

Dvara Kshetriya Gramin Financial Services Private Limited

Reg. Office - IIT-M Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai – 113

CIN: U65991TN1993PTC024547

DVARA KSHETRIYA GRAMIN FINANCIAL SERVICES PRIVATE LIMITED	
POLICY	Environmental, Social and Governance Policy
VERSION	1.0
DATE OF APPROVAL OF BOARD	Nov 12, 2025
PROCESS OWNER	Product

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Key Focus Areas under ESG

Environmental and Social Risk Management in Lending

Dvara KGFS Environmental and Social Management System (ESMS) will ensure compliance with applicable local and national laws on environment, health, and safety standards and International Finance Corporation (IFC) Performance Standards. It will help the Company to avoid and manage loans with potential environmental and social risks through adequate due diligence during loan disbursement and loan utilisation checks post loan disbursement. Dvara KGFS will ensure that it shall not extend any loans which fall under the IFC exclusion (prohibited activities) list. The Company's loan agreements will contain appropriate environmental and social requirements as stipulated in the ESMS. Dvara KGFS shall ensure timely communication of various environmental and social objectives to its stakeholders, along with proper mechanism for handling of queries/ grievances. The Company shall also ensure adequate capacity building measures to identify and monitor environmental and social risks, including senior management, environmental and social (E&S) officer, and support team.

Environmental Goal

Dvara KGFS aims to focus on the following environmental goals –

1. Reduce customers' vulnerability to climate change and environmental degradation
2. Foster adoption of green practices and technologies and meet customers' demands and needs for them.

Climate Change Strategy

Energy & Emissions Management

Dvara KGFS is committed towards sustainable management and use of natural resources in the most efficient, cost-effective, and environmentally responsible manner. The Company aims to minimize the energy requirements of its assets, support sustainably sourced energy, foster an organizational culture that promotes energy conservation, and engage with its stakeholders to encourage energy-saving behaviour.

The Company aims to regularly measure and disclose our greenhouse gas (GHG) emissions indicators and externally verify them on an annual basis. The Company's initiatives on climate front will include –

- Evaluation of alternative energy sources and use of renewable energy sources wherever economically feasible.
- Optimisation of business and field processes to reduce energy usage intensity.
- Incorporating energy-efficient building designs where applicable.
- Ensuring fuel-efficient fleet of vehicles for business operations, regularly maintained to limit GHG emissions
- Prioritise two-wheelers over four-wheelers for field operations.
- Increase staff awareness on criticality of energy conservation.

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Waste Management

Dvara KGFS is cognizant of the importance of responsible waste management and its impact on environmental sustainability. The wastes generated through the Dvara KGFS operations are e- waste, dry waste (primarily paper waste), and wet waste (primarily from the cafeteria). The Company will ensure that all wastes produced are disposed responsibly, using approved & authorized waste contractors/recyclers, in line with the prescribed regulations and industry best practices. The Company will try to minimize waste generation at source and facilitate repair, reuse, and recycling over the disposal of wastes, where it is cost-effective. The Company will promote environmental awareness in order to increase and encourage waste minimization, reuse, and recycling.

Dvara KGFS is conscious of use of paper in its business operations. Increasing use of digital applications at field is gradually helping in reduction in paper consumption, thus leading to lower paper wastage. The Company also aims to control the printing and photocopying operations by employees across all office locations in order to reduce wastage of paper.

KPIs to track Environmental Goals

Customers' Vulnerability to Climate Change and Environmental degradation –

1. Incidences of shocks across geographies and economic sectors within portfolio
2. Impact of shocks

Foster adoption of Green Practices and Technologies –

1. Improvement in access to Energy, Water, Sanitation
2. Reduce vulnerability of climate risk of customers.

Workplace and Employee Centric Approach Work

Ethics and Code of Conduct

Dvara KGFS expects all employees to strictly act in accordance with the high professional and ethical work standards. The employees are expected to avoid conflicts of interest and remain committed to integrity in all work-related aspects and comply with applicable laws, regulations, and Company policies. The employees are expected to avoid misuse or misappropriation of the Company's assets and ensure highest levels of confidentiality with respect to customer information, unpublished price sensitive information and promote fair dealing within and outside the Company. Adequate policies and procedures will be defined to take necessary disciplinary actions and report any violations from the policies.

