

# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1.	<b>Corporate Identity Number (CIN) of the Listed Entity</b>	L65910MH1987PLC042961	
2.	<b>Name of the Listed Entity</b>	Bajaj Finance Ltd. (Referred to as 'the Company' / 'BFL')	
3.	<b>Year of incorporation</b>	1987	
4.	<b>Registered office address</b>	Akurdi, Pune-411035	
5.	<b>Corporate address</b>	4th Floor, Bajaj Finserv Corporate office, off Pune-Ahmednagar Road, Viman Nagar, Pune- 411014	
6.	<b>E-mail</b>	<a href="mailto:investor.service@bajajfinserv.in">investor.service@bajajfinserv.in</a>	
7.	<b>Telephone</b>	020-71576072	
8.	<b>Website</b>	<a href="https://www.bajajfinserv.in/corporate-bajaj-finance">https://www.bajajfinserv.in/corporate-bajaj-finance</a>	
9.	<b>Financial year for which reporting is being done</b>	2022-23	
10.	<b>Name of the Stock Exchange(s) where shares are listed</b>	Bombay Stock Exchange (BSE Ltd.) and National Stock Exchange (NSE Ltd.)	
11.	<b>Paid-up Capital</b>	₹ 120.89 crore	
12.	<b>Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report</b>	Name and designation of the person	R Vijay, Company Secretary
		Contact details	020-71576072
		Email ID	<a href="mailto:vijay.r@bajajfinserv.in">vijay.r@bajajfinserv.in</a>
13.	<b>Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).</b>	Consolidated basis - Collectively referred to as 'BFL Group' which includes Bajaj Finance Ltd. and its two wholly owned subsidiaries i.e., Bajaj Housing Finance Ltd., and Bajaj Financial Securities Ltd.	

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover):

S. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial and Insurance Services	Other Financial activities	99.51 %

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No	Product/Service	NIC Code	% of total Turnover contributed
1.	Non-Banking Finance Company engaged in lending and allied activities	65923	86.15%
2.	Housing Finance (other credit granting)- Home loan, loan against property and construction funding	64920	13.36%

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
<b>National</b>	Not applicable*	3,733#	3,733
<b>International</b>		NIL	NIL

\*BFL group is not engaged in manufacturing activities and accordingly it does not have any plants.

#Includes all the branches and corporate offices as on 31 March 2023.

**17. Markets served by the entity:**

## a. Number of locations

Locations	Number
National (No. of States)	28 States and 6 Union Territories (UTs)
International (No. of Countries)	NIL

## b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil. BFL group doesn't have export business operations.

## c. A brief on types of customers:

BFL Group's customer franchise as on 31 March 2023 stood at 69.1 million. It has a strong geographic presence spread across 3,733 locations and over 154,650 distribution points. BFL Group acquired 11.6 million new customers in FY2023.

**Borrowers:** BFL Group focuses primarily on acquiring mass affluent customers. BFL offers secured and unsecured loans to salaried, self-employed, professionals, MSME and corporate clients. BFL, through its 100% subsidiary i.e., Bajaj Housing Finance Ltd. (BHFL) - a non-deposit taking housing finance company registered with National Housing Bank (NHB), focuses on mortgage loans to customers.

**Depositors:** BFL accepts deposits from retail and corporate clients. The major contribution of deposits are sourced from retail customers.

**Broking customers:** BFL through its 100% subsidiary i.e., Bajaj Financial Securities Ltd. ('BFinsec'), registered with the SEBI as a stockbroker and depository participant, offers broking, margin trade financing and financing for offer for sale to retail and HNI clients.

**IV. Employees****18. Details as at the end of Financial Year:**

## a. Employees and workers (including differently abled):

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>						
1.	Permanent (D)	43,147	41,048	95%	2,099	5%
2.	Other than Permanent (E)*	10	3	30%	7	70%
3.	Total employees (D + E)	43,157	41,051	95%	2,106	5%

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Workers</b>						
1.	Permanent (F)					
2.	Other than Permanent (G)			NA		
3.	Total employees (F + G)					

\*Other than Permanent employees include employees hired under 'Spouse Working as Consultant' policy and retired employees hired as consultants.

NA: BFL Group is engaged in financial services businesses which does not require services of workers.

