SAMUNNATI FINANCE PRVATE LIMITED	
POLICY	PART II of Environment & Social Policy Environmental & Social Management System
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Preamble

The system for integrating Environmental and Social (E&S) aspects in Samunnati's business operations has been developed in two parts:

- *Part I: Environmental & Social Policy*
- *Part II: Environmental & Social Management System*

The E&S Policy document as Part I of the documentation presents the E&S Policy Statement of Samunnati Finance Private Limited and the operational Principles that translate the Policy to action. The Policy document states Samunnati Finance Private Limited's intentions on Environmental and Social aspects of the business. The Policy document can be circulated with Samunnati Finance Private Limited's stakeholders.

The Environmental & Social Management System (ESMS) presented in Part II of the documentation has been developed to enable implementation of the E&S Policy and Principles of Samunnati Finance Private Limited. The ESMS Manual articulates the operational procedures to be adopted by Samunnati Finance Private Limited for each loan transaction. The ESMS is an operational level document that will remain dynamic in nature, and is internal to the Company.

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Abbreviations

AE	Agri Enterprise
ARF	Agri Receivable Finance
ATS	Agri Trade Solution
CIBIL	Credit Information Bureau (India) Limited
CPP	Client Protection Principles
CEO	Chief Executive Officer
CSR	Corporate Social Responsibility
E&S	Environmental and Social
ESAP	Environmental and Social Action Plan
ESMS	Environmental and Social Management System
FPO	Farmer Producer Organisation
HO	Head Office
IFC	International Finance Corporation
IFC-PS	IFC Environmental and Social Performance Standards
ILO	International Labour Organisation
KYC	Know Your Client
MIS	Management Information System
MTL	Medium Term Loan
NGO	Non-governmental Organisation
RO	Regional Office
RM	Relationship Manager
SABL	Small Agri Business Loan
Samunnati Finance	Samunnati Finance Private Limited
STL	Short Term Loan
TABL	Tiny Agri Business Loan
TL	Term Loan
WC	Working Capital
WCTL	Working Capital Term Loan

1 Overview of Samunnati

1.1 About Samunnati Finance Private Limited

Samunnati Finance Private Limited is a specialised Agri Value Chain enabler that provides innovative and customized financial and non-financial solutions.

These solutions are based on deeper penetration in the value chain. They help in expanding the avenues for finance in the agri and allied activity space. Through financial, non-financial and co-financial solutions to the value chain players, Samunnati Finance Private Limited enables them to work at a higher equilibrium thereby strengthening the value chain. Samunnati Finance's model helps identify value chain gaps, suggest tailormade solutions, verify and mitigate risks through effective technologically aided processes, resulting in improved quality and efficiency of these value chains.

The value chain finance model encompasses select agricultural value chains and provides affordable finance and advisory services to the players. Samunnati Finance's approach of value chain finance has an edge over the traditional methods of assessment, as it provides speedy services, is highly scalable and non-linear in terms of growth.

Samunnati focuses on the following five broad segments in the agriculture sector:

1) **Fresh** - Fresh Fruits, Vegetables and Flowers
2) **Livestock** – Dairy, Poultry and Fishery
3) **Food Processing** – food processing and manufacturing industries that require agri produce
4) **Inputs** – Agri inputs such as seeds, fertilisers, agro chemicals, machinery and farm equipment, small and micro irrigation, etc.
5) **Commodities** – pulses and grains that also serve as raw materials for food processing and industrial products

Samunnati Financial Intermediation & Services Private Limited ("Samunnati Financial Intermediation") is the parent company that is engaged in trading activities across the agri value chain. Samunnati Finance Private Limited ("Samunnati Finance") is a 100% subsidiary company of Samunnati Financial Intermediation and provides lending Facilities to Agri-value chain players as part of the internal value chain finance.

1.2 Samunnati Finance Business Operations

Samunnati Finance has business verticals on Agri Enterprise (AE), Farmer Producer Organisations (FPO) under which lending activities are undertaken. These business verticals are supported by other functions that include Strategic Partnerships & Investor Relations; Risk Management; Credit; Finance and Accounts'/Legal/Secretarial; and Policy and Advocacy. The organisation structure is presented in **Figure 1.**

- Agri Enterprises represent the demand side of the value chain, wherein Samunnati Finance assists in removing working capital constraints. By building market linkages, Samunnati Finance connects enterprises to producer organisations who can meet their aggregation needs on time.

- FPOs have been monumental in helping farmers with shared interests negotiate for better input aggregation, market linkages and extension services. Through aggregation, Samunnati Finance helps increase FPOs' bargaining power to procure inputs at a reduced cost; by strengthening market linkages, we help FPOs negotiate better prices for their produce; and through focused advisory services, we empower FPOs with key skills such as financial literacy, improved governance and disaster preparedness through insurance solutions.

The Head office (HO) is in Chennai, Tamil Nadu, India. The operations are divided into four (4) zones viz., East, West, North and South zones with an office located in each zone. Each Zonal Office has Regional Office(s)(RO) functioning under them. Depending on the business spread in the region, one or two states are covered by a RO that has a business team and a credit team. A cluster office reports to the RO. It covers three to four districts. Where the operations are not spread out, RO subsumes the functions of a cluster office as well. Only if the business in the region is huge, a credit resource person is positioned at the cluster office.

1.2.1 Loan Products

Brief details about the loan products under the Business Verticals of Samunnati Finance are presented below.

<table>
<tr><th>Business Vertical</th><th>Loan Product</th><th colspan="2">Purpose</th></tr>
<tr><td rowspan="5">Agri Enterprise</td><td>Agri Receivable Finance (ARF) (revolving)</td><td colspan="2">Invoice financing for working capital requirement</td></tr>
<tr><td>Short Term Loan-STL (revolving)</td><td colspan="2">Short term loan for managing cash flow mismatches</td></tr>
<tr><td rowspan="2">Medium Term Loan – MTL (non-revolving)</td><td colspan="2">Medium Term Loan facility for purchasing equipment, Infrastructure-IFL, Agri & Allied Activity-AA, Working Capital Term Loan-WCTL (for augmenting the long-term WC requirement)</td></tr>
<tr><td colspan="2">Bridge Finance-BF</td></tr>
<tr><td>Term loan-TL</td><td colspan="2">Term Loan facility for purchasing equipment, Infrastructure improvement, Agri allied activities</td></tr>
<tr><td rowspan="2">FPOs</td><td>Short Term Loan (STL)</td><td>Input (IL)
Output (OL)</td><td rowspan="2">Loan facility to:
• Single FPO
• Federation of FPOs
(in both Guarantor and Lender modes)</td></tr>
<tr><td>Medium Term Loan (MTL)</td><td>• Equipment-(EL)
• Infrastructure-(IFL)
• Livestock-(LS)
• Agri & Allied Activity-(AA)
• Working Capital-(WC)</td></tr>
</table>

Business Vertical	Loan Product	Purpose
	Medium Term Loan-On Lending to FPO in Asset Creation	Loan facility to FPO in Asset Creation for lending to its members for agri allied activities

