. We have already successfully implemented in FY2018.
Supply chain and/or value chain	Yes	Established a supply chain engagement plan to measure and reduce emissions. we implemented the green procurement policy whereby all key IT products procured are EPEAT certified. Our relationships with our suppliers play an integral role in providing environmentally responsible products. We require our all our suppliers to sign the suppliers Code of Conduct. Further, we have successfully got ISO certification for Sustainable procurement. ISO 20400:2017 Sustainable Procurement - Our certification on Sustainable Procurement implements responsible sourcing. At a company level, the GHG reduction strategy committee which consists of Chief Technology officer, Chief Strategy officer and Chief Operation officer. They work in close alignment with the Chief Procurement Officer to identify risks and opportunities relating to Supply and value chain. The committee identifies the risk and opportunity once a year relating to the supply chain. Case Study: In the reporting year, we assessed 7 strategically important suppliers on their environmental and social impact. Additionally, we took a decision of procuring all IT related products which are EPEAT certified only. We have successfully implemented these pointers in FY2020
Investment in R&D	Yes	We being a Technology company, our R&D division is always focused to implement digital solutions and move towards responsible consumption and saving in Carbon emissions. Climate-related risks and opportunities have always influenced our R&D investment strategy. At a company level, the GHG reduction strategy committee which consists of Chief Technology officer, Chief Strategy officer and Chief Operation officer. The committee aims to Integrate environmental considerations into our business operations and take proactive steps and leverage technology & Innovation for energy conservation throughout our operations with an aim to lower our carbon footprint and save Carbon Emissions. Integrate Energy and Environmental considerations into the design of our new IT infrastructure including Data centres as well as other infrastructural facilities. On technology Innovation front in Business operations, we have accordingly implemented use of disruptive technology such as e-KYC (Biometric KYC), interoperability, and real-time transactions. We use advanced features that are environment-friendly, such as paperless banking, real-time banking, and biometric evaluation. Being digital and paperless in nature we are committed towards Responsible consumption; our Kendras generate negligible paper waste and zero plastic waste. Each year, the GHG team works with subject matter experts from across the company to identify climate-related risks. The committee identifies the risk and opportunity once a year relating to research and development of the Company. Case Study: In the reporting year we have successfully done the Implementation of advanced technology - IoT for ATM and outlets monitoring, IoT implemented at office spaces for energy efficiency, paperless Banking and ATM technologies for resource efficiency and lower Carbon emissions.
Operations	Yes	Our sustainability vision and GHG reduction policy provide a blue print for integrating climate change into our business strategy. Our 2020 Sustainability Goals include: Having a comprehensive understanding of: the sustainability impacts and opportunities arising from the application of our technology; our carbon and water footprints across our value chain; the sustainability impacts in our supply chain; and our human rights impacts and opportunities. For example, our real estate and facilities staff collaborate with finance and business units to design energy efficient workspace. At a company level, the GHG reduction strategy committee which consists of Chief Technology officer, Chief Strategy officer and Chief Operation officer. The committee aims to Integrate environmental considerations into our business operations and take proactive steps and leverage technology & Innovation for energy conservation throughout our operations with an aim to lower our carbon footprint and save Carbon Emissions. Integrate Energy and Environmental considerations into the design of our new IT infrastructure including Data centres as well as other infrastructural facilities. On technology Innovation front in Business operations, we have accordingly implemented use of disruptive technology such as e-KYC (Biometric KYC), interoperability, and real-time transactions. We use advanced features that are environment-friendly, such as paperless banking, real-time banking, and biometric evaluation. Being digital and paperless in nature we are committed towards Responsible consumption; our Kendras generate negligible paper waste and zero plastic waste. Case Study: In the current year we have taken various initiatives such as outlet approval of the franchisee is done digitally as compared to a physical visit required by our field staff previously, leading to reduction of carbon footprint as travel of our field staff is not required now. Additionally, we used to have monthly meetings of our top executives with the field teams of various states/regions. All of these meetings are shifted to a Virtual Meeting leading to drastic reduction of time saved and carbon footprint due to extensive travel required.

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Indirect costs Capital expenditures Capital allocation Assets	Vakrangee has moved to more efficient building and data center designs and operation (both to reduce our operating costs and to deliver technology solutions such as paperless Banking and paperless ATM services that enable our customers to reduce their own carbon footprints and emissions. Vakrangee incorporates a range of climate-related risks and opportunities within its financial planning processes. This process has led to many investments in energy efficiency that help achieve its sustainability-related and financial goals. Our latest corporate office building is Green Building with a focus on energy efficiency and responsible resource consumption. We have also invested in a rooftop Solar panel which has helped to contribute 15% of total energy consumption. We expect our solar energy contribution to 30% in next five years and will reduce our demand of energy in the same proportion. Capex Savings in Costs - In FY 2018 we collaborated with the ATM OEMs to implement the paperless ATM solution due to which printer has been removed from the machine. Further due to removal of printer from ATMs has resulted into savings in capex as well as operational cost of paper roll for the franchisees. Vakrangee calculated that the company would experience reduced capex and operating costs as a result and have saved INR 100,000,000 million in capex costs till date and INR 36,000,000 of operating costs annually. Also implemented IoT solution to monitor 10,000+ Vakrangee outlets as well as 5,000 ATM network on real time basis. Implemented Paperless Banking & ATM technologies leading to huge savings in carbon emissions as well as significant savings in operational financial costs. We have implemented this in current reporting year of FY 2020 which has led to reduction of costs of INR 10,000,000 Implemented Green procurement policy whereby all products sourced from suppliers have EPEAT certified thereby resulting into lower Carbon emissions. Further, we have successfully got ISO certification for Sustainable procurement. ISO 20400:2017 Sustainable Procurement - Our certification on Sustainable Procurement implements responsible sourcing. In the reporting year, we assessed 7 suppliers on their environmental and social impact. Vakrangee utilizes a risk assessment process as part of our Business Continuity Program, to identify and evaluate asset level risks on a regional basis. The results of this ongoing assessment process inform the implementation of site-specific adaptation and mitigation activities. Addressing the resultant risks and opportunities facing Vakrangee's assets reduces operating costs, but the magnitude of this impact is considered to be low in the scale of overall business. At a company level, the GHG reduction strategy committee which consists of Chief Technology officer, Chief Strategy officer and Chief Operation officer. They work in close alignment with the Chief Financial Officer to identify risks and opportunities involved in financial planning. The committee identifies the risk and opportunity once a year relating to financial planning. The same is then presented to the ESG Committee on the Board.

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

We believe we have opportunities to gain reputation benefits, a better competitive position, and increased revenue by meeting shifting consumer preferences for more environmentally friendly services and solutions, responsible suppliers and the growing demand for lower-emission and climate-resilient products and services. We view our sustainability performance, carbon reduction commitment, green procurement policies and strategy to realize these climate-related opportunities as key competitive advantages when engaging with our investment community, and we integrate information on our sustainability performance in meetings with our large institutional investors.

We have mapped our Business strategy and sustainability initiatives with the United Nation's Sustainable Development Goals. The goals are a blueprint to achieve a better tomorrow. Our aim is to efficiently adopt these goals and address the global challenges, which includes poverty, inequality, climate, environmental degradation, prosperity, and peace and justice. Vakrangee Limited has also been accepted as a Signatory of the United Nations Global Compact. We are now part of a global network of over 9,500 companies and 3,000 non-business participants that are committed to building a sustainable future.

The UN SDG goals are interconnected, and we intend to implement them in order to make the world a better place. We believe that businesses can have a positive impact on the societies they serve.

Our principles of sustainability define how Vakrangee delivers responsible and sustainable growth.

Our sustainability vision and policy provide a blueprint for integrating climate change into our business strategy. Our Sustainability Goals include: Having a comprehensive understanding of: the sustainability impacts and opportunities arising from the application of our innovation and technology; reduce our carbon footprints across our value chain; the sustainability impacts in our supply chain; and our human rights impacts and opportunities .

