



MOTILAL OSWAL FINANCIAL SERVICES LIMITED
Environmental, Social and Governance (ESG) Policy (“Policy”)

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VERSION DETAILS

Sr. No.	Details of Changes	Date of Creation/ Change	Department	Author	Version Number	Approved By
1.	Original Document	-	Administration, Human Resources and Finance & Account	Jointly Mr. Akshay Singh & Mr. Kailash Purohit	Ver.1.0	Board of Directors

I. INTRODUCTION

Motilal Oswal Financial Services Limited (“MOFSL”) (“Company”) is an integrated technology-based Financial Services Sector Organization offering a wide range of services including retail and institutional broking and distribution of financial products. Our customers include resident and non-resident individuals, HUF’s, corporates etc.

The company executes transactions in capital markets/equity derivatives/commodity derivatives/currency derivatives segments on behalf of its clients which include retail customers (including high net worth individuals), mutual funds, institutional investors, foreign institutional investors, financial institutions and corporate clients. Besides stock broking, it also offers a bouquet of financial products and services like insurance, mutual funds, bonds etc. to its client base.

MOFSL is also registered with the SEBI as Research Analyst, and with various other bodies/agencies like Insurance Regulatory and Development Authority of India (“IRDAI”), Association of Mutual Funds in India (“AMFI”), Central Registry of Securitization Asset Reconstruction and Security Interest (“CERSAI”), KRA agencies [CDSL Ventures Limited India (“CVL”), DotEx International Ltd (“Dotex”), NSDL Database Management Limited (“NDML”), Computer Age Management Services (“CAMS”) and Karvy etc.]

Further, MOFSL along with its subsidiaries, offers a diversified range of financial products and services such as broking and distribution, institutional equities, asset management business, housing finance, private equity, private wealth management, investment banking, loan against securities and investment activities

The company is a socially responsible organization that commits itself to the cause of environment protection/ preservation, imbibe and uphold social values at the core of its operations, interactions with internal and external stakeholders and society at large. The company accords topmost priority in adoption of highest standards of Corporate Governance, and strives to become the Most Admired Company.

The Company’s core belief lies in creating long-term value for all its stakeholders, and work towards community service on a larger level. Over the period, the Company has holistically adopted policies and processes to understand and assess the financial and non- financial impacts of key environmental, social, and governance (ESG) issues on its business. The Company is committed towards meeting its ESG objectives through a Board approved ESG policy framework.

This policy lays out the overall framework which the Company proposes to adopted in meeting the ESG objectives and its approach towards clients, employees, business partners, and other stakeholders in light of the same.

II. SCOPE OF ESG POLICY

The policy refers to National Guidelines on Responsible Business Conduct (NGRBC) issued by the Ministry of Corporate Affairs and Business Responsibility and Sustainability Reporting Framework (BRSR) issued by The Securities and Exchange Board of India to align the various ESG parameters with the principles elaborated.

The ESG Policy establishes principles, action points, targets, and creates a foundation to attain business sustainability. The policy shall serve as a guiding document for the employees to promote and enhance the culture of responsible behaviors.

III. OBJECTIVES OF ESG POLICY

The Company believes that ESG factors are relevant in its areas of operations and, as a result, aims to integrate these factors into its policies, procedures, and management systems. In alignment with this, the following objectives are laid out as part of the ESG policy:

- ✓ Provides guidance to sustainable and responsible business practices to ensure that the Company has zero tolerance towards material E&S issues such as human or labour rights violations, ethical violation, corruption, environmental law violation etc.
- ✓ Integrate environmental, social and governance risks into existing risk management framework.
- ✓ Increasing transparency by promoting clear communications on the Company's ESG approach internally, as well as externally to ensure one harmonized vision.
- ✓ Aligning the ESG journey of the Company with leading disclosure standards and define a path for the same.
- ✓ Foster an equitable, healthy, and safe working environment for all employees.
- ✓ Contribute to community development initiatives through CSR activities.
- ✓ Communicate external stakeholders on Company's overall ESG performance.

