

**SHRIRAM FINANCE LIMITED**  
**(formerly known as Shriram Transport Finance Company Limited)**  
**BUSINESS RESPONSIBILITY POLICY**

## **INTRODUCTION**

Shriram Finance Limited (“the Company”), conscious about its environmental, social and governance responsibilities has already adopted codes and practices and formulated policies to discharge its corporate social responsibility and to deal with all its stakeholders in ethical, transparent and fair manner as a responsible corporate citizen. This policy is framed in line with requirements of Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended (‘Listing Regulations’) and re-affirms the Company’s commitment to follow the principles laid down in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of business brought out by the Ministry of Corporate Affairs in conduct of its business. These principles form part of the Business Responsibility policy of the Company.

## **SCOPE**

For sustainable development, the management of the Company will continue its efforts to strike proper balance between environmental, social and governance performance in dealings with various stakeholders of the Company namely customers, investors, lenders, deposit holders and the society. The Company will make its best efforts to impress upon other entities in the value chain to participate in the Business Responsibility initiatives depending upon their means and resources.

## **P1- POLICY ON ETHICS TRANSPARENCY AND**

### **ACCOUNTABILITY OBJECTIVE**

The objective of the policy is to ensure ethics, transparency and accountability in dealings with the stakeholders.

## **POLICY**

- i. The directors, management and employees at all levels will ensure good governance, ethical practices, transparency and accountability in conducting affairs of the Company and dealing with stakeholders of the Company.

- ii. The directors, management and employees will report their compliance to the Company's policy.
- iii. In the Annual report of the Company sent to shareholders, the Managing Director will certify compliance of the Company's code of conduct by directors and senior management.
- iv. The Company will promptly post on its website information regarding quarterly, semi-annual and annual financial results/statements (standalone as well as consolidated) of the Company, Notices of general meetings, intimations of Record-date, shareholding pattern, prospectus, profile of Board of directors and other information as per the Listing Regulations and provisions of the Companies Act,2013 such that same is easily accessible to the holders of the listed securities. The website will be updated from time to time.
- v. The website will also contain a special window called Customer Complaint which may be accessed by customers of the Company.The Company will ensure redressal of investors grievances within prescribed time.
- vi. The Company will not engage in practices that are abusive, corrupt, or anti-competition.
- vii. The Company will avoid complicity with the actions of any third party that violates any of the principles contained in these Guidelines.

## **P2 - POLICY ON SUSTAINABLE PRODUCTS AND SERVICES**

### **OBJECTIVE**

The Company is not engaged in manufacture of any goods. It is engaged in the business of financing of commercial vehicles, primarily to Small Road Transport Operators (SRTOs). The objective of the policy is to encourage and promote adoption of practices for providing sustainable financial products and services in the course of vehicle financing business of the Company during the tenure of the loan.

### **POLICY**

- i. The Company will encourage the customers to carry out timely repairs and maintenance of commercial goods and passenger vehicle financed by the Company, timely replacement of spare parts, tyres, and engines parts for safe driving, reducing accidents and pollution.
- ii. In respect of each pre-owned commercial vehicle to be financed by the Company, a valid fitness certificate issued by the competent authority (RTO) shall be mandatory.
- iii. The Company will encourage the customer to obtain and continues to obtain a valid PUC certificate throughout the tenure of the loan.

- iv. The Company shall ensure that the customer regularly renews the vehicle insurance policies and in case of delay/failure, the Company may take steps to renew the insurance policy
- v. The Company shall take initiatives for creating awareness among the customers for safe driving of commercial vehicle and environment protection in collaboration with NGOs and other agencies.
- vi. The Company will make representation to government authorities to implement various suggestions in the areas of improvement of road conditions namely widening and timely repair of roads.
- vii. The Company will undertake projects to impart training to unemployed youths for safe driving of commercial vehicles under the ongoing CSR project and appoint implementing agency in this regard.
- viii. The Company will encourage the customers to give feedback, suggestions on above safety measures.