With Climate Related issues integrated into our Business processes and strategy, We understand the importance of maintaining certifications to ensure our systems and processes in place are in line with our environmental commitments. Hence, we take great care in ensuring that we are certified with the relevant topics to promote sustainable operations. We have various environment related ISO certifications such as ISO 20400:2017 - Sustainable Procurement Management System, ISO 14064-1:2006 & ISO 14064-2:2006 - Green House Gas Emission, ISO 19600:2015 - Compliance Management System, ISO 37001:2016 - Anti Bribery Management System, ISO 14001:2015 - Environmental Management System, ISO 45001:2018 - Occupational Health & Safety Management System.

Our greenhouse gas emission reduction program is rigorously monitored and cross-checked with our targets. The GHG Reduction Strategy Committee has the managerial responsibility regarding GHG emissions. The role and responsibility of the committee is to regularly discuss and identify the various initiatives and monitor & measures those initiatives of the company from time to time. Reporting and disclosure of the same is done on an annual basis.

Our environmental targets are set, benchmarked and reviewed against environmental objectives and targets on an ongoing basis. This helps us progress towards achieving continual improvement in environmental performance and overall environmental management system. We also continuously monitor and measure the progress of the various key initiatives taken to reduce the GHG Emissions.

Short-term goals on reduction of GHG emission

Our Short-term Yearly targeted goal is a 5% reduction per year in absolute Scope 1 and Scope 2 GHG emissions from our own operations, compared to a 2019-20 baseline.

Long-term goals on reduction of GHG emission

Our long-term GHG reduction targets for 2025 at our own operations: Our long-term targeted goal is a 25% reduction in absolute Scope 1 and Scope 2 GHG emissions from our own operations by 2025 compared to the 2019-20 baseline. Additional focus is to also reduce Scope 3 Emissions.

We also conduct an Independent third-party audit in the corporate office. It covers verification of emission from anthropogenic sources of greenhouse gases included within the organisation's boundary and is based on ISO 14064-3: 2006. To elaborate, it covers physical infrastructure, activities, technologies and processes of the organisation. The boundary of the inspection was Vakrangee Corporate House, MIDC, Andheri (E), Mumbai

We have done Independent ISO audit 14064-3: 2006. As well as we have done Limited Assurance from Independent Auditor Grant Thornton India LLP. Grant Thornton conducted the assurance as per the requirements of AA1000 assurance standard (2008) Type 1 assurance and applied a moderate level of assurance.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**Target reference number**

Abs 1

Year target was set

2020

Target coverage

Site/facility

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Base year

2020

Covered emissions in base year (metric tons CO₂e)

20887.64

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2021

Targeted reduction from base year (%)

5

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

19843.258

Covered emissions in reporting year (metric tons CO₂e)

20887.64

% of target achieved [auto-calculated]

0

Target status in reporting year

New

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)

Our Base year Targets have been set in Financial Year FY20 (April 2019-March 2020) therefore mentioned Year Target set as 2020 Our greenhouse gas emission reduction program is rigorously monitored and cross-checked with our targets. The GHG Reduction Strategy Committee has the managerial responsibility regarding GHG emissions. The role and responsibility of the committee is to regularly discuss and identify the various initiatives and monitor & measures those initiatives of the company from time to time. Reporting and disclosure of the same is done on an annual basis. Our environmental targets are set, benchmarked and reviewed against environmental objectives and targets on an ongoing basis. This helps us progress towards achieving continual improvement in environmental performance and overall environmental management system. We also continuously monitor and measure the progress of the various key initiatives taken to reduce the GHG Emissions. Short-term goals on reduction of GHG emission - Our Short-term Yearly targeted goal is a 5% reduction per year in absolute Scope 1 and Scope 2 GHG emissions from our own operations, compared to a 2019-20 baseline. Long-term goals on reduction of GHG emission - Our long-term GHG reduction targets for 2025 at our own operations: Our long-term targeted goal is a 25% reduction in absolute Scope 1 and Scope 2 GHG emissions from our own operations by 2025 compared to the 2019-20 baseline. Additional focus is to also reduce Scope 3 Emissions. We also conduct an Independent third-party audit in the corporate office. It covers verification of emission from anthropogenic sources of greenhouse gases included within the organisation's boundary and is based on ISO 14064-3: 2006. To elaborate, it covers physical infrastructure, activities, technologies and processes of the organisation. The boundary of the inspection was Vakrangee Corporate House, MIDC, Andheri (E), Mumbai. We have done Independent ISO audit 14064-3: 2006. As well as we have done Limited Assurance from Independent Auditor Grant Thornton India LLP. Grant Thornton conducted the assurance as per the requirements of AA1000 assurance standard (2008) Type 1 assurance and applied a moderate level of assurance.

Target reference number

Abs 2

Year target was set

2020

Target coverage

Site/facility

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Base year

2020

Covered emissions in base year (metric tons CO₂e)

20887.64

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2025

Targeted reduction from base year (%)

25

Covered emissions in target year (metric tons CO2e) [auto-calculated]

15665.73

Covered emissions in reporting year (metric tons CO2e)

20887.64

% of target achieved [auto-calculated]

0

Target status in reporting year

New

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)

Our Base year Targets have been set in Financial Year FY20 (April 2019-March 2020) Our greenhouse gas emission reduction program is rigorously monitored and cross-checked with our targets. The GHG Reduction Strategy Committee has the managerial responsibility regarding GHG emissions. The role and responsibility of the committee is to regularly discuss and identify the various initiatives and monitor & measures those initiatives of the company from time to time. Reporting and disclosure of the same is done on an annual basis. Our environmental targets are set, benchmarked and reviewed against environmental objectives and targets on an ongoing basis. This helps us progress towards achieving continual improvement in environmental performance and overall environmental management system. We also continuously monitor and measure the progress of the various key initiatives taken to reduce the GHG Emissions. Short-term goals on reduction of GHG emission - Our Short-term Yearly targeted goal is a 5% reduction per year in absolute Scope 1 and Scope 2 GHG emissions from our own operations, compared to a 2019-20 baseline. Long-term goals on reduction of GHG emission - Our long-term GHG reduction targets for 2025 at our own operations: Our long-term targeted goal is a 25% reduction in absolute Scope 1 and Scope 2 GHG emissions from our own operations by 2025 compared to the 2019-20 baseline. Additional focus is to also reduce Scope 3 Emissions. We also conduct an Independent third-party audit in the corporate office. It covers verification of emission from anthropogenic sources of greenhouse gases included within the organisation's boundary and is based on ISO 14064-3: 2006. To elaborate, it covers physical infrastructure, activities, technologies and processes of the organisation. The boundary of the inspection was Vakrangee Corporate House, MIDC, Andheri (E), Mumbai. We have done Independent ISO audit 14064-3: 2006. As well as we have done Limited Assurance from Independent Auditor Grant Thornton India LLP. Grant Thornton conducted the assurance as per the requirements of AA1000 assurance standard (2008) Type 1 assurance and applied a moderate level of assurance.

Target reference number

Abs 3

Year target was set

2020

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Base year

2020

Covered emissions in base year (metric tons CO2e)

20887.64

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2035

Targeted reduction from base year (%)

100

Covered emissions in target year (metric tons CO2e) [auto-calculated]

0

Covered emissions in reporting year (metric tons CO2e)

20887.64

% of target achieved [auto-calculated]

0

Target status in reporting year

New

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)

Net-zero commitment and interim science-based emissions reduction targets: Our company has committed a long-term target to reach net-zero value chain emissions by no later than 2035, alongside science-based targets across all relevant scopes and in line with the criteria and recommendations of the Science Based Targets initiative

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2020

Target coverage

Site/facility

Target type: absolute or intensity

Absolute

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

Percentage

Target denominator (intensity targets only)

<Not Applicable>

Base year

2020

Figure or percentage in base year

15

Target year

2025

Figure or percentage in target year

30

Figure or percentage in reporting year

15

% of target achieved [auto-calculated]

0

Target status in reporting year

New

Is this target part of an emissions target?

