

ESG COMMITTEE CHARTER

1. Purpose of the ESG Committee

The ESG Committee ("the Committee") is constituted to oversee the Company's strategy, policies, implementation, and performance relating to Environmental, Social, and Governance (ESG) matters.

The Committee ensures that DCL integrates responsible and sustainable practices into all business operations and aligns its disclosures with applicable regulatory and global ESG frameworks.

2. Scope & Authority

The Committee shall:

- Provide guidance on ESG strategy, goals, and initiatives.
- Review, recommend, and monitor ESG policies and frameworks.
- Oversee statutory and voluntary ESG reporting including BRSR and GRI
- Monitor ESG-related risks and mitigation actions.
- Report to the Board on ESG progress, challenges, and key developments.
- Engage with external auditors, consultants, and rating agencies for ESG reviews.

3. Composition of the Committee

The Committee shall consist of:

1. Whole Time Director – Chairperson
2. Chief Sustainability Officer / ESG Head
3. Chief Advisor Business and Head-CSR
4. Chief Compliance Officer (CCO)
5. One Independent Director (optional but recommended)
6. Any other functional head as required

Permanent invitees (if not a member of the committee)

1. CFO/Head-Accounts & Finance
2. Head-HR
3. Vice President

External experts may be invited as permanent or temporary invitees.

4. Roles & Responsibilities of the Committee

A. Strategic Oversight

- i. Approve and recommend the ESG vision, mission, and long-term roadmap.

- ii. Integrate ESG priorities into business planning and decision-making.
- iii. Monitor alignment with UN SDGs, IFC Performance Standards, and sector best practices.

B. Policy Development & Review

- A. Formulate and periodically update ESG-related policies including:
 - i. Environment & Climate Policy
 - ii. Social Responsibility Policy
 - iii. Human Rights Policy
 - iv. Diversity, Equity & Inclusion (DEI) Policy
 - v. Anti-Bribery & Corruption Policy
 - vi. Data Privacy & Cybersecurity Policy
 - vii. Vendor & Procurement Sustainability Policy
- B. Conduct annual policy review and seek Board approval.

C. Risk Oversight

- i. Identify and monitor ESG-related risks (climate risk, social risk, governance risk).
- ii. Ensure ESG integration in the enterprise risk management framework.
- iii. Review internal audit findings on ESG processes and compliance.

D. ESG Performance Monitoring

- i. Review quarterly ESG dashboards and KPI tracking reports.
- ii. Monitor progress against ESG goals and commitments.
- iii. Ensure accurate and timely collection of ESG data from all departments.

E. ESG Reporting & Disclosure

- A. Oversee preparation and disclosure of:
 - i. BRSR / BRSR Core
 - ii. Sustainability Reports
 - iii. GRI / TCFD-aligned disclosures
 - iv. ESG rating submissions
- B. Approve voluntary disclosures (impact reports, climate reports).

F. Stakeholder Engagement

- i. Engage with employees, investors, regulators, and customers on ESG priorities.
- ii. Monitor grievance redressal systems and customer protection mechanisms.
- iii. Enhance transparency and accountability for ESG matters.

G. Capacity Building

- i. Facilitate ESG training programs for employees and senior management.
- ii. Promote organizational awareness on ESG values and responsible conduct.

5. Meeting Frequency

- i. The Committee shall meet at least once every quarter.
- ii. Additional meetings may be held, if needed.
- iii. Minutes shall be recorded and submitted to the Board.

6. Reporting to the Board

- A. The Committee will present
 - i. Quarterly ESG performance dashboard
 - ii. Key risk issues
 - iii. Policy updates
 - iv. Compliance status
 - v. Sustainability initiatives & progress
- B. Annual ESG Report shall be placed before the Board for approval.

7. ESG Committee KPIs (Committee-Level)

1. **ESG Roadmap Execution:** 90% completion of annual ESG milestones.
2. **Policy Compliance:** 100% review and update of ESG policies annually.
3. **ESG Ratings Improvement:** Year-on-year improvement in ESG rating by CRISIL/CARE/MSCI/Sustainalytics.
4. **ESG Data Accuracy & Timeliness**
 - i. Zero major observations in ESG data audits.
 - ii. 100% departments submitting ESG data on time.
5. **Climate & Environmental Initiatives**
 - i. Completion of Scope 1 & 2 emissions mapping.
 - ii. Implementation of at least 2 environmental efficiency programs per year.
6. **Social Initiatives Performance**
 - i. Improvement in gender diversity metrics.
 - ii. Customer grievance TAT \leq 7 days.
 - iii. Training completion rate $>$ 95% for Code of Conduct, AML, ESG.

7. Governance & Compliance

- i. Zero major non-compliance remarks in ESG/BRSR reporting.
- ii. Adoption of global reporting frameworks (GRI, TCFD) per timeline.

8. Role-wise KPIs for Committee Members/ Invitees

MD / CEO

1. ESG vision alignment; ESG integrated into business strategy.
2. Improvement in ESG rating and reputation.

CFO/Head-Accounts and Finance

1. Accuracy of ESG-related financial disclosures.
2. Implementation of green financing strategies.

CCO

1. Zero ESG-related compliance deviations.
2. Completion of ESG training & reporting within timelines.
3. ESG risks integrated into enterprise risk registers.
4. Climate risk assessment completed.

Head HR

1. Improvement in diversity ratios (women hires, rural hiring).
2. Completion of ESG training programs.

ESG Head

1. On-time ESG reporting.
2. Execution of environmental & social initiatives.
3. Stakeholder engagement conducted as per plan.