### **P3 - POLICY ON WELL-BEING OF EMPLOYEES**

#### **OBJECTIVE**

The objective of the policy is to promote well-being of all

employees. **POLICY**

- i. The Company will provide equal opportunity to all employees starting from their recruitment irrespective of their caste, creed, gender, race, religion, language and disability or sexual orientation. The employees of the Company can belong to all parts of the country and will be selected based on individual merit without any discrimination or preference
- ii. The Company will also formulate schemes and policies to address health, superannuation issues and welfare needs of our employees and their families. The Company shall implement special policies to provide educational and financial support to members of family of deceased employees during the pandemic.
- iii. The Company will provide workplace environment that is safe, hygienic and which upholds the dignity of the employee.
- iv. The Company will ensure continuous skill and competence upgrading of all employees by providing access to necessary learning opportunities on equal and non-discriminatory basis.
- v. The Company will promote employee morale and career development through various HR policies.
- vi. The Company will frame stringent policies and practices to ensure that the employees especially female employees do not suffer harassment and create the environment where they feel safe and secure in discharging their responsibilities.

- vii. The Company will take cognizance of the work-life balance of its employees, especially that of women, and implement hybrid system of Work From Home and Work from Office during lock-down, challenging climatic and/or commutation conditions.

#### **P4 - POLICY ON STAKEHOLDERS' ENGAGEMENT**

##### **OBJECTIVE**

The objective of the policy is to be responsive towards internal and external stakeholders of the Company, especially those who are disadvantaged, vulnerable and marginalized.

##### **POLICY**

- i. The Company's major stakeholders are customers, investors and market intermediaries, lenders, employees, society and government authorities. Our customers are primarily SRTOs and First Time Buyers (FTBs). Our Investors comprise of shareholders (including Institutional Investors) and Debenture holders.
- ii. The Company will focus on catering to the needs of "Aam Aadmi"(common man) reaching closer to the grassroots and making us the preferred choice for providing financial assistance.
- iii. The Company will make loan products available to all qualified applicants without discrimination and to treat all customers consistently and fairly.
- iv. The employees of the Company will offer assistance, encouragement and service to the customers in fair, equitable and consistent manner.
- v. The Company shall undertake mobile clinic/ ambulance project to provide medical check-up facility to truck drivers, cleaners and their families.
- vi. The Company will continue to give scholarship to children of small truck operators to promote education.
- vii. The Company has constituted Stakeholders' Relationship Committee to look into and investigate any activity relating to any grievances or complaints of the shareholders and the investors.
- viii. The Company shall engage a senior executive to focus on relationship with major investors.
- ix. The Company shall maintain and update its HR Manual to safeguard interests of the employees.

#### **P 5 - POLICY ON HUMAN RIGHTS**

## **OBJECTIVE**

Objective of the policy is to respect and promote human rights.

## **POLICY**

- i. The Company will pay fair wages to our employees and do not discriminate between male and female employees. They are treated equally with dignity and are given equal opportunities, rights and benefits.
- ii. The Company will integrate respect for human rights in management systems, in particular through assessing and managing human rights impacts of operations, and ensuring all individuals impacted by the business have access to grievance mechanism.
- iii. The Company will recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups.
- iv. The Company will within their sphere of influence, promote the awareness and realization of human rights across our value chain.
- v. The management will ensure compliance and adherence to all the human rights laws and national laws. The Company's policies will strive to percolate these values at all levels in the organization.
- vi. The Company will not be complicit with human rights abuses by a third party.
- vii. The Company will not use child labour, forced labour or any form of involuntary labour, paid or unpaid.

## **P6 - ENVIRONMENT POLICY**

### **OBJECTIVE**

Finance Company's operations are not directly regulated for environmental impact. However, the company will proactively take steps to be environmentally conscious wherever it consumes natural resources, generate waste in company's offices and transactions with its various customers.

### **POLICY**

The Company shall engage and actively influence its employees, customers, and communities to communicate about the role each of them, can play for environment protection.

- i. As a part of Green initiative for paperless office, the Company will encourage using electronic methods of communication and digital payment systems within and outside our offices and discourage use of paper.