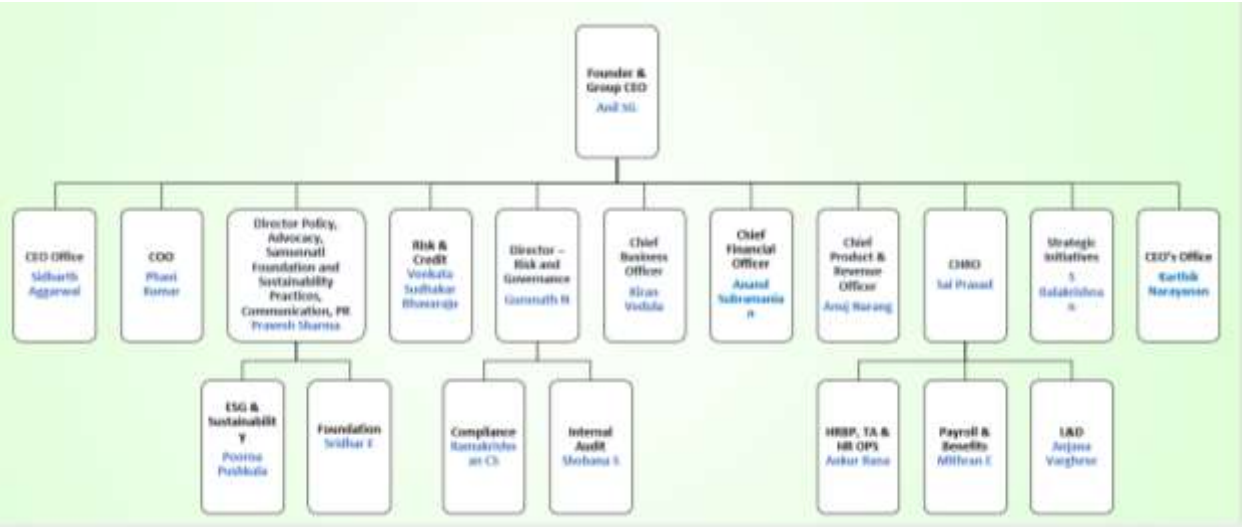

Figure 1:Organisation Structure

1.2.2 Product-wise Borrower Category

The borrower types to whom loans are extended under each loan product category is presented below in **Table 1.**

Business Vertical / Borrower type	Agri Enterprise	Farmer Producer Organisations
Retailer	☑	x
Wholesaler	☑	x
Processor & Manufacturers	☑	x
Trader	☑	x
Exporter	☑	x
Farmer Producer Organisations (FPO)	x	☑
FPO in Asset Creation	x	☑

Table 1:Product-wise borrower category

1.2.3 Credit Policy Manual

All loan products offered by Samunnati Finance are guided by its Credit Policy Manual. The Manual defines the credit risk management policies and philosophy of Samunnati. It includes Samunnati Finance's credit principles, target markets, risk acceptance criteria

and operational guidelines. The policy document is reviewed and updated annually, or from time to time as decided by the Board and in alignment with regulatory requirements issued from time to time.

1.2.4 Borrower Appraisal Process

The Relationship Officers / Managers (RO/RM) are the primary customer soliciting resource for Samunnati Finance. Area of coverage of customers is preferred to be in a radius of up to 200 km of the Samunnati Finance branch location. Customer contacts and discussions are recorded and form part of Credit Appraisal. A joint discussion of the Relationship Officer/Manager and Group Product Head with customer/prospect is preferred before finalising the credit product, terms, pricing negotiations, to be proposed. The discussions also encompass comprehensive awareness of the customer business, the financing needs, defined cash flow periodicity backed by verifiable documentary evidence, all other existing borrowings, future plans over next one year. These discussions are recorded and produced as part of credit appraisal for a clear understanding and basing a credit decision by the Credit Approving Authority.

In respect of Schematic Loans (loans to retail sector), the RO/RM meet the prospects, collects and verifies the KYC and financial documents, does a CIBIL check and upon a favourable result, escalates the application process and puts it up to the Credit approving authority.

For negotiation of pricing and key terms, the RO/RM is accompanied by Credit Manager and, where required, the Group Product Head. Under Schematic Loans, the broad pricing band is decided by the Management from time to time and advised to the field level staff.

All Credit Appraisal/Presentation originate at the recommending level by the credit team and are duly recommended by the Group Product Head/Vertical Business Head prior to Credit adjudication. For Schematic products, the RM/RO recommends to the credit approver. In respect of networks like FPOs, the overall exposure to the entity will be approved by the delegated authority and the individual loans thereunder to the farmer members/SHGs will be based on CIBIL, KYC checks and affirmations and standardised documentation. The loan appraisal process is presented in **Figure 2.**

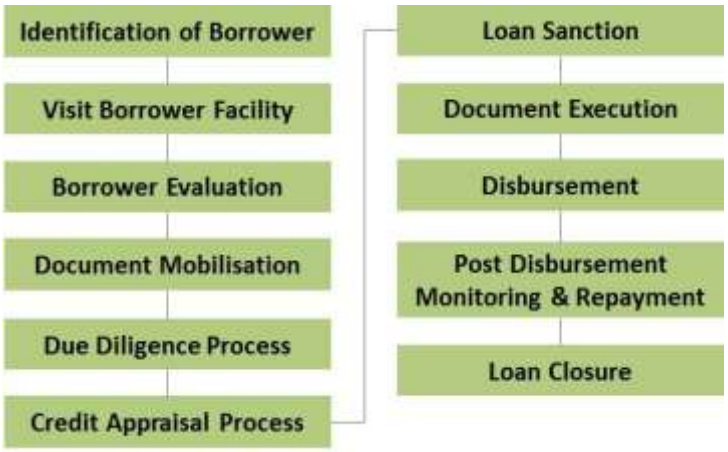

Figure 2: Loan Appraisal Process at Samunnati Finance

2 Scope and Structure of ESMS

2.1 Reference Framework

The ESMS has been developed to enable implementation of the E&S Policy and Principles of Samunnati Finance with reference to the following frameworks:

a) Applicable local, national and international E&S legislation

b) International Finance Corporation's E&S Performance Standards, 2012

c) The World Bank Group General and Sector (as relevant) specific Environmental, Health and Safety (EHS) Guidelines

d) ILO Conventions

e) The Client Protection Certification Standards of the Smart Campaign (May 2016)

In cases where there is a difference between Indian regulations and international E&S safeguards listed above, more stringent of the two requirements would be adhered.

The E&S aspects covered under the above-listed reference framework are presented below. These are incorporated into the ESMS following the E&S Policy and Principles.



Figure 3: ESMS aspects covered at Samunnati Finance

2.2 Scope of ESMS

The ESMS applies exclusively to loan products provided by Samunnati Finance, in accordance with the investor mandate, while the trade solutions offered by Samunnati financial Intermediation are currently excluded. Implementation of ESMS at Samunnati Financial Intermediation shall be commenced by FY26. The ESMS procedures are applied to the loan products in a differential manner based on nature of business and extent of interaction with E&S aspects as well as underwriting process[1] Details of application are provided in **Section 5** of this ESMS Manual.

2.3 Structure of ESMS

[1] The underwriting of certain products in Samunnati Finance is handled by third-party agencies, to which the ESMS does not apply.

The ESMS is developed using Deming's Plan-Do-Check-Act cycle of management systems. The requirements from the reference framework have been suitably factored in the design of ESMS. The structure of ESMS for Samunnati Finance is presented in **Figure 4.**



Figure 4: Structure of Samunnati Finance's ESMS

3 Reference Framework for the ESMS

3.1 Indian Legal Requirements

The environmental regulations in India address protection of environment and natural resources that form the input to any process or activity as well as for management and handling of pollutants released from a process or activity and the social regulations in the country address concerns related to land acquired or purchased for development of a project; and employee/ worker welfare, health and safety for those engaged in a project.

