

JM FINANCIAL LIMITED

ENVIRONMENTAL, SOCIAL AND GOVERNANCE
(ESG) POLICY

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1. *Introduction*

JM Financial Limited (the “**Company**”) is one of India’s most prominent integrated financial services players. The Company offers an array of integrated and diversified financial services to corporations, financial institutions, high net-worth individuals, and retail customers.

In today's global landscape, Environmental, Social, and Governance considerations have gained paramount importance across diverse industries, including the financial services sector. Therefore, the Company is committed in integrating sustainability and ESG initiatives into its operations, ensuring the welfare of all stakeholders, including the environment and society as a whole.

Accordingly, this Environmental, Social and Governance (ESG) Policy (the “**Policy**”) has been formulated by the Company to delineate the Company's stance on sustainability, ESG factors, and risk management, while also facilitating responsible financing geared towards fostering long-term value generation.

2. *Definitions*

- a. “**Committee**” means “Risk Management and Environmental Social and Governance Committee” constituted or reconstituted by the Board of Directors of the Company.
- b. “**Listing Regulations**” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

3. *Applicability*

The Policy applies to the Company, its stakeholders viz., permanent and contractual employees, vendors, advisors, clients/customers across the offices and branches all over India. The provisions of the Policy will gradually be extended to all its subsidiaries in phased manner.

4. *ESG Commitments*

To integrate the key ESG considerations into the Company’s operations, business strategies, and value chain processes to mitigate significant ESG related risks and impact associated thereof.

5. *ESG Vision*

At JM Financial, we aim to balance profit with purpose by being socially responsible, sustainable and committed to sound governance practices. Our goal is to prioritise sustainability and make a profound impact to benefit both the society and economy.

6. *ESG Mission*

- To adopt environmentally sustainable practices to play our part in the transition to a green economy;
- To make our workforce more diverse and more inclusive, setting the stage for collaborative progress;
- To maintain the highest standards of corporate governance and drive sustainable value for our stakeholders.

6.1 Environment

6.1.1 Caring for the Environment

The Company shall conduct its business in a sustainable and efficient manner, thereby mitigating any adverse environmental impacts. The Company shall prioritize initiatives encompassing digitization, reduction in greenhouse gas emissions energy conservation, reduction in water footprint, waste management and sustainable procurement of products/services.

6.2 Social

6.2.1 Diversity

The Company shall ensure equal employment opportunities without discrimination on the basis of race, colour, religion, age, gender, sexual orientation, national origin, citizenship, disability, marital status, pregnancy (including unlawful discrimination on the basis of a legally protected pregnancy/maternity leave), veteran status or any other characteristic protected by law. The Company shall be committed to fostering a work environment where every individual is treated with the utmost respect and dignity.

6.2.2 Training and Development

The Company shall foster a high-potential workforce, investing significant resources into talent acquisition, development, and retention. Employee training programs and initiatives shall remain an integral part of the Company's HR vision and long-term strategic objectives. Additionally, the Company shall develop institutional knowledge and capacity on issues pertinent to sustainability and ESG through various initiatives such as BRSR training.

6.2.3 Employee Health, Safety (EHS) and Well-being

The Company shall ensure to provide a safe and healthy work environment for all its employees complying with all relevant health and safety regulations and laws.

The Company shall identify EHS hazards, risks, and impacts in all offices and branches, if any, through periodic assessments and implement necessary control measures. Additionally, the Company shall provide employees with necessary training on the EHS issues, concerns, and best practices.

In addition, the Company shall advocate for a balanced work-life approach and promote a culture that values employees' mental and physical well-being.

6.2.4 Human rights

The Company shall place a high value on cultivating a work environment where all individuals receive fair treatment, respect, and dignity. The Company shall uphold a firm commitment to the protection of human rights at all levels of its operations, in accordance with the applicable statute. The Company must not employ child, forced, or involuntary labor, and commit to the prevention of sexual harassment. The Company shall ensure that there is no violation of human rights in its conduct, both externally or internally.

