



Liberis

ESG Policy

Version 1.0

Owners of Document:	General Counsel
Process Owner	General Counsel
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Approved by:	Chief Executive Officer Chief Operating Officer General Counsel
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Summary of changes

Date	Version number	Comments and Changes
July 2021	1.0	Implementation of the policy

Related Policies and Procedures

- [Modern Slavery Statement](#)
- [Treating Customers Fairly Policy](#)
- [Global AML Policy](#)
- [Global Responsible Finance Policy](#)
- [Anti-Bribery and Corruption Policy](#)

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ESG Policy

Policy Statement

Liberis' investors and stakeholders expect it to deliver strong financial results – but never at the expense of the community, environment, or market integrity. Liberis' founding principles and its mission centre on inclusive finance and democratising access to finance for the underserved SME community so ESG has in many ways been at its core from inception. As a responsible finance provider, we understand that it is important to integrate environmental, social and governance considerations (“ESG”) into our operations and culture. ESG is a wide topic and there are many ways to engage with it, but we try to focus on those ESG considerations that are most pertinent to our core business and where we feel we can have the most impact.

This policy sets out the key elements of Liberis' approach to managing ESG matters in its financial services and operations as a responsible company.

Purpose

The Policy is designed to provide assurance to the Liberis Board, as well as to existing and potential investors and other stakeholders including regulators, that we look to provide finance and operate our business in a responsible manner, minimising any potential damage to the environment and providing a positive contribution to our community. We adopt a zero-tolerance approach to corruption, human rights violations, abuses of labour standards and any other serious violations of fundamental ethical norms.

Scope

Liberis' ESG Policy applies to all employees. It permeated how the business deals with customers, employees, shareholders, and the community at large as well as our product development and strategic imperatives.

Principal ESG Impact Areas

Given our strategic approach to ESG, we consider the following to be the areas which are most relevant to our organisation and business operations. They provide the focus for the ESG aspects of our finance offering and strategic goals and guide our set of minimum standards.

Customers and Marketplace

At Liberis we always ask ourselves at the outset: how do the products and services we provide benefit our end-customers (the SMEs who take our finance) and our partners (who help us distribute that finance)? Fairness in finance is at the heart of what we do. Liberis' product is designed to democratise finance for sections of society that are underserved and SMEs who struggle to get finance from traditional banks.

Treating customers fairly in all interactions is of the utmost importance so much so that the whole organisation receives Treating Customers Fairly training on an annual basis. We are committed to protecting customers from unfair outcomes and our end-to-end processes are evaluated and monitored to ensure we respond in a considered, respectful, and individualised manner.

Responsible finance is at the core of our revenue-based product offering. Liberis' data driven approach and partnership model enable it to provide small businesses with a responsible advance. The structure and nature of our revenue dependent product lends itself to fair and proportionate financing arrangements with customers. Liberis takes an agreed and fixed split percentage (“Split”) of a customer's card takings and the maximum Split taken never equates to more than a few months' takings and never more than we believe is affordable. This direct correlation between the amount we are paid, and a customer's card transaction sales greatly reduces the possibility of customer affordability concerns as they are not exposed to large balloon payments that they cannot pay back if their business experiences a slowdown.

Governance and Leadership

As a business we ensure that we are appropriately accountable for our decisions and that these decisions are made in an informed manner. We do this by:

- Focusing business activity which builds shareholder value and fosters sustainable long-term investment.
- Appointing Boards with a diverse mix of skills, experience and competency and sufficient independent representation.
- Maintaining effective delegations to committees with the resource and skillset to carry out key decision making in functional areas.
- Engaging a compliance committee with an independent line into the Board.
- Implementing remuneration structures aligned to the delivery of company strategy, long-term performance and shareholder value creation monitored and approved by an independent Remuneration Committee.
- Identifying and managing all material risk factors, including ESG risks as part of an Enterprise Management Risk committee
- Implementing and maintaining robust Anti-bribery and corruption as well as AML processes, which are appropriate to identify and prevent proliferation of financial crime, non-arms-length dealings, and conflicts of interest.

Workplace

We have created a positive working environment for our people, and we engage and promote diversity and inclusion through our Diversity and Inclusion Council that reports directly into our executive. We will always strive to:

- Uphold labour laws and maintain fair employment conditions
- Respect the rights of workers and avoid being complicit in human rights abuses – [Modern Slavery Statement](#).
- Promote transparency and an open culture through a strong whistleblowing policy and process
- Maintain workplace health and safety standards
- Respect and promote diversity and inclusion and avoid discrimination in the workplace

All employees are encouraged to speak up where they have concerns over malpractice, unethical or unlawful behaviours through our Whistleblowing process and supported by our Whistleblowing Champion.

We are proud to have been recognised by ‘Great Place to Work’ as one of the UK’s Best (Medium) Workplaces, as well as one of the Best (Medium) ‘Workplace for Women’ and a centre of ‘Excellence For Wellbeing’.

Community: Social and Ethical Focus

Financial inclusion underpins our ethos. Liberis has an intentional and proven focus on creating lasting social impact and equality of opportunity. As a founding member of the Association of Alternative Business Finance (“AABF”), Liberis will act in accordance with the operating principles of the AABF which comprises transparency, responsibility, fairness, and security. We continue to find smarter and more innovative ways to use multiple sources of data to facilitate those SMEs that face barriers to entry to finance. Liberis focuses on business owners with low credit scores, the most significant barrier to accessing financing for small business owners that disproportionately comprise low-income communities and communities of colour. As an organisation backed by the British Business Bank Investments, we continue to be an active participant in the dialogue with UK Gov on ways to help improve access to finance in a post-pandemic world.

Environment

We are conscious of what do we do that harms our environment, and what we can do to protect it. Whilst our products and services have a low impact on the environment, we are committed towards resource efficiency (energy, water, waste) and greenhouse gas emission reductions. We identify the environmental impact of our operations and implement reasonable measures to minimise negative impacts.

Training, Management Information & Recordkeeping

Training

Liberis will ensure that training and guidance on appropriate ESG risks are delivered to all staff. Training will be reviewed on an annual basis, with ad-hoc training to be delivered in the event of changes to the processes or regulatory guidance which may be suitable for Liberis.

Management Information

Management Information and reporting of ESG risks and will be included within the Conduct Risk Dashboard to inform both the Senior Leadership and Executive Management Teams.

Policy Content

Policy owner

The policy is owned by the General Counsel.

Any questions in relation to this policy must be directed to the Policy Owner.

Policy review

This Policy will be reviewed annually by the Policy Owner. The Policy Owner will be responsible for consulting with appropriate Liberis stakeholders to ensure that the policy is updated to reflect all changes and the wider operative environment. The Policy Owners are responsible for keeping this policy up to date.

Please note, this policy will be reviewed immediately if changes are required as a result of:

- changes to the regulatory environment which impacts Liberis best practice,
- changes to internal business processes, strategy, or product offering
- changes to co-dependent policies,
- following oversight activities which identifies material policy weaknesses/ risks.

Any updates to this policy will need to be signed off and approved by the Policy Owner and stakeholders.