

Environment Social Governance (ESG) Policy

Master List Ref FSL-Corporate-01	Release Date 1st July'2022	Review Date Feb'2025	Next Review Date Jan'2026
Version: 2.0	Process Owner Pankaj Kapoor	Reviewed by Namitha Mukundan	Approved by Pankaj Kapoor

This document is the sole property of Firstsource Solutions Limited and is applicable to all its subsidiaries and affiliates globally. Any use or duplication of this document without express permission of Firstsource Solutions Limited is strictly forbidden and illegal.

VERSION CONTROL

Version No:	Effective Date:	Changes
Version 1.0	1st July 2022	
Version 2.0	1st July 2024	Update on Materiality Assessment process
Version 3.0	1st Feb 2025	ESG Governance Structure, Stakeholder Engagement

Index

A. Introduction	2
B. Purpose of the Policy	2
C. Policy Coverage	2
D. Vision.....	3
E. ESG Governance Structure.....	3
F. Stakeholder Engagement and Materiality assessment	4
G. Our ESG Commitments	4
H. Review and Contact	7
I. When in doubt, please consult	7

A. Introduction

As a purpose-led organization, Firstsource is committed to making a meaningful and tangible difference in the lives of our people, clients, shareholders, and the community alike. Our commitment to a sustainable and equitable future is manifested in our strong governance standards, **a focus on employee wellbeing, delivering community impact and mitigating our environmental footprint**. These efforts are aligned with the United Nations Sustainable Development Goals (SDGs), underscoring our role in advancing global sustainability priorities.

ESG at Firstsource is an integral part of our business and goes beyond economic, legal, and regulatory moves. We are committed to building and advancing our societal impact. Our **'REACCH' values act as our north star**, guiding us in achieving our goals. **'Humaneness'**, one of the six pillars of our REACCH values, is rooted in the principles of sustainability. Through actions driven by our values, we aim to remain conscious of our social responsibility, including **caring for communities and acting in environmentally responsible ways**.

This ESG policy is designed to achieve specific goals and track crucial metrics to improve our performance. This includes minimizing our carbon footprint, helping our communities, and building inclusive and safe workplaces.

B. Purpose of the Policy

This ESG policy aims to help Firstsource go beyond responsibility to exploring value and opportunity by supporting the integration of ESG principles into our core business strategy and creating shared value for all stakeholders. We believe that this Policy will help us achieve goals by:

- helping us identify “the Right Way” of doing business, ensuring our integrity and long-term returns
- helping our businesses navigate challenges of scarcity of resources, ever changing expectations of stakeholders and
- making our business sustainable in the long run

Firstsource acknowledges the risks arising out of global climate change and attempts to work towards reducing the carbon footprint of our operations.

C. Policy Coverage

Firstsource operates across diverse geographies and this policy is designed to address region-specific challenges and comply with local regulations while maintaining alignment with global ESG standards.

All Firstsource employees, interns, contractors, contract employees, consultants, customers, vendors, and business partners across all geographies must become familiar with and comply with this ESG Policy.

D. Vision

We have set a vision and ambition to craft a purpose led ESG strategy with clear goals and commitments. By enhancing transparency and disclosures, improving performance in alignment with leading ESG frameworks, and scaling impact for our stakeholders, we are reprogramming our business to better deliver shared value. We are committed to building a better world by advancing social impact and a sustainable future.

E. ESG Governance Structure

We at Firstsource, have strong corporate governance procedures that are extremely important to us, as they enable us to create long-term value for our stakeholders and help us identify, access, monitor and report on Environmental, Social and Governance (ESG) factors of the organization. Our **360-degree ESG governance** arrangement aims to gradually build awareness across the organization, encouraging teams to collaborate and identify opportunities within Firstsource and beyond.

We always comply with applicable laws in all the geographies in which Firstsource is present, as well as comply with sustainability commitments signed by the company. These include commitments under the Business Ethics Policy, the Principles of the United Nations Global Compact, the Science-Based Targets initiative (SBTi), and our dedication to achieving Net Zero emissions.

ESG involvement is a collective responsibility within our organization. We acknowledge that genuine integration of ESG into our organizational goals requires a well-defined framework of roles and responsibilities which will ultimately report to the Risk Management Committee of the Board.

Our comprehensive ESG governance arrangement aims to develop awareness through the organization, improve collaboration among teams, and identify opportunities within Firstsource and in the broader context. In order to ensure effective supervision and responsibility for ESG matters, we have broadened the scope of the Board-level Risk Management Committee to encompass ESG responsibilities. The committee offers guidance and oversees Firstsource's ESG strategy, plans, and performance. Additionally, it provides guidance to management in implementing initiatives that nurture integrated thinking within our organizational culture and promote the principle of "doing well by doing good."

