

# **BUSINESS RESPONSIBILITY POLICY**

## **1. Introduction**

This Policy on Business Responsibility ('BR Policy' or 'Policy') has been framed pursuant to the requirements of Regulation 34(as amended from time to time) of and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')and is intended to ensure that the Company contributes towards sustainable development and fulfils its social, environmental and economical responsibilities.

This Policy reaffirms the Company's commitment to follow the principles and core elements, in conducting its business, as laid down in the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business ("Guidelines") issued by the Ministry of Corporate Affairs towards conducting its business.

## **2. Objective:**

The objective of this policy is to:

- ensure a unified and common approach to the dimensions of the business responsibility across the Company;
- act as a strategic driver that will help the Company to respond to the complexities and challenges that keep emerging and be abreast with changes in regulations.

## **3. Principles of the policy**

The Company believes that growth and stakeholder's value creation can only be achieved by doing businesses on strong sustainability principles which address the dimensions of good governance as well as environmental and social responsibilities. The Company's business practices would, therefore, be regulated by the following principles:

### **Principle 1: Ethics, Transparency and Accountability**

*Business should conduct and govern themselves with Ethics, Transparency and Accountability.*

The Company shall strive to maintain high standards of ethics in all spheres of its business activities. The Board of Directors and Senior Management strive and endeavor to set examples of utmost ethical behavior for all levels across the Company making it an essential part of the work culture so that every employee of the Company conducts himself and represents the Company with professionalism, honesty and integrity, and conform to high moral and ethical grounds. The

following measures shall govern the policies and practices of the Company which shall strive to achieve ethical, transparent and accountable organization:

- The Company should develop necessary governance structures, procedures and practices that ensure ethical conduct at all levels; and promote the adoption of this principle across the Company's value chain.
- The Company shall truthfully discharge their responsibilities on financial and other mandatory disclosures.
- The Company should not engage in practices those are abusive, corrupt or anti-competition.
- The Company shall ensure that genuine concerns of misconduct/unlawful conduct can be reported in a responsible and confidential manner through its Vigil Mechanism.
- The Company should communicate transparently and assure access to information about the decisions that impact relevant stakeholders.

### **Principle 2: Product Life Cycle Sustainability**

*Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.*

The Company is a Non -Banking Financial Company and is not engaged in a business concerning design of products and related activities that could raise economic risks and/or hazardous opportunities. Accordingly, keeping in view the business of the Company, the Company is not required to undertake product life cycle sustainability.

### **Principle 3: Employee Well-being**

*Business should promote the well-being of all employees*

The Company understands the worth of a healthy and sound human resource. The Company focuses on ensuring the well-being of all its employees. The Company shall ensure that there is a systematic chain or hierarchy which allows better flow of information, ideas, suggestions and understanding amongst the employees and the management and there is in place a proper channel through which the grievances of the employees are taken up and addressed by the management. The Company believes in giving its employees ample opportunities to perform as employee well-being is imperative to achieve a profitable growth. The following shall govern the Company's efforts towards Employee Wellbeing:

- The Company should respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance Redressal mechanisms.

- The Company should not use child labour, forced labour or any form of involuntary labour, paid or unpaid.
- The Company should provide and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation.
- The Company should take cognizance of the work-life balance of its employees, especially that of women.
- The Company should provide facilities for the wellbeing of the employees including those with special needs.
- The Company should ensure timely payment of fair living wages to meet basic needs and economic security of the employees.
- The Company should provide a workplace environment that is safe, hygienic humane, and which upholds the dignity of the employees.
- The Company should ensure continuous skill and competence up-gradation of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis.
- The Company should promote employee morale and career development through enlightened human resource interventions.
- The Company should create systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities.

#### **Principle 4: Stakeholders Engagement**

*Business should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.*

The Company values the support of its stakeholders and endeavours to maintain a cordial relationship and safeguard the interests of all the stakeholders. The Company recognizes its employees, business associates, shareholders/ investors and regulatory authorities as key stakeholders. The Company shall strive to its engage with them through various mechanisms such as consultations with local communities, client meets, employee satisfaction etc. The following shall govern the Company's efforts towards stakeholders 'engagement:

- The Company should acknowledge, assume responsibility and be transparent about the impact of the policies, decisions, on the stakeholders.
- The Company should systematically identify stakeholders, understanding their concerns, defining purpose and scope of engagement, and commitment to engage with them.