A wider set of environmental, and occupational health and safety (EHS) and labour welfare regulations will be applicable to processing activities under FPO loans. For loans to traders, agri-input providers, retailers of agri/ milk products, aggregators, small processors will have limited application. A summary of EHS regulations and its application to Samunnati Finance loan/trade products and borrower types is provided in **Annex 1 Part A and Part B** respectively.

The nature of borrower business/ activities under Samunnati Finance loan products does not result in involuntary physical or economic displacement. The regulations related to labour and working conditions will be applicable to all loan products and borrower types. The requirements of labour and land acquisition related regulations applicable to Samunnati loan/trade products and borrowers is provided in **Annex 1 Part C**.

3.2 Development Finance Institution E&S Safeguards

3.2.1 IFC Performance Standards

The International Finance Corporations E&S Performance Standards (IFC-PS) defines responsibilities of the Borrower Company for managing their E&S risks. The IFC-PS 2 through 8 describes potential E&S risks and impacts that require attention. Where environmental or social risks and impacts are identified, the company is required to manage them through its E&S Management System (ESMS) consistent with IFC-PS 1. The IFC-PS 3 refers to the World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines). The EHS Guidelines are technical reference documents with general and industry-specific examples of good international industry practice that can be referred while evaluating and selecting resource efficiency and pollution prevention and control techniques.

The applicability of IFC Performance Standards to Samunnati through their borrower business operations is presented in **Table 2.**

Performance Standard	Applicability of the Performance Standard
Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts	**Applicable** The borrowers of Samunnati Finance have the potential to cause environmental and social impacts.
Performance Standard 2: Labour and Working Conditions	**Applicable** Borrowers of Samunnati Finance employ skilled, semi-skilled and unskilled personnel in their respective businesses.
Performance Standard 3: Resource Efficiency and Pollution Prevention	**Applicable** Some of Samunnati Finances borrowers' businesses consume resources (water, energy, raw materials etc.), generate effluent and waste (solid, e-waste, hazardous waste), release emissions, store hazardous materials etc. that can cause environmental pollution.
Performance Standard 4: Community Health, Safety, and Security	**Applicable** The business operations of Samunnati Finance's borrowers have the potential to impact the community health, safety and security.
Performance Standard 5: Land Acquisition and Involuntary Resettlement	Limited Application Borrowers of Samunnati Finance operate from facilities that are either owned or leased. The properties would have been purchased through willing buyer – willing seller private negotiations.

Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	**Applicable** Samunnati Finance loan products cover the agri value chain. There is a potential of procurement of produce from farmers/ FPO's where agriculture is carried out in lands that have been significantly converted from forest areas.
Performance Standard 7: Indigenous Peoples	Limited Application Samunnati Finance's borrower businesses are not expected to impact Tribals.
Performance Standard 8: Cultural Heritage	Not Applicable Samunnati Finance's borrower businesses are not expected to impact any cultural heritage place or monument.

Table 2: Establishing Applicability of IFC Performance Standards to Samunnati Finance

Samunnati Finance's ESMS has been developed in alignment with the requirements stipulated under IFC-PS 1. Refer Annex 2 for a mapping of Samunnati Finance's ESMS with IFC-PS 1.

3.2.2 ILO Labour Conventions

Since 1919, the International Labour Organisation (ILO) has maintained and developed a system of international labour standards aimed at promoting opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and dignity.

The eight fundamental Conventions are:

1. Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
2. Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
3. Forced Labour Convention, 1930 (No. 29)
4. Abolition of Forced Labour Convention, 1957 (No. 105)
5. Minimum Age Convention, 1973 (No. 138)
6. Worst Forms of Child Labour Convention, 1999 (No. 182)
7. Equal Remuneration Convention, 1951 (No. 100)
8. Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

India has ratified convention # 29, 100, 105, 111, 138 and 182 that are in force. The convention # 87 (freedom of association) and # 98 (collective bargaining) have not been ratified by India.

The existing law on child labour permits a child to work to help the family in any family enterprise or as a child artist after school hours or during vacations. Hence a child may be engaged in the agriculture value chain that is family operated. However, Samunnati will not extend loans to activities involving child labour.

From the perspective of Samunnati Finance's loan products and borrower types, the application of aspects on child labour, freedom of association, collective bargaining and modern slavery or forced labour need to be specifically addressed.

3.2.3 Smart Campaign's Client Protection Principles

The Smart Campaign is a global effort to unite leaders of financial institutions (with specific focus on microfinance) around a common goal of keeping clients as the driving force of the industry. It encompasses core Client Protection Principles to help financial institutions practice good ethics and smart business. The principles are:

1. Appropriate product design and delivery
2. Prevention of over-indebtedness
3. Transparency
4. Responsible pricing
5. Fair and respectful treatment of clients
6. Privacy of client data
7. Mechanisms for complaint resolution

Samunnati Finance's business follows the guidelines of Reserve Bank of India (RBI) and hence is aligned with the Client Protection Principles. A mapping of the principles with business practices is presented in Section 6.4 of this ESMS document.

Samunnati Finance's ESMS has been developed to align with the E&S requirements of Development Finance Institutions and IFC and are required to comply with the above stated reference frameworks.

4 Institutional Arrangement

Environmental and Social Management Sysytem at Samunnati Finance shall be implemeted through a colective effort by various internal teams. The below outlined figure shows the process flow of the ESMS system at Saunnati Finance.

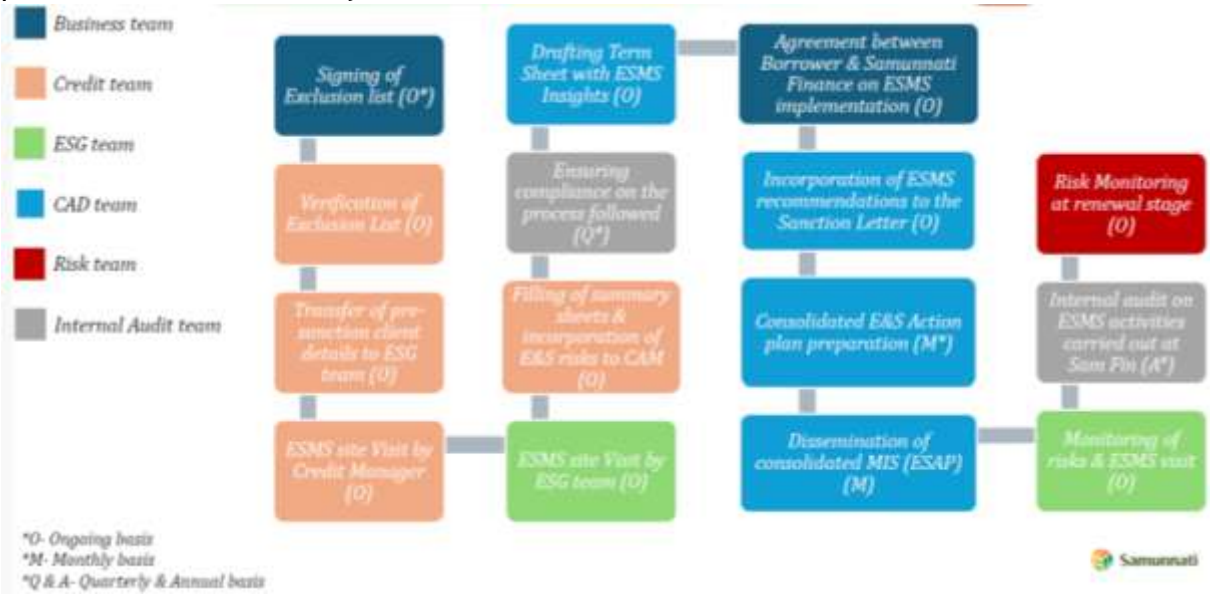

Figure 5: Revamped ESMS Process flow at Samunnati Finance

The implementation of ESMS at Samunnati Finance will be conducted through involvement of the following teams/ departments:

- **ESG & Sustainable Finance Team** – Co-ordinate fully with all internal stakeholders

on the ESMS and partially with external stakeholders.