Yes, It is part of reduction in Scope 1 emissions. Currently our corporate office has a Renewable Solar energy plant. Solar energy used for 15.21% electricity consumption at corporate office. In FY 2019-20, we undertook a third-party inspection to certify conformity for implementation of solar panel whereby 15.21% of our electricity consumption is now through solar energy, obtained from our rooftop Solar PV of 57.12 KW capacity. This has resulted in electricity consumption of 57,960 Kwh in FY 2019-20, thereby enabling in a saving of 47.527 MTCO_{2e} of greenhouse gases from being emitted as part of our business operations.

Is this target part of an overarching initiative?

RE100

Please explain (including target coverage)

Our Long-term targeted goal is a 25% reduction in absolute Scope 1 and 2 GHG emissions from our own operations, compared to a 2019 baseline, by 2025. To achieve the stated Targets, we are focusing on the following strategies: - • To reduce our specific energy consumption by designing energy efficiencies into our facilities such as increasing the usage of Renewable energy like Solar. Currently already 16% of Energy consumption is through Solar power. • Additionally to Solar panels at our facilities, we plan to have increased share of renewable energy through power purchase Agreements with private renewable energy generators

Target reference number

Low 2

Year target was set

2020

Target coverage

Business division

Target type: absolute or intensity

Absolute

Target type: energy carrier

Other, please specify (Savings and Avoidance n Carbon emissions through reduction in paper consumption as we initiated Paperless ATMTransactions)

Target type: activity

Consumption

Target type: energy source

Low-carbon energy source(s)

Metric (target numerator if reporting an intensity target)

Percentage

Target denominator (intensity targets only)

<Not Applicable>

Base year

2017

Figure or percentage in base year

100

Target year

2020

Figure or percentage in target year

0

Figure or percentage in reporting year

0

% of target achieved [auto-calculated]

100

Target status in reporting year

Achieved

Is this target part of an emissions target?

We have achieved 100% of our ATM transactions are now paperless transactions resulting into huge savings of paper consumption. Quantity of paper saved (in metric tonnes) : 25.22 CO2 equiv. of greenhouse gas emissions avoided (in pounds) : 536,000 CO2 emissions avoided in 243.12 MT

Is this target part of an overarching initiative?

Science-based targets initiative

Please explain (including target coverage)

We have achieved 100% of our ATM transactions are now paperless transactions resulting into huge savings of paper consumption. We have adopted 'Go Green' initiatives for our ATM services, whereby ATM transactions do not generate printed receipts. Transaction acknowledgments are sent via SMS to customers. We are working towards achieving environmentally sound management of paper through prevention, reduction, recycling and reuse, in order to minimise their adverse impacts on the environment. Saving of approximately 25.22 MT A4 size papers has resulted in the following: Quantity of paper saved (in metric tonnes) : 25.22 CO2 equiv. of greenhouse gas emissions avoided (in pounds) : 536,000 CO2 emissions avoided in 243.12 MT

C4.3**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

C4.3a**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*	3	2000
Implemented*	4	2295.51
Not to be implemented		

C4.3b**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.****Initiative category & Initiative type**

Energy efficiency in buildings	Solar shading
--------------------------------	---------------

Estimated annual CO2e savings (metric tonnes CO2e)

47.52

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

800000

Investment required (unit currency – as specified in C0.4)

3000000

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

In FY 2019-20, we undertook a third-party inspection to certify conformity for implementation of solar panel at our corporate office whereby 15.21% of our electricity consumption is now through solar energy, obtained from our rooftop Solar PV of 57.12 KW capacity. This has resulted in electricity consumption of 57,960 Kwh in FY 2019-20, thereby enabling in a saving of 47.527 MTCO_{2e} of greenhouse gases from being emitted as part of our business operations. Currently due to solar roof installed we save cost of INR 800,000 annually on electricity cost which would otherwise be required for electricity to be purchased. The cost of investment required for purchase and installing the solar roof was INR 3 Million.

Initiative category & Initiative type

Waste reduction and material circularity	Product or service design
--	---------------------------

Estimated annual CO_{2e} savings (metric tonnes CO_{2e})

671.31

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

16500000

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

11-15 years

Comment

Save Paper through Biometric-enabled Paperless Banking A major initiative for reducing environmental footprint includes e-KYC for opening of bank accounts and biometric enabled AePS (Aadhaar enabled Payment system) for paperless banking services. The initiative has resulted in saving approximately 5 A4 size papers per new account opened and 1 A4 size paper per 3 financial banking transactions. Through these initiatives, we have collectively saved approximately 16.5 million A4 size papers from its approximately 10,000 outlets in FY2020. Particulars Energy/resources saved - A4 size paper saved (in million) 16.5 Quantity of paper saved (in metric tonnes) : 74.84 CO₂ equiv. of greenhouse gas emissions avoided (in pounds) 14,80,000 CO₂ equiv. of greenhouse gas emissions avoided (in Metric Tonnes) : 671.31 We have saved INR 0.5 on each A4 paper + INR 0.5 on printing of A4 paper hence a total of INR 1 on each paper not printed. Total A4 size paper saved during the year was 16.5 million hence annual monetary savings of INR 16.5 million. Additionally, the cost required to shift to paperless banking was required more at the Bank end and negligible to Vakrangee hence investment required as 0.

Initiative category & Initiative type

Waste reduction and material circularity	Product or service design
--	---------------------------

Estimated annual CO_{2e} savings (metric tonnes CO_{2e})

243.12

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

36000000

Investment required (unit currency – as specified in C0.4)

1000000

Payback period

<1 year

Estimated lifetime of the initiative

11-15 years

Comment

We have adopted 'Go Green' initiatives for our ATM services, whereby ATM transactions do not generate printed receipts. Transaction acknowledgments are sent via SMS to customers. We are working towards achieving environmentally sound management of paper through prevention, reduction, recycling and reuse, in order to minimise their adverse impacts on the environment. Saving of approximately 25.22 MT A4 size papers has resulted in the following: Particulars Energy/resources saved during the year

FY2019-20: Quantity of paper saved (in metric tonnes) : 25.22 CO2 equiv. of greenhouse gas emissions avoided (in pounds) : 536,000 CO2 equiv. of greenhouse gas emissions avoided (in tonne) : 243.12 The cost of operation which includes replacement of paper rolls is INR 7,200 per ATM per year leading to savings of INR 36,000,000 for 5,000 ATMs.

Initiative category & Initiative type

Waste reduction and material circularity	Waste reduction
--	-----------------

Estimated annual CO2e savings (metric tonnes CO2e)

1333.56

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

5200000

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

<1 year

Comment

We continue to encourage our shareholders to opt for electronic copies of the annual report, instead of physical copies. During the year FY2020 130887 number of the shareholders opted for electronic copies thereby resulting into significant amount of paper savings. Saving of approximately 32.72 million A4 size papers has resulted in the following: Particulars Energy/resources saved A4 size paper saved (in million) 32.72 Quantity of paper saved (in metric tonnes) : 148.41 CO2 equiv. of greenhouse gas emissions avoided (in pounds) : 29,40,000 CO2 equiv. of greenhouse gas emissions avoided (in tonne) : 1333.56 The approximate cost of printing one annual report is INR 40 and approximately 1,30,000 shareholders have opted for digital copy of the annual report leading to saving of INR 5,200,000