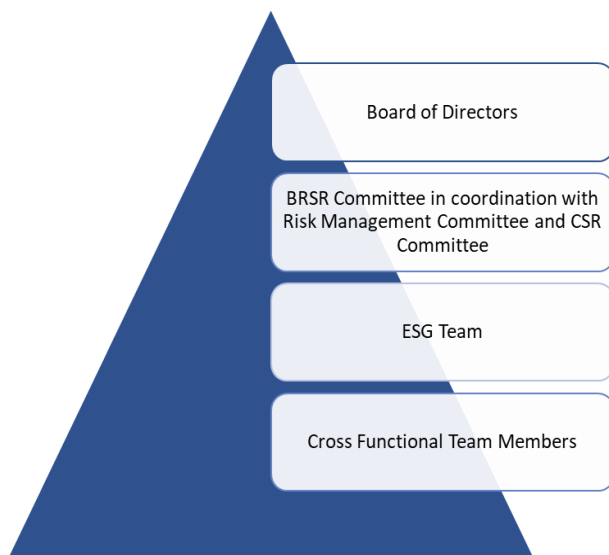
IV. ESG GOVERNANCE FRAMEWORK

The Board shall have the overall responsibility to oversee and ensure effective implementation of the ESG strategy of the Company. The Board shall be apprised of Company's approach, stance, targets, and key initiatives towards addressing climatic, environmental and social risks.

The Company has established the BRSR Committee which shall provide specialized focus, oversight and guidance on the material aspects relating to ESG with cross-functional member participation from relevant departments. Additionally, Risk Management Committee (RMC) of the Board shall oversee Company's preparedness for managing environmental, social and climate risks in its operations and portfolios. The CSR Committee of the Board shall supervise

the Company's corporate social responsibility initiatives, which encompass a range of projects aimed at promoting sustainability in education and healthcare.

A dedicated ESG team shall be responsible for identification and implementation of ESG related initiatives across the Company. This team shall be a cross functional team and will include the members of Administration Department, Human Resources Department and Finance & Account Department.



V. ESG POLICY FRAMEWORK

The Company is committed to improve its ESG performance and to promote best practices within its business operations and key value chain by focusing on the below mentioned areas:

1. Environment

The Company is committed towards minimizing the impacts of climate change on its natural ecosystem. The Company is committed towards identification and implementation of actions leading to reduction of Green House Gas (GHG) emissions as part of its operations. The Company also aims to create a sustainable supply chain for its operations..

1.1. Digitization

The Company provides a range of investment / trading products and services catering to the needs of investors at various stages of lifecycle. The Company has adopted various facets of digitization as part of its service delivery. Therefore, in pursuit of sustainable business practices, the Company shall adopt practices which shall enable it

to optimize its environmental footprint in accordance with the applicable regulations governing its products and services.

1.2. Energy

The Company is committed towards measuring energy consumption across its operating units and is constantly monitoring them, in order to implement energy-efficient programs. The Company's initiatives shall be focused towards:

- ✓ Encouraging the use of energy efficient equipment at offices
- ✓ Reduction of energy consumption
- ✓ Sourcing green energy

1.3. GHG Emissions

The Company aims to undertake carbon footprint assessment on a year-to-year basis and take initiatives to reduce the GHG emissions in a phased manner.

1.4. Effluents and Waste

The Company shall endeavor to reduce waste and effluents by opting reduce, reuse, and recycle approach towards disposal of waste; majorly focused on e-Waste and Single Use Plastics (SUPs) in line with the regulatory requirements and/or industry best practices. The Company shall take responsibility of its waste and would dispose it according to Government guidelines.

The Company has formulated a Waste Management Policy which details Company's approach in managing various types of wastes including e-Waste management.

1.5. Environmental Compliance

The Company shall comply with all the applicable environmental laws and regulations in its operations.

1.6. Sustainable Sourcing & Procurement Practices

The Company aims towards making its key value chain sustainable in a phased manner and is committed to progressively enhancing the depth and width of its engagement with its suppliers and vendors to integrate responsible business practices in their operations. The Company expects its vendors and suppliers to share the same values and principles as the Company itself. The Company's suppliers must at a minimum

conduct their business lawfully with integrity, must respect human rights, rights of people and labour rights. The Company strives to ensure that the operations of its material vendors and suppliers are conducted in a manner that minimizes harm to the environment.

