

THE ASSISTED DIGITAL CONVENIENCE STORE



**UPDATE ON INTEGRATING
UN SDG INTO BUSINESS
STRATEGY & SETTING
PERFORMANCE TARGETS**

*Presented to the Corporate
Strategy & Steering Committee
March, 2021*



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***INTEGRATING UNSDG INTO
BUSINESS STRATEGY &
OPERATIONS***

UPDATE : MAPPING & INTEGRATING UN SDG's






- Being one of the largest franchisee-based, multi-service retail network, Vakrangee is focused on creating India's extensive network of last-mile retail outlets at every postal code in the country, enabling Indians to benefit from financial, social and digital inclusion.
- We have mapped our sustainability initiatives with the United Nation's Sustainable Development Goals.
- **Our aim is to efficiently adopt these goals and Integrate into our strategy and Business operations** and address the global challenges, which includes poverty, inequality, climate, environmental degradation, prosperity, and peace and justice.
- **Vakrangee Limited has 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 Company had engaged Grant Thornton India's Centre of Excellence for Sustainable Development (CoE-SD) to study the economic, social, cultural and environmental impact it has created through its business operations on various stakeholders like beneficiaries, Kendra owners, employees, business partners and shareholders.**
- **Vakrangee is successfully certified with ISO 14001:2015 Environmental Management System.** This standard helps us to identify, manage, monitor and control Vakrangee environmental issues in a "holistic" manner.
- With ISO Certification, we have a stringent Process in place to ensure Managerial Ownership & Responsibility through – a) Semi Annual Basis – Internal Audit & Employee Training Exercise b) Annual basis Surveillance Audit by the Third Party ISO Auditor c) Every 3 years Fresh Audit by the ISO Auditor
- **Appointed Grant Thornton as a review and Assurance services partner for Integrated Annual Report.**



SUSTAINABILITY ESG PERFORMANCE UPDATE

Global recognition reflects company's commitment to further enhance its corporate governance and transparency standards. Company has achieved Global recognition across various platforms for its superior ESG performance and long term Business sustainability.

Company has been successful in benchmarking its performance on a wide range of industry specific economic, environmental, governance and social criteria that are relevant to the growing focus on Business sustainability and financially relevant to the corporate success.

Sr. No.	ESG Assessment & Rating platform	Vakrangee Ranking	
1	Sustainalytics ESG Risk Assessment Rating	Globally ranked No.1 in the Sustainalytics ESG Risk rating rankings out of the 668 companies assessed in the Software and Services industry across worldwide	
2	CDP Score - Climate Change 2020	Achieved "B" Score from CDP for Environmental Practices, Better than the Industry's Average (Asia regional average of D, Global Average of C)	
3	CDP Score - Supplier Engagement Rating 2020	Achieved "A-" Score from CDP for Suppliers Engagement, Better than the Industry's Average (Asia regional average of B-, Global Average of C)	
4	SAM Corporate Sustainability Assessment (CSA) – S&P Global	Globally ranked No. 13 Company in the global industry ranking and ranked No. 9 in the Corporate Governance global industry raking based on RobecoSAM – S&P Global ESG Score.	 Now a Part of S&P Global
5	Bloomberg Gender Equality Index (BGEI)	Included in the Bloomberg's 2021 Gender-Equality Index (GEI). The 2021 Bloomberg GEI comprises of 380 companies across the world with a combined market capitalization of USD14 Trillion Headquartered in 44 countries and Regions across 11 sectors.	