Supporting the Board level Risk Management Committee is the "Sustainability Council", which is composed of Executive Leadership members. It's led by the Chief Financial Officer (CFO) with the Chief Human Resources Officer (CHRO) as the co-lead.

This sustainability council is responsible for operationalizing the ESG strategy inclusive of climate action and monitoring progress on associated action plans and performance metrics. The Chief Financial Officer (CFO) leads our efforts on climate change and sustainability at the business and operational level. He guides the Sustainability Leadership Team of the company in its execution of the ESG strategy approved by the board.

The "Sustainability Leadership Team" includes the Head of ESG, the ESG lead and individual leads for each of the three segments viz, Environment, Social and Governance. The Sustainability Leadership Team is tasked with translating the ESG strategy into well-defined goals which are cascaded to various business units and functions, who are responsible for identifying specific projects and initiatives towards these

goals, funding these projects with required resources and ensuring their implementation within the defined timelines singularly or in collaboration with other functions and with accountability linked to performance metrics and compensation. Furthermore, Individual leads head the Working Groups focused on the execution of specific initiatives and projects that contribute to the overall ESG roadmap.

The “ESG Lead” who is a part of the sustainability leadership team acts as the central coordinator, ensuring alignment and seamless collaboration across functional teams, and bridging efforts within our governance ecosystem.

F. Stakeholder Engagement and Materiality assessment

We make significant efforts to maintain regular and two-way communication with all stakeholders including employees, customers/clients, shareholders, suppliers, and NGOs through both formal and informal means. This includes meetings, forums, annual general meetings, and community events where stakeholders can express their concerns, provide inputs, and work with us on various projects. We Integrate environmental and social criteria in our interactions with key stakeholders to drive collaborative sustainability efforts. Additionally, we raise awareness and foster sustainability practices among stakeholders to collectively contribute to sustainability.

We periodically conduct materiality assessments comprising inputs from a broad range of internal and external stakeholders. We study the emerging regulations regarding materiality assessment and attempt to align our process to the methodologies, to the extent possible. The material topics and themes selected based on the assessments guide our accountability systems and target-setting processes. Additionally, we conduct a yearly review of these materiality topics to ensure their continued relevance and reflect any changes in our business or stakeholder concerns.

Further, to future-proof our business we have conducted a review of our Enterprise Risk Management framework and functional risk registers. This review included our Material topics being integrated into company's ERM process, allowing us to identify and map ESG risks that may affect our business. We have updated our functional risk registers by mapping risk elements against ESG factors and incorporating emerging risks. We have started aligning with the double materiality principles to better understand the dual impact of these risks. These risks will be subsequently monitored in compliance with the recent amendments to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. We are committed to continually improving our materiality assessment processes and reporting these efforts in our annual and ESG reports, apart from these being reviewed by the Risk Management Committee of the Board.

Our materiality analysis and its topics are reviewed and signed off by the Managing Director & CEO, Executive Director

G. Our ESG Commitments

We are committed to conducting sustainable and responsible business. We do this by implementing policies, practices, initiatives, and interventions across material ESG aspects.

1. Environmental

Our organization places a high premium on resource efficiency and decreasing our environmental footprint. We continue to implement policies and encourage initiatives to further reduce our environmental footprint through several measures. We focus on:

- Minimizing the environmental impact of our operations and solutions provided to clients.
- Optimizing electricity, energy & water resources to reduce emissions and water footprints.
- Adopt clean and renewable sources of energy.
- Develop the ability to measure and reduce our Greenhouse Gas emissions by working with our suppliers,
- Encouraging our employees to commit to public transportation, to reduce employee travel emissions.
- Promote the use of Electric Vehicles and carpooling.
- Ensure appropriate access to safe water, sanitation, and hygiene for all employees in our premises.
- Adopt circular economy principles, promote resource efficiency, and reduce waste responsibly by implementing 5R framework.
- Segregating waste into appropriate groups and managing waste responsibly.
- Eliminating single-use plastic and complying with applicable statutory and regulatory requirements.
- Ensuring e-waste is not disposed off in landfills, but rather recycled or handed over to authorized personnel.
- Periodically monitor Environmental performance against set targets.
- Encourage employees, to adopt sustainability practices.
- Explore opportunities to collaborate and contribute to climate solutions through our digital products and services, which help improve productivity, process efficiencies and conserve resources.
- Achieve near-term company-wide emission reduction targets and long-term Net Zero target of 2050 inline with SBTi.

2. Social

Inclusion, diversity, and equality are becoming increasingly essential issues in how firms run and produce competitive advantage, with these areas drawing increased attention from a variety of stakeholders. Doing the right thing for our people energizes and empowers employees to make a positive difference in the communities where they live and work.

