Digamber Capfin Limited

ESG COMMITTEE CHARTER

Embedding Sustainability at the Core of Responsible Finance



ENVIRONMENTAL | SOCIAL | GOVERNANCE

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PREAMBLE

Digamber Capfin Limited (DCL) is a Non-Banking Financial Company (NBFC) committed to responsible, inclusive, and sustainable financial services. As a lending institution operating across 200+ branch locations, DCL recognizes that its financial decisions carry direct impact on communities, the environment, and long-term economic well-being.

This ESG Committee Charter is a foundational governance document that establishes the mandate, structure, responsibilities, and operating framework of the Company's Environmental, Social, and Governance (ESG) Committee. It reflects DCL's determination to go beyond regulatory compliance to actively integrate ESG principles into every layer of the organization, from boardroom decisions to branch-level data collection.

This Charter has been approved by the Board of Directors and shall serve as the definitive reference for all ESG governance activities within Digamber Capfin Limited.

1. Purpose and Mandate

The ESG Committee has been constituted by the Board of Directors to institutionalize environmental responsibility, social accountability, and sound governance as non-negotiable pillars of DCL's business model. This section defines the Committee's foundational purpose, strategic intent, and regulatory anchoring.

1.1 Why ESG Matters for Digamber Capfin Limited

As a regulated NBFC with high amount of loan book and a nationwide network of over 200 branches, Digamber Capfin Limited operates at the intersection of finance and society. The Company's lending activities directly affect the livelihoods of lakhs of customers, many of whom belong to underserved rural and semi-urban communities. In this context, ESG is not merely a disclosure obligation, it is a business imperative.

The financial sector globally is undergoing a paradigm shift: investors, regulators, and communities are demanding that financial institutions demonstrate measurable commitment to sustainability. For DCL, embedding ESG principles enables the Company to:

- **Build long-term resilience:** by identifying and managing environmental and social risks that may otherwise translate into credit losses or reputational harm.
- **Access responsible capital:** from ESG-conscious investors, development finance institutions, and green bond markets.
- **Strengthen regulatory standing:** by proactively aligning with RBI's evolving sustainable finance guidelines and SEBI's BRSR disclosure framework.
- **Deepen stakeholder trust:** by demonstrating that DCL's growth is inclusive, ethical, and environmentally responsible.
- **Support national development goals:** by contributing to India's commitments under the Paris Agreement, the National Action Plan on Climate Change, and the UN Sustainable Development Goals.

Digamber Capfin Limited recognises the objectives of the Paris Agreement, 2015, and is committed to contributing towards global efforts to address climate change and promote environmental sustainability.

As part of its ESG framework, the Company shall endeavour to contribute towards these objectives through responsible resource utilisation, energy efficiency, reduction of its carbon footprint, digitalisation, promotion of environmentally sustainable financing and integration of climate-related considerations into its business operations and risk management practices.

The Company shall establish measurable environmental goals, monitor progress periodically and continuously explore opportunities to contribute towards India's national climate commitments and broader global sustainability objectives.

1.2 Strategic Purpose of the ESG Committee

The ESG Committee has been constituted to fulfil the following strategic purposes for Digamber Capfin Limited:

Strategic Oversight	Policy Architecture	Operational Integration	Stakeholder Communication
Providing board-level direction and accountability for the ESG agenda across all functions and geographies.	Developing, maintaining, and enforcing ESG policies that meet both regulatory requirements and international best practice standards.	Ensuring ESG considerations are embedded into day-to-day business operations, from credit underwriting to HR practices.	Overseeing ESG disclosures and reporting to regulators, investors, customers, and the public in a transparent and credible manner.

1.3 Regulatory and Framework Alignment

The ESG Committee operates within a robust framework of national and international standards. Compliance with these frameworks is mandatory where prescribed and aspirational where voluntary. The following frameworks guide the Committee's work:

Framework / Standard	Issuing Authority	Description / Key Provisions	Relevance to DCL	Compliance Nature
Business Responsibility and Sustainability Reporting (BRSR)	Securities and Exchange Board of India	Comprehensive ESG disclosure framework aligned with National Guidelines on Responsible Business Conduct (NGRBC). Covers quantitative and qualitative disclosures across Environmental, Social, and Governance pillars, including energy usage, emissions, workforce, customer welfare, and governance practices.	Not directly applicable as DCL is unlisted; however, serves as a benchmark framework for ESG disclosures, especially in anticipation of future listing, investor expectations, or regulatory expansion.	Not Mandatory (Applicable only to top 1,000 listed entities) – Recommended as Best Practice
RBI Sustainable Finance / Climate Risk Guidelines (Relief Measures by Banks/NBFC in Areas affected by Natural Calamities) Directions 2018 – RRBs Repeal Directions, 2026)	Reserve Bank of India	Supervisory expectations on climate risk management, green finance taxonomy, stress testing, and integration of ESG risks into governance, risk frameworks, and lending practices. Emphasis on climate-related financial risk disclosures and board-level oversight.	Relevant as DCL falls under Middle Layer NBFC under RBI Scale-Based Regulation. RBI expects gradual integration of ESG risks into credit appraisal, risk management, and governance frameworks.	Mandatory Return
Global Reporting Initiative (GRI) Standards	Global Reporting Initiative	Globally recognized sustainability reporting standards covering economic, environmental, and social disclosures. Includes universal standards (GRI 1–3) and topic-specific standards (e.g., emissions, water, labor	Provides a robust voluntary framework for DCL to structure ESG disclosures in line with international best practices, especially useful for investor	Voluntary (Global Best Practice)

		practices). Enables structured ESG reporting aligned with global comparability.	communication and ESG rating alignment.	
Task Force on Climate-related Financial Disclosures (TCFD)	Financial Stability Board	Framework for climate-related financial disclosures structured across four pillars: Governance, Strategy, Risk Management, Metrics & Targets. Focuses on assessing climate risks (physical & transition) and their financial impact.	Relevant for DCL to strengthen climate risk governance, particularly in lending portfolios and exposure to climate-sensitive sectors. Enhances credibility for green funding and investor reporting.	Voluntary (Widely Adopted Globally)
United Nations Sustainable Development Goals (UN SDGs)	United Nations	Set of 17 global goals addressing poverty, inequality, climate change, and sustainable development. Organizations align their business activities and impact strategies to these goals.	DCL's financial inclusion and lending activities align with SDG 1 (No Poverty), SDG 8 (Decent Work), SDG 10 (Reduced Inequalities), and SDG 13 (Climate Action). Supports strategic ESG positioning and impact reporting.	Voluntary (Strategic Alignment Framework)
ISO 14001 – Environmental Management Systems (EMS)	International Organization for Standardization	Specifies requirements for establishing an Environmental Management System (EMS), including resource efficiency, waste management, compliance obligations, and continuous improvement mechanisms.	Applicable at an operational level for DCL's offices and infrastructure to institutionalize environmental practices such as energy efficiency and waste management.	Aspirational / Voluntary Certification
IFC Performance Standards	International Finance Corporation	Framework comprising 8 performance standards on environmental and social risk management, including labor, resource efficiency, community impact, and biodiversity. Widely used by development finance institutions (DFIs).	Highly relevant for DCL in context of green funding, ESG-linked financing, and investor due diligence, especially when engaging with DFIs or international lenders.	Aspirational (Required for DFI / Impact Funding)

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2. Scope of the ESG Committee

The ESG Committee's mandate extends across all functions, geographies, and business lines of Digamber Capfin Limited. This section defines the domains of oversight and provides detailed explanations of what each domain encompasses for DCL.