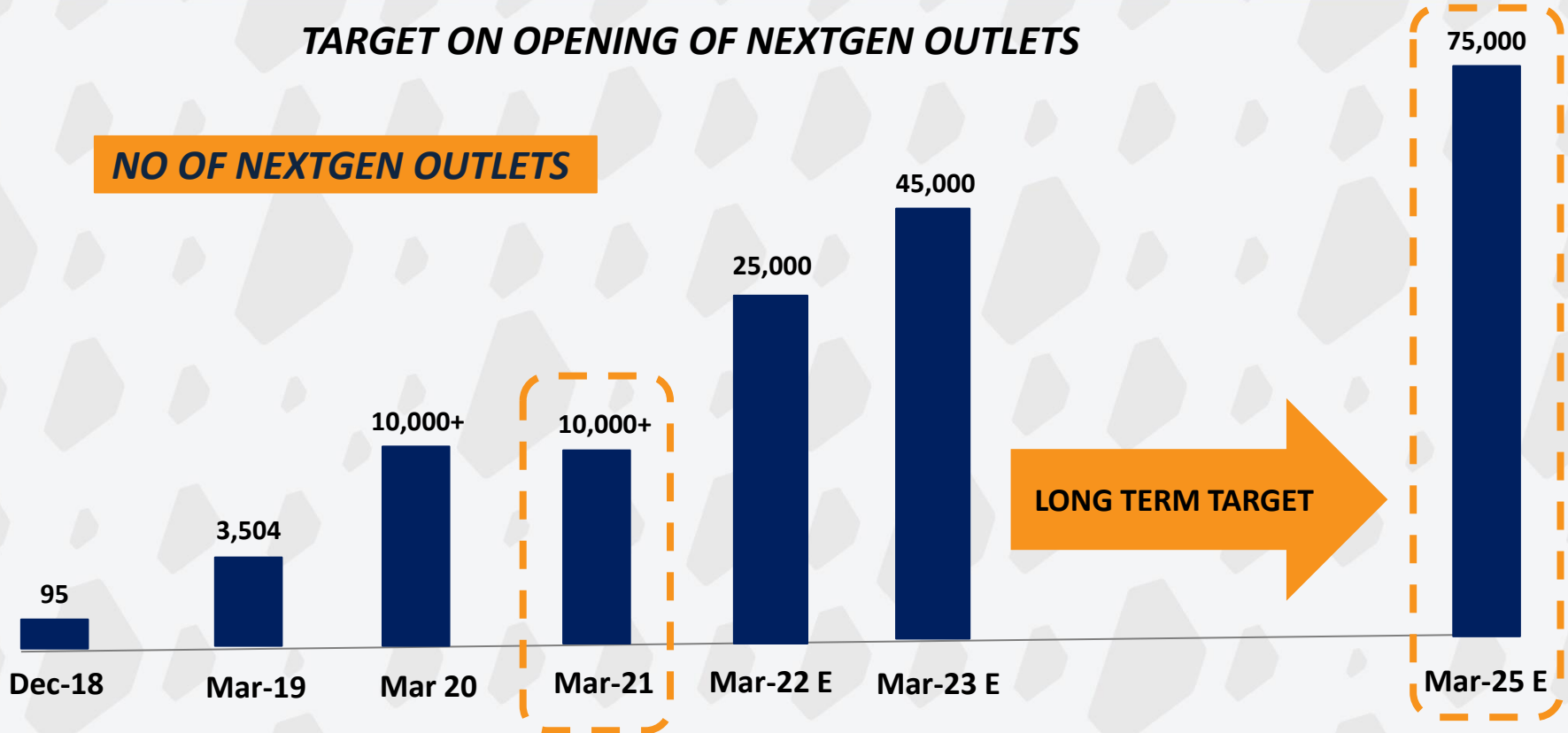
UPDATE : KEY OBSERVATIONS

	Minimum	Maximum	Source of Observation
Savings on Carbon Emissions (Kg CO2) Per Beneficiary Per Visit	0.908	3.859	GT Impact Assessment study
No. of Footfall Per day per Outlet	50	80	Grant Thornton Outlet Survey Report
No of Employees per Outlet - Employment Generation	2	4	Basis our Existing Store Network

VAKRANGEE KENDRA– ROLLOUT TARGET UPDATE

TARGET ON OPENING OF NEXTGEN OUTLETS

NO OF NEXTGEN OUTLETS



Note: Operational outlets

Planned Target is to have last Mile presence across All Postal codes covering each & every Gram Panchayat in the country.