- **Business Team** – Implementation of ESMS procedures at onboarding level.
- **Credit Underwriting** – Implementation of ESMS procedures at underwriting and E&S risk monitoring during renewal/enhancement stages.
- **Internal Audit** – Ensure compliance and audit the implementation of ESMS procedures

The roles of responsibilities of the above-mentioned teams are presented below.

4.1 Role of ESG & Sustainable Finance Team

The responsibilities of the ESG & Sustainable Finance Team are as follows:

a) Revisiting ESMS policy for Samunnati Finance and update/revise the same in line with external developments.

b) Develop ESMS tools to categorise and assess potential E&S risks.

c) Act as Samunnati Finance focal point for all ESMS related activities with internal and external stakeholders.

d) Sensitise, enhance understanding and engage senior management on developments in ESMS activities.

e) Provide periodic training and capacitate internal team members on implementing the ESMS at Samunnati Finance.

f) Conduct ESMS site visit and assessment for high value disbursements worth on or above INR 100 million.

g) Assist and enable HR department to conduct training for the Samunnati **Finance** team on aspects related to the ESMS.

h) Update the E&S Policy document and ESMS Manual based on operational experience and external developments.

4.2 Team Specific Responsibilities

A team-wise responsibilities according to the ESMS process flow is as follows:

a) Business Team –. The Head of Business Vertical at Samunnati Finance will be responsible for ensuring the implementation of ESMS procedures during the onboarding of new or existing customers. The Business team will:

- Conduct E&S Screening[2] for all transactions/ engagements under Samunnati Finance.
- Iteration between Samunnati Finance and borrowers on finalising the feasibility of implementing the top 3 E&S risks identified during assessment.

b) Credit Underwriting Team

[2] Screening of clients at onboarding stage is performed through signing a declaration form called as 'Exclusion List'.

The Credit Underwriting team is responsible for:

- Verification of Exclusion form updated by Business Team at the time of sourcing.
- Conduct site visits and perform ESMS assessment to identify Category of the borrower and potential E&S risks.
- Documentation of the identified E&S risks of the client.
- Presentation of the E&S risks at Credit Committee3 meeting, ensuring collective decision making on mitigating top risks.
- Conduct E&S risk monitoring visits and assessments on a periodic basis to ensure and validate that the agreed-upon risk mitigation measures are implemented.
- Monitoring of E&S risks on a periodic basis.

c) Credit Appraisal Department –

- Drafting of Term Sheet4 incorporating top E&S risks as loan covenants to assess the viability of implementing ESMS recommendations within the specified timeframe, focusing to reach a mutually acceptable agreement.
- Incorporation of feasible E&S risk action points after consultation with borrower to Sanction Letter.
- Consolidation of E&S Action plan captured during Credit Committee meeting.
- Dissemination of consolidated risks with other relevant teams in the process.

d) Internal Audit Team –

- Conduct desk-based quarterly audit to ensure compliance on the ESMS process followed by respective teams that includes procedures on screening, E&S risk assessment, documentation, Action Plan preparation and periodic monitoring.
- Conduct internal audit on an annual basis that not only includes site visits but not limited to desk-based audit to verify the level of E&S activities implemented by borrowers upon Samunnati **Finance**'s recommendations.
- Present findings of Internal Audit to the top management during Management Review Meetings.

e) Human Resource (HR) Department

- Organize training activities on aspects related to the ESMS for Samunnati team.

4.3 Common Responsibilities of Teams

The common responsibilities under the ESMS for all teams are presented below.

a) Attend training activities conducted by HR Department/ ESG & Sustainable Finance of

[3] A credit committee meeting is a formal gathering where a group of people from Credit, risk and business teams review loan applications and other credit-related matters. At Samunnati **Finance**, Agri-Enterprises (AE) proposal valued above INR 25 lakhs are presented in Credit Committee meetings, while for Farmer Collectives (FC), this applies to projects exceeding INR 50 lakhs.

[4] Term sheet is a draft version of Sanction Letter prepared for iterative purposes prior issuance.

Samunnati **Finance** on ESMS.

b) Participate in Internal Audit of the ESMS.

c) Assist the ESG and Sustainable Finance Team in any manner as may be required for implementing the ESMS in Samunnati **Finance**.

5 Environmental & Social Risks and Opportunities - Samunnati Finance

5.1 Background to E&S Risk Assessment

The risks to Samunnati Finance originate from the E&S risks posed to the borrowers/ customers that have the potential to translate into credit and/or reputation risks for Samunnati. See **Figure 6** for a brief representation.