2.1 Overview of ESG Domains

The Committee shall exercise oversight across four interconnected ESG domains. These domains are not siloed; they interact and reinforce each other. For example, a green loan product (Business Integration) generates environmental data (Environmental), supports customer well-being (Social), and requires governance controls (Governance).

Domain	Pillar	Key Scope for DCL	Primary Responsible Role
Environmental (E)	Climate & Resources	Energy consumption monitoring across Head Office and branches; GHG emission estimation; water consumption tracking and efficiency measures; waste generation monitoring and responsible disposal; paper and resource reduction; promotion of digital processes to reduce physical footprint; green lending classification KPIs.	Business Team (Need discussion)
Social (S)	People & Community	Customer grievance redressal and satisfaction;	MIS Department
Social (S)	People & Community	financial inclusion for rural and underserved segments; employee health, safety, and welfare; fair lending practices; CSR programme governance	Head HR
Governance (G)	Ethics & Compliance	Regulatory compliance monitoring (RBI, SEBI, MCA); ESG policy development and enforcement; board-level ESG reporting; anti-fraud controls; audit trail maintenance; code of conduct adherence	Chief Compliance Officer
Business Integration (B)	Sustainable Finance	ESG risk scoring in credit appraisal; green and social loan identification; portfolio classification into E, S, and general categories; development of sustainability-linked products; investor-grade ESG MIS	Head – Credit / Risk

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2.2 Scope Boundaries

To ensure clarity of mandate, the following boundaries apply:

Within Scope of the ESG Committee
✓ ESG policy formulation and review
✓ BRSR and GRI/ TCFD disclosure preparation
✓ Green loan portfolio classification
✓ ESG risk integration into lending framework
✓ Environmental data monitoring (energy, waste, water & emissions)
✓ CSR programme governance (strategy & oversight)
✓ Investor ESG communication and reporting
✓ ESG KPI tracking and improvement planning

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3. ESG Governance Structure

Effective ESG governance requires clear lines of authority, well-defined roles, and structured accountability at every level. DCL has established a five-tier ESG governance architecture that connects the Board of Directors to individual branch-level data owners.

3.1 Governance Philosophy

DCL's ESG governance is built on three foundational principles: "Top-Down Leadership", which means ESG strategy and tone are set at the Board level and cascade through the organization; "Bottom-Up Data", which means ground-level data collected from N number of branches in various state feeds upward into reporting and decision-making; and "Cross-Functional Ownership", which means no single department owns ESG and every functional head is accountable for their ESG domain.

3.2 Governance Hierarchy – Roles and Responsibilities

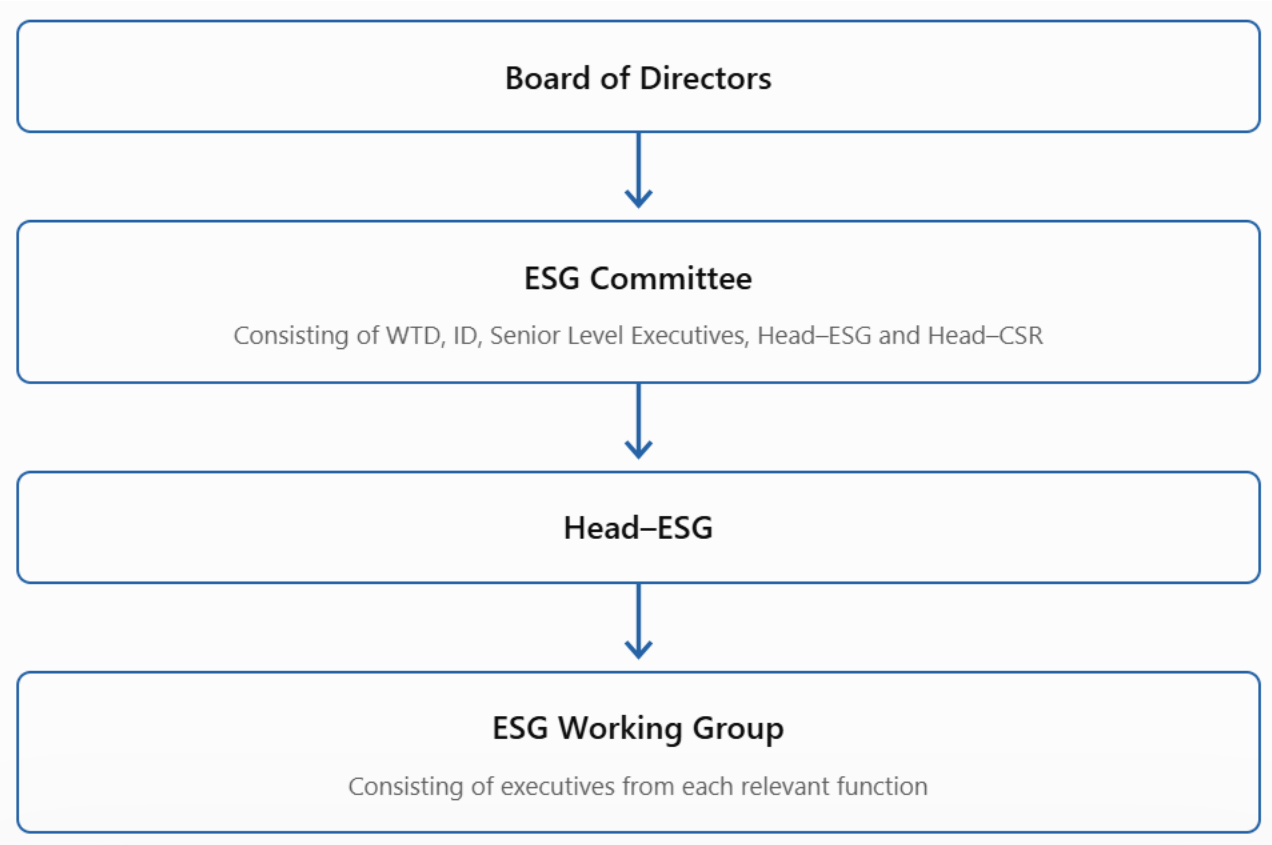
The following five-tier structure defines authority, accountability, and information flow across the ESG governance system:

Tier	Role / Body	Members	Key ESG Responsibility	Reporting Frequency
Tier 1 – Oversight	Board of Directors (BOD)	All Board Members including Independent Directors	Ultimate approval of ESG strategy, annual BRSR sign-off, oversight of material ESG risks, embedding ESG in company purpose and culture. The Board receives semi-annual ESG performance updates and approves material policy changes.	Semi-Annual
Tier 2 – Strategy	ESG Committee (Board -Level)	Designated Senior Management representative	Setting the ESG agenda, coordinating between Committee members, liaising with the Board, engaging with external stakeholders (investors, regulators, rating agencies), and driving the annual ESG disclosure calendar.	Quarterly
Tier 3 – Operations	Regional ESG SPOCs (Single Points of Contact)	One designated SPOC per regional cluster of branches	Collection of branch-level ESG data, first-level validation, aggregation across assigned branches, and escalation of data anomalies to the respective Committee member.	Quarterly