INTEGRATING ESG PERFORMANCE TARGETS

INTEGRATED ESG PERFORMANCE TARGETS – FY2020-21

ENVIRONMENT IMPACT– SAVINGS IN CARBON EMISSIONS

	Minimum	Maximum
Carbon Emissions (Kg CO2)	0.908	3.859
No. of Footfall Per day per Outlet	50	80
No. of Days	365	
Existing Operational No. of Outlets	10,000	
Targeted No. of Outlets Till March 2022	25,000	
Carbon Emissions - Per day per outlet (Kg CO2)	45.4	192.95
Carbon Emission Savings - Existing outlets per day (Kg CO2)	4,54,000	19,29,500
Carbon Emission Savings - Existing outlets per year (Kg CO2)	16,57,10,000	70,42,67,500
Carbon Emission Savings – Targeted outlets per day (Kg CO2)	11,35,000	48,23,750
Carbon Emission Savings – Targeted outlets per year (Kg CO2)	41,42,75,000	1,76,06,68,750

INTEGRATED ESG PERFORMANCE TARGETS – FY2020-21

SOCIAL IMPACT– EMPLOYMENT GENERATION & SKILL DEVELOPMENT

	Minimum	Maximum
Total Number of Targeted Outlets	25,000	25,000
No of Employees per Outlet - Employment Generation	2	4
Target - Employment Generation	50,000	1,00,000

All Employees undergo Training and this leads to skill development since they clear Banking certification and Insurance IRDA certification.

INTEGRATED ESG PERFORMANCE TARGETS – FY2020-21

SOCIAL IMPACT – TOTAL POPULATION BENEFIT FOR FINANCIAL, SOCIAL & DIGITAL INCLUSION

	Minimum	Maximum
Total Number of Targeted Outlets	25,000	25,000
No of Village level Population	5,000	15,000
Target - Population Impact to be Benefitted	12,50,00,000	37,50,00,000
Target - Population Impact to be Benefitted (In mn)	125	375

GHG REDUCTION TARGETS FOR 2025

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 2 GHG emissions from our own operations, compared to a 2019 baseline, by 2025. Additional focus is to also reduce Scope 3 Emissions.

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.
- Focus on Green infrastructure, Usage of Cleaner technologies, green IT, and IT-enabled operational efficiencies would support Vakrangee's energy and carbon management process.
- Focus on Sustainable procurement through our Green procurement policy. Preference to procure only EPEAT certified products.
- Our Corporate Headquarters is a Green Building initiative.
 - Key features of our green buildings include energy-efficient design, onsite renewable energy through rooftop solar photovoltaic (PV) panels, Daylight Harvesting through Glass walls, Usage of Recycled material and Net Zero Discharge initiatives.

GHG REDUCTION TARGETS FOR 2025

OUR LONG-TERM GHG REDUCTION TARGETS FOR 2025 AT OUR OWN OPERATIONS

- We have also initiated to give employees incentives to commute by carpool/vanpool, bike, and public transit, which helps to reduce Scope 3 GHG emissions from employee commuting.
- We plan to set up electric vehicles charging stations at our facilities to encourage our employee to opt for travel with electric cars.
- Leveraging technology (video conferencing) to reduce local and inter-city travel, educating customers to move to paperless transactions, through internet and biometric enabled banking, thereby avoiding the usage of paper.
- Reduction in use of Plastic: We have taken continual efforts to reduce food waste in canteen. To reduce use of plastic, we have restricted use of plastic package drinking water bottles. We have started use of glass water bottles for office meetings.

Further, we are also focusing to achieve our goal is by designing energy efficiencies into our facilities such as usage of Renewable energy at our last mile franchisee infrastructure as well as leveraging technology to lead innovation and get digital transactions leading to minimal paper waste, thereby reducing GHG emissions.

Thank You