

	POLICY ON BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING	Veritas Finance Limited First Issue Date: 30.04.2025 Version: V1
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POLICY ON BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

Introduction

Veritas is registered with RBI as a middle-layer, systematically important, non-deposit taking NBFC. Our business model has a strong focus on the social elements of the business - we seek to improve financial inclusion and the standard of living of our customers. While remaining committed to the core values and purpose, our Company is looking to embrace ESG and technology for greater resilience, positioning itself for future growth, and creating shared value.

This policy is supported by a series of existing policies and shall act as a broad guideline for our ESG endeavors. Furthermore, this policy also addresses some aspects covered by the principles of the National Guidelines on Responsible Business Conduct (NGRBC). Updates on our progress and actions in relation to this policy shall be regularly communicated through Business Responsibility & Sustainability Reports (BRSR) of the Company.

Background

The Ministry of Corporate Affairs (MCA), Government of India, released a set of guidelines in 2011 called the National Voluntary Guidelines on the Social, Environmental and Economic Responsibilities of Business (NVGs). This was expected to provide guidance to businesses on what constitutes responsible business conduct. The revision of NVGs was initiated in 2015 to align the guidelines with the Sustainable Development Goals (SDGs) and the 'Respect' pillar of the United Nations Guiding Principles (UNGP), after revision and updating, the new principles are called the National Guidelines on Responsible Business Conduct (NGRBC) 2018.

Further, the Securities and Exchange Board of India (SEBI), vide Circular dated May 10, 2021, has made the Business Responsibility & Sustainability Report (BRSR) mandatory for the Top 1000 listed entities by market capitalization with effect from 2022-23. The BRSR is a notable departure from the existing Business Responsibility Report ("BRR") and a significant step towards bringing sustainability reporting at par with financial reporting. The SEBI Circular further states that the BRSR is an initiative towards ensuring that investors have access to standardized disclosures on Environment, Social, and Governance (ESG) parameters. Access to relevant and comparable information will enable investors to identify and assess ESG risks and opportunities of organizations and make better investment decisions.

Further, SEBI vide circular dated July 12, 2023, introduced the BRSR Core for assurance by listed entities and further introduced disclosures and assurance for the value chain of listed entities as a part of its Annual Report, as per the BRSR Core.

The BRSR seeks disclosures from listed entities on their performance against the nine principles of the 'National Guidelines on Responsible Business Conduct' (NGBRCs) and reporting under each principle is divided into essential and leadership indicators. The essential indicators are required to be reported on a mandatory basis while the reporting of leadership indicators is on a voluntary basis. Listed entities is expected to report the leadership indicators also. The BRSR is intended towards having quantitative and standardized disclosures on Environmental, Social, and Governance (ESG) parameters to enable comparability across companies, sectors and time.

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Objectives of the Policy

Veritas recognizes that it is imperative to create a positive impact on the environment and community, and therefore endorses the need for adherence to environmental, social, and governance policies consistent with our values. The purpose of this policy is to integrate ESG with our mainstream business strategy effectively. This policy identifies some of our priority ESG Focus areas and helps streamline our efforts, future-proofs the business through effective ESG risk identification and mitigation and monitor & report ESG parameters transparently. This is envisaged to help the Company meet the growing demand for ESG performance and disclosures from variety of stakeholders including customers, employees, regulators and investors among others.

Implementation and Review of the Policy:

The Company understands the need to formalize accountability for ESG related aspects and the Senior Management of the Company and, ably directed by the Board and its sub-Committees, shall be primarily responsible for implementation of the ESG policy across the company. The responsibilities towards implementation of this policy shall include:

- a) Review and revision of guidelines, norms & other policies that arise as a result of this policy.
- b) Dissemination of ESG information periodically (Business responsibility reports, newsletters among others), responding to reasonable requests for ESG performance information from investors and other stakeholders & to monitor the evolving ESG landscape so as to facilitate the company adhere to best-in-class initiatives.
- c) Set targets and identify opportunities for improvement across the ESG spectrum, as may be applicable to the company.

The application and progress on this policy shall be periodically overseen by the Board. The policy will also be reviewed annually.