Tier	Role / Body	Members	Key ESG Responsibility	Reporting Frequency
Tier 4 – Field	Branch-Level Data Owners	Designated staff at each of the branches	Primary data collection for ESG parameters (energy bills, customer grievance counts, employee welfare data), maintenance of ESG data records, and timely reporting to Regional ESG SPOCs.	Quarterly

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3.3 ESG Governance Organogram



3.4 Decision-Making Authority Matrix

The following matrix defines who has authority to decide, recommend, or be informed across key ESG governance activities:

ESG Activity	Board of Directors	ESG Mgmt. Committee	Head – ESG	ESG Working Group
Approve ESG Strategy & Annual Targets	Approve / Oversee	Further Implementation of strategy	Co-ordination with working group	Execution for day-to-day activities related to ESG
Approve ESG Policy Documents	Approve / Oversee	Further Implementation of strategy	Co-ordination with working group	Execution for day-to-day activities related to ESG
Approve BRSR / GRI Disclosure	Approve / Oversee	Further Implementation of strategy	Co-ordination with working group	Execution for day-to-day activities related to ESG

ESG Activity	Board of Directors	ESG Mgmt. Committee	Head – ESG	ESG Working Group
Approve Green Loan Classification Criteria	Approve / Oversee	Further Implementation of strategy	Co-ordination with working group	Execution for day-to-day activities related to ESG
Approve ESG KPI Framework	Approve / Oversee	Further Implementation of strategy	Co-ordination with working group	Execution for day-to-day activities related to ESG
Review ESG MIS Reports	Approve / Oversee	Further Implementation of strategy	Co-ordination with working group	Execution for day to day activities related to ESG

4. Composition of the ESG Committee

The ESG Committee draws its membership from the Company's senior management, ensuring that each major ESG domain is represented by a functional leader with direct operational accountability. This cross-functional structure prevents ESG from becoming the responsibility of a single isolated department.

4.1 Committee Members and Their ESG Portfolios

The ESG Committee shall comprise the following permanent members. Each member is the designated custodian of their respective ESG domain and is personally accountable for data quality, initiative delivery, and reporting within that domain.

Role	ESG Domain	Core ESG Responsibilities	Key Deliverables
Whole time Director	Environment, Social & Governance	The WTD shall act as the key executive-level sponsor for the ESG framework and ensure that ESG considerations are embedded in the organization's decision-making processes, business operations and lending activities.	strategic decision-making; business operations and lending processes; effective monitoring and reporting mechanism; measurable performance indicators
Independent Director	Environment, Social & Governance	The Independent Director shall act as an independent governance oversight authority, ensuring that the ESG Charter is comprehensive, transparent, accountable and aligned with sustainable business practices,	Independent oversight and recommendations; ensuring a transparent; protects stakeholder

Role	ESG Domain	Core ESG Responsibilities	Key Deliverables
		while safeguarding the interests of stakeholders and promoting responsible corporate conduct.	interests; promotes ethical corporate conduct
Head – ESG	Environment, Social & Governance	The Head – ESG shall act as the nodal officer responsible for developing and coordinating the ESG Charter, ensuring its effective implementation across the organization and periodically reporting progress, challenges and recommendations to the senior management and Board/Board-level Committee, as applicable.	defined implementation roadmap; ESG risk assessment methodology; departmental accountability matrix,; approved and effectively implemented ESG Charter
Head – CSR	Social	The Head – CSR shall be responsible for providing functional inputs and expertise in respect of the social pillar of the ESG Charter, ensuring that the organisation's CSR initiatives are aligned with its broader ESG commitments and contribute towards inclusive growth, community development and sustainable social impact.	ensuring alignment of CSR initiatives with broader ESG objectives; effective project monitoring; Stakeholder engagement and periodic reporting mechanisms;
CCO	Social & Governance	The Chief Compliance Officer shall be responsible for providing regulatory and compliance oversight in the preparation of the ESG Charter, ensuring that its provisions are consistent with applicable legal and regulatory requirements and that adequate compliance controls, monitoring mechanisms and accountability structures are incorporated into the ESG framework.	regulatory compliance matrix; defined internal controls; monitoring and reporting mechanisms;

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4.2 Quorum and Chairpersonship

The following rules govern the conduct and validity of ESG Committee proceedings:

- **Chairperson:** The Head – ESG shall serve as the Chairperson of the ESG Committee and shall be responsible for convening meetings, setting agendas, and ensuring follow-up on action items.
- **Quorum:** A minimum of three out of five Committee members must be present for a meeting to constitute a quorum and for any decisions to be binding.
- **Decisions:** Decisions shall be made by consensus where possible. In the event of disagreement, a simple majority vote shall prevail, with the Chairperson holding a casting vote in the event of a tie.
- **Minutes:** Minutes of all meetings shall be recorded by the Company Secretary and circulated within five working days of each meeting for review and approval.
- **Invitees:** The Committee may invite other senior management members, external advisors, or specialists to attend meetings on an ad hoc basis, but such invitees shall not have voting rights.

4.3 Performance and Accountability

Each Committee member's ESG performance shall be assessed as part of their annual performance review. ESG KPI attainment (as described in Section 5.G) shall be a documented input into this assessment, reinforcing personal ownership of ESG outcomes.

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5. Roles and Responsibilities

This section provides a comprehensive description of the ESG Committee's responsibilities across seven functional areas. For each area, the Charter specifies what must be done, how it must be done, and what outcome it must achieve. These responsibilities collectively constitute the "ESG Operating Model" of Digamber Capfin Limited.

A. Policy and Governance

Sound ESG governance begins with robust, well-maintained policies that set clear expectations for behaviour and performance. The ESG Committee is the custodian of DCL's ESG policy architecture.

Area	Detailed Activities	Outcome / Standard	Owner
ESG Policy Development	The Committee shall formulate, periodically review (at least annually), and update a comprehensive suite of ESG policies covering all three pillars - Environmental, Social, and Governance. Each policy shall define scope, objectives, targets, responsibilities, and compliance mechanisms. Policies shall be approved by the Head – ESG and endorsed by the Board. All staff shall be made aware of applicable policies through induction and annual refresher programmes.	A complete, Board-approved ESG Policy Manual covering at minimum: Environmental Policy; Social and Inclusion Policy; Governance and Ethics Policy; Green Finance Policy; Grievance Redressal Policy; Whistleblower Policy	CCO
Regulatory Compliance & Alignment	The Committee shall maintain an up-to-date regulatory compliance calendar tracking all ESG-related obligations under BRSR (SEBI), RBI's sustainable finance circulars, Companies Act (CSR), and applicable labour laws. Compliance gaps shall be logged, assigned, and tracked to closure. The Company Secretary shall submit a quarterly Compliance Status Report to the Committee.	Zero regulatory non-compliances related to ESG disclosures; timely BRSR submission; updated regulatory mapping document	CCO
Governance Framework & Structure	The Committee shall maintain the ESG governance structure described in Section 3 of this Charter — including role definitions, reporting lines, appointment of SPOCs, and the decision-making matrix. The governance framework shall be reviewed annually and updated to reflect organizational changes. All appointments within the ESG governance structure shall be formally documented.	A live ESG Governance Charter; documented SPOC appointments; updated organogram circulated to all governance participants annually	Head – ESG
Code of Conduct & Business Ethics	The Committee shall oversee the implementation and monitoring of DCL's Code of Conduct as it relates to ESG matters — including anti-bribery, anti-corruption, conflicts of interest, responsible lending, and data privacy. Breaches of the Code that carry ESG implications shall be reported to the Committee and escalated to the Board were material. An	Annual Code of Conduct compliance confirmation from all employees; zero uninvestigated ESG-related ethics breaches; annual	CCO

