



About the Report

Bajaj Finserv Ltd. ('BFS,' 'Bajaj Finserv,' or 'the Company') and its subsidiaries (collectively referred to as the 'BFS Group' or 'We') present our Environmental, Social, and Governance (ESG) Report for FY2025. This report reflects our ongoing commitment to responsible business practices and offers a comprehensive view of our ESG journey over the past year.

The Company is a Core Investment Company (CIC) and has no business operations of its own except the wind turbines (generating renewable energy) it has installed to fulfil its contribution to the Environment. Further, the Company through its Responsible and Sustainable Business Conduct Policy engages with and enjoins upon its group companies to participate in the responsible and sustainable business conduct.

Aligned with the triple bottom-line framework – environmental, social, and economic impact – this report highlights key initiatives and progress made across the BFS Group, including our subsidiaries. It covers the period from 1 April 2024 to 31 March 2025, in line with our financial reporting cycle.

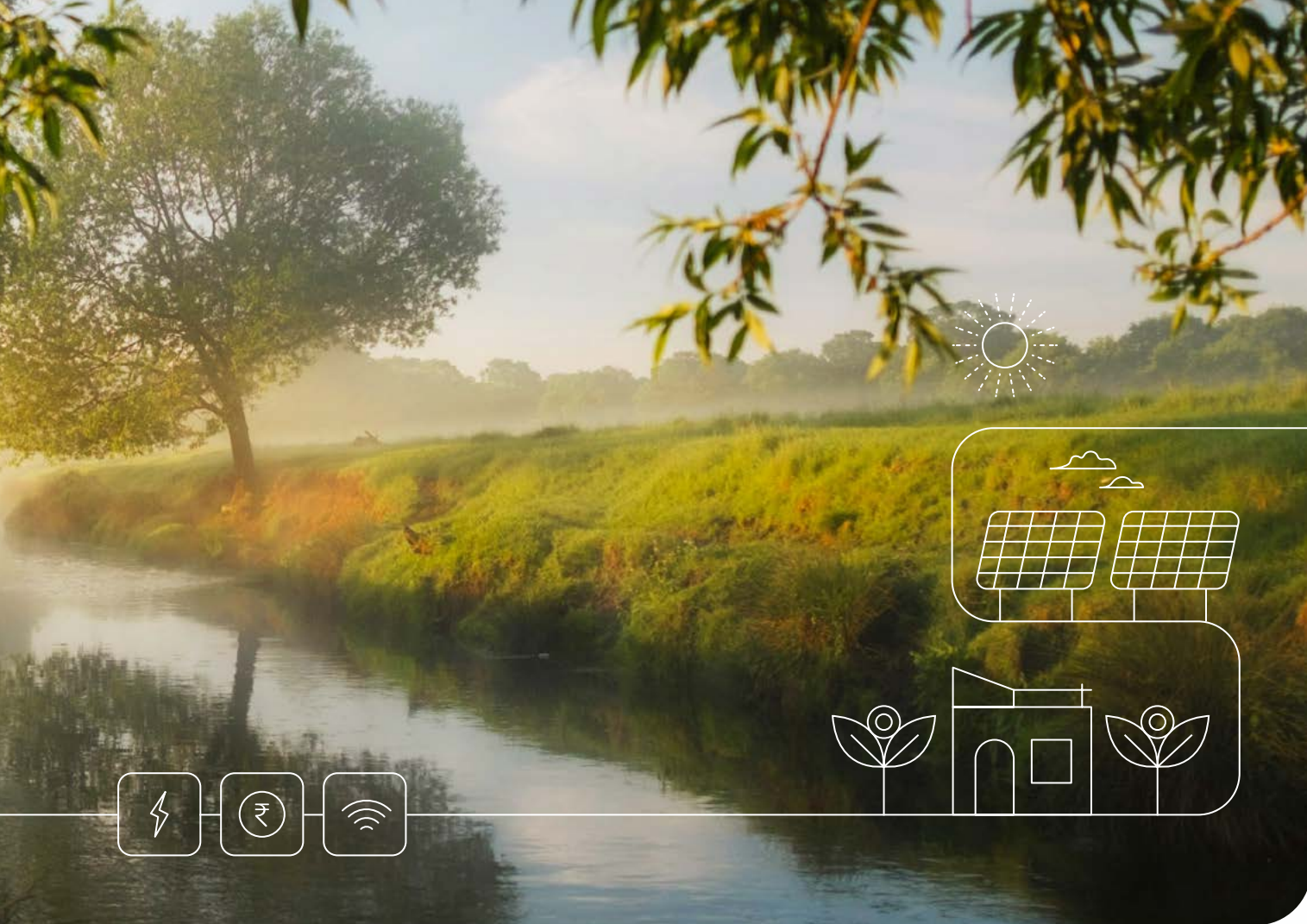
The BRSR complies with the National Guidelines on Responsible Business Conduct (NGRBCs) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Additional initiatives, especially on our Corporate Social Responsibility and Corporate Governance, covered in the Annual Report of the Company for FY2025 are not repeated here.