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Differently Abled Employees</b>						
1.	Permanent (D)	9	7	78%	2	22%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	9	7	78%	2	22%

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Differently Abled Workers</b>						
1.	Permanent (F)					
2.	Other than Permanent (G)			NA		
3.	Total employees (F + G)					

NA: BFL Group is engaged in financial services businesses which does not require services of workers.

## 19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	13%
Key Management Personnel*	3	0	0%

Note: The above information pertains only for BFL as on 31 March 2023.

\* Key Managerial Personnel are as defined under section 203(1) of the Companies Act, 2013.

## 20. Turnover rate for permanent employees and workers

Particulars	FY2023			FY2022			FY2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	19%	21%	19%	27%	30%	28%	20%	18%	20%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

NA: BFL Group is engaged in financial services businesses which does not require services of workers.

Note: The turnover rate has been calculated as per the definition in Standard BRSR format issued under SEBI guidelines.

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No	Name of the holding / subsidiary / associate companies/ joint ventures (A)	Indicate whether holding/subsidiary/ associate/ joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Bajaj Finserv Ltd.	Holding Company	52.49%	Please refer the note below
2.	Bajaj Housing Finance Ltd.	Subsidiary	100%	
3.	Bajaj Financial Securities Ltd.	Subsidiary	100%	
4.	SnapWork Technologies Private Ltd.	Associate	41.50%	

**Note:** Keeping in mind that the nature and conduct of the businesses across BFL Group companies are distinct, to the extent relevant, the Company through its [Responsible and Sustainable Business Conduct Policy \(bajajfinserv.in\)](#) (i) engages with and enjoins upon its subsidiary companies to participate in the responsible and sustainable business conduct and (ii) requires its material subsidiaries to embody a similar policy. Accordingly, the business responsibility initiatives of the subsidiaries and associates could be distinct than that of BFL's basis their nature of business.

## VI. CSR Details

**22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes**

**(ii) Consolidated Turnover for FY2023 (₹ in crore) - 41,405.69**

**(iii) Consolidated Net worth for FY2023 (₹ in crore) - 54,371.98**

## VII. Transparency and Disclosures Compliances

**23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY2023			FY2022		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes	24	0		15	1	The complaint has been suitably resolved
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Employees and workers	Yes	Please refer Q.6 under "Essential Indicators" of "P5-Business should respect and promote human rights" for the complaints related to employees.					
Customers	Yes	Please refer Q.3 under "Essential Indicators" of "P9 - Businesses should engage with and provide value to their consumers in a responsible manner" for the complaints related to customers.					
Value Chain Partners	Yes	-	-	-	-	-	-
Government and Regulators	Yes	-	-	-	-	-	-
Communities	Yes	-	-	-	-	-	-

BFL Group, in line with its policies, practices and processes, engages with its stakeholders, and strives to resolve differences raised by them in a just, fair, equitable and consistent manner and if warranted takes corrective measures.

#### 24. Overview of the entity’s material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Customer Experience	Risk	Given that BFL Group provides financial products and services to millions of customers, any undesirable customer experience could result in loss of customers or even reputational loss.	<p>Listening to customers and driving continuous transformation to provide them a frictionless experience is what BFL Group has always strived for. Ethics, transparency, and accountability are deeply ingrained and practiced in daily operations, including in dealing with customers. For a better customer experience, BFL Group appropriately addresses their grievances. Customer experience is enhanced by offering products and services which meet the needs of customers, as well as adaptation of innovative technology solutions to provide a seamless and an “on the go” customer journey through its digital platforms. Some of the illustrative initiatives in this regard are:</p> <ol style="list-style-type: none"> <li>1. A dedicated customer complaint reduction unit has been instituted to identify the root cause of customer complaints and taking corrective actions to modify the processes, to avoid such grievances.</li> <li>2. A separate team has been setup to monitor customer queries and grievances on various social media channels and provide quick resolution.</li> <li>3. BFL Group runs various awareness campaigns for the public at large making them aware about fraudsters, scam schemes, etc.</li> </ol>	<p><b>Negative:</b> Loss of reputation can result in loss of customer thereby adversely impacting businesses of BFL Group.</p>