Area	Detailed Activities	Outcome / Standard	Owner
	annual ethics training programme shall be conducted for all employees.	training completion rate ≥90%	
Whistleblower and Grievance Mechanism	DCL shall maintain a confidential whistleblower mechanism enabling employees, customers, and other stakeholders to report ESG-related concerns (environmental violations, social misconduct, governance failures) without fear of retaliation. All reports received shall be investigated within 30 days. The Committee shall receive a summary of whistleblower activity at each quarterly meeting.	Active, independently administered whistleblower channel; 100% of reports investigated within 30 days; annual whistleblower report to the Board	

B. Data Management and Reporting

ESG disclosures are only as credible as the data behind them. DCL is committed to building a robust, auditable, and complete ESG data management system spanning all 200+ branch locations. This section describes the data lifecycle from collection at source to external disclosure.

Area	Detailed Activities	Outcome / Standard	Owner
ESG Data Architecture & Collection	The Head - Finance shall design and maintain a standardized ESG data collection template for all branches, covering the mandatory BRSR and GRI/ TCFD data fields. Branch-Level Data Owners shall submit data Quarterly using this template to their Regional ESG SPOC. Data shall cover: electricity consumption (kWh); fuel consumption (liters); water usage (kL, where applicable); paper consumption (reams); waste generation & Segregation (in kg or units, where applicable) number of grievances received and resolved; employee headcount, turnover, training hours; loan portfolio composition by sector and ESG category.	A standardized, version-controlled ESG Data Collection Template; Quarterly data submission from 100% of branches; central ESG data repository maintained by Head – Finance	Head – Finance
Data Validation and Quality Assurance	Regional ESG SPOCs shall perform first-level validation of data submitted by branches (checking for missing values, outliers, and obvious errors). The Head – Finance shall perform second-level validation before data is consolidated into the Quarterly MIS. Any data anomalies shall be flagged, investigated, and resolved before inclusion in reports. An annual data quality audit shall be conducted by Internal Audit.	Data quality score of ≥95% completeness and accuracy across all branches; documented data validation log; annual Internal Audit sign-off on ESG data quality	Head – Finance / Regional SPOCs
ESG Management Information System (MIS)	The Committee shall maintain a real-time or near-real-time ESG MIS dashboard providing Quarterly visibility into: energy and resource consumption trends; customer grievance volumes and resolution rates; employee	Quarterly ESG MIS dashboard circulated to all Committee members within 10 working days of month-end; ESG MIS	Head – Finance

Area	Detailed Activities	Outcome / Standard	Owner
	diversity and welfare metrics; green and social loan portfolio share; compliance status. The MIS shall be presented at each Quarterly Committee meeting and a summary version shared with the Head – ESG.	reviewed at each Quarterly Committee meeting	
BRSR Reporting BRSR-aligned voluntary disclosure (recommended best practice	The Company Secretary shall lead the preparation of the Annual Business Responsibility and Sustainability Report (BRSR) as required under SEBI's LODR regulations. The BRSR shall cover all nine principles of the National Guidelines on Responsible Business Conduct (NGRBC), including disclosures on governance, stakeholder engagement, environment, social capital, human capital, and product responsibility. The draft BRSR shall be reviewed by the ESG Committee, approved by the Head – ESG, and signed off by the Board before publication.	BRSR submitted within the statutory deadline; 100% coverage of all required BRSR disclosure fields; BRSR reviewed by an external ESG assurance provider (target: within 2 years)	Company Secretary
GRI-Aligned Voluntary Disclosure	In addition to BRSR, DCL shall progressively align its ESG disclosures with GRI Standards. The Company shall identify the most material GRI topic disclosures relevant to its industry (NBFC/Financial Services Sector) and prepare a GRI Content Index mapping its disclosures to GRI Standards. This voluntary disclosure enhances international credibility and positions DCL for ESG-linked funding from development finance institutions.	Annual GRI Content Index published alongside BRSR; progressive increase in GRI disclosure coverage year-on-year; alignment with GRI Sector Standard for Financial Services (upon publication)	Company Secretary / Head – ESG
TCFD-Aligned Climate Risk Disclosure	DCL shall progressively adopt the TCFD framework for climate-related financial disclosures. This includes identifying physical and transition climate risks affecting its operations and loan portfolio; assessing their financial materiality; and disclosing the Company's approach to climate risk governance, strategy, and risk management. TCFD disclosures shall initially be included in the BRSR and expanded into a standalone Climate Risk Report over time.	TCFD risk register developed (Year 1); TCFD disclosures integrated into BRSR (Year 2); standalone Climate Risk Report (Year 3+)	Head – ESG / Head – Finance

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C. Environmental Management

As a financial services company, DCL's direct environmental footprint is relatively modest compared to manufacturing industries. However, with 200+ branches consuming energy, generating waste, and consuming paper and other resources, the aggregate impact is significant. More importantly, DCL's lending activities create an indirect environmental footprint through the activities it finances. Both direct and indirect environmental impact are within the scope of this section.

Area	Detailed Activities	Target / KPI	Owner
Energy Monitoring & Reduction	All branches shall record Quarterly electricity consumption from utility bills. Head Office shall additionally record fuel consumption (diesel generators, company vehicles). Data shall be submitted to the Regional ESG SPOC by the 5th of each month. The Head – Finance shall prepare an annual Energy Consumption Report identifying high-consumption branches, seasonal trends, and reduction opportunities. LED lighting, energy-efficient ACs, and power management systems shall be prioritized in all new branch fit-outs.	Annual energy consumption baseline established in Year 1; 5% reduction in per-branch energy intensity by Year 3; energy data from 100% of branches by Year 1	Head – Finance
Paper and Resource Efficiency	DCL shall track paper consumption at branch and Head Office level and implement a progressive paperless strategy. Key initiatives include: e-statements and digital loan documentation; e-signing of agreements; digital KYC; reduction of printed reports. Water consumption shall be tracked at large offices and branches where metering is available.	Extend digital documentation to 90%+ across all customer-facing and operational functions (including collections, legal, and back-office) by Year 2; Achieve an additional 10–15% reduction in residual paper consumption (non-credit functions) by Year 2.	Head – Finance / Head – HR
Greenhouse Gas (GHG) Emission Assessment	DCL shall estimate its Scope 1 (direct, e.g., company vehicles and generators) and Scope 2 (indirect, e.g., purchased electricity) GHG emissions annually. The estimation shall use standard emission factors (IPCC, CEA for India's grid emission factor). A Scope 3 assessment (covering financed emissions from the loan portfolio) shall be developed progressively as methodologies evolve and regulatory expectations mature. The annual GHG estimate shall be disclosed in the BRSR.	Scope 1 & 2 GHG emission estimate published annually from Year 1; Scope 3 financed emissions methodology developed by Year 3	Head – Finance
Sustainability Initiatives & Green Operations	DCL shall implement and track the following green operational initiatives: transition to LED lighting across all branches; installation of solar panels at Head Office (in construction); e-waste management policy for IT equipment; green procurement policy prioritizing eco-certified	At least 3 green operational initiatives implemented per year; Solar feasibility assessment completed by Year 2; e-waste	Head – Finance / Head – HR

