



ESG (Environment, Social and Governance)
Policy 2025



Seeds Fincap Private Limited	
Policy Name	ESG (Environment, Social and Governance) Policy 2025
Prepared By	Ms. Priyanka Pal, Company Secretary
Approved by	Mr. Subhash Chandra Acharya, Managing Director & CEO
Reviewed by	Board of Directors
Effective Date	25 th April 2025



ESG (Environment, Social and Governance) Policy

1. Meaning of ESG (Environment, Social and Governance)

ESG stands for environmental, social and governance and refers to a set of standards used to measure an organization's environmental and social impact. It's typically used in the context of investing, although it also applies to customers, suppliers, employees and the general public.

(a) Environmental

Refers to whether the organization is operating as a steward of the environment and covers environmental issues like climate change, greenhouse gas emissions (GHG), deforestation, biodiversity, carbon emissions, waste management and pollution.

(b) Social

Refers to the impact the organization has on people, culture and communities and looks at the social impact of diversity, inclusivity, human rights and supply chains.

(c) Governance

Refers to how the organization is directed and looks at corporate governance factors like executive compensation, succession planning, board management practices and shareholder rights.

2. Purpose

Seeds Fincap Private Limited (hereafter referred to as "Seeds" or "the Company") is committed to embedding sustainable practices in its operations by integrating environmental, social, and governance (ESG) considerations into the business. The ESG policy is designed to align with our mission to empower underserved MSMEs across India, especially in Tier II, III, and IV cities, and to support long-term value creation for our stakeholders.

This policy outlines our approach to complying with legal requirements, promoting a fair working environment, and ensuring that we actively contribute to climate consciousness, social responsibility, and corporate governance.

In today's interconnected landscape, business decisions have ripple effects beyond immediate operations. We understand that both our actions and those of our borrowers can significantly impact environmental, social, and governance issues. Ignoring these responsibilities risks undermining long-term sustainability and exposes us to potential credit, legal, and reputational harm. By embracing responsible practices, we mitigate these risks, differentiate our brand, strengthen portfolio performance, build stakeholder trust, and foster lasting loyalty.



To solidify our commitment to sustainability, we have implemented an Environmental, Social, and Governance Management System (ESG-Policy)—a comprehensive framework designed to manage ESG risks and capitalize on opportunities across our operations and borrower activities. ESG Policy and Principles, and grounded in national regulations and international best practices, our ESG-Policy empowers us to systematically identify, evaluate, manage, and monitor ESG factors. This ensures that our actions are aligned with our values, contributing meaningfully to broader environmental and societal goals.

2. Scope

This ESG policy applies to all employees, vendors, and third-party partners of Seeds Private Limited. The policy is also applicable to all our operations, including lending activities, branch operations, and stakeholder engagements.

3. Approval and Communication

The ESG Management Standard has been presented to the Board of Seeds and has received official approval. This policy will be implemented from the date of the Board's approval and will be applicable to all operations conducted by Seeds.

To ensure widespread awareness and adherence, the ESG Policy will be prominently displayed in all Seeds offices, including the head office and branches. Comprehensive training programs will also be conducted to educate all employees on the principles outlined in the policy. Furthermore, the ESG Policy will be communicated to relevant stakeholders, such as investors, shareholders, and business partners. In alignment with our commitment to transparency and accessibility, the ESG Policy will be readily available to all concerned stakeholders through Seeds's official website www.seedsfincap.com facilitating open dialogue and accountability as we strive to uphold sustainable practices.

4. Compliance with Laws

Seeds will comply with all relevant laws, regulations, and industry standards pertaining to ESG issues. They also oversee the preparation and dissemination of ESG reports and disclosures, including sustainability reports, to stakeholders and regulatory bodies.

5. Social Responsibility (Environmental, Social, and Governance - ESG)

At Seeds Fincap Private Limited, social responsibility is a cornerstone of our Environmental, Social, and Governance (ESG) framework. Our commitment extends beyond business goals to actively fostering a positive societal impact and ensuring sustainable, inclusive growth. The key pillars of our Social Responsibility under ESG are as follows:

1. Fair and Equitable Practices
2. Employee Well-being and Engagement

3. Community Support and Development
4. Fostering Inclusive Growth for MSMEs
5. Transparency in process and policy

At Seeds, we are steadfast in our dedication to building a fair, equitable, and inclusive society. Our efforts ensure that social responsibility remains at the core of our ESG framework, creating long-term value for employees, communities, and stakeholders while driving inclusive growth for India's MSMEs.