The Company shall work with domain experts to develop and roll out standards for supplier engagement, assessment and evaluations in a phased manner. The Company shall start assessing the ESG aspects of the vendors while onboarding.

2. Employee Wellbeing and Social Commitment

On a larger level, the Company is focused on serving the community by providing equal employment opportunities. The core strength of the Company is its employees and their health, safety and well-being are its prime motive.

The Company is committed towards adoption of process and practices which promote a safe and conducive environment for its employees. It shall also strive to provide guidance and related initiatives on the overall wellbeing of its employees across all facets of employee wellness

2.1. Employment

The Company is committed to the principle of equal employment opportunity for all employees and to providing employees with a work environment free of discrimination and harassment. All employment decisions at the Company are based on business needs, job requirements and individual qualifications, without regard to race, colour, religion or belief, social or ethnic origin, sex (including pregnancy), age, physical, mental or sensory disability, HIV Status, sexual orientation, gender identity and/ or expression, marital status, family medical history or genetic information, family or parental status, or any other status protected by the laws or regulations in the locations where the Company operates.

Company encourages people from diverse backgrounds and provide them with equal opportunities wherever possible.

2.2. Freedom of Expression & Association

Employee groups from various backgrounds, interests, and skillsets help support and promote networking, community involvement, and cultural enrichment. The Company acknowledges its employees' right to give suggestions and communicate on topics related to business.

2.3. Occupational Health and Safety

The Company is committed to provide healthy and safe working conditions to all its employees. The Company regularly performs risk assessment in terms of identification exercise covering ergonomic risks, fire risks etc.

The Company will also strive to ensure that health and safety risk are minimized within its own operations as well as in its select suppliers/ partners/ vendors. The Company will take reasonable measures to provide health and safety awareness training to all its employees and select suppliers/ partners/ vendors.

2.4. Training and Education

The Company is committed to building and sustaining quality Human Capital, competent across a wide spectrum of functional, technical and behavioural skillsets that are relevant to changing times. The Company provides equal opportunities for all employees, through various channels such as mandatory, role-specific, self-paced/optional learning programs, instructor-led online/offline training, certifications support etc. These learning interventions are provided through both digital and physical channels, as applicable, to enable reach and adoption.

Besides continuous upskilling and reskilling of employees, the Company also assists in career transition in accordance with overall needs and aspirations. In addition, the Company keeps up its efforts to provide periodic trainings on aspects related to diversity, non-discrimination and prevention of sexual/non- sexual harassment etc.

The Company is committed to ensure that it shall make efforts to ensure that all concerned are familiar with these policies and are aware that any complaint in violation of such policies will be investigated and resolved appropriately.

2.5. Diversity and Equal Opportunity

The Company values the diverse background of its employees and supports the same while enabling equal opportunities for all.

The Company will provide fair and equal employment and advancement opportunities to all its employees, irrespective of race, caste, color, age, sex, disability and socio-economic status.

2.6. Prohibiting Harassment

The Company has a zero-tolerance standpoint/policy on Prevention of Sexual Harassment (POSH). Fair and transparent investigations are carried out against the reported cases of sexual misconduct.

The Company also deals strictly with issues concerning immoral treatment of employees, such as mental or physical coercion or verbal aggression and slavery. The Company is committed to ensuring that all relationships among persons in the office will be business-like and free of explicit bias, prejudice and harassment.

2.7. Women and Employee Safety

The Company strive to ensure a safe and risk free working environment for its employees while ensuring that its policies forward the same in accordance with employee and overall needs.

2.8. Child Labour/Forced Labour

The Company has a zero-tolerance towards child and forced labour and is committed to take required actions to ensure no child labour or forced labour is engaged in any activities that occur at Company's own operations and in its value chain.

2.9. Non-discrimination

The Company prohibits discriminatory behavior towards its customers/ suppliers/ employee and other relevant stakeholders on the grounds of race, caste, color, age, sex, physical ability, and socio- economic status of the person.