Area	Detailed Activities	Target / KPI	Owner
	vendors; reduction of single-use plastic in offices.	disposal policy in place by Year 1	
Financed Emissions & Climate Risk in Portfolio	The Head – Credit / Business shall identify sectors within DCL's loan portfolio that carry elevated climate risk (e.g., agriculture exposed to monsoon variability; small businesses in flood-prone areas). A climate risk overlay shall be developed for the credit appraisal process, enabling relationship managers to flag climate-sensitive borrowers. The Head – Finance shall track the share of the portfolio exposed to high climate-risk sectors.	Climate risk taxonomy for DCL's loan portfolio developed by Year 2; % of portfolio in high climate-risk sectors disclosed annually in BRSR	Head – Credit / Business

D. Social Responsibility

DCL's social responsibility encompasses its obligations to three primary groups: customers, employees, and the communities in which it operates. As an NBFC serving a large proportion of rural and semi-urban borrowers, DCL's social impact is both significant and measurable.

Area	Detailed Activities	Target / KPI	Owner
Customer Grievance Management	DCL shall maintain a multi-channel customer grievance redressal mechanism (branch, helpline, website). All grievances shall be logged in a centralized system, categorized by type (loan, service, conduct, etc.), and resolved within defined turnaround times (15 days for standard; 7 days for financial). The Head – HR shall present a Quarterly Grievance Dashboard to the Committee. Repeat complaints, systemic issues, and unresolved grievances beyond TAT shall be escalated to the Head – ESG.	Grievance resolution rate ≥95% within TAT; 100% of grievances acknowledged within 48 hours; grievance volume and resolution data published in BRSR	Head – HR
Customer Experience & Fair Practices	DCL shall conduct annual customer satisfaction surveys (CSAT) across a representative sample of borrowers. Results shall be analysed by product, geography, and demographic segment. Fair lending practices — including transparent pricing, no hidden fees, and respectful collection practices — shall be monitored through mystery shopping and customer feedback analysis. The Fair Practice Code shall be reviewed annually and training provided to all customer-facing staff.	Customer Satisfaction Score (CSAT) target of ≥8.0/10; Fair Practice Code training completion for 100% of customer-facing staff; annual mystery shopping exercise conducted	Head – HR
Financial Inclusion	DCL is committed to responsible financial inclusion. The Company shall track and report annually on: share of lending to first-time borrowers; share of lending in rural and semi-urban areas; share of lending to women borrowers; share of lending to SC/ST	Annual disclosure of financial inclusion metrics in BRSR; ≥50% of incremental lending in rural/semi-urban areas (target); local-language	Head – Credit / Business / Head – HR

Area	Detailed Activities	Target / KPI	Owner
	communities; share of lending to micro and small enterprises. DCL shall also develop and maintain simplified, accessible product documentation in local languages.	product documentation available for all loan products	
Employee Welfare, Health and Safety	DCL shall maintain and annually review an Employee Welfare Programme covering: Health insurance coverage for all employees, extending to spouse and dependent children for married employees; for unmarried employees, coverage is limited to the individual employee, safety and security protocols at branches; health and wellness initiatives; fair performance management and promotion practices. Workplace accident and near-miss data shall be tracked. The Head – HR shall present annual people metrics to the Committee.	100% employee health insurance coverage; zero workplace fatalities; annual employee engagement survey conducted; gender diversity targets set and tracked; paternity support policy implemented; employee mental health and well-being initiatives established.	Head – HR
Employee Development and ESG Capability Building	DCL shall invest in building ESG capability across the organization. All employees shall receive annual ESG awareness training covering their role in data collection, customer responsibility, and ethical conduct. Specialized training shall be provided to Committee members, SPOCs, and credit underwriting staff on green finance, climate risk, and ESG reporting standards. Training hours shall be tracked and reported in the BRSR.	100% of employees trained on ESG fundamentals annually; average ESG training hours per employee ≥4 hours per year; dedicated ESG training for credit staff on green finance	Head – HR
Corporate Social Responsibility (CSR)	DCL's CSR programme shall be governed in alignment with the Companies Act, 2013 (Section 135) and DCL's Board-approved CSR Policy. The ESG Committee shall provide strategic oversight of CSR priorities, ensuring alignment with DCL's material social issues (financial literacy, rural livelihood, education, health). The Head – HR shall submit an annual CSR Impact Report to the Committee. CSR expenditure, programmes, and outcomes shall be disclosed in the Annual Report and BRSR.	100% utilization of statutory CSR budget; annual CSR Impact Report prepared and published; CSR activities aligned to at least 3 UN SDGs	Head – CSR

E. Governance and Risk Management

Governance is the foundation upon which all ESG-related activities of DCL are built. The Company shall leverage its existing Risk Management and Compliance Frameworks, including internal controls, compliance monitoring, fraud prevention mechanisms, audit processes, and disclosure practices, rather than duplicating existing governance arrangements. The ESG Committee shall rely on these established frameworks and focus on identifying, assessing, and overseeing ESG-specific risks, requirements, and considerations to ensure their effective integration into the Company's overall governance and risk management structure.

Area	Detailed Activities	Target / KPI	Owner
Regulatory Compliance Monitoring	The Company Secretary shall maintain a live Regulatory Compliance Calendar tracking all ESG-related compliance obligations (BRSR submission, RBI reporting, Companies Act CSR filings, labour law returns, environmental consents where applicable). Each obligation shall have an assigned owner, due date, and completion status. Compliance status shall be reported to the Committee Quarterly and to the Board semi-annually. A compliance breach register shall be maintained and all breaches investigated within 15 days.	Zero ESG-related regulatory breaches; 100% on-time completion of compliance calendar items; compliance breach register maintained and reviewed quarterly	CCO
Fraud Risk Management	The ESG Committee shall maintain oversight of fraud risks that carry ESG implications — including mis-selling of products to vulnerable customers, falsification of ESG data, and fraudulent green loan claims. The Committee shall receive a quarterly Fraud Risk Report from the Risk / Compliance team. All ESG-related fraud incidents shall be investigated, root-caused, and remediated. Material fraud incidents shall be reported to the Board.	Quarterly Fraud Risk Report reviewed by Committee; 100% of ESG-related fraud incidents investigated; fraud risk identified in ESG data processes (e.g., data manipulation) tracked and mitigated	FRT/Head-Finance
Internal Controls for ESG	DCL shall embed ESG-specific controls into its Internal Control Framework. Key controls include: maker-checker process for ESG data validation; segregation of duties between data collection and reporting; access controls for the ESG data repository; documentation requirements for green loan classification decisions; periodic reconciliation of ESG data against source documents (utility bills, HR records). Internal Audit shall conduct an annual ESG Control Review.	Annual ESG Control Review by Internal Audit; all material ESG data controls documented in the Internal Control Framework; no repeat control deficiencies in consecutive audit cycles	CCO/ Head – Finance
Transparency and ESG Disclosure Quality	DCL is committed to the highest standards of transparency in its ESG disclosures. All published ESG data shall be: accurate and based on primary source records; complete and covering all material parameters; consistent and comparable across reporting periods; independently reviewed by Internal Audit before publication; progressively assured by an external assurance provider. DCL shall publish an ESG Disclosure Policy outlining its commitment to disclosure quality and its assurance approach.	ESG data subject to Internal Audit review before publication; external ESG assurance engaged by Year 3; ESG Disclosure Policy published and available on the Company website	Head – ESG / CCO
Board-Level ESG Risk Oversight	The Board of Directors shall receive a semi-annual ESG Risk Report from the Head – ESG summarising: material ESG risks identified and their financial materiality; status of key ESG KPIs against targets; significant regulatory developments affecting DCL's ESG	Semi-annual ESG Risk Report presented to and reviewed by the Board; Board discussion of at least one material ESG	Head – ESG