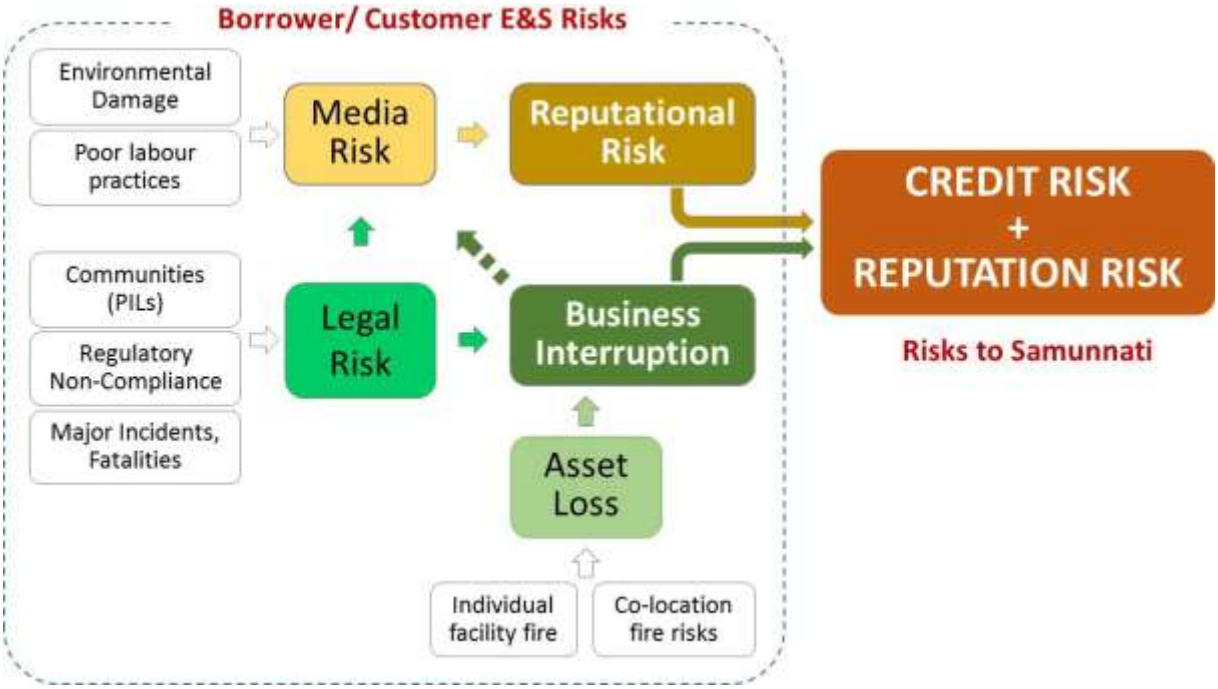

Figure 6: E&S Risks to Financial Intermediaries

5.2 Applicability of E&S Assessment to Loan Products

The ESMS at Samunnati Finance is applied to all types of borrowers. All borrowers at Samunnati Finance are screened using Exclusion list at the time of onboarding. Later, the borrowers are classified into three categories: Category A, Category B and Category C according to their nature of business, which is explained in section 5.4. Further, an E&S risk assessment (applicable for category A & category B) is carried out post identifying the borrower category. However, in cases where underwriting is handled by a third-party agency, the ESMS is primarily focused on the screening phase and no E&S risk assessment is carried out. The ESMS applicability and on-field assessment criteria at product level for Samunnati Finance is outlined below.

Business Vertical	Loan Product	Type of Borrower	Application of E&S Assessment	On-field E&S Risk Assessment

1. Agri Enterprise	Agri Receivable Finance (ARF) (revolving)	• Processors& Manufacturers • Vendors • Traders • Wholesalers	Fully applicable[5] according to the category of the borrower.	An on-field site visit & E&S risk assessment is conducted by Credit Managers for loans worth INR 2.5 million onwards[6][7]. For loans worth on or above INR 100 million, E&S risk assessment is conducted by ESG & Sustainable Finance team.
	Short Term Loan- STL (revolving)			
	Medium Term Loan – MTL (non-revolving)			
	Term loan-TL			
2. Farmer Producer Organisation's	Short Term Loan (STL)	Single FPO Federation of FPOs *(in both Guarantor and Lender modes)*	Fully applicable according to the category of the borrower	An on-field site visit & E&S risk assessment is conducted for loans worth INR 2.5 million onwards.
	Medium Term Loan (MTL)			
	Medium Term Loan- On Lending to FPO in Asset Creation	FPO in Asset Creation		

[5] E&S assessment will be fully applicable if the loan amount is on or above INR 2.5 million.
[6] For cases below INR 2.5 million, the ESMS is limited to the screening stage, with the borrower signing the exclusion form confirming adherence to Samunnati Finance's business exclusions.
[7] At Samunnati Finance for cases worth below INR 2.5 million, field visit by the Credit Team is not mandatory for sanction.

Table 3: ESMS Applicability & on-field assessment criteria at Samunnati Finance

Note: The E&S Risk Assessment process will be carried out by Samunnati Finance at the FPO level wherein a check will be carried out of the FPO systems and processes to address E&S risks while they are on- lending or standing as guarantor. The FPO will indemnify Samunnati Finance **from the E&S risks of their member farmers or FPOs.**

The levels of application based on the category of the borrower types i.e. 'Category- A', 'Category B' and 'Category C' are described below. The rationale for categorisation is explained in section 5.4.

Level of Application according to the categories of the borrower	Details on Application
1) Category A & B	Category A and B borrowers primarily consist of manufacturers and processors operating across the agricultural value chain. The potential interaction of these borrower types with E&S aspects is expected to be higher. The size of loan to borrowers is comparatively large. Hence the following risk assessment and management procedures of the ESMS will be applicable: • Step 1: Screening against Exclusion List • Step 2: E&S Categorisation • Step 3: E&S Risk and Opportunity Identification • Step 4: E&S Loan Covenants • Step 5: E&S Risk Monitoring • Step 6: E&S Action Plan post monitoring
2) Category C	Category C borrowers consist of Traders and service providers operating across the agricultural value chain. The potential interaction of these borrower types with E&S aspects is expected to be minimal. Hence the following risk assessment and management procedures of the ESMS will be applicable: • Step 1: Screening against Exclusion List • Step 2: E&S Categorisation

3) No Application Scenarios	These loans are extended to individual farmers, extremely small in size wherein interaction of their activities with E&S aspects will be insignificant. And Loans which are under Business Correspondent/ co-lending model where underwritten is carried out by partner agency, wherein no site visit is carried out by Credit Team at Samunnati Finance. Hence such transactions will only be screened through the Exclusion List. Samunnati Finance will continue to meet the requirements of Client Protection Principles in the transaction.

Table 4: Level of ESMS application according to borrower category

5.3 Process of E&S Risk and Opportunity Management

The procedure for E&S risk and opportunity management in Samunnati Finance loan products is integrated into the loan cycle. The operational steps and details of integration have been presented in the subsequent sub-sections. The Relationship Manager from the Business Team will be responsible for primary implementation of the requirements of the ESMS across all loan products. The responsibility of ensuring implementation and providing necessary support will be with the Credit Manager for Samunnati Finance loan products. Refer **Figure 7.**



Figure 7:ESMS Operational Steps integrated with Loan Cycle at Samunnati Finance

5.4 Environment and Social Risk Management in Transactions

Step-1: E&S Screening

During identification of borrowers by the Relationship Officer / Manager (RO/RM) for each loan product, the borrower business will be verified against Samunnati Finance's Exclusion List. Samunnati will not extend loans to businesses featuring in the Exclusion List. Refer **Tool1 -** Exclusion List for the items excluded.

For transactions that are evaluated beyond the screening stage,

Step-2: E&S Categorisation

At the stage when Borrower evaluation is being conducted, E&S categorisation of the transaction will be carried out in accordance with the procedure set forth in this ESMS.

Categorisation Rationale

The E&S Categorization has been designed in accordance with the reference framework and using parameters such as activity for which loan is directed to, location, inherent nature of sector, etc. This categorisation will help to focus on the critical aspects that have the potential to cause high risk to the transactions. The E&S Categorisation will also determine the level of E&S risk and opportunity assessment and the frequency of monitoring the transaction from E&S perspective.

The categorization rationale is presented below.

Category A	Investment whose E&S sensitivity is high due to fatalities because of lack of worker or customer safety standards followed in business operations or activity for which the loan is directed towards, size of the facility, location, inherent nature of sector etc. with potential significant adverse environmental or social risks or impacts that are diverse, irreversible, or unprecedented and thus requires closer monitoring.
Category B	Investment whose E&S sensitivity is moderate in terms of activities involved in the process, size of the facility, location, inherent nature of sector, safety and welfare of employees etc. with potential limited adverse environmental or social risks or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of business activities with potential significant adverse environmental or social risks or impacts that are diverse, irreversible, or unprecedented.
Category C	Investment whose E&S sensitivity is low due to type of business size of the facility, location, inherent nature of sector etc. with minimal or no adverse environmental or social impacts and thus requires least monitoring.

Table 5: Categorisation Rationale at Samunnati Finance

Definitions of the terms used in the above categorization criteria.

- **Diverse Impacts** – impacts resulting on multiple E&S components or receptors over a varying time and spatial scale (e.g. activities that can cause significant adverse impacts on local air quality, noise levels, generation of hazardous wastes as well as nuisance to community).
- **Irreversible Impacts** – impacts on E&S components that, in all practical terms are permanent in nature and cannot be reversed despite the removal of the causal stress factor. (e.g. change in land use that permanently alters the natural drainage or destroys habitats used by migratory birds).
- **Unprecedented Impacts** – are impacts that are first of its kind in terms of available knowledge of their potential to cause harm to the E&S components and their effective mitigation. (e.g. impact of noise pollution on an endangered faunal species in a geographical region where no prior studies are available on impact tolerance and response of the species).