6.2.5 *Community Upliftment*

The Company shall create a positive social impact in the communities where it operates. The Company has a dedicated Corporate Social Responsibility Policy (the “**CSR Policy**”) that seeks to uplift underprivileged communities, provide them the chance to realize their aspirations, and gradually improve the quality of their lives. The Company’s CSR policy provides guidance for the implementation of approved CSR projects. The CSR policy can be accessed on the website of the Company at https://jmfl.com/investorrelations/overview/CSR_Policy.

6.2.6 *Customer Experience*

The Company shall contribute towards customers by understanding its clients’ needs, seeking new opportunities for them, addressing and delivering them the unique solutions as per their expectations. The Company shall maintain consistent engagement with its customers, seeking their feedback and implementing individual grievance redressal mechanisms in each of its businesses to facilitate better communication and customer support.

6.3 *Governance*

6.3.1 *Cyber Security and Data Privacy*

The Company shall incorporate cyber security risks into its Risk Management Policy. This policy shall be implemented and monitored by the Committee. The Company shall abide by ‘Cyber Security & Information Security Policies and Procedures’ based on ISO 27001:2013 standards.

The Company shall follow a comprehensive approach to business security, maintaining Confidentiality, Integrity and Availability (CIA) of the Business Information, in whatever form and location where it is stored.

6.3.2 *Risk Management*

The Company shall implement a Risk Management policy across its various businesses and the Committee shall oversee its implementation. The Company shall establish a system of risk management and internal controls consisting of an organisational risk management framework, policies, risk management system tools and procedures appropriate for business operations.

The Company shall be committed towards including ESG considerations in its agreements and mandates with clients, to the extent applicable.

6.3.3 *Code of Conduct*

The Company shall have a dedicated ‘Code of Conduct’ applicable to the employees and the directors of the companies belonging to the group to protect and enhance the Company’s reputation for integrity and fair dealing. The ‘Code of Conduct for Directors and Senior Management Personnel’ and ‘Code of Practices & Procedures for Fair Disclosure of published Price Sensitive Information’ promote ethical business practice, fair dealing, managing situations of conflict of interest, and compliance with applicable laws and regulations.

6.3.4 Transparency and Accountability

The Company shall adhere to a high standard of corporate governance and ensures robust internal reporting and controls, transparency, and accountability to all stakeholders. The Company shall prevent and detect fraud and corruption, and to promote transparency and accountability.

6.3.5 Grievance redressal

The Company shall have a robust mechanism for resolving queries and apprehensions from stakeholders, which encompasses environmental, social, and governance issues. The Company shall remain committed to consistently and appropriately addressing these matters in accordance with established procedures.

7. Governance Mechanism

The Committee shall oversee the implementation of sustainability strategies, policies and practices, and ensure their alignment with the Company's core values.

8. Stakeholder Engagement

The Company shall foster a culture of transparency and accountability. The Company shall be steadfast in creating value for all stakeholders by making prudent investment decisions to support sustainable economic growth.

The Company shall be committed to spread awareness about the ESG and climate risks to its investors, portfolio companies and clients. The company shall take active measures to keep all stakeholders updated with the recent ESG trends and its impact on business operations and investment decisions.

The Company shall communicate its ESG policy to employees, contractors, customers, the community, business associates, and other interested parties.

9. Reporting

As per Regulation 34(2) (f) of Listing Regulations, top 1000 listed entities based on market capitalization shall issue a Business Responsibility and Sustainability Report (BRSR) on the environmental, social and governance disclosures, in the format as prescribed by SEBI.

Accordingly, the Company shall basis its market capitalization ranking, publish its BRSR describing the initiatives under taken on the topics of environmental, social and governance.

Additionally, the Company shall undertake reasonable assurance of the BRSR Core indicators in accordance with provisions as laid down by the SEBI.

10. Amendment/Review

The Company may amend or review this Policy as and when deemed fit. Any and all provisions of this Policy shall also be amended/reviewed as are required due to any regulatory changes from time to time.

In case any amendments, clarifications, circulars and guidelines as issued by the regulatory body(ies)/authority(ies) and such amendments, clarifications, circulars and guidelines are not consistent with the requirements specified under this Policy, then the provisions of such amendments, clarifications, circulars and the guidelines shall prevail and accordingly this Policy shall stand amended effective from the date as laid down under such amendments, clarifications, circulars and guidelines.