Human Rights

Dvara KGFS is committed to uphold employee rights and treat all employees with respect and dignity in order to promote a healthy and conducive work environment for the employees. The Company aims to comply with United Nations (UN) Guiding Principles on Business and Human Rights and International Labour Organisation (ILO) conventions which are ratified by India. The Company's human rights policy will ensure equity, diversity, and inclusion within the organization, non-discrimination, prevention of human rights violations across entire value chain, and adequate training/ awareness on human rights.

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Equal Opportunities and Gender Diversity

Dvara KGFS remains committed to value equal opportunities, diversity and inclusion at the workplace. The Company shall encourage diverse workforce without any discrimination on basis of age, gender, sexual orientation, marital status, physical or mental disabilities, race, caste, colour, national or ethnic origin, religion or language. The Company aims to leverage diverse thinking, skills, and experience of employees, and provide flexibility to accommodate evolving needs of employees at different career and life stages. The Company aims to eliminate various structural and cultural barriers, attract diverse talent, position as employer of choice and effectively respond to changing societal expectations.

Women Safety

Dvara KGFS remains committed to foster safe working environment for women, with zero tolerance policy on sexual harassment along with quick investigation and redressal of complaints through fair and transparent process. Further, the Company believes that all employees, regardless of their gender, have the right to work in an environment safe from verbal/ physical abuse and unsolicited sexual overtures.

Employee Wellbeing, Career Growth, Remuneration and Benefits

Dvara KGFS remains committed to promote a safe and conducive work environment for its employees, ensuring their occupational health and safety, adequate healthcare benefits including life insurance, accidental insurance and medical cover. The Company encourages growth opportunities and career progression by prioritizing internal job opportunities wherever appropriate. The Company's remuneration policies stipulate reasonable compensation sufficient to attract, motivate and retain talent and ensure alignment of employee's performance with short-term and long-term objectives of the Company.

Training and Development

Dvara KGFS remains committed to its goal of environmentally and socially responsible inclusive development for which it takes responsibility to nurture young workforce from rural and semi-urban communities. The Company's preference is towards recruiting fresh talent from customer families and local communities. The Company ensures pre-hiring training to prospective employees followed by extensive post-hiring training to help employees develop the required skills and explore internal growth opportunities. Right training helps to inculcate the organisational culture and build synergistic environment between employees and customers. The Company aims to imbibe ESG aspects in periodic training sessions for all employees to keep them updated on various latest developments on ESG front and ensure compliance with ESG standards on continuous basis.

Customer Centric Approach

Dvara KGFS larger thrust on financial inclusion and holistic development of customer families is effectively delivered through its customer-centric approach aligned with unique needs of customer families. Responsible financial inclusion encompasses core Client Protection Principles to help financial service providers practice good ethics including fair pricing, code-of-conduct, non-coercive recovery practices, customer grievance mechanism, and community engagement.

In the course of its business, Dvara KGFS collects, stores, and processes data of its customers, which must be dealt with properly and securely. The Company remains committed to ensuring the privacy and security of the customer data by complying with its data privacy policy and cyber-security policy and implement adequate processes to protect the personal and financial information of customers.

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Community Engagement

Dvara KGFS has always aligned business priorities with social commitments, targeting need-based interventions for community welfare in our operating geographies. The Corporate Social Responsibility (CSR) interventions are focused on enhancing quality of life of the communities that are located in the vicinity of business location by way of creating awareness and providing support.

The Company's CSR program and initiatives include following activities –

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Provided, notwithstanding the above, there is no restriction on the Company to undertake such other activities as may be allowed under Schedule VII of the Companies Act, 2013.

With an aim to create socio-economic awareness among our customers, the Company aims to carry various field initiatives to generate awareness on topics like health management, food and nutrition, children's care, financial literacy, sanitation, and many more. The information is disseminated to our customers through our loan officers during centre meetings.

Procurement Practices & Supplier Code of Conduct

Dvara KGFS procurement practices shall ensure fair and impartial assessment of all potential vendors and suppliers, ensuring access to environmentally friendly and energy efficient products and encouraging local sourcing wherever possible.

Dvara KGFS will always require that our suppliers comply with all applicable laws, regulations, and standards within the geographies in which they operate and adhere to recognized ESG standards in letter and spirit. The supplier shall comply with all local employment, labour laws, and laws regarding human rights in the operating geographies, eliminating any kind of forced labour & child labour. All our suppliers must conduct their business ethically. They shall follow anti-corruption and anti-bribery laws and comply with all applicable national and international antitrust and trade control regulations.

Transparency & Accountability

Dvara KGFS Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees & Directors by giving them direct access to the Chairman of the Audit Committee in exceptional cases. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general