‘Humaneness’, one of the six pillars of our REACCH values, is rooted in the principles of sustainability. Through actions driven by our values, we aim to remain conscious of our social responsibility, be fair, respectful, transparent, care for communities and act responsibly towards the environment. We are convinced that advancing our people's interests and developing our communities are inexplicably linked.

To achieve positive outcomes, we are focused on:

- Creating a diverse and inclusive workplace to bring out the best in our biggest asset, our people
- Creating a systematic framework that gives staff members at all levels access to a range of training and development opportunities.
- Creating interactive, digital, and self-directed training material will help to create learning delivery methods that are future-proof. These programs are designed to provide multi-dimensional support to our employees that transcend beyond their role in the organization.

- Continue to provide healthy workspaces for our employees through sustainable renovations, construction, operations and certification whenever possible
 - Focus on health and safety management practices within the organization
 - Promoting sustainability training for employees and suppliers
 - Impact Sourcing in order to improve access to work for socioeconomically disadvantaged people
 - Creating Corporate Social Responsibility (CSR) programs that promote the environment, gender equality, education, healthcare, arts & Crafts, and sports
- Promoting and safeguarding human rights and implementing ethical practices at the workplace in line with the principles of the United Nations Global Compact (UNGIC).

3. Governance

We strongly believe that doing business “the Right Way” should be our top priority. We aim to uphold the highest standards of ethical conduct and ensure that it is not compromised. We promote transparency and reduce risk by adopting globally benchmarked policies, such as:

<ul style="list-style-type: none"> ● Anti-Harassment & Non-Discrimination Policy – US ● Anti-Slavery & Human Trafficking Statement ● Global Anti-Bribery and Gifts & Entertainment Policy ● Archival Policy - IN ● Bank Secrecy Act and Anti Money Laundering Policy – US ● Board Diversity –IN ● Bullying and Harassments Policy - UK ● Business conduct & Ethics Policy – UK ● Code of Conduct for Executive Directors and Senior Management –IN ● Code of Conduct for Non-Executive & Independent Directors –IN ● CSR Policy ● Diversity & Equal Opportunities Policy - UK ● Dividend Distribution Policy –IN ● Equal-Opportunity-Policy-for-Differently-Abled-Persons - IN ● Financial Crime Policy ● Gender Pay Report ● Global Climate Advocacy Policy ● Global Anti-Fraud Policy ● Global Anti-Money Laundering Policy ● Global BCMS Policy 	<ul style="list-style-type: none"> ● Global Inclusion & Diversity Policy ● Global Policy Administration & Facilities ● Global Policy Physical Security Safety ● Global Quality Health, Safety, Environment & Energy Management Policy ● Global Enterprise Risk Management Policy ● Global Ethics Policy ● Global Grievance Redressal Policy ● Global Human Rights Policy ● Global Tax Strategy ● Global Waste Policy ● Global Website Privacy Policy ● Global Whistleblowing Policy ● Human-Rights-and-Equal-Opportunities-Policy - IN ● Incident management Policy ● Material Subsidiary Policy –IN ● Policy for determination of Materiality of Events or Information –IN ● Policy on familiarisation of Independent Directors –IN ● Prevention of Sexual Harassment – POSH -IN ● Prevention of Sexual Harassment – POSH - Philippines ● Related Party Transactions Policy –IN ● Remuneration Policy for Non-executive
--	---

<ul style="list-style-type: none"> ● Global BCMS Manual ● Global Corporate Privacy Policy ● Global Cyber Security Policy ● Global ESG Policy 	<p>Directors –IN</p> <ul style="list-style-type: none"> ● Supplier Code of Conduct ● Sustainable Supply Chain Policy ● Workplace Bullying Policy – US ● Vulnerability Policies and Procedures – UK
--	--

As a cross-cutting focus area, we must ensure compliance with the regulations across E, S and G in the regions which we operate.

H. Review and Contact

Firstsource commits to a continuous improvement approach in managing sustainability. This ESG policy shall be reviewed to ensure its continued applicability and relevance to our operations and evolving stakeholder expectations. Through yearly reviews and the establishment of objectives across all areas of activity, we aim to mitigate risks, address impacts, and seize opportunities that contribute to sustainable development. As we move ahead in our journey, we are committed to transparently showcasing our contributions and reporting our progress in an annual ESG report, which is available on our website.

Stakeholders are encouraged to provide feedback on this policy, which will be considered during the review process. Comments can be submitted via esg@firstsource.com.

I. When in doubt, please consult

If in doubt as to what might constitute a breach of this Policy, then please contact the Sustainability Leadership Team at, esg@firstsource.com