THE ASSISTED DIGITAL CONVENIENCE STORE

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

Presented to the Corporate Strategy & Steering Committee
March, 2023

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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
- **Reasonable Assurance of Integrated Annual report of FY23 by Grant Thornton.**

SUSTAINABILITY ESG PERFORMANCE UPDATE

VAKRANGEE EARNS BRONZE CLASS SPOT IN SUSTAINABILITY YEARBOOK 2022 BY S&P GLOBAL

Sustainability Award
Bronze Class 2022

S&P Global

- ***Vakrangee Limited has been honored to be included in this year's Sustainability Yearbook 2022, published by S&P Global.***
- *Vakrangee has earned a* ***"S&P Global Bronze Class"*** *spot in the yearbook and has score 78 ESG Score (S&P Global Scores) in the Corporate Sustainability Assessment (CSA) survey.*
- *The Sustainability Yearbook 2022, published by S&P Global is one of the world's most comprehensive publications providing in-depth analysis on corporate responsibility. This annual ranking showcases the sustainability performance of the world's largest companies in each industry as determined by their score in the annual Corporate Sustainability Assessment (CSA). In 2022 S&P Global has assessed over 7,500 companies across 61 industries this year.*

Link for Sustainability Yearbook 2022: https://vakrangee.in/pdf/Policies-PDF/SP%20Global_sustainability_yearbook_2022.pdf

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SUSTAINABILITY ESG PERFORMANCE UPDATE