2.10. CSR Commitment

The Company strongly believes that the economic and financial performance of the Company relies on both environmental and societal wellbeing. Being a responsible corporate citizen, the Company gives back to the environment and society through its Corporate Social Responsibility (CSR) activities, in addition to conducting the businesses in a responsible manner. The CSR Policy of the Company is approved by the Board and the policy is accessible to all stakeholders from the website of the Company.

2.11. Human Rights

The Company encourages and recognizes the role business can play in protection of human rights. Company continuously strives to be zero tolerant for any violations of human rights in its operations as well as its supply chain.

The Company strives to promote human rights as an employer and across its value chain. Protection of the same for its employees is undertaken in accordance with its internal policies. Additionally the Company shall frame/update Sustainable Sourcing

and Preferential Procurement Policy that integrates sustainability practices in dealing with Supplier/value chain partners like human rights, child labour, forced labour, environmental aspects, etc. In order to be committed and respectful towards human rights of the Company's workforce and stakeholders, the Company shall organize workshops and other programs to make employees and key vendor groups aware about human rights on a periodic basis.

The Company aims at minimizing instances of complaints and grievances through a progressively good work environment and review mechanism in order to ensure prompt redressal of complaints and grievances regarding human rights. The Company has a system in place where any employee can submit a complaint, query, suggestion or grievance (in writing) related to any violation of human rights occurred on the premises or through the operations of the Company. The Company has a dedicated grievance redressal mechanism in place and all the complaints and grievances regarding human rights shall also be addressed/ redressed as per the same.

2.12. Minimum Wage

The Company ensures adherence to the State and Central Government norms on minimum wages to employees and contract workers.

3. Governance

The Company is determined to adhere to its strong code of conduct for its business to nurture sustainability. The Company has integrated ESG factors into its operating structure required for the effective attainment of the commitments to achieving long-term sustainability and improvement in the ESG aspects.

Compliance with regulatory laws, corporate governance and ethical integrity are the foundational pillars of Company's overall governance structure.

3.1. Discrimination and Harassment

For cases relating to Sexual harassment, the Company has established an Internal Complaints Committee ("ICC") as required by the law that investigates cases of sexual misconduct and investigates them through a fair and transparent process and takes action against erring employees. For cases related to non-sexual harassment and other forms of discrimination and unethical conduct, the Company encourages reporting of all perceived incidents of discrimination, harassment or retaliation, regardless of the offender's identity or position. The Company shall maintain confidentiality throughout the investigatory process to the extent consistent with adequate investigation and appropriate corrective action.

Upon conclusion of the investigation, any misconduct affirmed constituting harassment, discrimination or retaliation will be dealt with appropriately. False and malicious

complaints of harassment, discrimination or retaliation (as opposed to complaints that, even if erroneous, are made in good faith) may be the subject of appropriate disciplinary action.

3.2. Whistle Blower Policy

The Company has a Whistle Blower Policy termed with a view to enhance public confidence in the Company. The policy aims at establishing an effective vigil mechanism in the Company to quickly spot aberrations and deal with it at the earliest. It is disseminated among the employees assuring confidentiality and protection to the whistle blower against any personal vindictive actions such as humiliation, harassment or any other form of unfair treatment. Directors and Employees of the Company, employee representative bodies, customers, stakeholders, non-governmental organizations (“NGO”) and members of the public can lodge complaints / disclosures under this scheme. A dedicated e-mail ID is provided for sending complaints/disclosures under Vigil Mechanism/ Whistle Blower Policy which is available in the Company’s website for reference and can be accessed at https://www.motilaloswalgroup.com/Downnirviridir/785307607MOFSL_Vigil-MechanismWhistle-Blower-Policy.pdf

3.3. Grievance Redressal Mechanism & Escalation Process

The Company has established a comprehensive Investor Grievance Resolution Policy aimed at addressing and resolving client complaints in a timely and efficient manner. The policy applies to all complaints related to stock broking, commodity broking, and depository operations, whether received directly from clients, regulators, or through exchanges. MOFSL provides dedicated email addresses for clients to lodge complaints, with an escalation matrix in place to ensure that all grievances are properly handled. The company maintains a centralized system, the Centralized Complaint Register (“CCR”), to track and resolve complaints efficiently. The complaints are carefully investigated and verified, with feedback from authorized persons or branches sought where applicable. MOFSL ensures that no complaint is overlooked, and it strives to resolve issues within regulatory timelines.