To enhance the transparency and quality of our ESG disclosures, we have partnered with independent agencies to conduct a comprehensive GRI gap assessment. This helped us evaluate our alignment with the Global Reporting Initiative (GRI) Standards and benchmark our practices against leading global ESG frameworks. As a result, this report has been prepared in reference to the GRI Standards, and a detailed GRI Content Index can be found in [Annexure 2](#) of this report.



In addition to this ESG Report, we have published our **Business Responsibility and Sustainability Report (BRSR)** for FY2025 as part of our Annual Report (available on the Company's website)

[Click here](#)



We have also strengthened our internal ESG controls to ensure the accuracy, data quality, adhere to the evolving standards and timeliness of our BRSR and ESG disclosures. These controls, especially those related to data consolidation, have been independently reviewed by our ESG auditors. For FY2025, we have onboarded SGS India Pvt. Ltd. as our new ESG assurance partner, in line with SEBI's BRSR assurance requirements. The rotation of the assurance partner is to ensure high level of governance.

At the Bajaj Finserv Group, we are dedicated to high standards of ESG disclosures. Accordingly, since FY2022, we have voluntarily sought limited assurance for our environmental data from an independent assurance partner. Since FY2024, we have transitioned to reasonable

assurance for key metrics such as waste, water, and Scope 1 and 2 emissions, and continue to obtain voluntary assurance for Scope 3 emissions from an independent assurance partner.