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	Our Operations, Technology and Facilities team has dedicated headcount and budget for designing more efficient designs, optimizing existing facilities, and tracking energy use and efficiency. Our Admin and Facilities group also has dedicated budget for headcount and addressing energy efficiency in office spaces and data centers.
Dedicated budget for low-carbon product R&D	Our R&D and technology team has a dedicated budget and clear focus to innovate and leverage technology to develop solution for services which result in lower consumption of resources or lead to significant reduction in wastage which enables huge savings in Carbon emissions.
Employee engagement	As a responsible corporate organization, we also assess and monitor our operations to reduce environmental risk. We engage with our employees, franchisees, business partners, customers and shareholders to encourage environment-friendly practices across our value chain. Employee Awareness and Training: We ensure that all employees are made aware of individual and collective responsibilities towards environment as an integral part of their jobs and establish systems that provide for training and delineation of responsibilities and accountabilities with respect to the environment. We have a number of green employee communities across the company that provide opportunities for employees who want to be more directly involved in the company's sustainability initiatives. These green communities play a critical role in our engagement strategy because they allow us to create local relevance on the sustainability issues that matter most to people and groups within the company.
Compliance with regulatory requirements/standards	We are a fully compliant and successfully audited ISO certification for Sustainable procurement and Environment management system. This ensures all business procurement and operational activities and investments are focused with an alignment with reduction in carbon emissions. We are certified with ISO 14001:2015 Environmental Management System to improve the environmental performance through more efficient use of resources and reduction of waste, gaining a competitive advantage and the trust of stakeholders. This standard helps us to identify, manage, monitor and control Vakrangee environmental issues in a "holistic" manner. It provides us a framework that we can follow, rather than establishing environmental performance requirements and assist us in accomplishing organizational goals. We have incorporated ISO 14001:2015 requirements into our environmental management system, the extent to which is determined by several factors including the organization's industry, environmental policy, products and service offerings, and location. We are ISO 20400 Sustainable procurement certified company. This standard helps us to recognizes the importance of sustainable procurement and provides a framework for its practical implementation. The purpose of ISO 20400 is to assist organizations of any kind and size with the development and implementation of a responsible sourcing strategy. It helps us to : • Meet the demands of customers and other stakeholders to assume responsibility for its supply chain • Identify legal, financial and moral risks associated with sustainability in the supply chain • Monitor and improve the sustainability performance of suppliers • Build supplier relationships that create long-term, sustainable value
Other (Investment and increased usage of Tele-presence, Video conferencing, webinar facilities)	We have invested and set up Video conferencing and tele-webinar facilities so as to reduce our travel requirements, resulting in reduction in our carbon footprints, travel costs and other associated costs.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

The group of products comprise of Paperless ATM and Paperless Banking. We continue our green endeavor of saving paper through initiatives such as e-KYC, interoperability, and real-time transactions. Furthermore, we use advanced features that are environment-friendly, such as paperless banking, real-time banking, and bio-metric evaluation. Being digital and paperless in nature, our outlets help in huge savings of paper waste and significantly avoid emissions. A major initiative for reducing environmental footprint includes e-KYC for opening of bank accounts and bio-metric enabled AePS (Aadhaar enabled Payment system) for paperless banking services. The initiative has resulted in saving approximately 5 A4 size papers per new account opened and 1 A4 size paper per 3 financial banking transactions. Through these initiatives, we have collectively saved approximately 16.5 million A4 size papers from its approximately 10,000 outlets in FY2020. We have also adopted 'Go Green' initiatives for our ATM services, whereby ATM transactions do not generate printed receipts. Transaction acknowledgements are sent via SMS to customers. We are working towards achieving environmentally sound management of paper through prevention, reduction, recycling and reuse, in order to minimise their adverse impacts on the environment. Saving of approximately 25.22 MT A4 size papers during FY2019-20.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Estimating and Reporting the Comparative Emissions Impacts of Products (WRI)

% revenue from low carbon product(s) in the reporting year

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

April 1 2019

Base year end

March 31 2020

Base year emissions (metric tons CO2e)

20533.55

Comment

It covers verification of emission from anthropogenic sources of greenhouse gases included within the organisation's boundary and is based on ISO 14064-3: 2006. To elaborate, it covers physical infrastructure, activities, technologies and processes of the organisation. The boundary of the inspection was Vakrangee Corporate House, MIDC, Andheri (E), Mumbai. We have done Independent ISO audit 14064-3: 2006. As well as we have done Limited Assurance from Independent Auditor Grant Thornton India LLP. Grant Thornton conducted the assurance as per the requirements of AA1000 assurance standard (2008) Type 1 assurance and applied a moderate level of assurance.

Scope 2 (location-based)

Base year start

April 1 2019

Base year end

March 31 2020

Base year emissions (metric tons CO2e)

354.09

Comment

It covers verification of emission from anthropogenic sources of greenhouse gases included within the organisation's boundary and is based on ISO 14064-3: 2006. To elaborate, it covers physical infrastructure, activities, technologies and processes of the organisation. The boundary of the inspection was Vakrangee Corporate House, MIDC, Andheri (E), Mumbai. We have done Independent ISO audit 14064-3: 2006. As well as we have done Limited Assurance from Independent Auditor Grant Thornton India LLP. Grant Thornton conducted the assurance as per the requirements of AA1000 assurance standard (2008) Type 1 assurance and applied a moderate level of assurance.

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

ISO 14064-1

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

20533.55

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

It covers verification of emission from anthropogenic sources of greenhouse gases included within the organisation's boundary and is based on ISO 14064-3: 2006. To elaborate, it covers physical infrastructure, activities, technologies and processes of the organisation. The boundary of the inspection was Vakrangee Corporate House, MIDC, Andheri (E), Mumbai. We have done Independent ISO audit 14064-3: 2006. As well as we have done Limited Assurance from Independent Auditor Grant Thornton India LLP. Grant Thornton conducted the assurance as per the requirements of AA1000 assurance standard (2008) Type 1 assurance and applied a moderate level of assurance.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

354.09

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

It covers verification of emission from anthropogenic sources of greenhouse gases included within the organisation's boundary and is based on ISO 14064-3: 2006. To elaborate, it covers physical infrastructure, activities, technologies and processes of the organisation. The boundary of the inspection was Vakrangee Corporate House, MIDC, Andheri (E), Mumbai. We have done Independent ISO audit 14064-3: 2006. As well as we have done Limited Assurance from Independent Auditor Grant Thornton India LLP. Grant Thornton conducted the assurance as per the requirements of AA1000 assurance standard (2008) Type 1 assurance and applied a moderate level of assurance.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have not yet fully assessed this area yet, but it is likely to be relevant.

Capital goods

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have not yet fully assessed this area yet, but it is likely to be relevant.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have not yet fully assessed this area yet, but it is likely to be relevant.

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have not yet fully assessed this area yet, but it is likely to be relevant.

Waste generated in operations**Evaluation status**

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have not yet fully assessed this area yet, but it is likely to be relevant.

Business travel**Evaluation status**

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have not yet fully assessed this area yet, but it is likely to be relevant.

Employee commuting**Evaluation status**

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have not yet fully assessed this area yet, but it is likely to be relevant.

Upstream leased assets**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We do not have any major leased assets.

Downstream transportation and distribution**Evaluation status**

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have not yet fully assessed this area yet, but it is likely to be relevant.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We are technology based provider of digital services, hence this is not relevant to us.

Use of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We are technology based provider of digital services, hence this is not relevant to us.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We are technology based provider of digital services, hence this is not relevant to us.

Downstream leased assets

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have not yet fully assessed this area yet, but it is likely to be relevant.

Franchises

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We have not yet fully assessed this area yet, but it is likely to be relevant.

Investments

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We do not have any investments.

Other (upstream)

Evaluation status

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000002983

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

20887.64

Metric denominator

unit total revenue

Metric denominator: Unit total

6852216000

Scope 2 figure used

Location-based

% change from previous year

0

Direction of change

No change

Reason for change

This is the first year we have calculated GHG scope 1 and scope 2 emissions.

