

Vakrangee Ltd

Data Processing | India | BOM:511431

7.4 Negligible

Negl	Low	Med	High	Severe
0-10	10-20	20-30	30-40	40+

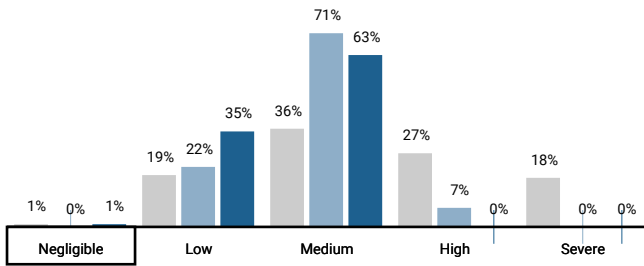
Rating Overview

The company is at negligible risk of experiencing material financial impacts from ESG factors, due to its low exposure and strong management of material ESG issues. Furthermore, the company has not experienced significant controversies.

Momentum Score

Not available due to a lack of comparable historical information

ESG Risk Rating Distribution



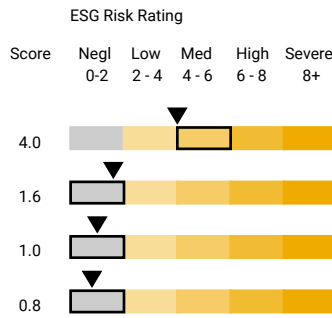
Relative Performance

	Rank (1 st = lowest risk)	Percentile (1 st = lowest risk)
Global Universe	14 out of 12076	1st
Software & Services (Industry Group)	1 out of 668	1st
Data Processing (Subindustry)	1 out of 68	1st

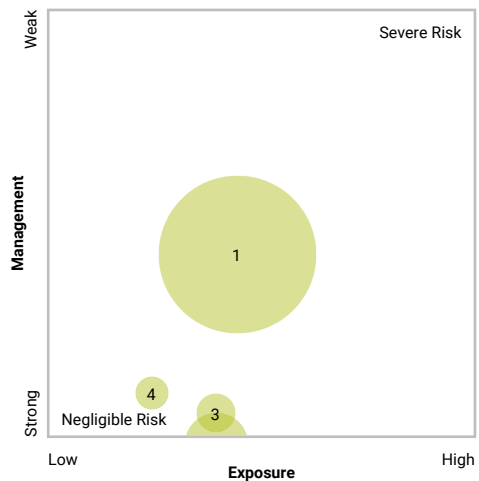
Attribution Analysis

Top Material Issues

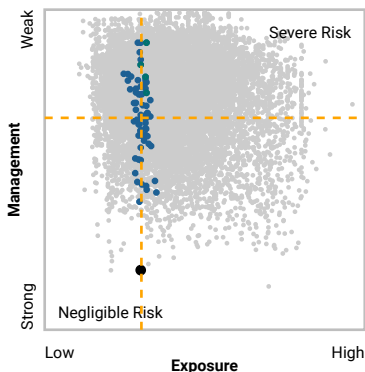
- Corporate Governance
- Data Privacy and Security
- Human Capital
- Business Ethics



△ = Significant event



Risk Analysis



- Global Universe
- Data Processing (Subindustry)
- Vakrangee Ltd
- Peers
- + SubIndustryAvg.

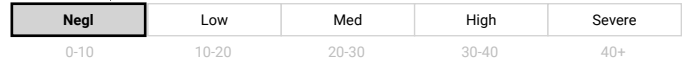
Peers (Market cap \$0.4 - \$0.7bn)

Company	ESG Risk Rating	Exposure	Management
1. Vakrangee Ltd	7.4 Negligible	30.0 Low	81.4 Strong
2. Everi Holdings Inc.	24.1 Medium	31.8 Low	26.0 Average
3. Uzabase, Inc.	25.2 Medium	30.0 Low	17.2 Weak
4. Tessi SA	25.3 Medium	31.5 Low	21.0 Weak
5. KGINICIS Co., Ltd.	28.7 Medium	31.8 Low	10.3 Weak

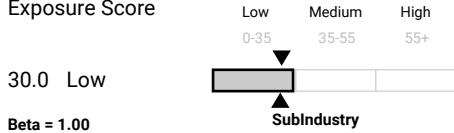
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Data Processing | India | BOM:511431