5.1 Prohibit Forced and Child Labor

Ensure no use of forced or bonded labour, in compliance with ILO Conventions No. 29 and No. 105.

Ensure no employment of children under the age of 15 and compliance with ILO Conventions No. 138 and No. 182.

5.2 Fair Wages and Benefits

Ensure all employees receive wages that meet or exceed industry or legal minimum standards, including social benefits.

5.3 Non-Discrimination

Provide equal opportunity and prohibit any discrimination based on gender, race, caste, religion, disability, or any other personal characteristic unrelated to job requirements.

5.4 Freedom of Association and Collective Bargaining

Respect workers' rights to form unions and bargain collectively in accordance with Convention No. 87 (Freedom of Association and Right to Organise) and ILO Convention No. 98 (Right to Organise and Collective Bargaining).

5.5 Health, Safety, and Working Conditions

Ensure safe and healthy working conditions, comply with ILO Convention No. 1 on working hours, and prevent excessive working hours.

Provide an appropriate grievance mechanism for employees and stakeholders to report concerns or wrongdoing. The full details of the Grievance redressal mechanism are accessible here:

<https://www.seedsfincap.com/Pdf/Grievance.pdf>

5.6 Prevention of Harassment

Implement strict measures to prevent sexual harassment and workplace misconduct.

The complete POSH policy can be accessed here:

<https://www.seedsfincap.com/Pdf/Anti.pdf>

5.7 Whistleblowing Policy

Encourage reporting of unethical practices, ensuring protection for whistleblowers, and taking disciplinary action against wrongdoers.

6. Environmental Responsibility: Climate Consciousness and Resource Efficiency

Seeds is committed to measuring and minimizing its environmental footprint while adopting climate-conscious business practices.

6.1 GHG Emissions

As part of our commitment to climate action, Seeds is focused on reducing greenhouse gas (GHG) emissions. We monitor our emissions (Scope 1, 2 and 3) on a quarterly basis. We aim to achieve this by implementing changes in our operational procedures to directly reduce emissions. Moreover, we are committed to influencing our investment strategies to indirectly reduce global GHG emission levels.

6.2 Air (Non-GHG) Emissions

Seeds acknowledges the adverse effects of air pollutants such as sulfur oxides (SO_x), nitrogen oxides (NO_x), suspended particulate matter (SPM), mercury, and ozone-depleting substances (ODS) on the environment and public health. Though not pertinent to Seeds' business model, we recognize the importance of reducing air pollution to preserve ecosystem health and promote community well-being.

6.3 Energy Management

Recognizing the significance of energy management and efficiency, Seeds is committed to reducing energy wastage per person. We understand that improving energy efficiency contributes to cleaner air, alleviates strains on energy distribution systems, and fosters a sustainable future.

6.4 Water Management

Seeds acknowledges the critical importance of water as a precious natural resource. We are cognizant of the impact of access to clean water on quality of life, particularly in regions where water scarcity is prevalent. Therefore, we are committed to promoting better water management practices to safeguard current and future generations' access to clean water.

6.5 Waste Management

Seeds acknowledges the detrimental impact of improper handling of electronic waste (e-waste) on environmental health and human well-being. In addition to solid, liquid, and plastic waste, we recognize the importance of complying with e-waste management regulations to mitigate the adverse effects of electronic waste disposal.

We are committed to ensuring that our operations adhere to e-waste management regulations to promote responsible disposal, recycling, and re-use of electronic products. By prioritizing compliance with e-waste regulations, Seeds aims to minimize the environmental footprint associated with electronic waste and contribute to a more sustainable approach to technology consumption and disposal.

6.6 Sustainable Natural Resource Management

We are committed to promoting the proper management of natural resources by our clients and partners. Seeds recognizes that sustainable resource management is essential for the long-term sustainability of investments in communities, states, and nations. We support the adoption of sustainable procurement practices and encourage ESG-compliant supply chains. We will not have physical operations in high-risk biodiversity regions.