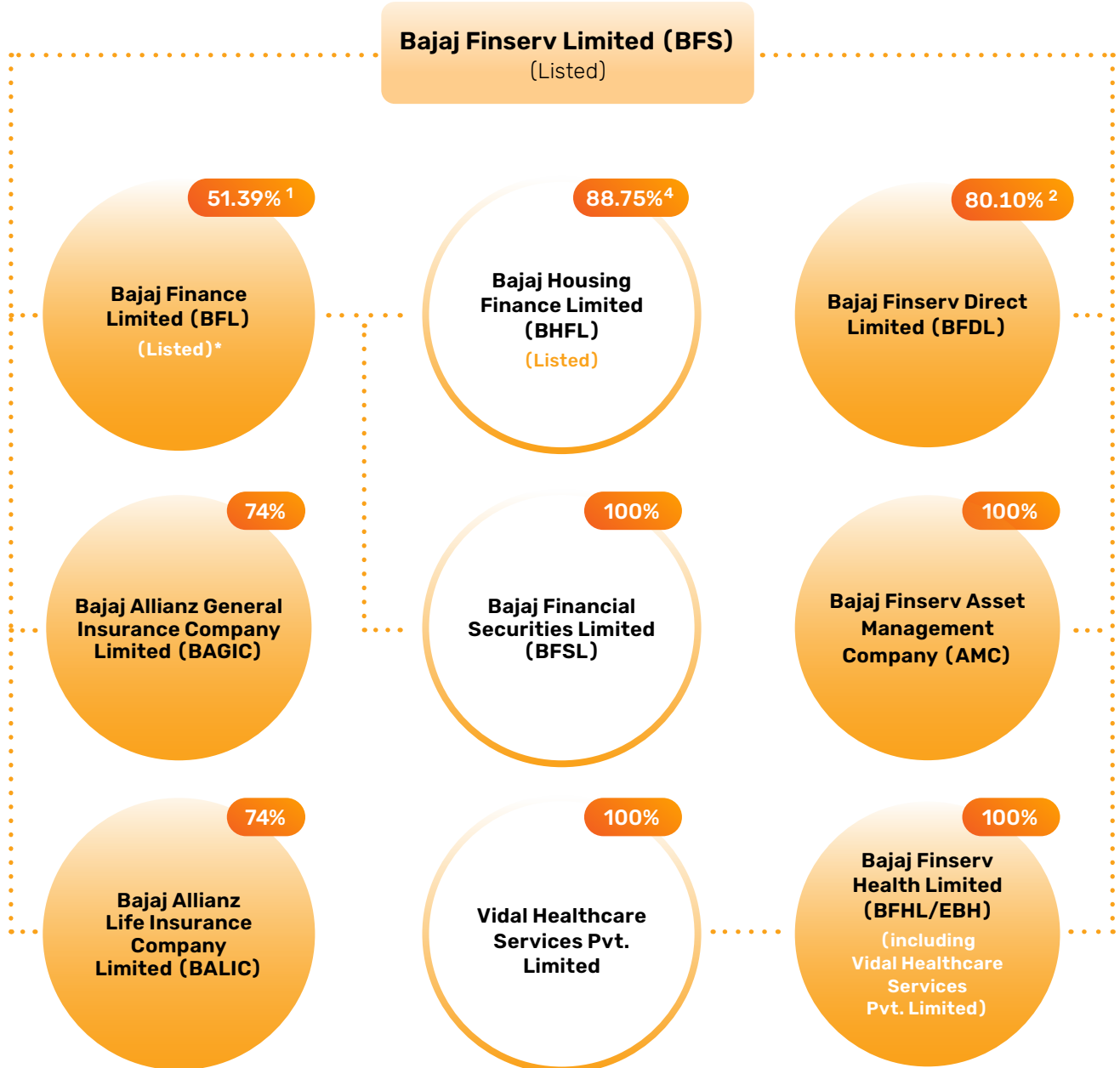
Though not mandatory, our insurance subsidiaries, Bajaj Allianz General Insurance Company Ltd. (BAGIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC), are among the first non-listed insurance companies in India to obtain independent limited assurance of their BRSR reports and separate verification of their GHG emissions (Scope 1, 2, and 3) since FY2023.

Furthermore, for FY2025, we have secured Reasonable Assurance for the nine core BRSR attributes and Limited Assurance for the remaining KPIs, as mandated by SEBI.

The BFS Group's ESG philosophy centres on embracing forward-thinking sustainable practices that ensure long-term success while generating substantial positive impacts for both environment and society. We remain committed to promote long-term sustainable economic growth through business initiatives and proactive corporate citizenship.



About Bajaj Finserv



1. **54.73%** holding via promoter holding and promoter group
2. **100%** holding via promoter holding and promoter group
3. Bajaj Finserv Mutual Fund Trustee Ltd is a wholly owned subsidiary of Bajaj Finserv Limited, acts as Trustee to the Asset Management Company
4. The percentage indicates BFL's ownership in the entity

Apart from these, Bajaj Finserv (BFS) has one more fully-owned subsidiary which is BFS Ventures (BFSV).

Note: Unless otherwise specified, the percentage mentioned for each entity reflects Bajaj Finserv Limited's (BFS's) ownership stake in that respective entity.