The **highest category** based on the condition satisfied will be the category assigned to the transaction. The criteria for categorising investments based on the borrower types is presented in the subsequent subsections.

The E&S Category assigned to the investment and the rationale for the same will be formally recorded in **Tool 2-Categorisation Tool**. This Comprehensive tool helps to determine the risk category of the borrower, whether they are an AE or FC customer. Guidance for assessment of criteria for categorization is provided in the **Appendices** attached with the Tool 2.

a) E&S Categorization – Trader, Wholesaler, Aggregator		
Category A	**Category B**	**Category C**
No Category B activities envisaged	No Category B activities envisaged	• Is the client a non-critical trader or service provider?

Table 6: Categorisation Tool for non-critical traders & service providers

b) E&S Categorization – Processors & Manufacturers		
Category A	**Category B**	**Category C**
• Is the end use of the loan directed towards any of the below activities: a. Green field activities (new activity) b. Brown field activities (expansion)	• Does the facility involve hazardous processes/usage of chemicals listed in Schedule I of Factories Act,1948 or usage of pesticides listed in Insectides Act,1968?	None of Category A or Category B conditions are satisfied.

• Have there been any worker fatalities during working hours?	• Does the facility involve usage of pesticides listed in Insectides Act,1968? • Are you involved in any manufacturing/ Processing/ production? • Are you involved in any of the following high polluting activities? • Is any of your processing facility outside Govt Industrial Areas? • Are you procuring more than 50% of your raw materials from the informal sector? • Does the company employ more than 20 employees? • Do you provide accommodation for contractual labours and staff (within factory premise or outside)? • Are there any important certifications the company does have? (These certifications should be verified by an independent organization). 1. ISO 2. FSSAI 3. APEDA	

	4. USDA 5. HACCP 6. FSSC	

Table 7:Categorisation Tool for Processors and Manufacturers

Note: The categorization will be carried out at the representative FPO level and not for individual members.

Step-3: E&S Risk Identification

At the Due Diligence stage, the E&S risks associated with the transactions will be identified and suitably factored in the credit appraisal process. The risk assessment process will be commensurate to the ticket size, and nature of borrower business. Refer **sub- section 5.2** for scope of application of the E&S Risk Management process.

The E&S risks resulting from the borrower businesses if not identified and managed adequately could potentially result in business risks for Samunnati Finance.

The E&S risk assessment will be carried out using the 'Guidance Tool'- provided in **Tool 3.1**. The tool provides sector and borrower type specific queries for assessing and identification of risks. The tool has also been developed with an objective of adding value to the borrowers and their businesses and identifies areas where the borrower can capitalize on opportunities.

The key findings from the E&S Risk Assessment using guidance tool are captured and summarised in Tool 3.2 called 'Summary sheet' along with the risk category of the borrower. The E&S assessment findings will be reviewed during the loan approval and verification process through a credit committee meeting.

If the documents required under Tool 3.1 are unavailable during due diligence, the borrower is granted a buffer period of 3-5 days to provide them. If the borrower fails to submit the documents within the given timeframe, a declaration will be obtained to allow for inspection later.

The checklists used under each loan product based on the nature of business of the borrower is given below.

Business Vertical	Loan Product	Type of Borrower
1. **Agri Enterprise**	Agri Receivable Finance (ARF) (revolving)	• Processors • Vendors • Traders Wholesalers
	Short Term Loan- STL (revolving)	
	Medium Term Loan – MTL (non- revolving)	
	Term loan-TL	

2. Farmer Producer Organisation's	Short Term Loan (STL)	Single FPO Federation of FPOs *(in both Guarantor and Lender modes)*
	Medium Term Loan (MTL)	
	Medium Term Loan- On Lending to FPOs in Asset Creation	FPO in Asset Creation

Note: In case of FPOs, the E&S Risk Assessment process will be carried out by Samunnati Finance at the FPO level wherein a check will be carried out of the FPO's systems and processes to address E&S risks while they are on-lending or standing as guarantor.

Step 4: E&S Loan Covenants

Covenants on E&S aspects will be included in the loan agreement. The E&S loan covenants will be included as part of the 'Other Covenants' in the loan agreement.

In case of FPO's, the representing FPO (as a lender or guarantor or representative for a federation of FPOs) will indemnify Samunnati Finance from the E&S risks of their members.

Step 5: E&S Risk Monitoring

Borrowers where E&S Risk Assessment process is applied will be monitored each time when the Risk/Credit Team visits the borrower. The monitoring observations will be recorded using the format provided in **Tool 3.2.**

Note: The tools for E&S Risk Assessment and E&S Monitoring are the same for ease of documentation.

Step-6: E&S Action Plan

An E&S Action Plan (ESAP), **Tool 4**, will be handled by the Credit Admin Team for loans worth on or above INR 2.5 million wherein an on-field E&S risk assessment is conducted. The top E&S risks and potential recommendations for mitigation are captured in the action plan. The Action Plan also allows to monitor and record the status of recommendations implemented at the time of risk monitoring.

Non-conformance identified during E&S Monitoring against the E&S Legal Checkpoint in the E&S Risk Assessment checklist will be referred to for drafting the action plan. The ESAP developed will comprise of the following items in columns.

- Nature of Risk and Risk Details (providing details of the type of risks identified along with brief about the identified risk)
- Recommended action (to be noted once the recommendations recorded in the summary sheet are discussed and agreed for loan covenants)
- LSA (Limit Setting Advice) Timeline and Timeline for implementing the recommended action (the timeline for completing the recommended actions will be automatically calculated when the time of issuing the LSA in entered in the tool)
- Action Completion Indicator (evidence for checking completion of the action)
- Link to the evidence (which will capture the evidence from field during risk

monitoring)

The ESAP will form part of all subsequent E&S Monitoring.

5.5 Environmental and Social Opportunities in Transactions

The opportunities for enhancing E&S impact via Samunnati Finance loan products arise from the nature of activities associated with the loan product and borrower type. Samunnati Finance also undertakes enhancement activities through funds allocated under Corporate Social Responsibility.

The World Bank Group's EHS Guidelines includes a set of guidelines for agri business and food production as listed below. These guidelines provide best practices in the respective sectors. Samunnati Finance will refer to these while engaging with their borrowers on value addition and propagation of best practices. Refer **Annex 3** for a compendium of the EHS Guidelines.

a) Annual Crop Production (2016)
b) Aquaculture (2007)
c) Breweries (2007)
d) Dairy Processing (2007)
e) Fish Processing (2007)
f) Food and Beverage Processing (2007)
g) Mammalian Livestock Production (2007)
h) Meat Processing (2007)
i) Perennial Crop Production (2016)
j) Poultry Processing (2007)
k) Poultry Production (2007)
l) Sugar Manufacturing (2007)
m) Vegetable Oil Production and Processing (2015)

5.6 Client Protection

Besides the risks posed due to borrower/ customer businesses to whom Samunnati Finance has extended loans/ credit, risks could be posed to borrower/ customers due to practices followed by Samunnati as listed below.

a) Unfair treatment and discrimination by Relationship Managers.
b) Non-communication or incomplete communication of product information leading to uninformed decision by borrower.
c) Infringement of confidential data shared by the borrower.
d) Financial products being unaffordable and non-flexible.