Area	Detailed Activities	Target / KPI	Owner
	obligations; summary of stakeholder ESG concerns; and management's response to any ESG incidents. The Board shall be empowered to direct management to take corrective action on ESG risks.	risk per year recorded in Board minutes	

F. ESG Integration into Business Operations

The true test of an NBFC's ESG commitment is whether sustainability principles are embedded into its core business lending. This section describes how DCL integrates ESG into its credit and product functions, going beyond compliance to create tangible business value from sustainable finance.

Area	Detailed Activities	Target / KPI	Owner
ESG Risk in Credit Appraisal	The credit assessment process shall be designed to ensure that lending decisions do not adversely impact the three pillars of Environmental, Social and Governance (ESG) principles. A structured methodology shall be established to assess and classify ESG-related risks into Low, Medium and High categories, enabling appropriate risk evaluation, mitigation measures and informed credit decisions.	ESG Risk Checklist integrated into credit appraisal workflow by Year 1; 100% of new loans above a defined ticket size subject to ESG screening; annual review of ESG Risk Checklist against evolving regulatory guidance	Head – Credit / Business
Green Loan Identification & Classification	DCL may consider developing a dedicated Green Loan Product to support and promote green lending principles and sustainable financing. The product framework, eligibility criteria and underlying processes may be independently validated to ensure alignment with applicable green lending guidelines and sustainability standards.	Green Finance Taxonomy approved and implemented by Year 1; ≥10% of loan portfolio classified as green by Year 3; quarterly Green Portfolio Report prepared and reviewed by Committee	Head – Credit / Business
Social Loan Classification	In parallel with green loans, DCL shall develop a Social Loan Taxonomy covering lending to: women entrepreneurs; SC/ST borrowers; first-generation business owners; micro and small enterprises in underserved areas; borrowers in rural and semi-urban areas classified as priority sectors under RBI guidelines. Social loans shall be tagged and tracked to demonstrate DCL's financial inclusion contribution to investors and regulators.	≥40% of loan portfolio classified as social / priority sector by Year 2; social loan data disclosed in BRSR; Social Loan Report included in investor ESG data pack	Head – Credit / Business
ESG-Linked Financial Product Development	The Head – Credit / Business, in coordination with the product team, shall develop innovative ESG-aligned lending products, including: green business loans (for solar, energy efficiency, sustainable agriculture); sustainability-linked loans (with interest rate	At least 1 new ESG-aligned product launched per year; ESG impact assessment completed for all new product launches; ESG-linked products available in	Head – Credit / Business

Area	Detailed Activities	Target / KPI	Owner
	incentives tied to borrower ESG performance); livelihood and rural development loans; women's empowerment loan schemes. New products shall undergo an ESG impact assessment before launch.	at least 50 branches by Year 2	
Portfolio ESG Monitoring & Reporting	The Head – Finance and Head – Credit / Business shall jointly maintain a Portfolio ESG Dashboard that tracks: green loan portfolio share and growth; social loan portfolio share; sectoral distribution and ESG risk exposure; ESG-linked product performance; borrower ESG score trends. This dashboard shall be reviewed Quarterly by the Committee and shared with the Board semi-annually.	Quarterly Portfolio ESG Dashboard reviewed by Committee; portfolio ESG data included in semi-annual Board ESG Report; portfolio ESG composition disclosed in BRSR	Head – Finance / Head – Credit / Business
Investor ESG Reporting & Engagement	As DCL seeks to access ESG-conscious capital markets (including green bonds, social bonds, sustainability-linked bonds, and development finance institution lines of credit), the ESG Committee shall prepare and maintain an Investor ESG Data Pack covering: audited ESG performance metrics; green and social portfolio data; ESG governance structure; climate risk management approach; alignment with relevant investor ESG frameworks (UNPRI, GRI, TCFD). The Head – ESG shall manage ESG investor engagement.	Investor ESG Data Pack prepared annually; ESG data provided to all requesting investors within 10 working days; DCL registered with at least one ESG rating agency by Year 2	Head – ESG / Head – Finance

G. Monitoring, KPIs, and Continuous Improvement

Effective ESG governance requires a robust system of performance measurement, gap identification, and continuous improvement. This section establishes DCL's ESG KPI framework and the processes for tracking, reviewing, and improving performance over time.

Area	Detailed Activities	Target / KPI	Owner
ESG KPI Framework	The ESG Committee shall maintain a comprehensive set of Key Performance Indicators (KPIs) covering all ESG domains. KPIs shall be: measurable (based on objective, verifiable data); time-bound (with annual targets set each April); assigned (each KPI has a designated Committee member as owner); reported (Quarterly in ESG MIS, annually in BRSR); and reviewed (annual target-setting exercise involving all Committee members).	ESG KPI Register approved by Head – ESG; KPI performance reviewed at each Quarterly Committee meeting; annual KPI targets set and approved by Head – ESG before April 30 each year	Head – ESG

Area	Detailed Activities	Target / KPI	Owner
ESG KPI Dashboard – Core Metrics	The following core KPIs shall be tracked across all domains: Environmental: energy consumption per branch (kWh); paper consumption per transaction; Scope 1 & 2 GHG emissions (tCO2e); % of portfolio in green loans. Social: customer grievance resolution rate (%); CSAT score; % women employees; average training hours per employee; % rural borrowers. Governance: BRSR submission timeliness; regulatory compliance rate (%); audit finding closure rate (%). Business: green loan portfolio share (%); social loan portfolio share (%).	Quarterly tracking of all core KPIs; year-on-year improvement in at least 80% of KPIs; all core KPIs disclosed in BRSR	Head – ESG / All Committee Members
ESG Maturity Assessment	DCL shall conduct an annual ESG Maturity Assessment — a structured review of the Company's overall ESG capability against a five-level maturity model: Level 1 (Aware); Level 2 (Developing); Level 3 (Defined); Level 4 (Managed); Level 5 (Optimised). The assessment shall cover governance, data, reporting, integration, and stakeholder engagement. Results shall be presented to the Board and shall inform the following year's ESG improvement priorities.	Annual ESG Maturity Assessment completed before June 30; maturity assessment results presented to Board; measurable improvement in maturity level each year	Head – ESG
Gap Assessment & Improvement Planning	Following the annual Maturity Assessment, the Committee shall prepare an ESG Improvement Plan identifying the top 5-10 priority actions for the coming year. Each action shall have a defined owner, timeline, budget (where required), and success metric. Progress against the Improvement Plan shall be reviewed quarterly. The Improvement Plan shall be approved by the Head – ESG and shared with the Board as part of the semi-annual ESG Report.	Annual ESG Improvement Plan with defined actions, owners, and timelines; quarterly progress review; at least 80% of planned improvement actions completed by year-end	Head – ESG
Internal Audit and External Assessment	ESG-related internal audit activities shall be included in the Annual Internal Audit Plan. Key areas for ESG audit include: data collection and validation processes; green loan classification accuracy; compliance with ESG policies; effectiveness of grievance redressal mechanism; training programme delivery. In addition, DCL shall engage an external ESG assurance provider within 3 years to provide independent limited assurance on material ESG disclosures.	At least 2 ESG-specific internal audits per year; all material internal audit findings remediated within 90 days; external ESG assurance engaged by Year 3	Company Secretary / Head – ESG