The Company is an unregistered core investment company (CIC) under Reserve Bank Regulations. It is the holding company for various financial services businesses under the Bajaj group. With a vision to be a diversified financial services group with a pan-India presence, it offers lifecycle financial solutions for its various customers. The mapping of financial lifecycle needs of the customers and offerings by the BFS group along with the role BFS plays,

beyond just a holding Company, has been detailed in the Chairman's letter forming part of the Annual report of the Company for FY2025.

As a core investment company (CIC) under the regulations of the RBI, Bajaj Finserv is required to invest at least 90% of its net assets in group companies, of which at least 60% should be in the form of equity investments. Investments outside the Group can only be made in specified short-term securities

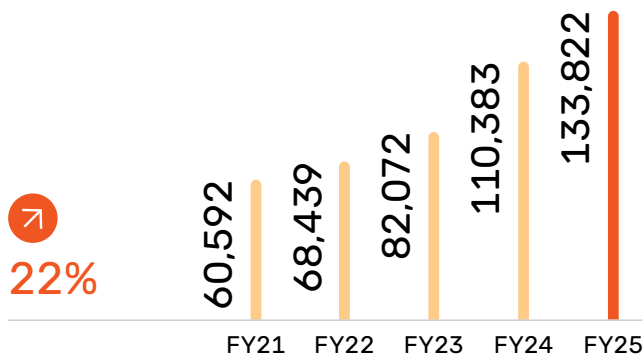
like money market instruments. As Bajaj Finserv does not access public funds, it does not require registration with the Reserve Bank of India.

Bajaj Finserv has invested in renewable energy through 138 wind turbines in Maharashtra with an aggregate installed capacity of 65.2 MW. It generates more renewable energy than the energy BFS group consumes in aggregate annually. This helps BFS Group fulfil its environmental obligations.

BFS Group: Key Financial Metrics

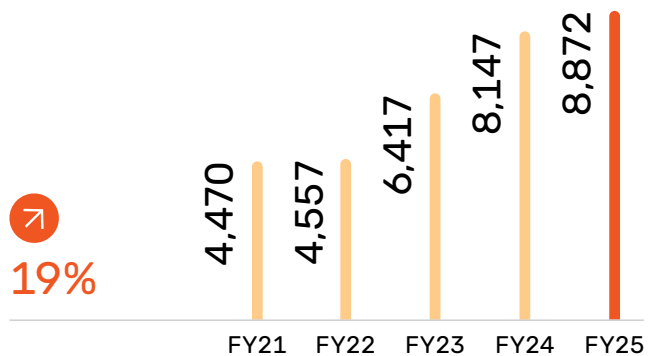
Total Income

(₹ In crore)



Net Profit*

(₹ In crore)



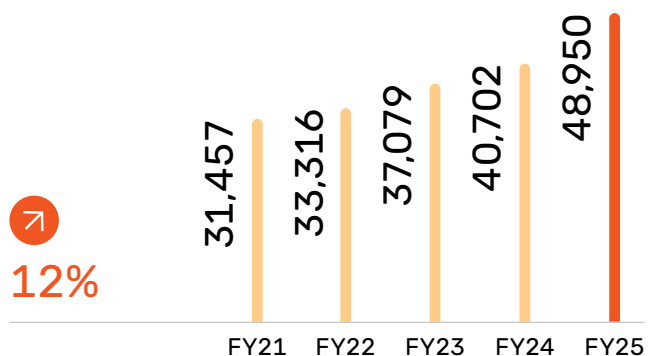
Total Assets

(₹ In crore)



Excess Capital^

(₹ In crore)



4-year CAGR

BFS Footprint

4,200+ locations

Country wide presence

2,500+ offices

Presence across rural and semi urban centres

400+

Micro Finance branches

130+ million

Active customers

550,000+

Distributors

750+

Financial services products

*Attributable to owners of the Company.

^Only for material subsidiaries (i.e. BFL, BHFL, BAGIC and BALIC).

CAGR: Compound Annual Growth Rate.