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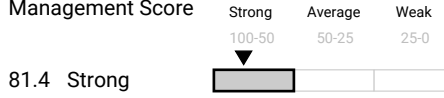
Exposure Score



To implement its growth strategy, Vakrangee relies on highly skilled computer engineers, as well as on talented customer service employees. Failure to attract and retain professionals could lead to skill shortages, dissatisfied customers and operational disruptions. Moreover, Vakrangee handles a large amount of sensitive data such as personally identifiable information and credit card data. Security breaches or data loss may trigger business disruptions, litigation and loss of customer confidence. In addition, Vakrangee has an aggressive growth strategy, aiming for a sevenfold increase in the number of outlets in FY2019/2020, with the ambition to expand to 300,000 outlets (approximately 85 times) by FY2024/2025. Attempts to secure business partnerships through unethical means or involvement in anticompetitive practices could prompt investigations and fines for Vakrangee.

The company's overall exposure is low and is similar to subindustry average. Human Capital, Data Privacy and Security and Business Ethics are notable material ESG issues.

Management Score



Vakrangee's overall ESG-related disclosure is not in accordance with GRI reporting standards, lagging behind best practice. The company's ESG-related issues are overseen by a board-level CSR Committee, suggesting that these are integrated in core business strategy.

The company's overall management of material ESG issues is strong.

Attribution Details

Issue Name	Contribution to						ESG Risk Rating	Risk Category
	ESG Risk Rating	Subindustry Exposure	Company Exposure	Manageable Risk Factor	Management Score	Management Weight		
Corporate Governance	54.2%	9.0	9.0	100%	55.3	32.4 %	4.0	
Data Privacy and Security	21.6%	8.0	8.0	80%	100.0	23.1 %	1.6	
Human Capital	13.1%	8.0	8.0	95%	92.5	27.4 %	1.0	
Business Ethics	11.1%	5.0	5.0	95%	87.9	17.1 %	0.8	
Overall	100.0%	30.0	30.0	92.5 %	81.4	100.0%	7.4	Negligible

△ =Significant event

Vakrangee Ltd

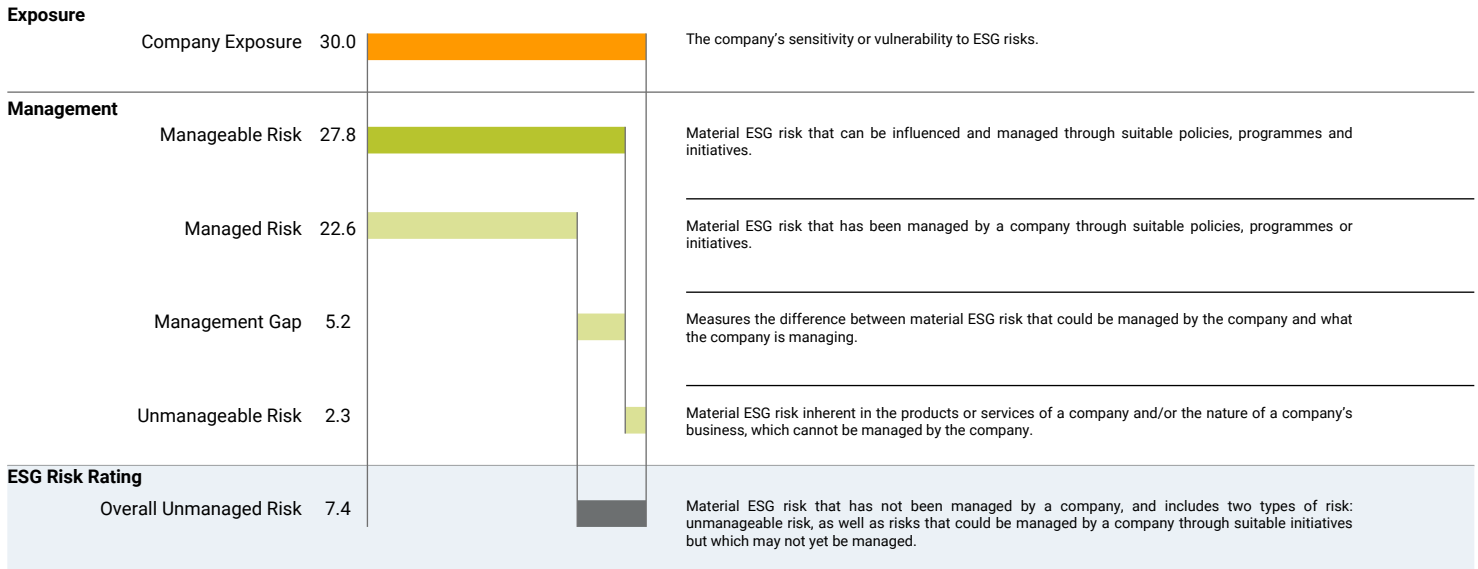
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Risk Details