The Company also monitors its complaint handling process through detailed record maintenance and root cause analysis. To prevent recurring issues, MOFSL analyzes the nature of complaints and identifies areas for improvement, implementing proactive measures where necessary. In cases of serious grievances, MOFSL takes disciplinary action against employees or Authorized Persons, ensuring accountability for poor service or unethical practices. Regular management reports, internal audits, and escalation protocols ensure that complaints are resolved within the required Turn

Around Time (“TAT”). The Company remains committed to improving customer satisfaction by continuously refining its grievance resolution mechanisms and adhering to regulatory guidelines.

3.4. Anti-Bribery and Anti-Corruption Policy

The Company is committed to maintaining the highest ethical standards by adhering to a strict Anti-Bribery and Anti-Corruption Policy, which aims to prevent any form of unethical business practices. Bribery, as defined in the policy, includes offering or receiving any improper benefits to influence business decisions or actions, whether directly or through third parties. The policy also outlines corruption, which involves the provision or acceptance of undue financial, personal, or other benefits in violation of applicable laws. Areas vulnerable to corruption include commercial activities, employee management, and dealings with government officials. Additionally, ‘undue advantage’ encompasses any gratification, whether monetary or otherwise, offered to improperly influence actions or decisions.

MOFSL’s policy extends to all employees, third parties, and suppliers, and mandates compliance with legal and ethical guidelines to prevent bribery and corruption. It prohibits facilitation payments, conflicts of interest, and the acceptance or offering of gifts, services, or political contributions that may unduly influence business outcomes. The policy also emphasizes the need for transparent business dealings and effective monitoring, including mandatory training for employees and regular compliance reviews. Violations of the policy, including engaging in bribery or corruption, can result in severe disciplinary actions, including termination and legal consequences. All associates are required to acknowledge and adhere to the policy to foster a culture of integrity and compliance across the organization.

The detailed policy is available in the Company’s website for reference and can be accessed at <https://www.motilaloswalgroupp.com/Downirviridir/1522231674Anti-Bribery-Anti--Corruption-Policy.pdf>

3.5. Policies & Standards

The Company shall put in place adequate policies, controls and procedures to govern itself, make effective decisions, comply with the law and meet the needs of external stakeholders. The policies shall clearly delineate roles and responsibilities of various functional units and ensure conflicts of interest do not arise.

3.6. Compliance Management

The Company shall comply with all the applicable State and National laws and Regulations. The Company also expects its vendors/ suppliers and third-party service providers to adhere the same.

3.7. Marketing and Labelling

The Company believes in clearly communicating its terms and conditions to its customers and shareholders. As part of the Account Opening Form, the Company has established Customer Rights and Obligations, which define the minimum business practices the Company follow when engaging with individual customers.

3.8. Customer Privacy

The Company is committed to make customer service available for its users digitally without compromising on its security. Cyber security and customer data protection are material issues for the Company which are addressed as per the industry best practices and applicable regulations.

3.9. Policy Advocacy

The Company ensures highest level of transparency in all matters involving policy advocacy and generally takes up such matters through trade and industry chambers and associations such as IBA and other similar collective platforms. The Company ensures that its policy advocacy position promotes fair competition and respect for human rights.

VI. ESG DISCLOSURES AND REPORTING

The Company shall disclose both financial and non-financial aspects of its operations. The Company shall put in place a Disclosure Policy and be guided by the same and extant regulatory/ statutory guidelines in its disclosures.

The Company shall endeavour to disclose its ESG information in relevant ESG indices, forums, reporting standards to demonstrate its commitment to stakeholders. The Company shall publish its corporate governance disclosures in the Annual Report. The Company shall comply with the BRSR requirements as mandated by SEBI. The Company shall aim to communicate its ESG performance in line with National and International frameworks with its stakeholders annually.

The Company shall encourage to seek third party assurance on ESG disclosures in a phased manner.

VII. CUSTODIAN AND REVIEW OF POLICY

ESG Division of the Company shall be the custodian of the Policy. The policy shall be reviewed and approved by the Board of Directors and amendment therein as and when required.