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6. Meeting and Reporting Framework

A structured meeting and reporting calendar is essential for maintaining ESG momentum and ensuring timely escalation of issues. This section defines the full meeting and reporting cadence for DCL's ESG governance system.

6.1 Meeting Structure

Meeting / Reporting Activity	Participants	Frequency	Agenda Focus	Output
Branch ESG Data Submission	Branch-Level Data Owners → Regional SPOC	Quarterly (by 5th)	Submission of standardized ESG data forms for the prior month	Completed ESG data templates
ESG MIS Preparation	Head – Finance	Quarterly (by 15th)	Consolidation of all branch data into Quarterly ESG MIS dashboard	Quarterly ESG MIS Dashboard
ESG Management Committee Meeting	Company Secretary, Head – HR, Head – Finance, Head – Credit	Quarterly (by 20th)	Review of ESG MIS; progress on KPIs; compliance status; action tracking; escalations to Head – ESG	Meeting minutes; updated action tracker
ESG Committee Meeting (Quarterly)	All Committee Members + Head – ESG	Quarterly	Quarterly ESG performance review; policy and regulatory updates; investor alignment review; deep-dive on one ESG domain; preparation for Board update	Quarterly ESG Report; updated Board ESG summary
Board ESG Update	Head – ESG + Board of Directors	Semi-Annual	Semi-annual ESG performance vs. targets; material ESG risks; regulatory developments; ESG strategy and investment decisions	Board minutes; approved ESG strategy updates
Annual ESG Disclosure (BRSR / GRI/ TCFD)	Full ESG Committee + External Reviewer	Annual	Finalisation and sign-off of BRSR and GRI Content Index;	Published BRSR; GRI Content

Meeting / Reporting Activity	Participants	Frequency	Agenda Focus	Output
			external assurance (when engaged); Board approval of BRSR	Index; TCFD disclosures
Annual ESG Maturity Assessment	Head – ESG + All Committee Members	Annual (June)	Structured assessment of ESG maturity across all domains; identification of improvement priorities for the year	ESG Maturity Assessment Report; ESG Improvement Plan

6.2 Escalation Protocol

The following escalation protocol shall be followed when material ESG issues arise outside the regular meeting cadence:

Issue Type	Escalation Trigger	Escalation Path	Response Timeline
Regulatory non-compliance	Any ESG-related regulatory deadline missed or breach identified	Branch/SPOC → Company Secretary → Head – ESG → Board (if material)	24 hours for escalation; 15 days for remediation plan
Material ESG Incident	Environmental incident (spill, significant energy event); serious social incident (customer harm, employee injury)	Functional Head → Head – ESG → Board (within 5 working days)	Immediate reporting; 30-day investigation and root cause report
ESG Data Quality Failure	>10% of branches with missing or materially inaccurate data for two consecutive months	Regional SPOC → Head – Finance → ESG Committee	Within one reporting cycle; corrective action plan within 30 days
Investor ESG Query	Material ESG question from investor, rating agency, or development finance institution	Head – Finance / Company Secretary → Head – ESG	Response provided within 10 working days
Whistleblower Report (ESG)	Any report of ESG-related misconduct received through whistleblower channel	Confidential channel → Company Secretary → Head – ESG → Board (if material)	Acknowledged within 48 hours; investigated within 30 days

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7. Investor Alignment and Stakeholder Engagement

DCL's ESG programme is not just a compliance exercise — it is a strategic tool for attracting responsible capital, building stakeholder trust, and establishing DCL's credentials as a governance-driven NBFC in the marketplace. This section describes DCL's approach to investor ESG engagement.

7.1 Strategic Value of ESG for DCL's Capital Strategy

India's NBFC sector is witnessing a growing demand for ESG-credentialled institutions from the following categories of capital providers:

- **Development Finance Institutions (DFIs):** Institutions such as SIDBI, NABARD, IFC (World Bank), ADB, and FMO increasingly require ESG assessments as a prerequisite for on-lending lines of credit. DCL's ESG programme directly supports its eligibility for DFI funding.
- **Green and Social Bond Markets:** DCL's ability to label bonds as "green" or "social" (per SEBI's Green Bond Framework and ICMA Green Bond Principles) depends on the quality of its green and social loan portfolio. A credible ESG Committee and robust portfolio classification system are pre-requisites.
- **ESG-Mandated Mutual Funds and FIIs:** Domestic and foreign institutional investors with ESG mandates use rating agency ESG scores, BRSR disclosures, and GRI reports to assess investability. DCL's consistent ESG disclosures enhance its attractiveness to this growing investor category.
- **Rating Agency ESG Scores:** Agencies such as CRISIL, ICRA, CDP, MSCI ESG, and Sustainalytics provide ESG ratings that influence borrowing costs and investor perception. DCL's proactive ESG programme improves its ESG rating trajectory.
- **Domestic Impact Investors:** Impact-focused PE funds and family offices investing in inclusive finance institutions are increasingly applying ESG screens to their portfolio selection.

7.2 ESG Communication and Disclosure Strategy

DCL shall maintain the following stakeholder communication channels for ESG matters:

Stakeholder Group	Communication Channel	Key ESG Content	Frequency
Board of Directors	Board ESG Report; Board Meeting Agenda	ESG performance vs. targets; material risks; strategy updates; regulatory developments	Semi-Annual
Regulators (RBI, SEBI, MCA)	BRSR; Regulatory Filings; Compliance Reports	BRSR disclosures; CSR reporting; sustainable finance compliance	Annual / As required
Investors and Lenders	Investor ESG Data Pack; Annual Report; Green Bond Reports	ESG KPIs; green/social portfolio data; TCFD disclosures; governance structure	Annual / On Request

Stakeholder Group	Communication Channel	Key ESG Content	Frequency
Employees	Internal ESG Newsletter; Intranet; Town Halls; Training	ESG progress updates; employee welfare programmes; training opportunities	Quarterly
Customers	Branch Communication; Website; Product Documentation	Fair practices; grievance redressal; financial inclusion products	Ongoing
Rating Agencies	ESG Questionnaire Responses; Disclosure Documents	Governance; environmental metrics; social performance; disclosure quality	Annual
Community and NGOs	CSR Impact Report; Community Engagement Events	CSR programme outcomes; financial inclusion impact; livelihood development	Annual

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8. Key Principles of the ESG Committee

The ESG Committee's work is guided by four foundational principles. These principles are not aspirational slogans — they are operating standards that shape how the Committee conducts its work, makes decisions, and communicates with stakeholders.