The above risks to borrowers/ customers are covered under Smart Campaign's Client Protection Principles (CPP) and RBI Guidelines. An overall mapping of procedures and practices at Samunnati Finance with the CPP is presented below.

Client Protection Principles	**Samunnati** Finance **Procedures & Practices**
1. Appropriate product design and delivery	A need-based customized solution is provided to the customer after underwriting his cashflow and risk-taking capability. The payments are done through bank transfers.

2. Prevention of over-indebtedness	Samunnati Finance as a credit underwriting practice checks customer' s CIBIL and Highmark reports. Samunnati Finance also defines the limit assessment norms for working capital and term loans as part of its credit policy.
3. Transparency	Term sheet and repayment schedule along with details like interest rate, security, sanction amount, processing fee, document charges and other charges are provided to the customer at the time of document execution. Samunnati Finance also explains the terms to customers and takes vernacular declaration. Samunnati Finance engages in a reminder tele calling practice for right and timely collection of the repayment.
4. Responsible pricing	Samunnati Finance does not charge for pre-payments and interest is charged only for the period till the principle amount is not paid.
5. Fair and respectful treatment of clients	Samunnati Finance follows fair practice of reaching out to clients at appropriate time and place. Samunnati Finance ensures there is no mistreatment of clients through the third-party vendors for tele calling. Samunnati Finance follows the Fair Practice Code, and the Code is available at each of its branches. Employees are also trained on the same.
6. Privacy of client data	Samunnati Finance signs Non-Disclosure Agreement (NDA) with all the third-party vendors to protect its client data. Samunnati Finance has also established and implemented its Information Technology Security Policy.
7. Mechanisms for complaint resolution	Contact details of Grievance Redressal Officer at three levels is posted on the website.

Table 8: Client Protection Principles at Samunnati Finance

6 Stakeholder Engagement

6.1 Stakeholder Identification & Analysis

The stakeholders of Samunnati Finance include the following:

a) Borrowers/ Customers

b) Regulatory Authorities

c) Employees

d) Investors

e) Farmers served by Samunnati Finance borrowers i.e. FPOs

f) Local communities neighbouring Samunnati Finance borrowers

The impact of Samunnati Finance's operations on the above-listed stakeholder groups and influence of these stakeholders on Samunnati Finance has been further analysed.

The influence and priority have both been primarily rated as:

- ***High Influence***: This implies a high degree of influence of the stakeholder on Samunnati Finance in terms of participation and decision making or high priority to engage with the stakeholder.
- ***Medium Influence***: This implies a moderate level of influence and participation of the stakeholder in the organisation as well as a priority level to engage the stakeholder which is neither highly critical nor are insignificant in terms of influence.
- ***Low Influence***: This implies a low degree of influence of the stakeholder on the organisation in terms of participation and decision making or low priority to engage with the stakeholder.

Table 7 provides an analysis of Samunnati Finance's stakeholders.

Stakeholder Group	Impact/ Influence of Samunnati on the Stakeholder Group	Impact/ Influence of the Stakeholder Group on Samunnati	Expectations , Opinions, Key Concerns of Stakeholders	Rating of Stakeholder Influence
Borrowers/ Customers (direct)	Expansion of economic opportunities. Impact due to discriminatory and malpractices by Samunnati Finance.	Contribution to revenue of Samunnati Finance.	Protection against malpractices by Samunnati Finance Officers. Timely availability of loan/ credit. Advisory support for business expansion.	**High Influence**

Regulatory Authorities	Contribution to Revenue.	Issue permits and approvals as applicable to Samunnati Finance	All applicable permits and approvals are obtained timely	**High Influence**
(direct & indirect)	Generating direct and indirect employment opportunities.	operations and their Borrower operations. Issue directives to stop work based on complaints from borrowers and other stakeholders.	and periodically as applicable.	
Employees (direct)	Exposure to occupational hazards and working conditions.	Management of the Samunnati Finance operations contributing to company revenue/ profits.	Provision of good working conditions	**High Influence**
Investors (direct)	Opportunity to grow financial resources.	Provide financial and technical resources contributing to business growth.	Samunnati Finance operations is managed in alignment with environmental and social safeguards among other requirements.	**Medium influence**
Farmers served by Samunnati borrowers i.e. FPOs (indirect)	Expansion of economic opportunities. Impact due to discriminatory and malpractices by Samunnati Finance's borrowers.	Raising grievances on Samunnati Finance borrower practices. Public Interest Litigations. Complaints to regulatory authorities.	Samunnati Finance assesses the E&S risks of their borrowers to protect the farmers served by FPOs. Samunnati Finance establishes a grievance redress mechanism. Samunnati Finance provides technical and financial support contributing to farmer income	**Low influence**

			growth.	
NGOs (direct)	None	File Public Interest Litigations.	Samunnati Finance operates within	**Low influence**
		Collective bargaining through public support.	The regulatory framework and has a robust grievance redress mechanism.	
Media organisations (direct)	None	Publish adverse reports about the company.		**Low influence**

Table 9:Samunnati Finance 's Stakeholder Analysis

Note: Although 'Employees' and 'Regulatory Authorities' have been identified as stakeholders, the ESMS does not provide procedures for addressing impacts on these stakeholders. These stakeholder groups have been included from the perspective of completeness. The ESMS focusses on E&S aspects related to borrowers/ customers only.

6.2 Stakeholder Engagement Plan

The stakeholder engagement plan addresses each of the stakeholder groups identified in the preceding sub-section and takes into consideration the influence assessed. The planned approach for engaging with each of the stakeholders has been presented in **Table 8**.

Stakeholder	Purpose of Engagement	Engagement method	Minimum information to disclose	Inputs expected
Borrower/ Customer	Building and maintaining company reputation.	Loan Agreement	E&S requirements to be followed by the borrower	Reporting of serious incidents Suggestions on improving E&S performance
Regulatory Authorities	To be updated on legal requirements. Submission of compliance related returns.	Official communications as required by the law and the permits issued. Response to queries.	Information required by the law and the permits issued. Response to concerns raised, if any.	Updates on E&S legal requirements

Employees	Alleviate employee grievances. Encourage innovative	Induction training. Training and awareness raising. Mock drills.	ESMS and their respective responsibilities under the system. E&S practices at the facility	Reporting of incidents. Suggestions on improving E&S performance.
	Approaches in work. Keep employees motivated. Encourage ownership of company strategies and goals.	Employee handbook. Notices and circulars.	HR policies and practices Emergency preparedness and response plan	
Investors	Inform investors about the growth and direction of the company	Annual E&S Performance Report. Response to queries.	Disclosure on overall E&S performance Response to concerns raised, if any	Resource allocation for improving E&S performanc e
Farmers served by Samunnati Finance **borrowers i.e. FPOs**	To maintain 'social license to operate' Alleviate community (or individual) grievances	Response to queries/ grievances	Responses to concerns raised	Reporting of incidents/ grievance
NGOs	Building and maintaining company reputation	Response to queries	Responses to concerns raised, if any	-
Media organisations	Building and maintaining company reputation	Response to queries	Responses to concerns raised, if any	-

Table 10: Stakeholder Engagement Plan for Samunnati Finance

6.3 Grievance Redress Mechanism

Samunnati Finance follows a three (3) level escalation matrix for grievance redressal and contact details of personnel at each level is provided on the website. A toll-free number is provided for contacting Samunnati. The Grievance Redressal Mechanism Policy version 02 dated 13 November 2019 is in force.

A summary of the Policy is reproduced below.

Level 1	• Submit a written letter to the branch/office and obtain an acknowledgement • Call the Customer Service Helpline at 97908 97909 OR • Email at customervoice@samunnati.com
Level 2	• Write to the Company at the below mentioned address: Head of Customer Care1 (Email - headcustomercare@samunnati.com) Samunnati Financial Intermediation & Services Pvt Ltd Baid Hitech Park, 129-B, 8th Floor, ECR, Thiruvanmiyur, Chennai – 600041
Level 3	• Write to the Company at the below mentioned address: Grievance Redressal Officer2 (Email - gro@samunnati.com) Samunnati Financial Intermediation & Services Pvt Ltd Baid Hitech Park, 129-B, 8th Floor, ECR, Thiruvanmiyur, Chennai – 600041 • Response will be provided within 10 working days from the date of receipt of complaint by Samunnati.

Table 11:Summary of Grievance Redressal Policy at Samunnati Finance

In Level 1 and Level 2, response will be provided within 7 working days from the date of receipt of complaint by Samunnati Finance. In case the complaint is not resolved within the given period or if the customer is not satisfied with the solution provided through these channels, the customer may approach the next escalation channel with the reference of earlier communication.

In case the complaint is not resolved within the given time or If the customer is not satisfied with the resolution provided through various channels or if the complaint/dispute is not redressed within a period of one month, the customer may appeal to Officer-in-Charge of the Regional Office of Department of Non-Banking Supervision of RBI under whose jurisdiction the Registered Office of the Company falls.

6.4 Reporting

Based on the annual monitoring conducted by Samunnati Finance of borrowers/ customers where E&S Risk Assessment process is applied in 'Full', the E&S Performance Report of Samunnati Finance will be prepared on an annual basis.

This reporting will be carried out post conduct of the annual Management Review Meeting. Summary of the outcomes of the Management Review Meeting will also be included in the E&S Performance Report Refer **Tool 5** for the format on Annual E&S Performance Report.

7 E&S Performance Review

7.1 E&S Internal Audit

To maintain oversight on implementation of the ESMS across the products of Samunnati Finance an Internal Audit will be conducted by the Internal Audit team on quarterly and annual basis. The quarterly desk-based audit (using **Tool 5)** will focus on ensuring compliance on the ESMS process followed by respective teams that includes procedures on screening, E&S risk assessment, documentation, Action Plan preparation and periodic monitoring. On annual audit, a sample set of transactions/ engagements will be selected across eligible Samunnati Finance products for review to assess the extent of implementation of ESMS. The various procedures and steps under the ESMS that must be implemented for a particular loan/credit transaction and at the system level will form the review criteria.

The internal audit findings will be documented, followed by a cause analysis, and corrective actions will be planned accordingly. The action planning for closing of internal audit findings will be recorded in the format provided in **Tool 6**. The findings of the ESMS internal audit will be presented to the top management during Management Review Meetings.

7.2 Management Review

The top management of Samunnati Finance will review the ESMS and internal audit results at least once a year, to ensure its continuing suitability, adequacy and effectiveness. The Management Review Meeting should be conducted prior to preparation of the Annual E&S Performance Report.

The management review will address the possible need for changes to elements of the ESMS, in the light of the internal audit results, changing circumstances and commitments stated in the Policy.

The review process will ensure that the necessary information is collected to allow the management to carry out this evaluation. The ESG and Sustainable Finance Team will be responsible for collection of information in this regard and its presentation to the Management. The minutes of the Management Review Meeting will be formally recorded.

Typically, the Management Review shall consider:

a) Action taken report on findings of previous internal audit cycle;
b) Results from internal audit for the current review cycle and corrective action proposed;
c) The continuing suitability, adequacy and effectiveness of the ESMS in relation to changing conditions and available information;
d) The status of any non-conformances, and urgency for corrective and preventive actions which can be sanctioned by the Top Management alone;
e) Concerns relating to the ESMS among relevant stakeholders.

8 Document Control

8.1 Update of ESMS

The ESMS will be updated to reflect the corrective actions planned for closing Internal Audit findings, and lessons learnt at planned intervals, to ensure continuing suitability, adequacy and effectiveness.

The updates to the E&S Policy and Principles, and ESMS will be carried out under the following circumstances:

- External changes such as the national laws and regulations and investor safeguard requirements.
- A need to update the procedures owing to internal changes.

The responsibility for updates will lie with the ESG & Sustainable Finance team at Samunnati Finance. All revisions to the ESMS will be recorded in the system to preserve the history and reasons for the change (refer **Tool 8**). The frequency of updates may vary subject to the materiality of the issue demanding such a change.

8.2 ESMS Controlled Documents

The ESMS of Samunnati Finance comprises of the following document structure that will be controlled by the ESG & Sustainable Finance Teamof Samunnati Finance:

1. **E&S Policy**

2. **E&S Management System Manual**

3. **Annexes**
   - Annex 1: Summary of E&S Legal Requirements
   - Annex 2: Mapping between Samunnati ESMS and IFC-PS 1
   - Annex 3: Compendium of Agri & Food Business EHS Guidelines

4. **Tools**
   - Tool 1: E&S Exclusion List
   - Tool 2: E&S Categorization tool
   - Tool 3.1: Guidance Tool for Environmental & Social Risk Assessment
   - Tool 3.2 Documentation of the E&S findings using Summary Sheets
   - Tool 4: E&S Action Plan by Samunnati Finance
   - Tool 5: MIS for E&S Process Compliance
   - Tool 6: Action Planning on Internal Audit Findings
   - Tool 7: Annual E&S Performance Report
   - Tool 8: History of Revisions

8.3 Information Management

The records based on Tools provided under the ESMS will be created for internal approvals and communication. To maintain records in a structured manner and controlled copies of all process documents, Samunnati Finance has established an information management mechanism. All records that Samunnati Finance will maintain under the ESMS is listed in

Table 4.

Type of Record	Stage of Preparation/ Collection
Tool 1: E&S Screening Exclusion list Declaration from Relationship Manager	During identification of borrowers/ customers *(all products)*
Tool 2: E&S Categorisation Tool	At the borrower/ customer evaluation stage *(Products worth on or above INR 2.5 million)*
For E&S Risk Assessment **Tool 3.1**: Guidance Tool for Environmental & Social Risk Assessment	At the Due Diligence stage for Samunnati Finance *(Full Application borrowers)*
Tool 3.2: Summary sheets for documenting the E&S findings	
For E&S Risk Monitoring	*At every risk monitoring visit where the update on earlier identified risks is verified and documented in E&S Action Plan.*
Tool 4: E&S Action Plan	Post disbursement, monitoring and repayment of loan for Samunnati Finance. To be conducted during visit of the Risk/Credit Team. *(borrowers where E&S Risk Assessment process is applied in 'Full')*
Loan Agreement	Before loan disbursement for Samunnati Finance
Tool 5: MIS for E&S Process Compliance	On every quarter of a financial year
Tool 6: Action Planning on Internal Audit Findings	During and post conduct of annual Internal Audit
Tool 7: Annual E&S Performance Report	In the month of April every year for the previous financial year
Tool 8: History of Revisions	After carrying out modifications in the ESMS main document, Annexes, Tools

Table 12: List of Records to be maintained