6.7 Compliance with Government Regulations

Seeds adheres to municipal, state, and national regulations governing environmental protection. We believe that compliance with these regulations is essential for supporting sustainable environmental mitigation efforts. By aligning with government standards and rules, we demonstrate our commitment to robust environmental policies and active enforcement.

7. Stakeholder Engagement and Community Impact

Seeds recognizes the importance of engaging with its stakeholders, including employees, customers, suppliers, and communities, to foster long-term sustainable relationships.

7.1 Employee Participation

Foster open communication with employees, encouraging them to share ideas and feedback through regular consultations.

7.2 Customer Feedback Mechanism

Establish a customer feedback mechanism to address concerns and continuously improve services. The reporting mechanism are as below:-

Level 1 — Branch Manager and/or Backend person available at branch - within 7 working days

Level 2 – At Region level Nodal Officer – Within 14 working days. The following persons can be reached at the following mentioned details.

S. N o.	Region	Email	Telephone
1.	Agra region	Nodal.agra@seedsfincap.com	9311700948
2.	Rewari Region	Nodal.rewari@seedsfincap.com	9311720111

3.	Jaipur Region	Nodal.Jaipur@seedsfincap.com	9311700920
4.	Bihar	Nodal.bihar@seedsfincap.com	9311337673
5.	UP East	Nodal.upeast@seedsfincap.com	9311337673
6.	Gujarat Region	Nodal.gujarat@seedsfincap.com	9311700949
7.	Karnal Region	Nodal.Karnal@seedsfincap.com	9311594708
8.	Hapur Region	Nodal.Hapur@seedsfincap.com	8882435194
9.	MP	Nodal.MadhyaPradesh@seedsfincap.com	9311700949

Level 3 - Nodal Officer based at HO — within 21 working days, can be reached at avishek.sarkar@seedsfincap.com

Also, the customers can reach at the toll-free number at **1800 103 8100**.

Or

Letter: the Customer can write us at:
 The Nodal Officer
 Unit No. 662-663, JMD Megapolis, Sohna Road,
 Sector 48, Gurugram, Haryana, 122018

7.3 Community Involvement

Seeds will engage with local communities, particularly in rural and underserved areas, to support financial inclusion and entrepreneurial development. We will also ensure that our operations don't harm indigenous communities in any manner.

8. Governance and Business Integrity

Seeds is committed to maintaining high standards of corporate governance and integrity.

8.1 Anti-Corruption and Anti-Bribery

Implement policies and procedures to prevent corruption, bribery, extortion, and fraud.

Conduct periodic reviews of business integrity and adopt a code of ethics that includes a whistleblower policy. The complete policy can be accessed here:

[Anti Bribery and Anti - Corruption Policy.pdf](#)

8.2 Fair Lending Practices

Design and offer loan products that are flexible, transparent, and affordable to meet the needs of underserved MSMEs while ensuring responsible lending practices. The complete policy can be accessed here:

<https://www.seedsfincap.com/Resources.html#8.3> **Client Protection**

Ensure that all clients are provided with clear, transparent, and comprehensive information regarding financial products and services.

8.4 Data Protection and Privacy

Protect customer data and ensure compliance with data privacy laws and regulations.

9. Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)

Seeds is dedicated to preventing financial crime and ensuring compliance with AML/CFT regulations.

9.1 AML Policies

Implement and maintain Know Your Customer (KYC) and anti-money laundering policies. The detailed KYC-AML Policy is accessible below:

<https://www.seedsfincap.com/Pdf/kyc.pdf>

Mr. Avishek Sarkar, Whole-time Director of the Company designated as AML Officer to oversee compliance with these regulations.

9.2 Compliance with Sanctions

Ensure that no financing is provided to entities or individuals listed on sanction lists as per the RBI Master Directions.

10. Continuous Improvement

Seeds committed to continuously improving its ESG performance. The Company will:

10.1 Opportunities for Positive Impact

Explore opportunities to create positive environmental and social impacts, such as creating categories of loans which helps in environment and supporting local communities.