BFS Group – Diverse Business Portfolio

The Bajaj Finserv Group operates through the following diverse business segments:

Finance and Lending

Bajaj Finserv conducts its lending operations through Bajaj Finance Ltd. (BFL).

BFL is one of India's largest non-banking financial companies (NBFCs). It is a customer-centric, digital-first enterprise with omnipresence across physical, mobile and web channels led by various payment platforms that combine different payment instruments. Focusing on India's mass affluent customers and above in both urban and rural, it uses a strategy of cross-selling with the smart use of state-of-the-art data, innovations and analytics to transform customer experience and create growth opportunities. It offers diversified financial services and optimises the mix of risk so as to regularly generate significant and sustainable profits.

BFL serves mass affluent and rural customers through the following categories:



Consumer Lending



Personal Loans



SME Lending



Auto Finance



Rural Lending



Gold Loans



Commercial Lending



Loans against Securities



Deposits and other Partnerships

BFL also manages the mortgage business through its listed subsidiary, Bajaj Housing Finance Ltd. (BHFL). BHFL is ranked among the largest housing finance companies in India and is registered as a non-deposit taking housing finance company with the National Housing Bank (NHB) since September 2015 to carry the business of housing finance. BHFL started its lending operations from July 2017. BHFL is regulated by the RBI and supervised by the NHB. The Company offers full mortgage product suite spanning:

- ♦ Home loans
- ♦ Loans against property
- ♦ Lease rental discounting
- ♦ Developer financing and other categories, covering non-collateralised loans

Through this varied product suite, BHFL addresses the diverse mortgage needs of all retail customer segments, which include salaried individuals and self-employed professionals. It serves all sub-segments, including prime, near-prime, and affordable customers; and offers various transaction types such as purchase, resale, self-construction and balance transfer, through its commercial product suite, which includes construction finance and lease rental discounting.

Additionally, BFL owns Bajaj Financial Securities Ltd. (BFSL), an unlisted, SEBI-registered stockbroker and depository participant, strengthening BFS' footprint in the capital markets.

BFSL offers a comprehensive suite of services, including broking, depository (DP) services, margin trading and financing for offers of sale.

Associate Companies of Bajaj Finance Ltd.

There are two associate companies of BFL. These are:

- ♦ **Snapwork Technologies Private Ltd.** which specialises in delivering innovative digital solutions. BFL holds a stake of 41.5% on a fully diluted basis.
- ♦ **Penant Technologies Private Ltd.** which provides end-to-end lending solutions through its pennApps Lending Factory (PLF) – a comprehensive, highly configurable, and scalable lending platform that streamlines the entire loan lifecycle. BFL holds a stake of 26.53% on a fully diluted basis.

Insurance

BFS' insurance participation is through Bajaj Allianz General Insurance Company Ltd. (BAGIC) which provides non-life (Property and Casualty) and Health insurance products and Bajaj Allianz Life Insurance Company Ltd. (BALIC) which provides life insurance and retirement plans (together referred as 'Insurance subsidiaries').



BAGIC, one of India's leading composite general insurers, offers a comprehensive range of products including motor, health as well as various forms of commercial lines of insurance such as fire, engineering, liabilities and marine. It also participates in the tender driven government health and crop insurance schemes run across various states. It has built a strong retail franchise and retained a leading position among insurers.

Its business is based on the foundation of a quality product portfolio, supported by strong underwriting, multi channel distribution, and prudent financial management. In a market where many peers continue to chase market share, BAGIC has, since

its inception, differentiated itself by focusing on a profitable and diversified portfolio, and by balancing growth with profitability. With a positioning of 'Caringly Yours', it is one of the most respected brands in general insurance known for its customer service.

