

# **Environmental, Social and Governance (ESG) Policy**

(Version 01)

**Table of Contents****Contents**

1. Introduction.....	3
2. ESG Commitment .....	3
3. ESG Mission .....	3
4. Scope .....	3
5. Policy Description .....	3
i. Environmental .....	4
ii. Social .....	4
iii. Governance .....	5
6. Review.....	6

## 1. Introduction

Central Depository Services (India) Limited ('CDSL' or 'the Company') strives to incorporate environmental, social, governance and aspects into the core of its process and follow sustainable practices that are safe, efficient and environmentally friendly to the society. Sustainability is integral to the Company's operations, with its products and services aiming to create a positive impact on the environment, economy, and society.

This policy is a comprehensive framework for seamlessly integrating our ESG priorities into the Company's overarching strategy, decision-making processes, and interactions with key internal and external stakeholders. Its objectives extend beyond regulatory compliance, encompassing the assimilation of both national and international ESG (Environmental, Social and Governance) best practices and recommendations.

This document shall be read in conjunction with the following documents:

- Corporate Social Responsibility Policy (CSR) Policy
- Administration Procedure Manual
- CDSL Service Rules Procedures
- Information Security Policy
- Code of Conduct for the Governing Board, Directors, Committee Members, and Key Managerial Personnel.
- Procedure on Ethical Code of Conduct for Employees

## 2. ESG Commitment

We are committed to driving positive ESG practices and actively integrating ESG principles into our decision-making as a responsible corporation.

## 3. ESG Mission

To address the emerging concerns of all our stakeholders such as climate change, sustainability, ethical business practices and promote health, well-being, equity, diversity, and inclusion.

## 4. Scope

This Policy applies to all employees (whether permanent, fixed term, or temporary), directors, and contract workers; as well as suppliers, consultants, contractors, customers, trainees, or any other individual or enterprise directly linked to the Company's operations.

## 5. Policy Description

CDSL is committed to sustainable progress. We aim to achieve this by:

- Securing the relevance, understanding, and effective communication of our mission and ESG objectives while ensuring that our employees consistently demonstrate alignment with these goals.
- Aligning our ESG efforts with applicable regulatory expectations and best practices with a commitment to reporting, monitoring, reviewing, and disclosing the outcomes to relevant stakeholders.

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- Undertaking materiality assessments from time to time to better understand evolving ESG priorities and stakeholder expectations.
- Establishing measurable targets for ESG matters and adhering to statutory requirements, with a commitment to reporting monitoring, reviewing, and disclosing the outcomes to relevant stakeholders.
- Offering training and awareness to the employees ensuring the effective communication of this policy and its key objectives.

### i. Environmental

The Company is focused on implementing measures to reduce its environmental footprint. We are dedicated to executing environmental initiatives that consistently enhance and refine our practices.

As we undergo ongoing organizational development, we shall:

- Adhere to relevant national, regional, and local environmental regulations and legal obligations.
- Adopt industry best practices to address specific concerns, if any.
- Systematically manage the environmental performance of operating activities.
- Evaluate environmental aspects, manage impacts, implement appropriate mitigation and adaptation measures, and communicate the environmental strategy to relevant stakeholders.
- Integrate relevant environmental considerations into all business decisions, wherever appropriate.
- Promote continuous improvement in environmental performance by implementing available best practices and technologies.
- Conserve natural resources by adopting environmentally friendly and energy-efficient technologies through process enhancements.
- Provide appropriate training to all employees, emphasizing the importance of minimizing environmental risks and understanding the impacts of their work activities on the environment.
- Communicate progress and performance in environmental management to all stakeholders.
- Review performance against the policy to ensure effective environmental management.

### ii. Social

CDSL aspires to create a work environment where employees can develop their skills and contribute positively to society and the environment. The company focuses on employee engagement, providing training and development opportunities, fostering motivation, and ensuring a diverse and inclusive workplace that supports professional growth and excellence.

CDSL recognizes community building as a key pillar of its CSR, strengthening collaboration, supporting local development, and driving collective impact. CDSL encourages employees to participate in meaningful community-oriented activities, further strengthening its commitment to social responsibility.

CDSL aims at:

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- Complying with all applicable legal requirements, labor laws, and relevant national, regional, and local regulations.
- Implementing ongoing commitment to protecting the rights and dignity of individuals.
- Maintaining a workplace free from discrimination, harassment, or any form of disadvantage, ensures that all individuals are treated with dignity and respect.
- Providing a safe and healthy work environment in compliance with occupational health and safety regulations and best practices.
- Mitigating health and safety risks, preventing workplace incidents related to company operations.
- Upholding a culture of diversity, equity, and inclusion in all its forms, ensuring a workplace free from discrimination, harassment, or intimidation.
- Contributing to societal and community development, focusing on social programs, education and local partnerships that are integral to CDSL's CSR efforts.
- Investing in employee skill development through personalized learning pathways.
- Cultivating a workplace culture that values and respects employees, encouraging regular engagement and feedback initiatives.

### iii. Governance

CDSL upholds strong corporate governance with a qualified, diverse Corporate Social Responsibility and Environment, Social, and Governance Committee (CSR & ESG Committee) that provides guidance and oversight to the Company's ESG initiatives and ensures compliance. The Company has a well-defined governance structure with various responsibilities, such as overseeing strategy, implementation, and monitoring of ESG initiatives, driving progress, and creating sustainable value for all stakeholders. CDSL also ensures transparent communication of ESG priorities, aligning disclosures with applicable regulations.

CDSL is committed to:

- Ensuring transparent governance through the Governing Board and its sub-committees, to strengthen accountability and ethical conduct in accordance with CDSL's Code of Conduct for the Governing Board, Directors, Committee Members, and Key Managerial Personnel.
- Clearly identifying personnel and defining their responsibilities for implementing ESG principles and initiatives across operations.
- Identifying and complying with all relevant regulatory requirements and integrating ESG related risks into the Enterprise Risk Management (ERM) framework.
- Providing accessible whistleblower and grievance mechanisms.
- Maintaining a diverse Board of Directors with varied expertise to ensure effective corporate governance.
- Protecting information systems by safeguarding sensitive data and ensuring confidentiality, integrity and availability in alignment with our Information Security Policy.
- Drafting and implementing relevant policies and procedures to ensure clear implementation of guidelines and effective communication to all stakeholders by providing structured, accessible, and consistent frameworks for action and accountability.
- Implementing cybersecurity measures, including encryption, access controls, security assessments, incident response plans, data management, and employee training programs.

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- Conducting stakeholder engagement to gather feedback and insights and integrating ESG recommendations of the stakeholders into the core business strategy and decision-making processes.
- Promoting sustainability across the value chain by engaging with suppliers and customers, implementing responsible procurement policies,
- Raising awareness and building ESG capacity across the organization through training and awareness programs.

## 6. Review

The policy is reviewed once in every three financial years and necessary changes will be made from time to time.

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