10.2 Capacity Building & Trainings

Seeds prioritizes the continuous education and awareness of its employees regarding the ESG Management Standard (ESG-Policy). Upon joining the company, all employees receive thorough training on the ESG-Policy during their onboarding process. Additionally, annual company-wide training sessions are conducted to reinforce understanding, update employees on any changes or developments in ESG practices and encourage active participation in sustainability initiatives.

10.3 Review of ESG Performance

The ESG Manager, in collaboration with relevant departments, will conduct quarterly reviews of Seeds's ESG performance against set KPIs. These reviews shall encompass various aspects, including environmental impact, social responsibility, and governance practices. The findings and insights from these assessments will be compiled into a detailed report, which is then presented to the Board of Directors. This report, format of which is provided in Annexure B, will provide a comprehensive overview of Seeds's progress towards its ESG goals, identifies areas for improvement, and highlights successes and challenges encountered during the reporting period.

10.4 Reporting on ESG

Seeds shall provide transparent and comprehensive quarterly ESG reports to investors, detailing key performance indicators (KPIs) related to environmental, social, and governance aspects of its operations. These reports will enable investors to assess Seeds's ESG performance, track progress over time, and make informed investment decisions aligned with their sustainability objectives. Information pertaining to ESG performance will be provided as per Annexure B within 15 days from end of quarter and 30 days from end of financial year to the investors.

10.5 Review of ESG Risks & Opportunities

Annually, the ESG Manager will conduct a thorough review of ESG risks and opportunities facing Seeds. This review will encompass environmental, social, and governance aspects and involve assessing potential risks that could impact the company's operations, reputation, and stakeholder relationships. Additionally, opportunities for enhancing ESG performance and driving positive impact will be identified and evaluated. The findings of this review will be presented to the Board of Directors annually to inform strategic decision-making and prioritize actions for risk mitigation and value creation as per **Annexure-C**.

10.6 Review of ESG POLICY

Seeds recognizes the importance of regularly reviewing and updating its ESG Policy document to ensure its relevance, effectiveness, and alignment with evolving ESG standards and best practices. Therefore, a comprehensive review of the ESG-Policy is to be conducted once every two years. This review will involve soliciting feedback from stakeholders, benchmarking against industry peers, and incorporating emerging trends and regulatory changes. The revised ESG Policy document will then be approved by the Board of Directors and communicated to all relevant stakeholders to guide ongoing ESG initiatives and practices.

11. MECHANISM FOR HIRING ESG MANAGER

The Managing Director & CEO shall make the decision on the appointment of the ESG Manager, considering:

- The candidate's alignment with the organization's ESG goals.
- Inputs from stakeholders, including investors, if required.
- Upon completion of this time frame as suggested by Managing Director & CEO or default in exercising their duties, the company may continue with the same person or appoint a new ESG Manager.

12. Conclusion

By implementing this ESG policy, Seeds reaffirms its commitment to responsible and sustainable business practices. Our mission is to support the growth of MSMEs across India while contributing positively to the environment, society, and governance standards.

ANNEXURE-A EXCLUSION LIST

1. Forced labour² or child labour³.
2. Activities or materials deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, such as:
 - 2.1 Ozone depleting substances, PCB's (Polychlorinated Biphenyl's) and other specific, hazardous pharmaceuticals, pesticides/herbicides or chemicals;
 - 2.2 Wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES); or
 - 2.3 Unsustainable fishing methods (e.g. blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 km in length).
3. Cross-border trade in waste and waste products, unless compliant to the Basel Convention and the underlying regulations.
4. Destruction⁴ of High Conservation Value areas⁵.
5. Radioactive materials⁶ and unbounded asbestos fibres.
6. Construction of new and extension of any existing coal fired thermal power plants.
7. Pornography and/or prostitution.
8. Racist and/or anti-democratic media.
9. Activity, production of, use of, trade in, or distribution of arms (i.e., weapons, munitions, or nuclear products, primarily designated for military purposes).
10. Production or trade in alcoholic beverages (excluding beer and wine).
11. Production or trade in tobacco.
12. Gambling, casinos, and equivalent enterprises.
13. Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene, other petroleum products, hazardous pharmaceuticals, hazardous pesticides, and hazardous wastes.
14. Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples.
15. Significant alteration, damage, or removal of any critical cultural heritage. (ii)
16. Commercial logging operations for use in primary tropical moist forest.
17. Production or trade in wood or other forestry products other than from sustainably managed forests.
18. Activities prohibited by legislation of the Member in whose territory the Project is located or by international conventions relating to the protection of biodiversity resources or cultural resources, such as, Bonn Convention, Ramsar Convention, World Heritage Convention and Convention on Biological Diversity.(iii)

² Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by ILO conventions.