Policy statement

In line with the NGRBC, the company shall adhere to the following 9 principles as a part of its BRSR reporting:

- *Principle 1: Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable.*
- *Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.*
- *Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.*
- *Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.*
- *Principle 5: Businesses should respect and promote human rights.*
- *Principle 6: Businesses should respect and make efforts to protect and restore the environment*
- *Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.*
- *Principle 8: Businesses should promote inclusive growth and equitable development.*
- *Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.*

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Priority areas for action

Based on the above-mentioned nine thematic pillars of business responsibility, i.e., Principles, the Company recognizes the following priority areas to address them holistically:

Environmental Stewardship

- Promoting environmental stewardship in operations, including - reducing waste, improving energy and water efficiency and reducing the carbon footprint of our operations
- Maximum recycling of electronic wastes
- Review business practices of our customers and engage with them towards capacity building to reduce detrimental impacts on the environment (e.g., management of hazardous wastes)
- Reducing paper consumption through embracing of digital documentation practices

Employee Well-being

Veritas recognizes that our employees are critical for our continued business success. The Company is committed to providing a safe, rewarding and inclusive work environment for all our employees through the following initiatives:

- Promoting employee diversity and being an equal opportunity employer
- No gender-based disparity in payment of wages – equal wages for equal work
- Promoting a healthy work-life balance
- Providing statutory and other benefits in-line with industry best practices
- Provision of insurance coverages for employees and families as appropriate
- Capacity building on occupational health and safety, road safety etc.
- Technical and behavioural training as appropriate to facilitate growth and development of employees.
- Continuing to strengthen existing internal systems for addressal of employee grievances such as sexual harassment, whistle-blower and vigil mechanisms.
- Ensuring the safety & wellbeing of all employees - especially women who are required to work late due to business requirements.
- Employment opportunity for specially-abled persons

Customer Satisfaction & Engagement

Veritas recognizes the importance of customer satisfaction and retaining their trust for the growth of the company. The Company shall engage with its customers throughout the transaction cycle, providing suitable channels for presenting grievances, if any, and resolving the same in a fair, transparent and timely manner. The following are being prioritized:

- Exercising utmost caution in handling sensitive or personal customer data.
- Strong internal machinery to handle the customer grievances / complaint.
- Periodic customer satisfaction feedbacks and working on any findings emerging from such feedback/surveys.
- Responsible lending practices by promoting transparency in disclosure of loan terms and other parameters.

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The Company also has an Internal Ombudsman, who ensures fair hearing of all customer complaints and help resolve them in the most amicable manner possible. Customer complaints shall also be placed reviewed by the Stakeholders Relationship Committee and the Board on a quarterly basis.

Responsible Business Practices

As a responsible Financial Services provider, we recognize that we have the power to promote positive societal change. The following shall be prioritized:

- Utmost transparency shall be maintained with regard to the terms and conditions, subject to which business is being carried out.
- All our loan agreements will clearly articulate our expectations that the borrowers shall comply with local and national environment, social and labour laws, as applicable.
- We will continue to evaluate the purpose for which the loans are being availed by customers, social and environmental risks associated with the borrowing/business and mitigative action undertaken shall also be reviewed.
- Developing and offering financial services/products that enable socio-economic development.

Furthering Financial Inclusion

- Veritas actively promotes financial inclusion as a substantial proportion of our customers are first-time borrowers from formal credit ecosystems and may be located in Tier-III to Tier – VI cities/districts. We will continue to strengthen our focus on such first-time borrowers, contributing to their socio-economic development and progress.
- Contributing to women economic empowerment by enlisting them as primary/ co- borrowers in our loans, thereby acknowledging their ownership/roles/responsibilities in the proprietary businesses.

Human Rights

Veritas has placed a strong emphasis on safeguarding fundamental Human Rights enshrined in UN charters (United Nations Guiding Principles on Business and Human Rights) and the Indian constitution. To this end, we endeavour to:

- Valuing and protecting the rights of our employees and contracted workers on our premises
- Encouraging positive practices by our vendors, customers and other stakeholders in our value chain consistent with our own values and expectations on human rights

Responsible Policy Advocacy

Veritas collaborates on matters of policy development by playing a strong role in accelerating social and financial inclusion by engaging with regulatory bodies such as Reserve Bank of India (RBI) and Securities and Exchange Board of India (SEBI), other Non-banking Financial Corporations (NBFCs) and other stakeholders in appropriate forums. Veritas emphasizes that our advocacy efforts in public policy must prioritize and promote the broader public good, aligning with our commitment to responsible corporate citizenship.