- ii. The Company will encourage shareholders to hold shares in dematerialized mode and provide their email addresses for dispatch of notices, financial results etc. for communication purpose. The Company will endeavor to use electronic mode for remittance of dividend to its investors.
- iii. The Company will actively conserve water by adopting various measures.
- iv. The Company will utilize natural and man-made resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.
- v. The Company will take measures to check and prevent pollution.
- vi. The Company will proactively encourage and support its value chain to adopt this principle.

The Company will comply with:

1. Applicable environmental regulations and other requirements.
2. Act proactively to manage and reduce environmental impacts, both within business activities and those caused by services and products i.e. direct as well as the indirect impacts. Pursue continual improvement of environmental performance.
3. Conserve natural resources and reduce energy consumption. Conserve energy across business to reflect Company's intent in conserving resources.
4. Minimize waste and ensure safe disposal of waste.
5. Create awareness about environment protection and manage and actively influence our employees, customers and communities to make a positive difference.
6. Discuss the impacts of vehicular emissions and the need to maintain the vehicle with the customers and the employees.

## **P7- POLICY ON DEALING WITH PUBLIC AND REGULATORY**

### **POLICY OBJECTIVE**

The objective of the policy is to ensure responsibility while dealing with public and regulatory policies.

### **POLICY**

- i. The Company while pursuing advocacy policy will ensure that their advocacy positions are consistent with the principles and core elements contained in this policy.
- ii. To the extent possible, the Company will utilize the trade and industry chambers and associations and other such collective platforms to undertake such advocacy

policy for the benefit of industry as a whole. For this purpose, the Company shall hold memberships of several industry associations such as Finance Industry Development Council (FIDC), Confederation of Indian Industries (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI).

- iii. The Company will strive for creating efficient and transparent financial access to remote areas of the country to achieve the ultimate objective of Financial inclusion.

## **P8 - POLICY ON INCLUSIVE GROWTH**

### **OBJECTIVE**

The objective of the policy is to support inclusive growth and equitable development

### **POLICY**

- i. The Company will understand their impact on social and economic development, and respond through appropriate action to minimize the negative impacts.
- ii. The Company will make efforts to complement and support the development priorities at local and national levels.
- iii. The Company will aim at operating its business in the regions that are under developed should be especially sensitive to local concerns.

## **P9 - POLICY ON PROVIDING VALUE TO CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER**

### **OBJECTIVE**

The objective of the policy is to engage with and provide values to customers and consumers.

### **POLICY**

The customer satisfaction is key of our growth and success in this line of business. The Company strives hard to provide better services to customers at large.

- i. The Company will serve the needs of its customers taking into account the overall well-being of the customers and that of society.
- ii. The Company will promote and advertise its services in ways that do not mislead or confuse the consumers or violate any of the principles in this policy.

- iii. The Company will provide adequate grievance handling mechanisms to address customer concerns and feedback.
- iv. The Company strives to provide other value added services such as product insurance, renewal thereof on time, credit cards, refurbishing of vehicles by collaborating with banks, insurance companies and other intermediaries in order to give all services under one umbrella.
- v. The Company shall strive to use modern, faster and cost efficient communication and digital payment systems and techniques using mobile phones, internet in the process of sanction, disbursement of loan, collection of EMI, record maintenance, customer services etc.

### **IMPLEMENTATION AND MONITORING**

The Corporate Social Responsibility Committee (CSR Committee) will monitor implementation of this BR policy through various projects / activities / initiatives undertaken for this purpose. The HR Head will be responsible for implementation of this policy and submit his periodical report to the Business Responsibility Head (BR Head) and to the Managing Director & CEO. The Managing Director & CEO will update the CSR committee on the implementation of the policy.

### **SOURCE OF FUNDS**

The BR Head will give a presentation to the CSR Committee on the proposed project and requirements of the funds for implementation of the said projects. The CSR Committee will consider the same and gives its recommendation to the Board of Directors for sanctioning budget for the projects.

### **AMENDMENT**

CSR Committee will consider amendment if any required in this policy based on the suggestions given by the BR Head.

Last amended on December 24,2022.

-----