Intensity figure

69.62

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

20887.64

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

300

Scope 2 figure used

Location-based

% change from previous year

0

Direction of change

No change

Reason for change

This is the first year we have calculated GHG scope 1 and scope 2 emissions.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
India	20533.55

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By facility

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
We conduct an Independent third-party audit in the corporate office. It covers verification of emission from anthropogenic sources of greenhouse gases included within the organisation's boundary and is based on ISO 14064-3: 2006. To elaborate, it covers physical infrastructure, activities, technologies and processes of the organisation. The boundary of the inspection was Vakrangee Corporate House, MIDC, Andheri (E), Mumbai	20533.55	19.11819	72.873242

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
India	354.09	0	431.82	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By facility

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
We also conduct an Independent third-party audit in the corporate office. It covers verification of emission from anthropogenic sources of greenhouse gases included within the organisation's boundary and is based on ISO 14064-3: 2006. To elaborate, it covers physical infrastructure, activities, technologies and processes of the organisation. The boundary of the inspection was Vakrangee Corporate House, MIDC, Andheri (E), Mumbai	354.09	

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

This is our first year of reporting, so we cannot compare to last year

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)		68.19	68.19
Consumption of purchased or acquired electricity	<Not Applicable>		431.82	431.82
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	57.96	<Not Applicable>	57.96
Total energy consumption	<Not Applicable>	57.96	500.01	557.97

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Diesel

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

54.8

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.20419

Unit

kg CO2e per liter

Emissions factor source

The Department for Environment, Food and Rural Affairs, UK (DEFRA)

Comment

Our Scope 1 emissions are from our company owned cars. We have taken the different emission factors as per the size of car and type of fuel. The emission factors are also taken per km of travel. Emission factors are: 1. Petrol (large car) - 0.27807 kgCO2e/km 2. Petrol (small car) - 0.14836 kgCO2e/km 3. Diesel (car) - 0.20419 kgCO2e/km

Fuels (excluding feedstocks)

Petrol

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

13.4

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.27807

Unit

kg CO2e per liter

Emissions factor source

The Department for Environment, Food and Rural Affairs, UK (DEFRA)

Comment

Our Scope 1 emissions are from our company owned cars. We have taken the different emission factors as per the size of car and type of fuel. The emission factors are also taken per km of travel. Emission factors are: 1. Petrol (large car) - 0.27807 kgCO2e/km 2. Petrol (small car) - 0.14836 kgCO2e/km 3. Diesel (car) - 0.20419 kgCO2e/km

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	57.96	57.96	57.96	57.96
Heat				
Steam				
Cooling				

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Waste

Metric value

1170

Metric numerator

Kilograms

Metric denominator (intensity metric only)

% change from previous year

Direction of change

<Not Applicable>

Please explain

E-Waste Initiative - We ensure that all our E-waste generated in our corporate office is sent for recycling at authorized vendor facilities and in FY2020, 1,170 kg of E-waste was sent for recycling.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No emissions data provided

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Integrated Annual report 2019-20 - Vakrangee Ltd.pdf

Assurance Statement on Vakrangee_Integrated Report FY20.pdf

Page/ section reference

Integrated Annual Report - Page No 104 - Assurance statement section details - Natural Capital (GHG Emissions calculation) - Page No 86

Relevant standard

AA1000AS

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Integrated Annual report 2019-20 - Vakrangee Ltd.pdf

Assurance Statement on Vakrangee_Integrated Report FY20.pdf

Page/ section reference

Integrated Annual Report - Page No 104 - Assurance statement section details - Natural Capital (GHG Emissions calculation) - Page No 86

Relevant standard

AA1000AS

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C1. Governance	Other, please specify (Environmental Management System EMS - ISO Certification)	ISO 14001:2015 Environmental Management system	We are certified with ISO 14001:2015 Environmental Management System on 12 March 2020, to improve the environmental performance through more efficient use of resources and reduction of waste, gaining a competitive advantage and the trust of stakeholders. This standard helps us to identify, manage, monitor and control Vakrangee environmental issues in a "holistic" manner. It provides us a framework that we can follow, rather than establishing environmental performance requirements and assist us in accomplishing organizational goals. We always wish to set up, improve, or maintain an environmental management system to conform with its established environmental policy and requirements. We have incorporated ISO 14001:2015 requirements into our environmental management system, business strategy and operation initiatives, the extent to which is determined by several factors including the organization's industry, environmental policy, products and service offerings, and location. This helps in reducing waste, drive down costs, increase new business opportunities, increase stakeholder and customer trust, provide assurance that environmental impact is being measured, improve overall environmental impact, manage environmental obligations with consistency and improve resource efficiency ISO 14001_Vakrangee_Limited.pdf Vakrangee ISO Flag.pdf
C3. Business strategy	Emissions reduction activities	ISO 20400:2017 Sustainable procurement management system	ISO 20400 is the world's first International Standard for sustainable procurement and aims to assist organisations in meeting their sustainability responsibilities by providing guidance as to the effective implementation of sustainable purchasing practices and policies. The procurement is a powerful instrument for any organization wishing to behave in a responsible way and contribute to sustainable development. We are ISO 20400 certified company. This standard helps us to recognize the importance of sustainable procurement and provides a framework for its practical implementation. The purpose of ISO 20400 is to assist our organization with the development and implementation of a responsible sourcing strategy. The standard offers both an overview of the general principles of sustainable procurement as well as guidance on the implementation process. It helps us to : - Identify legal, financial and moral risks associated with sustainability in the supply chain - Monitor and improve the sustainability performance of suppliers - Build supplier relationships that create long-term, sustainable value Vakrangee ISO Flag.pdf Vakrangee-ISO_20400.pdf
C5. Emissions performance	Emissions reduction activities	ISO 14064-1:2006 & ISO 14064-2:2006 inventory of Green House Gas Emission in the Calendar year 2019	We had done a third party ISO 14064 GHG emission inventory for calendar year 2019 also. The reported number in CDP disclosures are based on Financial Reporting Year FY 2019-20. For Financial year we have also done Assurance from third Party Independent auditor Grant Thornton LLP. Vakrangee ISO Flag.pdf
C6. Emissions data	Other, please specify (Integrated Annual report with Limited Assurance)	AA1000 Assurance Standard 2008 International Standard on Assurance Engagements 3000 by the IFAC	Our (Vakrangee's) Integrated Annual Report FY 2019-20 elaborates on the organisation's inclusive approach of creating value for stakeholders. The Report presents our governance, strategy, performance and outlook of business. Th report is also along with Assurance from third party Independent auditor Grant Thornton India LLP It covers information in the period of 1st April 2019 to 31st March 2020. For the Report, we have adopted the Integrated Reporting framework of the International Integrated Reporting Council (IIRC). The Report provides a comprehensive overview of how we create financial and non-financial value in terms of six capitals of , for our stakeholders. The six capitals are financial, manufactured, natural, human, intellectual, and social and relationship capital. The Report also includes method of engagement with identified key stakeholders and material topics discussed with them. It describes our corporate governance, risk management framework and strategies to mitigate risks. Integrated Annual report 2019-20 - Vakrangee Ltd.pdf Assurance Statement on Vakrangee_Integrated Report FY20.pdf
C1. Governance	Other, please specify (Compliance management)	ISO 19600:2014 Compliance Management System (CMS)	We are certified with ISO 19600:2014 Compliance Management System on 12 March 2020, to provide guidance for establishing, developing, implementing, evaluating, maintaining and improving an effective and responsive compliance management system within an organization. We always work on principles of good governance, proportionality, transparency and sustainability. This standard ISO 19600:2014 is based on the same and it provides guidance for establishing, developing, implementing, evaluating, maintaining and improving an effective and responsive compliance management system within an organization. We have developed a compliance management system to identify new and existing rules, to identify and reduce the risk of breaching the existing rules, and to quickly, effectively, and efficiently correct any breaches that might occur. ISO 19600:2014 helped us to establish an effective, organization-wide compliance management system that enables us to demonstrate our commitment to compliance with relevant laws. Additionally, the ISO 19600 helped us to address legislative requirements, industry codes and organizational standards, as well as standards of good corporate governance, best practices, ethics, and community expectations; and offer the opportunity for the establishment of a successful and sustainable organization. Vakrangee ISO Flag.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Compliance & onboarding

Details of engagement

Included climate change in supplier selection / management mechanism

Code of conduct featuring climate change KPIs

Climate change is integrated into supplier evaluation processes

Other, please specify (Share information about your products and relevant certification schemes (i.e. EPEAT Certification). Also, we encourage Digital engagement meetings with our suppliers and vendors and also do collaborative sessions with our)