BALIC is amongst the largest non-bank promoted life insurers. With a brand positioning of getting Life Goals Done, BALIC is committed to offer value-packed and innovative products which are simple to understand and easy to buy. These are designed to meet long-term life goals of individual and group customers, ranging from protection, wealth creation to retirement solutions

and more; and are backed by a well-diversified and strong multi-channel distribution network, data analytics, tech-enabled services and service touchpoints to ensure a simplified and personalised insurance experience with a 'Customer First' approach. Over the last seven to eight years, BALIC has achieved significant growth and market share. As part of its journey towards profitable and sustainable growth, BALIC initiated a change in strategy which coincided with the new product regulations issued by the Insurance Regulatory and Development Authority of India (IRDAI), resulting in lower growths in H2 FY2025. This new strategy aims to leverage the scale already achieved for further expansion of its margins.



Emerging Business

Bajaj Finserv Direct Ltd. (BFSD)

is an open architecture based diversified marketplace for financial services which attracts a large number of new-to-Finserv consumers, creates awareness and discovery of the Finserv brand and cross-sells products by leveraging technology and analytics. It also enhances the digital footprint of Bajaj Finserv through the offering of select digital technology services. Having started its journey in July 2018, it operates under two divisions, i.e. BFSI Marketplace (Bajaj Markets) and Bajaj Technology Services.

Bajaj Finserv Health Ltd. (BFHL/EBH)

is health-tech venture that aims to transform the healthcare sector in India. It offers a range of healthcare solutions and services. The mission is to provide platforms for customers to manage their healthcare needs 360°, covering wellness, outpatient (OPD) and inpatient (IPD) services. Through an efficient digital platform, Bajaj Finserv Health seeks to:

- 1 Connect providers of healthcare such as hospitals, doctors, labs, etc. with consumers of healthcare
- 2 Provide healthcare and claims management services to payers of healthcare expenditure such as insurance companies, employers and government

In April 2024, Bajaj Finserv Health completed the acquisition of 100% stake in Vidal Healthcare Services Pvt. Ltd. (VHC) at an enterprise value of ₹310.70 crore. VHC has a subsidiary, Vidal Health Insurance TPA Pvt. Ltd. which is registered as a Third-Party Administrator (TPA) with the IRDAI with a vast experience in healthcare administration in India. The VHC acquisition significantly augments capabilities of the company in the healthcare space.

Bajaj Finserv Asset Management Ltd. (AMC)

Bajaj Finserv received its final registration from the Securities and Exchange Board of India (SEBI) on 1 March 2023 to commence its mutual fund operations under the name Bajaj Finserv Mutual Fund; with Bajaj Finserv Asset Management Ltd. (a 100% subsidiary of Bajaj Finserv Ltd.) to act as its Asset Management Company.

Guided by its distinctive investment philosophy – INQUBE – that adds behavioural finance insights (BE) to information (IN) and use of quantitative techniques (QU), BFS AMC integrates behavioural finance,

information driven insights and quantitative techniques to deliver superior market performance. With a national presence and continuous innovation, BFS AMC is poised for success in shaping India's investment landscape.

Key differentiators for BFS AMC are the identification of megatrends in its investment philosophy and the use of proprietary quant models to generate an alpha over benchmarks. In a crowded AMC market, BFS AMC has adopted the strategy to build from scratch than acquire, with the intent of being a differentiated entity.

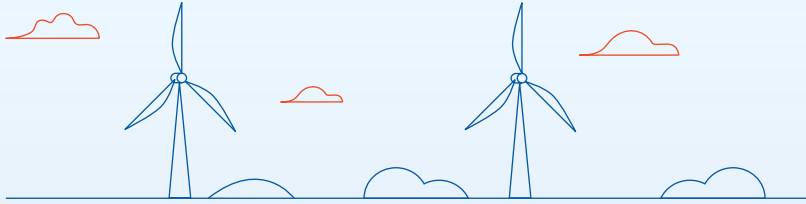


Renewable Power

Wind farms at Satara and Supa, Maharashtra

138

Wind turbines



~8.4 crore

Units of renewable energy generated in FY2025 – exceeding the Group's annual consumption

65.2 MW

Total capacity

Solar energy (rooftop installations)

~3.2 lakh

Units generated in FY2025

8

Locations

~757 KW

Installed capacity