- The Company should strive to give special attention to stakeholders in areas that are underdeveloped.
- The Company should resolve differences with stakeholders in a just, fair and equitable manner.

### **Principle 5: Human Rights**

*Business should respect and promote human rights.*

The Company appreciates and believes that human rights are inherent, universal, indivisible and interdependent in nature. The Company respects and promotes human rights for all individuals. The Conduct Rules and Policies of the Company strive to ensure that the operations be conducted with honesty, integrity and openness with respect for human rights and interests of employees. The following shall govern the Company's efforts towards ensuring respect for Human Rights:

- The Board of Directors and senior management shall be mindful of human rights principles embedded in the Constitution of India while creating policies and practices in the organization.
- The Company should 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 mechanisms.
- The Company should recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace.
- The Company should not be complicit with human rights abuses by a third party.

### **Principle 6: Environment**

*Business should respect, protect and make efforts to restore the environment.*

The Company places high priority in ensuring and adhering to best procedures relating to environment protection. While the Company being a non-manufacturing concern, its operation doesn't result into any major impact on the environment but it understands its responsibilities towards a sustainable environment. The Company commits to be responsible in the optimum utilization of available resources and reduction in the utilization of non-renewable resources. The following shall govern the Company's efforts towards ensuring a sustainable environment:

- The Company should utilize natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.
- The Company shall promote ecological sustainability and green initiatives by adopting energy saving mechanisms, sensitizing employees to reduce carbon footprint of the Company.

- The Corporate Social Responsibility (CSR) initiatives undertaken by the Company may be driven towards the cleanliness drive of the Indian Government called – Swacchh Bharat Abhiyaan or other environment related projects.

#### **Principle 7: Policy Advocacy**

*Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.*

The Company believes that a lot can be achieved if it works together with the Government, legislators, trade bodies and regulators to create positive social and environmental outcomes. The Company shall strive to create a positive impact in the business eco-system and communities by advocating best industry practices for the benefit of society at large. The Company, while persuading policy advocacy, shall ensure that their advocacy positions are consistent with the Principles and Core Elements contained in these Guidelines.

To the extent possible, the Company should utilize the trade and industry chambers and associations and other such collective platforms to undertake such policy advocacy.

#### **Principle 8: Inclusive Growth**

*Business should support inclusive growth and equitable development*

The Company considers the society as an integral part of its business and believes that it cannot work in vacuum and therefore, as it grows, the society should also progress. In compliance with section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has adopted a CSR Policy through which it undertakes the CSR projects in areas and subjects mentioned in Schedule VII of the Companies Act, 2013.

#### **Principle 9: Consumer Value**

*Business should engage with and provide value to their customers and consumers in a responsible manner.*

The Company is a Primary Dealer, duly registered with Reserve Bank of India. The Company is permitted to maintain Constituent SGL account with Reserve bank of India for its clients, which is different from its own SGL account and used exclusively for maintaining Government securities of its constituents in dematerialized form. The transactions on behalf of constituents and the operations in the Constituent SGL(CSGL)

accounts are conducted in accordance with the guidelines issued by RBI on CSGL accounts. Following shall be done-

- The company should disclose all information truthfully and factually as per applicable laws, through disclosure and other means, including the risks to the investors.
- The company should have proper mechanism to solve all queries and complaints submitted by CSGL account holders.
- The company shall promote and advertise its products/securities in ways that do not mislead or confuse the clients.
- The Company shall provide Updates/statements in accordance with RBI guidelines to all its CSGL account holders.

#### **4. Implementation**

The Managing Director & CEO of the company shall be responsible for implementation of the Policy. BR Head shall be the Company Secretary of the Company. The Managing Director & CEO/ Company Secretary may take support of such functional/department heads and internal and external experts, which he/she may deem fit for effective implementation of the Policy.

#### **5. Disclosure**

This Policy shall be appropriately communicated within the Company across all level and shall also be disclosed on the Company's website <https://www.pnbgilts.com/>

#### **6. Review/Amendment**

This Policy may be amended by the Board, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the provisions of the Listing Regulations, from time to time. Any amendments in the Listing Regulations shall be binding even if not incorporated in this Policy.