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

We are a technology driven company currently operating more than 10,000 last mile digital retail outlets and have plan to reach 25,000+ outlets in this calendar year. As we provide digital services to rural India, the IT hardware at our franchisee outlet is the key component of our environment carbon footprint strategy. The entire procurement for the hardware for all our 100% outlets is done centrally and hence green procurement is the key to overall sustainable environmental strategy. We expect all our suppliers to comply with necessary environmental sustainability standards defined in this policy and adopt best practices to reduce our environment footprint. Each supplier provides commitment to these policies by signing our Supplier Code of Conduct which is provided during the supplier on-boarding process. Every supplier during the On-Boarding process is made aware about Vakrangee's ESG framework including Sustainable procurement process, Green procurement policy, Sustainable sourcing policy, GHG Reduction program and key targets and Supplier review and monitoring mechanism . We are ISO 20400 certified company. It helps us to : · Identify legal, financial and moral risks associated with sustainability in the supply chain · Monitor and improve the sustainability performance of suppliers · Build supplier relationships that create long-term, sustainable value We are committed to Sustainable procurement, thereby we prefer and prioritize to work with and procure products from those supplier have clear goals for the below mentioned parameters: □ Reduce Consumption of Water & Energy □ Adhere to all Applicable laws of the land We also share information about our GHG emissions reduction programs and offer ways to collaborate with our suppliers to find ways to reduce our environmental impacts We have dedicated contract managers who monitor all supplier contracts. Contract managers continuously assesses and verify ESG parameters defined by the organisation. We also perform on-site audits several low-performing suppliers through their Dedicated Contract Manager. These help suppliers to improve their practices by getting them more involved and proving ways of improvement. This action is taken as part of our risk management program.

Impact of engagement, including measures of success

We being a technology company, IT hardware procurement is the bulk of our overall procurement. With sustainable procurement process in place and Green procurement policy in place, we have been successful to shift to 100% IT hardware procurement of EPEAT certified products. EPEAT-registered products meet strict sustainability criteria that address impacts across the full lifecycle of the product, from raw material extraction and production/assembly to product use and managing the product's end-of-life (extending its use and/or looking at its recyclability). Purchasing EPEAT-registered products is an effective way to both reduce organization's environmental impact and meet sustainability goals. Measures of success include 1) how much % of IT hardware procured which is EPEAT certified. All our IT suppliers have engaged with us on our understanding of EPEAT framework and provided the products accordingly. Further, we collaborated with our ATM OEM suppliers to innovate and produce an Paperless ATM SMS solution which results in reduction of carbon emissions and huge savings of paper slips. Measures of success include the energy Resources saved due to paperless ATM transactions. Energy/resources saved during FY 2019-20 due to ATM paperless SMS solution - Quantity of paper saved (in metric tonnes) : 25.22 CO2 equiv. of greenhouse gas emissions avoided (in pounds) : 536,000 Wood saved (in U.S. short tonnes) : 58 Solid waste avoided (in pounds) 22,000 Energy saved (in million BTU) 782 We engaged and collaborated with our Architects and construction related vendors and provided incentives to them for construction of our office building in an environment efficient manner. Measures of success include 1) Green building certificate 2) % of energy from renewable sources 3) Energy saved due to efficient technologies implement and usage of IoT. Our rooftop solar panel currently deliver 15% of our total energy consumption through renewable Solar energy. Due to Digital engagement sessions, Often the result will be reduced air travel and increased use of collaboration technologies, saving GHG emissions and cost. Measures of success include 1) the number of collaborative projects we do with our Supply Chain 2) possible reductions in business travel resulting from digital conversations.

Comment

All our Policies and Certifications are available on website - Sustainable sourcing Policy - <https://www.vakrangee.in/pdf/Policies-PDF/Sustainable%20Sourcing%20Policy.pdf> Green Procurement Policy - <https://www.vakrangee.in/pdf/Policies-PDF/Green%20Procurement%20Policy.pdf> Supplier Code of Conduct - <https://www.vakrangee.in/pdf/Policies-PDF/Supplier%20Code%20of%20Conduct.pdf> ISO Certification and Policy - <https://www.vakrangee.in/pdf/Policies-PDF/Vakrangee%20ISO%20Flag.pdf> Energy saved during FY 19-20 due to ATM solution - Integrated Report page No - 97, https://www.vakrangee.in/pdf/Annual_Reports/Integrated%20Annual%20report%202019-20%20-%20Vakrangee%20Ltd.pdf Energy/resources saved during FY 2019-20 due to ATM paperless SMS solution - Quantity of paper saved (in metric tonnes) : 25.22 CO2 equiv. of greenhouse gas emissions avoided (in pounds) : 536,000 Wood saved (in U.S. short tonnes) : 58 Solid waste avoided (in pounds) 22,000 Energy saved (in million BTU) 782 We successfully delivered a green building with usage of IoT and energy efficiency mechanisms as well as a rooftop solar panel which delivers 15% of our total energy consumption through renewable Solar energy. Our new corporate office building is built on a green building concept. Key features of our corporate office building include energy-efficient design, rooftop solar photovoltaic (PV) panels for renewable energy, solar thermal installations, chiller waste heat recovery units, and solar PV panel-based peripheral lighting systems. 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 lighting to ensure responsible consumption of electricity. We understand the importance of maintaining certifications to ensure our systems and processes in place are in line with our environmental commitments. We have various environment related ISO certifications such as ISO 20400:2017 - Sustainable Procurement Management System, ISO 14064-1:2006 & ISO 14064-2:2006 - Green House Gas Emission, ISO 19600:2015 - Compliance Management System, ISO 37001:2016 - Anti Bribery Management System, ISO 14001:2015 - Environmental Management System, ISO 45001:2018 - Occupational Health & Safety Management System.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Climate change performance is featured in supplier awards scheme
Offer financial incentives for suppliers who reduce your operational emissions (Scopes 1 &2)

% of suppliers by number

5

% total procurement spend (direct and indirect)

3

% of supplier-related Scope 3 emissions as reported in C6.5**Rationale for the coverage of your engagement**

We have taken all of our Architectural suppliers. In numerical terms they contribute to only 5% of our suppliers and on total procurement it represents 3% of our procurement spend. We engaged and collaborated with our Architects and construction related vendors and provided financial incentives to them for construction of our office building in an environment efficient manner. Green Data Centres - Vakrangee being a technology company running more than 10,000+ last mile digital convenience stores. The increasing need for storing information, computing and analysis has led to capacities of existing data centres being expanded. We engaged and collaborated with our Vendors to deliver sustainable and environment friendly solutions.

Impact of engagement, including measures of success

Measures of success include 1) Green building certificate 2) % of energy from renewable sources 3) Energy saved due to efficient technologies implement and usage of IoT. We successfully delivered a green building with usage of IoT and energy efficiency mechanisms as well as a rooftop solar panel which delivers 15% of our total energy consumption through renewable Solar energy. Our new corporate office building is built on a green building concept. Key features of our corporate office building include energy-efficient design, rooftop solar photovoltaic (PV) panels for renewable energy, solar thermal installations, chiller waste heat recovery units, and solar PV panel-based peripheral lighting systems. 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 lighting to ensure responsible consumption of electricity. Data centres are one of largest energy consumers and the company has optimised the 'data centre' facility into a single facility to leverage system efficiencies and exercise better control on energy performance. Various improvement initiatives to enhance the energy performance of the data centre have been undertaken. Initiatives such as high and medium density server rooms, server virtualisation, server consolidation, cold aisle containment, managing optimal levels of inlet temperature, etc. have yielded good results to reduce the energy intensity of data centre and contribute towards environmental sustainability

Comment

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

% of suppliers by number

4

% total procurement spend (direct and indirect)

60

% of supplier-related Scope 3 emissions as reported in C6.5**Rationale for the coverage of your engagement**

We have taken all of our ATM suppliers in the coverage. In numerical terms they contribute to only 4% of our suppliers however, on total procurement cost it represents 60% of our procurement spend. We always share information about our GHG emissions reduction programs and offer ways to collaborate with our suppliers to find ways to reduce our environmental impacts. Further there has been need to reduce the recurring operational costs for the franchisee on paper slips at ATM machines as well as ink refilling costs for the printers. We therefore collaborated with our ATM OEM Vendors along with our IT R&D team to innovate a digital paperless solution for our ATM machines.