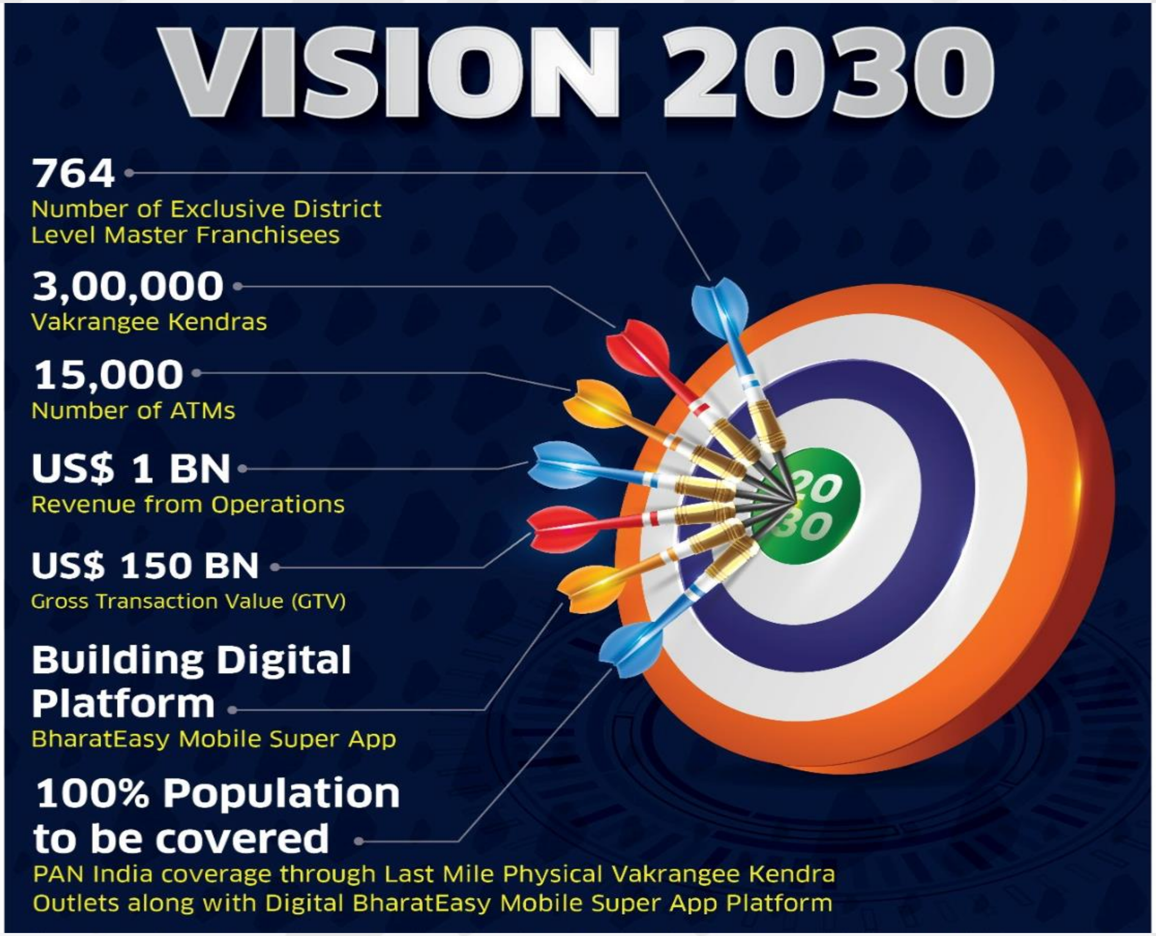
VAKRANGEE RECOGNIZED AS A ESG GLOBAL 50 TOP RATED COMPANY BY SUSTAINALYTICS

- ***Vakrangee Limited has been identified as a top ESG performer out of more than 4,000 comprehensive companies that Sustainalytics cover in the global universe.***
- ***In 2022, Vakrangee has been recognized by Sustainalytics as an ESG Global 50 Top Rated company.***
- ***Vakrangee has also been awarded ESG India Leadership Award 2021 for the Category - "Leadership in Data Privacy and Security" organised by ESGRisk.ai, India's first ESG rating company.***

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

VISION 2030 : GROWTH TARGETS



- ***Vakrangee has emerged as One of India's Largest last mile distribution platform with a Physical as well as Digital eco-system in place with a Pan India Presence.***

- ***Vakrangee aims to be most trustworthy Physical as well as Digital Convenience store across India. We will keep expanding this network until we are close proximity to the last excluded person within the country.***

You can access the detailed Vision 2030 document through the below link:
https://vakrangee.in/pdf/Policies-PDF/Vakrangee-Vision-2030.pdf

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VISION 2030 : GROWTH TARGETS

HUGE UNTAPPED MARKET : OVERALL MARKET POTENTIAL

Total No. of Gram Panchayat : 2,50,000+

Total No. of Urban Wards : 50,000+

Total Districts : 764

Total Outlet Potential : 3,00,000+

No. of Vakrangee Kendra outlets: State-wise targets

VISION 2030 : GROWTH TARGETS

DETAILED EXPANSION PLAN

Sr. No.	Particulars	As on March 31, 2023	FY2023-24 Est.	FY2024-25 Est.	FY2025-26 Est.	FY2026-27 Est.	FY2027-28 Est.	FY2028-29 Est.	FY2029-30 Est.
Cumulative									
1	Master Franchisee (Exclusive District Level Business Partner)	158	764	764	764	764	764	764	764
2	Vakrangee Kendra Outlets (Exclusive Standarized Outlet) : Same Look & Feel	20,399	27,000	37,000	57,000	85,000	1,30,000	2,10, 000	3,00,000
3	No. of White Label ATMs	6,324	7,300	9,000	11,000	13,000	15,000	15,000	15,000

INTEGRATING ESG PERFORMANCE TARGETS

INTEGRATED ESG PERFORMANCE TARGETS – FY2021-22

ENVIRONMENT IMPACT– SAVINGS IN CARBON EMMISSIONS

	Minimum	Maximum
Carbon Emissions (Kg CO2)	0.908	3.859
No. of Footfall Per day per Outlet	50	80
No. of Days	365	
Existing Active transacting No. of Outlets	20,399	
Targeted No. of Outlets by 2030	**3,00,000**	
Carbon Emissions - Per day per outlet (Kg CO2)	45.40	308.72
Carbon Emission Savings - Existing outlets per day (Kg CO2)	92,61,146	62,97,579
Carbon Emission Savings - Existing outlets per year (Kg CO2)	3,38,03,18,290	2,29,86,16,335
Carbon Emission Savings – Targeted outlets per day (Kg CO2)	**1,36,20,000**	**9,26,16,000**
Carbon Emission Savings – Targeted outlets per year (Kg CO2)	**4,97,13,00,000**	**33,80,48,40,000**

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INTEGRATED ESG PERFORMANCE TARGETS

SOCIAL IMPACT– EMPLOYMENT GENERATION & SKILL DEVELOPMENT

	Minimum	Maximum
Total Number of Targeted Master Franchisees	764	764
Total Number of Targeted Outlets	3,00,000	3,00,000
No of Employees per Master Franchisees - Employment Generation	2	4
No of Employees per Outlet - Employment Generation	2	4
Target - Employment Generation (Master Franchisee & Outlets)	6,01,528	12,03,056

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

INTEGRATED ESG PERFORMANCE TARGETS

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

	Minimum	Maximum
Total Number of Targeted Outlets	3,00,000	3,00,000
No of Village level Population	1,000	5,000
Target - Population Impact to be Benefitted	30,00,00,000	1,50,00,00,000
Target - Population Impact to be Benefitted (In mn)	**300**	**1,500**

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.

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Thank You