³ Persons may only be employed if they are at least 15 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art.2), unless local legislation specifies compulsory school attendances or the minimum age for working. In such cases, the higher age shall apply.

⁴ 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.

⁵ 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.hevnetwork.org>).

⁶ This does not apply to the purchase of medical equipment, quality control (measurement) equipment or any other equipment where the radioactive source is understood to be trivial and/or adequately shielded.

19. Shipment of oil or other hazardous substances in tankers that do not comply with IMO requirements (IMO, MARPOL, SOLAS, and Paris MOU).(iv)
20. The extraction or processing of coal as well as the production of electricity derived more than 25% (twenty five percent) from coal power; or coal mining.
21. The extraction or processing of oil sand by products.

Following definition to be considered for the points (i) to (iv) referred above	
i.	This does not apply to Companies who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a Company's primary operations. "Substantial" means more than 10% of a financed institution's/company's consolidated balance sheet or earnings. For Financial Institutions, "Substantial" means more than 10% of a Financial Institution's underlying portfolio volume.
ii.	Critical cultural heritage consists of (i) the internationally recognized heritage of communities who use or have used within living memory the cultural heritage for long-standing cultural purposes; and (ii) legally protected cultural heritage areas, including those proposed by host governments for such designation.
ii.	Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention) - https://www.cms.int/ ; Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention) - https://www.ramsar.org/ ; Convention Concerning the Protection of the World Cultural and Natural Heritage - https://whc.unesco.org/en/convention/ ; Convention on Biological Diversity - https://www.cbd.int/
v.	Noncompliance with International Maritime Organisation (IMO) requirements: tankers that do not have all required International Convention for the Prevention of Pollution from Ships (MARPOL) or International Convention for the Safety of Life at Sea (SOLAS) certificates (including, without limitation, International Safety Management Code compliance), tankers banned by the Paris Memorandum of Understanding on Port State Control (Paris MOU), and tankers due for phase out under MARPOL regulation 13G. No single hull tanker over 25 years old should be used. http://www.imo.org/en/About/Conventions/ListOfConventions/Pages/International-Convention-for-the-Prevention-of-Pollution-from-Ships-(MARPOL).aspx

"Excluded Fossil Fuel Activities" means:

- a. mining, prospecting or exploring for Fossil Fuels;
- b. producing, processing or refining Fossil Fuels or using waste heat from the burning of Fossil Fuels whether by a Company or a third party;
- c. generating power or heat using Fossil Fuels, storing or transmitting that power or heat or refurbishing or rehabilitating power generation plants that use Fossil Fuels;
- d. storing, transporting, distributing or trading in Fossil Fuels, or developing, acquiring, constructing, operating or maintaining any infrastructure for the storage, transport, distribution of, or trade in, Fossil Fuels;
- e. CCUS;
- f. engaging in Fossil Fuel Dependent Heavy Industry;

- g. the production and provision of goods, services or other outputs (including advisory or financial services and utilities) for exclusive use in connection with any activity referred to in 22 to 27 above; and
- h. the improvement of the efficiency, health and safety or environmental and social standards of any business engaged in any activity referred to in a to f above,
- i. but excluding any Permitted Fossil Fuel Activities.

“CCUS” means carbon capture and storage and carbon capture, use, transport and storage.

“Fossil Fuel” means any fossil fuel including coal, oil (including heavy fuel oil, light crude oil or diesel) or gas (including liquefied gas);

“Fossil Fuel Dependent Heavy Industry” means industrial processes that:

- (a) need high temperatures that can only be achieved through burning Fossil Fuel (such as manufacturing cement, ceramics, glass and paper); or
- (b) use Fossil Fuel as feedstock but that do not produce fuels (such as manufacturing steel, detergents, waxes, lubricants, white oils and paint)