Impact of engagement, including measures of success

We successfully produced a Paperless ATM SMS solution which results in reduction of carbon emissions and huge savings of paper slips. During FY 2019-20, Our network did 44,091,588 paperless ATM transactions. Measures of success include the energy Resources saved due to paperless ATM transactions. Energy/resources saved during FY 2019-20 due to ATM paperless SMS solution - Quantity of paper saved (in metric tonnes) : 25.22 CO2 equiv. of greenhouse gas emissions avoided (in pounds) : 536,000 Wood saved (in U.S. short tonnes) : 58 Solid waste avoided (in pounds) 22,000 Energy saved (in million BTU) 782

Comment

Data Source - Integrated Annual report along with Assurance statement https://www.vakrangee.in/pdf/Annual_Reports/Integrated%20Annual%20report%202019-20%20-%20Vakrangee%20Ltd.pdf Page No - 97 and 33

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

Portfolio coverage (total or outstanding)

<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement

We view climate performance as a key selling point of our technology products and services, and so we aim to share related stories as widely as possible to reach all of our current and potential future customers globally through our website, events, outreach, and public relations (PR) activities. We also include information on the carbon savings of our services and other sustainability factors in some of our direct business-to-business marketing materials. Customers are informed about our environment friendly services before the transactions takes place such as our ATM contains screen specifies that this is a green ATM. Even inside the Kendra we display content regarding green digital services at the digital signage in our outlet.

Impact of engagement, including measures of success

Measures of success include 1) No of new environment friendly services launches 2) Energy / Resources saved due to these services. We understand the customer needs and accordingly innovate and plan for new services which are environment friendly as well as usage of new advanced technologies. Based on customer needs, New service launched during FY 2020 has been the Tele-medicine (Tele- consultation services). Vakrangee introduced Rural healthcare services by introducing vHealth by AETNA (A CVS pharmacy group) tele medicine services at its network of outlets. Telephone or video consultations with vHealth's in-house primary care doctors will help reduce the need for physical consultations by over 70%. Under the current environment impacted by the COVID-19 pandemic, it provides access to professional medical advice and the highest-quality healthcare at a time when governments and healthcare authorities, across the globe, are recommending social distancing, in an effort to curb the spread of the virus. Press release - https://www.vakrangee.in/pdf/press_release/Press%20Release%20-%20Launch%20of%20Telemedicine%20Services%20with%20vHealth%20-%20March%202020.pdf We have successfully launched initiatives such as e-KYC, interoperability, and real-time transactions. Furthermore, we use advanced features that are environment-friendly, such as paperless banking, real-time banking, and biometric evaluation. Being digital and paperless in nature, our outlets help in huge savings of paper waste. A major initiative for reducing environmental footprint includes e-KYC for opening of bank accounts and biometric enabled AePS (Aadhaar enabled Payment system) for paperless banking services. The initiative has resulted in saving approximately 5 A4 size papers per new account opened and 1 A4 size paper per 3 financial banking transactions. Through these initiatives, we have collectively saved approximately 16.5 million A4 size papers from its approximately 10,000 outlets in FY2020. We successfully produced an Paperless ATM SMS solution which results in reduction of carbon emissions and huge savings of paper slips. During FY 2019-20, Our network did 44,091,588 paperless ATM transactions. Measures of success include the energy Resources saved due to paperless ATM transactions.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

We are a technology-driven company centred around building India's largest network of last-mile retail outlets to deliver our services to the unserved and the underserved rural, semi-urban and urban population of the country. The Assisted Digital Convenience stores are called as Nextgen Vakrangee Kendras, which act as the 'One Stop Shop' for availing multiple products and services.

We are a Asset Light Franchisee based model and thereby having more than 10,000 operational outlets on Franchisee basis. Therefore, Franchisee is a key partner in our value chain and climate related strategy with franchisees is an important part for us.

We have a dedicated engagement and training sessions on periodic basis with each and every franchisee in our network where we make them understand and create awareness about our ESG framework and climate related environment policies of the organization. Vakrangee Limited strongly believes that highest standard of moral principles and ethics shall be maintained by the Franchisees and its employees. Franchisees need to sign a Franchisee code of conduct which includes all our ESG framework standards and polices.

The entire Hardware kit for our franchisee outlets is procured centrally by the Vakrangee procurement team and ensures that all the products are in alignment with our Green procurement policies. Further, there is engagement and training session how to deal with wastage generated at the outlets. We also ensure that we keep a track of the energy consumed at our Kendras, to be up to date on the environmental impacts of our Kendras. Since our Kendras are asset light, the energy consumption of our Kendras is generally low.

We also do engagement audits and surveys with sample number of outlets with both franchisees as well as customers on periodic basis to identify the key areas of improvements as well to understand the impact of key initiatives. We also check the adherence to our policies and guidelines.

Owing to the increasing network of Next-Gen Vakrangee Kendras, the CO2 emission per beneficiary per visit has significantly reduced. We recently conducted a study with our customers in over 500 Kendras on various parameters, with distance traveled to reach our Kendra being one of these parameters. The distances traveled are mentioned below, it can be noted that a majority of the customers replied they can reach our Kendras within 1 to 5 kilometres, mostly through walking or public transport, effectively saving on fuel and associated greenhouse gas emissions.

Our outlets contribute to minimizing carbon footprint. We provide bio-metric enabled paperless banking services, ATM, financial services, insurance services, e-Governance services, logistics services and e-Commerce products and services. We offer our customers a variety of products and services within walking distance, which is time effective and saves fuel. We are working towards achieving environmentally sound management of paper through prevention, reduction, recycling and reuse to minimize their adverse impacts on environment. Our outlets also minimize hazardous waste by using refillable ink cartridges. Hence, total waste generated in our operations is minimal.

Case Study -

On the basis of our engagement with our Franchisees, we understood their one key issue which was the paper wastage caused due to ATMs at the outlets as well there has been lot of recurring operational cost for the franchisee due to ATM paper rolls and ink refilling which was impacting also their profitability. Accordingly, we collaborated with our ATM OEM vendors to develop a paperless ATM digital SMS solution which not only saved paper resources, at the time significantly reduced the operational cost of the Franchisee.

We successfully produced a Paperless ATM SMS solution which results in reduction of carbon emissions and huge savings of paper slips. During FY 2019-20, Our network did 44,091,588 paperless ATM transactions. Measures of success include the energy Resources saved due to paperless ATM transactions.

Energy/resources saved during FY 2019-20 due to ATM paperless SMS solution -

Quantity of paper saved (in metric tonnes) : 25.22

CO2 equiv. of greenhouse gas emissions avoided (in pounds) : 536,000

Wood saved (in U.S. short tonnes): 58

Solid waste avoided (in pounds) 22,000

Energy saved (in million BTU) 782

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

No

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Climate action is one of the most pressing issues of our time, and the shift to a low-carbon economy will require collaboration between businesses, governments and nongovernmental organizations around the world. We are committed to working side by side with our clients and other key stakeholders as responsible stewards of the environment.

We have well defined process that ensures a common approach to multiple climate engagement activities across business divisions and geographies that is consistent with our strategy on climate change.

Our governance structures and processes drive consistency: Our Business strategy is fully mapped with the sustainability initiatives and we have a well defined governance structure in place to ensure we follow the common approach to multiple climate engagement programs or activities across business divisions and geographies.

We have been early adopters of industry body led frameworks on green buildings, green data centers, EPEAT certified products Frameworks and corporate responsibility. In addition, we actively participate in working groups and the centres activities on access to clean drinking water, biodiversity, corporate sustainability assessments and recently convened climate action group. We have also led in our segment with respect to ESG risk assessment ratings and have also a participatory and signatory for United Nations Global Compact (UNGC). We are also early adopters of GRI and IIRC framework on Integrating reporting as well as Assurance audits from Independent third party.

We have GHG reduction committee which includes the Chief strategy officer, Chief operation officer and the chief Technology officer. All these people are the key part of the organizations business strategy and hence climate engagement strategy is fully aligned with the business strategy.