Momentum Details

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GLOSSARY OF TERMS

Beta (Beta, β)






A factor that assesses the degree to which a company's exposure deviates from its **subindustry's** exposure on a **material ESG issue**. It is used to derive a company-specific issue exposure score for a material ESG issue. It ranges from 0 to 10, with 0 indicating no exposure, 1 indicating the subindustry average, and 10 indicating exposure that is ten times the subindustry average.

Corporate Governance Pillar

A pillar provides a signal about a company's management of a specific Corporate Governance issue.

ESG Risk Category

Companies' **ESG Risk Rating scores** are assigned to five ESG risk categories in the **ESG Risk Rating**:

-  **Negligible risk:** enterprise value is considered to have a negligible risk of material financial impacts driven by ESG factors
-  **Low risk:** enterprise value is considered to have a low risk of material financial impacts driven by ESG factors
-  **Medium risk:** enterprise value is considered to have a medium risk of material financial impacts driven by ESG factors
-  **High risk:** enterprise value is considered to have a high risk of material financial impacts driven by ESG factors
-  **Severe risk:** enterprise value is considered to have a severe risk of material financial impacts driven by ESG factors

Note that because ESG risks materialize at an unknown time in the future and depend on a variety of unpredictable conditions, no predictions on financial or share price impacts, or on the time horizon of such impacts, are intended or implied by these risk categories.

ESG Risk Rating Score (Unmanaged Risk Score)

The company's final score in the **ESG Risk Rating**; it applies the concept of **risk decomposition** to derive the level of **unmanaged risk** for a company.

Event Category

Sustainalytics categorizes events that have resulted in negative ESG impacts into five event categories: Category 1 (low impact); Category 2 (moderate impact); Category 3 (significant impact); Category 4 (high impact); and Category 5 (severe impact).

Event Indicator

An indicator that provides a signal about a potential failure of management through involvement in controversies.

Excess Exposure

The difference between the company's **exposure** and its **subindustry** exposure.

Exposure

A company or **subindustry's** sensitivity or vulnerability to ESG risks.

Idiosyncratic Issue

An issue that was not deemed material at the **subindustry** level during the **consultation process** but becomes a **material ESG issue** for a company based on the occurrence of a Category 4 or 5 event.

Manageable Risk

Material ESG Risk that can be influenced and managed through suitable policies, programmes and initiatives.

Managed Risk

Material ESG Risk that has been managed by a company through suitable policies, programmes and initiatives.

Management

A company's handling of ESG risks.

Management Gap

Refers to the difference between what a company has managed and what a company could possibly manage. It indicates how far the company's performance is from best practice.

Management Indicator

An indicator that provides a signal about a company's management of an ESG issue through policies, programmes or quantitative performance.

Material ESG Issue

A core building block of the **ESG Risk Rating**. An ESG issue is considered to be material within the rating if it is likely to have a significant effect on the enterprise value of a typical company within a given **subindustry**.

Subindustry

Subindustries are defined as part of Sustainalytics' own classification system.

Unmanageable Risk

Material ESG Risk inherent from the intrinsic nature of the products or services of a company and/or the nature of a company's business, which cannot be managed by the company if the company continues to offer the same type of products or services and remains in the same line of business.

Unmanaged Risk

Material ESG risk that has not been managed by a company, and includes two types of risk: **unmanageable risk**, as well as risks that could be managed by a company through suitable initiatives, but which may not yet be managed (**management gap**).

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