Transparency	Accountability	Data-Driven Decisions	Continuous Improvement
DCL commits to full, accurate, and timely disclosure of its ESG performance — including areas where performance falls short of targets. Transparency builds stakeholder trust and enables meaningful accountability. There shall be no selective disclosure of ESG data and no omission of material ESG developments from disclosures.	Every ESG commitment made by DCL shall have a named owner, a defined timeline, and a measurable outcome. The Committee as a whole, and each member individually, is accountable for the performance of their ESG domain. ESG performance shall be linked to individual performance reviews.	All ESG strategy, policy, and investment decisions by the Committee shall be grounded in verified, primary-source data. Anecdotal evidence, estimates, or unverified claims shall not substitute for data. Where data gaps exist, closing them shall be a priority action.	DCL recognizes that ESG excellence is a journey, not a destination. The Committee shall adopt a culture of continuous improvement — regularly measuring performance, identifying gaps, learning from best practice, and raising the ambition of targets each year. No ESG target once met shall be allowed to stagnate.

In addition to these four core principles, the Committee shall be guided by the following operating norms:

- **Inclusivity:** ESG decisions shall consider the interests of all stakeholders — not only investors and regulators, but also customers, employees, communities, and future generations.
- **Proportionality:** ESG requirements placed on branches, SPOCs, and staff shall be proportionate to their size and capacity. The Committee shall provide adequate training, tools, and support to enable compliance.
- **Integrity:** The Committee shall never misrepresent ESG performance to external stakeholders. If data is unavailable or unreliable, this shall be disclosed rather than estimated without a sound basis.
- **Collaboration:** ESG challenges are systemic and cannot be solved by DCL alone. The Committee shall actively seek to collaborate with peers, industry bodies, regulators, and civil society on ESG solutions.

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9. Review and Amendment of This Charter

This Charter is a living document. It should be maintained as a current, accurate, and authoritative reference for ESG governance at Digamber Capfin Limited. This section defines the conditions and process for its review and amendment.

9.1 Mandatory Review Triggers

This Charter shall be formally reviewed and updated under any of the following conditions:

- **Annual Review:** A scheduled full review shall be conducted each year, to be completed before April 30. This review shall assess whether all sections remain current, whether targets require revision, and whether any new ESG topics require addition.
- **Regulatory Change:** Any material change in ESG-related regulations (e.g., new SEBI BRSR requirements, new RBI sustainable finance circular, amendment to Companies Act CSR provisions) shall trigger an out-of-cycle review of relevant Charter sections within 60 days of the regulatory change.
- **Organizational Change:** Significant changes in DCL's business model, geographic footprint, ownership structure, or product portfolio shall trigger a review of the Charter's scope, committee composition, and responsibility matrix.
- **Strategic Pivot:** Any proposed change in DCL's ESG strategy, including pursuing green bond issuance or entering into a new Development Finance Institution (DFI) partnership, shall be subject to the Company's strategic roadmap and approval of the Board. Any consequent changes to the ESG Charter shall be reviewed and incorporated, as appropriate, following such approval.
- **Material ESG Incident:** A significant ESG incident (major regulatory breach, investor ESG complaint, environmental incident) shall trigger a focused review of the relevant Charter section to identify and close governance gaps.

9.2 Amendment Process

All amendments to this Charter shall follow the process below:

Step	Action	Responsible	Timeline
1	Identify need for amendment and prepare draft revised text	Company Secretary / Head – ESG	Within 30 days of trigger
2	Circulate draft to all ESG Committee members for review and comment	Company Secretary	5 working days for comment
3	Incorporate comments and prepare final draft for approval	Company Secretary	5 working days
4	Present final draft to Head – ESG for approval	Head – ESG	Within 5 working days
5	Obtain Board endorsement for material amendments (structural changes, new mandates)	Head – ESG	At next Board meeting or via circular resolution

Step	Action	Responsible	Timeline
6	Publish updated Charter with new version number and effective date	Company Secretary	Within 5 working days of approval
7	Communicate changes to all ESG governance participants (Committee, SPOCs, Data Owners)	Company Secretary	Within 10 working days of publication

9.3 Materiality Assessment

The Company shall undertake at every six months periodic Materiality Assessment to identify, evaluate, and prioritise Environmental, Social and Governance (ESG) matters that are relevant and significant to its business operations, stakeholders, and long-term sustainability.

The assessment shall enable the Company to focus on ESG matters that may have a significant impact on its business activities, financial performance, operational efficiency, regulatory compliance, reputation, and its impact on the environment and society.

9.4 ESG Budgeting

The Company shall prepare and allocate an appropriate annual budget towards the implementation of its Environmental, Social and Governance (ESG) initiatives, activities, programmes, and commitments.

The ESG budget shall be formulated on an annual basis, taking into consideration the Company's ESG objectives, identified material ESG matters, annual action plans, regulatory requirements, stakeholder expectations, and business priorities.

9.5 Technology Enablement

The Company shall endeavour to leverage appropriate technology and digital solutions to strengthen the collection, recording, management, monitoring, analysis, and reporting of Environmental, Social and Governance (ESG) related data.

The objective shall be to establish a structured, reliable, transparent, and technology-driven ESG data management framework to facilitate effective monitoring of ESG performance, improve data accuracy, ensure accountability, and support timely ESG-related disclosures and reporting.

ESG Data Digitization Roadmap

The Company shall progressively implement an ESG Data Digitisation Roadmap, taking into consideration its business requirements, technological capabilities, available resources, and ESG reporting obligations.

The roadmap may be implemented through the following phases:

Phase I – Identification and Assessment

- Identify the ESG parameters and Key Performance Indicators (KPIs) requiring data collection and monitoring.
- Identify existing sources of ESG-related information across various departments.
- Assess the existing data collection processes and identify gaps in data availability, accuracy, and consistency.

Phase II – Standardization and Digitalization

- Develop standardized formats and templates for ESG data collection.

- Digitize existing ESG records and supporting documents, wherever feasible.
- Establish defined reporting responsibilities and timelines for respective departments.

Phase III – Technology Integration

- Explore and implement suitable digital tools, dashboards, or centralised data management systems for ESG data collection and monitoring.
- Integrate ESG data management with existing internal systems, wherever feasible.
- Establish appropriate access controls and data validation mechanisms.

Phase IV – Monitoring and Reporting

- Monitor ESG performance through digital dashboards and periodic reports.
- Track progress against approved ESG objectives and KPIs.
- Identify gaps, inconsistencies, and areas requiring corrective action.
- Facilitate timely preparation of ESG-related reports and disclosures.

BOARD APPROVAL AND CERTIFICATION

This ESG Committee Charter has been reviewed, adopted, and approved by the Board of Directors of Digamber Capfin Limited.

It is effective from 29.08.2023 and supersedes all prior ESG-related governance documents.

Prepared By	Reviewed By	Approved By
ESG Management Committee Digamber Capfin Limited *Date: 29.08.2023*	**Head – ESG** Company Secretary *Date: 29.08.2023*	**Board of Directors** Digamber Capfin Limited *Date: 29.08.2023*