Further we have a **dedicated Board ESG Committee**. The role of the Committee is to support the Board in: -

- Understanding how Company's ability to create value is impacted by environmental, social and governance issues - monitoring external ESG trends and understanding associated risks and opportunities.
- Understanding the expectations of key stakeholders.
- Considering emerging ESG issues to understand their materiality with regard to Company's long-term value creation.
- Review and Evaluate the Overall Business strategy from an ESG impact perspective.
- To monitor and review if the Sustainable development goals are integrated into any new Business strategy or new business initiatives.

The Board actively and regularly reviews enterprise risk, which includes business continuity risk factors, among which are climate related factors. The Board determines its own priorities and considers enterprise risk a key area for regular review on continuity, including climate-related risks, if identified as significant. The Board oversees our senior management; to whom it has delegated authority to manage the day-to-day climate-related matters.

Within the company's most senior management group, there is a dedicated committee – The GHG Reduction Strategy Committee, which determines and monitors key environmental strategies.

Further Chief Executive officer CEO is responsible to:

1. Integrate sustainable development goals into Business strategy & Operations.
2. Assess and manage ESG-related risks and opportunities on regular periodic quarterly basis.
3. Sets and drive progress against company-wide objectives from a general business perspective, including through different business groups

Independent Audits and Certifications to drive consistency and proper Implementation of Environment and climate related Strategies:

We understand the importance of maintaining certifications to ensure our systems and processes in place are in line with our environmental commitments. We have various environment related ISO certifications such as ISO 14001:2015 - Environmental Management System, ISO 20400:2017 - Sustainable Procurement Management System, ISO 14064-1:2006 & ISO 14064-2:2006 - Green House Gas Emission, ISO 19600:2015 - Compliance Management System, ISO 37001:2016 - Anti Bribery Management System, ISO 45001:2018 - Occupational Health & Safety Management System.

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

Integrated Annual report 2019-20 - Vakrangee Ltd.pdf

Assurance Statement on Vakrangee_Integrated Report FY20.pdf

Page/Section reference

Integrated Annual report along with Assurance from Independent auditor Grant Thornton India LLP. Natural Capital section - Page No 86 Covers information in the period of 1st April 2019 to 31st March 2020. We have adopted the Integrated Reporting framework of the IIRC. The six capitals are financial, manufactured, natural, human, intellectual, and social and relationship capital. We also presented our governance framework.

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

Integrated Annual report 2019-20 - Vakrangee Ltd.pdf

Page/Section reference

In our Integrated Annual report FY2020, we have covered Strategy, Stakeholder Engagement and Materiality, Value Creation Model and Business Risks and Opportunities Page No 28 to 41

Content elements

Strategy

Risks & opportunities

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

GHG Reduction Program.pdf

Page/Section reference

GHG Reduction Target and deadlines - Page 19 (Calendar Year figures CY2019 shared) Initiatives - Page 5

Content elements

Strategy

Emissions figures

Emission targets

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

Environmental Policy.pdf

Page/Section reference

Energy consumption through renewal energy at Head Office- Page 9

Content elements

Strategy

Emissions figures

Comment

Our Environmental Policy is shared which states the strategy and initiatives undertaken by us.

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

We are a unique technology driven company focused on building India's largest network of last-mile retail outlets to deliver real-time BFSI, ATM, e-commerce and logistics services to the unserved rural, semi-urban and urban markets. Our business model is completely sustainable model focused on enabling Indians to benefit from financial, social and digital inclusion. Through our vast network of outlets, we are driving financial, digital and social inclusion in rural India.

We have integrated our Business strategy and mapped our sustainability initiatives with the United Nation's Sustainable Development Goals. Our aim is to efficiently adopt these goals and address the global challenges, which includes poverty, financial inclusion, social inequality, climate, environmental degradation, economic growth & prosperity, and peace and justice. Our Business model is led by Innovation and strong last mile Infrastructure built across the country in deep rural Locations. We leverage our technology platform to provide a one-stop solution and real-time access to over 100 million products and 1,000 services under a single roof, thereby creating last mile infrastructure for distribution of various products and services.

Further, on technology Innovation front, we make use of disruptive technology such as e-KYC (Biometric KYC), interoperability, and real-time transactions. We use advanced features that are environment-friendly, such as paperless banking, real-time banking, and bio-metric evaluation. Being digital and paperless in nature we are committed towards Responsible consumption; our Kendras generate negligible paper waste and zero plastic waste. Our outlets are located at the Gram Panchayat level or village locations so that the customers need not travel long distances and our outlets are open for banking services beyond normal banking hours thus providing convenience. At our Vakrangee Kendras, we have adopted 'Go Green' initiatives. Our banking processes run on AePS (Aadhaar enabled Payment System) model. Moreover, ATM transactions do not generate printed receipts. The transaction acknowledgments are sent via SMS. We are working towards achieving environmentally sound management of paper through prevention, reduction, recycling, and reuse, in order to minimize their adverse impacts on the environment.

Our sustainability framework is based on sustainable development of the economy as a whole. We are committed to protect the environment through good governance. We have aligned our policies to the United Nations Sustainable Development Goals (UN SDG). Our aim is to efficiently adopt the SDGs and contribute to addressing global challenges including climate change and environmental degradation. In addition, we have signed the United Nations Global Compact and committed to its principles on human rights, labour standards and environmental protection. Moreover, we strive to ensure that our business operations are complementary to the National Voluntary Guidelines of the Indian Government (NVGs). Our alliances and commitments are enabling us contribute to the broader goal of a sustainable nation

Environmental Policy - <https://www.vakrangee.in/pdf/Policies-PDF/Environmental%20Policy.pdf>

We are committed to measure and reduce our greenhouse gas emissions as well as material usage. As a responsible organisation, we assess and monitor our operations to reduce environmental risks without compromising natural assets of our country. We engage our employees, franchisees, business partners, customers and shareholders to follow environmental-friendly practices across the value chain. Our environmental policy guides us to integrate a life cycle perspective in our environmental management processes while concurrently enhancing our operations to improve our environmental performance.

Sustainable Sourcing Policy - <https://www.vakrangee.in/pdf/Policies-PDF/Sustainable%20Sourcing%20Policy.pdf>

Green Procurement Policy - <https://www.vakrangee.in/pdf/Policies-PDF/Green%20Procurement%20Policy.pdf>

We commit to adopt policies across supply chains that help to preserve the environment. With uncertainties in supply chain security due to extreme weather patterns or natural disasters, our focus is to protect both our business while balancing suppliers' interest. Sustainable sourcing policy expects our suppliers to comply with necessary social, business integrity and environmental sustainability standards defined in this policy and adopt best practices to reduce our environment footprint.

GHG Reduction Program - <https://www.vakrangee.in/pdf/Policies-PDF/GHG%20Reduction%20Program.pdf>

We consider climate change as a serious environmental threat that calls for immediate and concerted action among all sections of society. We take steps and initiatives to address climate change that not only reduces our environmental footprint but also ensures availability of products and services at our Next-Gen Vakrangee Kendras in the most environment friendly manner. We strive to reduce carbon footprint at our Office and across all our Next-Gen Vakrangee Kendras. We aim to be present within a short distance of every citizen and continue to expand our network until we are close to the last excluded person. Our aim is also significant in conserving energy and net greenhouse gas emissions required to travel to our NextGen Vakrangee Kendras.

ISO Certifications from independent Third Party Auditors- <https://www.vakrangee.in/pdf/Policies-PDF/Vakrangee%20ISO%20Flag.pdf>

ISO 14001:2015 Environmental Management System (EMS)

ISO 20400:2017 Sustainable Procurement Management System

ISO 14064-1:2006 & ISO 14064-2:2006 Green House Gas Emission

ESG rating from Sustainalytics - <https://www.vakrangee.in/pdf/Policies-PDF/Vakrangee%20Ltd%20-%20Sustainalytics%20ESG%20Risk%20Rating%20Summary%20Report.pdf>

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Managing Director & Group CEO	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms