



**SOCIAL AND ENVIRONMENTAL POLICY
OF
SATIN CREDITCARE NETWORK LIMITED
(VERSION - 4)**

Ownership- Social Performance Management Department

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Author	Aditi Singh
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SATIN CREDITCARE NETWORK LIMITED

CIN: L65991DL1990PLC041796

Regd. Office: 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, Delhi – 110033, India,
Corporate Office: Plot No. 492, Udyog Vihar, Phase – III, Gurugram, Haryana – 122016, India.



SOCIAL AND ENVIRONMENTAL POLICY

Synopsis: This chapter outlines the social and environmental policy of Satin Creditcare Network Limited ("Satin" or "SCNL").

Purpose

Satin is committed to act consistently with international environmental and social standards, including applicable IFC Performance Standards, the ILO Core Labour Standards, the ILO Basic Terms and Conditions of Work and to respect the International Bill of Human Rights in line with the UN Guiding Principles on Business and Human Rights.

This Environmental and Social Policy addresses Satin's commitments regarding the environmental and social dimensions of sustainable development. The purpose of this policy is to identify effective social and environmental practices and provide guidance to Satin's staff on undertaking activities in an environmentally responsible manner. Satin strives to avoid adverse impacts on its employees, communities, and the environment, or if avoidance is not possible, to reduce, mitigate, or compensate for the impacts, as appropriate.

Social Policy

Satin will make sure that working conditions in the organization meet (or exceed) international labour standards, as set out by the ILO Conventions. Satin will also make sure that:

- There is no forced labour and employment is freely chosen.
- The right of freedom of association is respected and encouraged by the employer.
- No child labour is used.
- Living wages are paid (wages should always be enough to meet basic needs and to provide some discretionary income).
- No harsh treatment is used or discrimination practiced.
- Workers are not pressurized to undertake overtime they do not wish to do.
- A safe and hygienic working environment shall be provided.

In particular, Satin will:

- Create safe and healthy working conditions, and protect and promote the health of all workers for whom it is a Principal Employer;
- Avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from its Operations including measures to abate emissions that contribute to climate change;



- Avoid or minimize risks to and impacts on the health and safety of the local community from its Operations (on account of both routine and non-routine circumstances);
- Ensure that the safeguarding of personnel and property is carried out in a legitimate manner that avoids or minimizes risks to the community's safety and security;
- Protect and conserve biodiversity by avoiding habitat destruction or degradation particularly of natural and critical habitat as also protected areas; and ensure access of communities to natural resources on which their livelihoods depend;
- Apply the exclusion list to ensure that no environmentally medium or high risk projects will be approved and financed and establish an appropriate screening mechanism;
- Provide basic environmental related training to Loan Officers to improve their level of awareness, knowledge and skills in project screening and processing;
- Avoid adverse impacts of its operations on communities of indigenous people, or when avoidance is not feasible, to minimize, mitigate, or compensate for such impacts , and to provide opportunities for development benefits, in a culturally appropriate manner;
- Ensure that the development process fosters full respect for the dignity, human rights, aspirations, cultures and natural resource-based livelihoods of indigenous people;
- Respect and preserve the culture, knowledge and practices of indigenous people;
- Protect cultural heritage from the adverse impacts of its Operations and support its preservation.
- Ensure a process to educate its borrowers on the risks of child labor and how to mitigate/report this risk.

Satin will ensure that affected communities are appropriately engaged on issues that affect them through:

- Prior disclosure of relevant information in a timely and culturally appropriate manner;
- Effective and ongoing consultation with affected communities; and
- Implementation of an effective community grievance redressal mechanism.

Environmental Policy

Satin recognizes the importance of implementing sound environmental practices throughout its office-based activities and will continue to integrate sustainable environmental practices into its daily office based activities by:

- Seeking to minimize adverse environmental impacts from operations;
- Working towards continuously improving our environmental performance.

Satin will, within the context and constraints of its business:

- Operate in an environmentally responsible manner and where practical, reduce energy, waste and other resources;
- Provide an environmentally sound workplace and implement environmentally sound work practices;
- Monitor our programs and implement processes of continuous improvement; and



- Develop an environmentally responsible culture across all levels of our organization and consult, educate, train and motivate staff about their environmental responsibilities.

In addition, Satin has harmonized its current Exclusion List with ADB's Prohibited Investment Activities List (PIAL) and the Harmonized EDFI Exclusion List, which defines the types of projects that it will not finance. As per the SCNL's Exclusion List, Satin will not finance the following projects:

- I. Production or activities involving harmful or exploitative forms of forced labor¹ or child labor².
- II. Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements or subject to international phaseouts or bans, such as (a) specific hazardous pharmaceuticals³, pesticides, and herbicides⁴, (b) ozone-depleting substances⁵, (c) PCBs (polychlorinated biphenyls⁶) and other hazardous chemicals,⁷ (d) wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wildlife Fauna and Flora⁸ (CITES) and (e) transboundary trade in waste or waste products⁹, unless compliant with the Basel Convention and the underlying regulations.
- III. Production or trade in weapons and munitions, including paramilitary materials;
- IV. Production or trade in alcoholic beverages excluding beer and wine;¹⁰
- V. Production of or trade in tobacco¹⁰;
- VI. Gambling, casinos and equivalent enterprises;¹⁰
- VII. Production of or trade in radioactive materials,¹¹ including nuclear reactors and components thereof;
- VIII. Production of, trade in, or use of unbounded asbestos fibers;¹²
- IX. Destruction¹¹ of High Conservation Value areas¹².

¹ Forced labor means all work or services not voluntarily performed, that is extracted from individuals under threat of force or penalty as defined by ILO conventions.

² Child labor means the employment of children whose age is below the host country's statutory minimum age of employment or employment of children in contravention of International Labor Organization Fundamental Human Rights Conventions (Minimum Age Convention No. 138, Art. 2) (www.ilo.org). In such cases the higher age shall apply.

³ A list of pharmaceutical products subject to phaseouts or bans is available at <http://www.who.int>.

⁴ A list of pesticides and herbicides subject to phaseouts or bans is available at <http://www.pic.int>

⁵ A list of the chemical compounds that react with and deplete stratospheric ozone resulting in the widely publicized ozone holes is listed in the Montreal Protocol, together with target reduction and phaseout dates. Information is available at <http://www.unep.org/ozone/montreal.shtml>.

⁶ A group of highly toxic chemicals, polychlorinated biphenyls are likely to be found in oil-filled electrical transformers, capacitors, and switchgear dating from 1950 to 1985.

⁷ A list of hazardous chemicals is available at <http://www.pic.int>.

⁸ A list is available at <http://www.cites.org>.

⁹ As defined by the Basel Convention; see <http://www.basel.int>.

¹⁰ This does not apply to project sponsors who are not substantially involved in these activities. Not substantially involved means that the activity concerned is ancillary to a project sponsor's primary operations.

¹¹ This does not apply to the purchase of medical equipment, quality control (measurement) equipment, and any equipment for which ADB considers the radioactive source to be trivial and adequately shielded.

¹² This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

¹¹ Destruction means the (1) elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the area's ability to maintain its role is lost.

¹² High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (See <http://www.hcvnetwork.org>).



- X. Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests or old-growth forests.
- XI. Unsustainable Marine and coastal fishing practices, such as large-scale pelagic drift net fishing, and fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats.
- XII. Production or trade in wood or other forestry products from unmanaged forests.
- XIII. Production, trade, storage, or transport of hazardous chemicals, or usage of hazardous chemicals¹³.
- XIV. Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous People, without full documented consent of such people.
- XV. Activities that will trigger direct or indirect impacts on Indigenous Peoples' (IP's) dignity, human rights, livelihood systems, culture or impact the territories or natural or cultural resources that IP's own, use, occupy, or claim as an ancestral domain or asset.
- XVI. Activities that will entail physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.
- XVII. Pornography and/or Prostitution.
- XVIII. Racist and/or anti-democratic media
- XIX. Coal prospection, exploration, mining or processing
- XX. Oil exploration or production
- XXI. Standalone fossil gas exploration and/or production¹⁴
- XXII. Transport and related infrastructure primarily¹⁵ used for coal for power generation
- XXIII. Crude Oil Pipelines
- XXIV. Oil Refineries
- XXV. Construction of new or refurbishment of any existing coal-fired power plant (including dual)
- XXVI. Construction of new or refurbishment of any existing HFO-only or diesel-only power plant producing energy for the public grid and leading to an increase of absolute CO2 emissions¹⁶
- XXVII. Any business with planned expansion of captive coal used for power and/or heat generation¹⁷

Adh. Singh



¹³ A list of hazardous chemicals is available at <http://www.pic.int>.

¹⁴ Gas extraction from limnically active lakes is excepted from this exclusion.

¹⁵ "Primarily" means more than 50% of the infrastructure's handled tonnage.

¹⁶ I.e. where energy efficiency measures do not compensate any capacity or load factor increase.

¹⁷ This does not apply to coal used to initiate chemical reactions (e.g. metallurgical coal mixed with iron ore to produce iron and steel) or as an ingredient mixed with other materials, given the lack of feasible and commercially viable alternatives.