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Financial Inclusion	Opportunity	The reach of financial products and services is still shallow in India, especially in the mass segment and semi-urban / rural parts of India.	BFL Group's customer reach is achieved through its distribution network, BFL adapts innovative technology solutions to provide a seamless customer journey through its digital platforms and customised product offerings. BFL has opened financial inclusion branches in unbanked rural centres. It has opened 50 such financial inclusion branches each in FY2022 and FY2023.	<b>Positive:</b> BFL has created deep distribution in medium and small towns, and villages across the country thereby taking financial solutions closer to society. Apart from serving the cause of financial inclusion such distribution creates an opportunity for BFL.
3.	Climate Change vulnerability – Carbon Emission/ Product footprint/ Financing environmental impact.	Risk and Opportunity	<b>Risks:</b> The end use of finance extended to the borrowers, especially through its commercial lending vertical, may have adverse impact on the environment, society, and governance. Reputational risk could arise in case BFL is not able to meet the stakeholder expectations on climate related disclosures and initiatives. <b>Opportunities:</b> Increased awareness about climate change has accelerated the adoption of environment friendly products such as renewable power, electric vehicles etc, thereby creating an opportunity to finance and insure such class of assets.	In its lending business, BFL, through its environmental policy, has identified certain sectoral exclusions. BFL's ESG reporting is now beyond the minimum statutory reporting and is being enhanced year on year.	<b>Negative:</b> Conforming with environment related standards could result in increased expenses / loss of business which would have otherwise been underwritten. <b>Positive:</b> BFL's experience in lending for varied class of assets and depth of its balance sheets could allow it to harness opportunities provided by financing customers who opt to adapt these climate-friendly class of assets.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes. (Please refer note below)								
b. Has the policy been approved by the Board? (Yes/No)	Yes, BFL Group has a policy covering all the principles named 'Responsible and Sustainable Business Conduct Policy. The said Policy is approved by the Board. Further, the Policy is reviewed by the Management periodically and the changes are put to the Board for their approval as applicable.								
c. Web Link of the Policies, if available	<a href="https://www.bajajfinserv.in/finance-investor-relations-policies-and-documents">https://www.bajajfinserv.in/finance-investor-relations-policies-and-documents</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes. The Company has translated the policies and imbibed the same into procedures and practices in the activities of the Company, as applicable.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	The Company strives to influence its value chain partners to participate in responsible and sustainable business conduct depending upon their means and resources. For this purpose, the Board of BFL has approved various policies such as Code of Conduct for Direct Selling Agents (DSA)/Debt Recovery Agents (DRA), Fair Practice Code, Whistle Blower Policy, etc. These policies enable participation of value chain partners in fair and ethical conduct of their business.								
4. Name of the national and international codes/ certifications/labels/ standards adopted by your entity and mapped to each principle.	All policies have been developed taking into consideration the industry practices & various regulatory requirements and through appropriate consultation with relevant stakeholders. Moreover, BFL is compliant with the ISO 27001:2013 Information security management system and ISO 22301:2012 Business continuity management system.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<ol style="list-style-type: none"> <li>1. Inclusion of key ESG matrices in the outsourcing compliance assessment of high-risk category vendors.</li> <li>2. Environment restoration through tree plantation.</li> <li>3. Implementation of Environment, Health, and Safety (EHS) manual across BFL group.</li> <li>4. To develop dedicated ESG training module and cascade it across BFL group.</li> <li>5. Opening of 100 Microfinance branches in Q4 of FY2024.</li> </ol>								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	<p>The Company continuously tracks the performance of various ESG initiatives undertaken. These initiatives are also monitored and reviewed at least twice a year by the ESG Committee for the status and progress.</p> <p>Further, as committed in FY2022:</p> <ol style="list-style-type: none"> <li>1. BFL Group has planted 53,670 trees in FY2023.</li> <li>2. Purchased 18 Electric Vehicles (EV) for inter-office travel.</li> <li>3. Installed and commissioned 562.8 KW of solar power plant across 4 locations.</li> <li>4. Undertook initiative to reduce usage of single use plastics at BFL covering plastic cups, stirrers etc.</li> <li>5. Opened 50 financial inclusion branches during the year.</li> </ol>								

Note: Detailed list of policies are provided in annexure 1.

**Governance, leadership, and oversight**

7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure) - Please refer to <b>“Message from the Chairman and the Managing Director”</b> of the ESG report at <a href="https://www.bajajfinserv.in/finance-investor-relation-annual-reports">https://www.bajajfinserv.in/finance-investor-relation-annual-reports</a>	
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p><b>Name:</b> Rajeev Jain</p> <p><b>Designation:</b> Managing Director</p> <p><b>DIN:</b> 01550158</p>
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	<p>Yes.</p> <p>The Company has a Board approved ESG Committee consisting of Senior Management personnel of the Company to monitor various aspects of social, environmental, governance and economic responsibilities of the Company. The said Committee is chaired by an Executive Director of the Company.</p> <p>The Company’s business responsibility performance is reviewed by the Board of Directors on an annual basis. During the year, a separate meeting of the Board of Directors was convened specifically to discuss and update on the sustainable and responsive business conduct initiatives across the BFL Group.</p> <p>In addition, the Risk Management Committee also assesses internal/ external risks pertaining to sustainability as identified.</p>

**10. Details of Review of National Guidelines on Responsible Business Conduct (NGRBCs) by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	As a practice, all the policies of the Company are reviewed periodically or on a need basis by department heads, business heads, Senior Management personnel/ respective committees and placed before the Board of Directors as and when required. During this assessment, the efficacy of these policies is also reviewed and necessary changes to policies and procedures are implemented.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company is in compliance with the extant regulations, as applicable.																	

<b>11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.</b>	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>
	The Company ensures that all the policies are reviewed internally either by the department heads/ domain experts/ relevant committee members, as applicable.								

Note: Policies other than those placed on the Company’s website (<https://www.bajajfinserv.in/finance-investor-relations-policies-and-documents>) are internal documents and are not accessible to public.

**12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	As the answer to question (1) above is ‘Yes’, this section is not applicable								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									



**P1 SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

**P2 PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a**  
**P3 manner that is Ethical, Transparent and Accountable**

**P4 Essential Indicators**

**P5 1. Percentage coverage by training and awareness programmes on any of the Principles during**  
**P6 the financial year:**

P7 P8 P9	Segment	Total number of training and awareness programmes held	Topics /principles covered under the training and its impact	% of persons in respective category covered by awareness programmes
	Board of Directors  Key Managerial Personnel	On an ongoing basis, the Company carries out familiarisation programs for its directors, as required under the SEBI Listing Regulations and keeps the Directors and KMPs abreast on matters relating to the industry, business models, risk metrices, mitigation and management, governing regulations, ESG, information technology including cyber security, their roles, rights and responsibilities and major developments and updates on the Company, etc. A declaration from the Directors and Senior Management’s affirmation to the Code of Conduct for Directors and Senior Management communicated to all stakeholders by the Managing Director, through the Annual Report. In addition to the above, the Board of Director’s at its meeting held on 16 March 2023 conducted an exhaustive review of the BFL group’s ESG initiatives encompassing the following: 1. Focus areas of ESG. 2. Improvements on the ESG assurance and reporting. 3. ESG Peer ratings. 4. ESG initiatives undertaken by the group in FY2023. 5. Key initiatives identified for next financial year. 6. Various Policies aligned with NGRBC principles and BRSR implemented at BFL Group.		100%
	Employees other than BoD and KMPs	BFL Group invests significant time and resources in the training and development of its employees, to help them stay ahead on the latest trends and technology. Further, for certain relevant topics periodical awareness programs are carried out through emails, posters / banners (physical and digital) and other modes of internal communication.  Such training / awareness programs are on array of topics, such as Code of conduct, Ethics, Cyber security, Data Privacy, ESG Awareness, Fraud Prevention, Functional Trainings, Health and safety, Prevention of sexual harassment, Skill Upgradation, etc.  During the year, more than 4.90 lakh hours of logged in trainings were completed by employees on above mentioned topics.		100%
	Workers		NA	NA

NA: BFL Group is engaged in financial services businesses which does not require services of workers.

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P7  
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**2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:**

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement			Nil		
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment			Nil		
Punishment					

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Nil	Nil

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes. BFL Group has zero tolerance towards unethical business practices and prohibits bribery and corruption in any form in all its business dealings through necessary policies, codes, and charters. The [Code of Ethics and Personal Conduct \(CoEPC\)](#) consistently adopted across BFL Group reiterates our commitment on anti-bribery and covers all full-time or part-time employees of BFL Group, subject to applicable laws / regulations. All employees of BFL Group companies must adhere to the commitment of integrity and other responsible business conduct principles laid down in CoEPC. The anti-bribery guidelines covers aspects related to bribes, acceptance of favours, and gifts from Vendors/business partners, interacting with government and regulators, amongst others.

Further, Employee Charter – Human Rights Statement adopted by BFL Group also lays down the principle and commitment on anti-corruption and bribery.

The principles of anti-corruption and bribery are also captured in the Code of Conduct for Directors and Senior Management.

Some of these policies, codes and charters are available on Company’s website:

[Policies and Codes| Bajaj Finance Ltd. \(bajajfinserv.in\)](http://Policies and Codes| Bajaj Finance Ltd. (bajajfinserv.in))

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY2023	FY2022
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	NA	NA

Note: Based on the information available with the Company.

NA: BFL Group is engaged in financial services businesses which does not require services of workers.

**P1** 6. Details of complaints with regard to conflict of interest:

	FY2023		FY2022	
	Number	Remarks	Number	Remarks
P2				
P3				
P4				
P5	Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil
P6	Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil
P7				

**P8** 7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

BFL Group was not subjected to any corruption and conflicts of interest related charge or action by regulators, law enforcement agencies or judicial institutions.

**Leadership Indicators**

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics/Principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Please refer the note below		

Note:

- BFL Group strives to influence its value chain partners to participate in the responsible and sustainable business conduct depending upon their means and resources. BFL Group carries out awareness and training programmes for its value chain partners (especially agents and other intermediaries), depending on the business needs, stakeholder feedback and regulatory requirements covering various topics.
- BFL Group has a Board approved Code of Conduct policy for its value-chain partners. Acceptance of Code of Conduct and acknowledgement of the same is mandatory for all the vendors, agents, and agencies.
- Basis new RBI guidelines issued on 12 August 2022; it is mandatory for all collection agents to be DRA certified. BFL has initiated the process of DRA training accreditation and has received the same in November 2022. In furtherance to the same, Total 36 CAIIB and Soft Skill trainer have been onboarded and over 7,000 Debt Recovery Agents (DRA) were trained as per the IIBF guidelines in FY2023. More than 35,000 agents have viewed COC / FPC / Customer Communication guidelines related videos on “One App Code of Conduct” as a part of situational training every week.
- BFL Group has incorporated ESG linked commitments into vendor contracts.
- BFL conducted an awareness series for the stakeholders through social media channel to create awareness on ESG matters and encouraged them to uphold the same, as applicable.

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, BFL Group has zero tolerance towards unethical business practices and ensures adherence to relevant principles including in relation to conflict of interest. BFL Group has put in place adequate measures and procedures to ensure that no conflict of interest arises involving members of the Board.

- Every Director on the Board is required to make disclosure of his / her interest or concern in other entities (under Section 184 of the Companies Act, 2013) and also the parties to which such Director is related to (under Section 2(76) of the Companies Act, 2013 and other laws applicable). Such disclosure is required to be made as and when a Director attends the first Board Meeting after his/her appointment on the Board and thereafter at every first Board Meeting held in a financial year as well as within 30 days from any change in the disclosure previously given by such Director.
- Director, if interested or concerned in any transaction(s) or arrangement(s) to be entered into by the Company, does not participate in the discussion and approval of the transaction.

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- BFL and BHFL has a separate [Code of Conduct \('CoC'\) for Directors and Senior Management](#) which provides that 'Directors and Senior Management shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgement'. The said CoC requires them to not to engage in any business relationship or activity, which conflicts with their duties towards the Company. A declaration from the Directors and Senior Management's affirming to the said CoC is communicated to all stakeholders by the Managing Director (MD), through the Annual Report.
- The Company has also put in place necessary mechanism and has formulated a Policy on Dealing with Related Party Transactions, keeping in view the requirements under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013. This Policy provides a framework to ensure proper identification, approval, and subsequent modification of Related Party Transactions.
- In addition to the above, BFL Group's CoEPC covers potential areas where conflict of interest may be encountered. It also provides specific guidelines on avoiding and dealing with possible conflicts of interest and the requirement to disclose potential conflicts of interest by employees.

Link: [Policies and Codes| Bajaj Finance Ltd. \(bajajfinserv.in\)](#)

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

- 1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY2023	FY2022	Details of improvements in environmental and social impacts
R&D	-	-	Please refer the below note
Capex	20.02%	17.64%	

Note: BFL Group is engaged in financial services businesses. The portion of its revenue and capital expenditure that directly contributes to improve the environment and make a social impact largely revolves around its expenses on Information technology whereby the entire business cycle and customer interaction is facilitated technologically resulting in reducing paperwork and costs that otherwise would have been incurred in physical interactions. Moreover, during the year, BFL has invested in EVs and rooftop solar plants to reduce its environmental footprint.

- a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

BFL Group companies provide financial products and services, and thus neither has a sizeable consumption of any raw material nor produces any tangible goods.

BFL Group's activities are limited to providing financial solutions to serve the needs of the people. BFL Group nurtures a culture of conservation of resources and encourages innovations that aid in reducing the dependence on natural resources. BFL Group ensures that energy efficiency standards are considered during the purchase of electronic equipment such as lighting devices, AC's etc. The major suppliers of hardware are green standard compliant and data centres are certified under Environmental Management System. Additionally, BFL Group has incorporated ESG related clauses in the vendor contracts as applicable.

- b. If yes, what percentage of inputs were sourced sustainably?**

Refer a. above

- 3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Given the BFL group operations, there is no hazardous waste generated. However, BFL Group disposes e-waste through registered vendor and receives the certificate of disposal from them. During the year, e-waste of 6.2 Metric Tonnes has been disposed of in a scientific and eco-friendly manner.

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**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Given the nature of our business, the above is not applicable to us.

**Leadership Indicators**

**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format:**

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
Given the business operations of BFL group, there are no products or services offered by the entity that qualify for Life Cycle Perspective / Assessments (LCA).					

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
None other than those identified in Q.24 of “Section A – General Disclosures” above.		

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY2023	FY2022
Given the business operations of BFL group, the same is not applicable.		

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY2023			FY2022		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
E-waste			6.2			7.5
Plastics (including packaging)	Given the business operations of BFL group, the same is not applicable					
Hazardous Waste						
Other waste						

**5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Given the business operations of BFL group, the same is not applicable.	

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**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

**1. a. Details of measures for the well-being of employees:**

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities #	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent Employees</b>											
Male	41,048	41,048	100%	41,048	100%	NA	NA	41,048	100%	41,048	100%
Female	2,099	2,099	100%	2,099	100%	2,099	100%	NA	NA	2,099	100%
<b>Total</b>	<b>43,147</b>	<b>43,147</b>	<b>100%</b>	<b>43,147</b>	<b>100%</b>	<b>2,099</b>	<b>5%</b>	<b>41,048</b>	<b>95%</b>	<b>43,147</b>	<b>100%</b>
<b>Other than Permanent Employees</b>											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Wherever applicable under regulations, Day care facilities are provided.

**b. Details of measures for the well-being of workers:**

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities #	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent Workers</b>											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Other than Permanent Workers</b>											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

NA: BFL Group is engaged in financial services businesses which does not require services of workers.

**2. Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY2023			FY2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	NA	Yes	100	NA	Yes
Gratuity	100	NA	Yes	100	NA	Yes
ESI	100	NA	Yes	100	NA	Yes
NPS	100	NA	Yes	100	NA	Yes
Superannuation	100	NA	Yes	100	NA	Yes

Note: The above represents benefits provided to all the employees who are eligible/have opted for the said retirement benefits.

NA: BFL Group is engaged in financial services businesses which does not require services of workers.

**3. Accessibility of workplaces**

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

As a principle, BFL group through its Equal Employment Opportunity and Non-discrimination policy and Employee Charter - Human Rights Statement prohibits any kind of discrimination against any person with

P1 disability in any matter related to employment as per the Right of Person with Disabilities Act. Various  
P2 corporate offices of BFL Group, have ramps for easy movement of differently abled people.

**P3 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

P4 Yes, BFL Group has adopted Equal employment opportunity and non-discrimination policy in accordance  
P5 with the provisions of the Rights of Persons with Disabilities Act, 2016 and provides a framework and  
P6 commitment towards the empowerment of persons with disabilities.  
P7

P8 BFL Group through its Employee Charter - Human Rights Statement prohibits discrimination against any  
P9 person with disability in any matter related to employment.

As enshrined in the 'Responsible and Sustainable Business Conduct Policy', BFL Group provides fair remuneration and equal opportunities at the time of recruitment as well as during employment irrespective of age, sex, colour, caste, disability, marital status, ethnic origin, race, religion, sexual orientation, disease (viz. HIV/Aids) or any other status of individuals. These policies promote an environment where everyone in the Company gets an equal opportunity to excel and grow in accordance with the individual's ability and suitability to perform in his/her area of work.

The above policies are available on our website <https://www.bajajfinserv.in/finance-investor-relations-policies-and-documents>

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	99.93%	79.77%	NA	NA
Female	100.00%	77.27%	NA	NA
<b>Total</b>	<b>99.93%</b>	<b>79.68%</b>	<b>NA</b>	<b>NA</b>

NA: BFL Group is engaged in financial services businesses which does not require services of workers.

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees	<p>Yes. BFL Group strives to create a culture which is fair, open, and transparent and where employees can openly present their views.</p> <p>BFL Group transparently communicates its policies and practices such as plans, compensation, performance metrics, performance pay grids and calculation, career enhancements, compliance, and other processes with all employees in a non-discriminating manner.</p> <p>BFL Group has a Board approved Disciplinary Action Policy (DAP) and Board delegated Disciplinary Action Committee (DAC) to address the grievances of its employees. It enables employees to work without fear of prejudice, gender discrimination and harassment. BFL Group has zero tolerance towards any non-compliance of these principles.</p> <p>BFL Group has 'Code of Ethics and Personal Conduct' (CoEPC), 'Whistle Blower', 'Prevention of Sexual Harassment' and 'Mind Your Behaviour' framework serving as grievance mechanisms for its employees to report or raise their concerns confidentially and anonymously, and without fear of any retaliation.</p> <p>Further, BFL has a dedicated helpline number for employees to report their concerns.</p>
Other than Permanent Employees	Though the policy is not extended to the other than permanent employees, we will continuously endeavour to address the grievances and concerns raised by them.
Permanent Workers and Other than Permanent Workers	NA

NA: BFL Group is engaged in financial services businesses which does not require services of workers.

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**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY2023			FY2022		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>						
Male	Though not prohibited, BFL Group employees are currently not part of any employee associations.					
Female						
<b>Total Permanent Workers</b>						
Male	NA					
Female						

NA: BFL Group is engaged in financial services businesses which does not require services of workers.

**8. Details of training given to employees and workers:**

Category	Total (A)*	FY2023				Total (D)	FY2022			
		On Skill Upgradation		On Health and Safety			On Skill Upgradation		On Health and Safety	
		No. (B)	% (B / A)	No. (B)	% (B / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	37,515	29,694	79%	33,157	88%	33,982	24,361	72%	Please refer Note 2 below	
Female	1,771	1,462	83%	1,581	89%	1,443	873	60%		
<b>Total</b>	<b>39,286</b>	<b>31,156</b>	<b>79%</b>	<b>34,738</b>	<b>88%</b>	<b>35,425</b>	<b>25,234</b>	<b>71%</b>		

\*Average employees during the year.

Note 1: This dataset includes training provided to employees who left the firm during FY2023.

Note 2: BFL Group trains its employees on safety protocols – it conducts periodic trainings on fire safety and evacuation drills for employees. During the year, 1,634 fire audits and 784 drills were conducted.

Periodical awareness programs are carried out through emails, posters / banners (physical and digital) and other modes of internal communication. BFL also initiated exhaustive employee engagement campaigns like “#StayHealthy, #StaySafe” to imbibe and encourage employees to adopt healthy and safety measures- eating healthy, staying hydrated, using stairs, maintaining right posture, etc. Various campaigns and collaterals were released to spread awareness among the employees on the pandemic precautions and safety compliances.

**Workers**

	FY2023	FY2022
Male		
Female		NA
Total		

NA: BFL Group is engaged in financial services businesses which does not require services of workers.

**9. Details of performance and career development reviews of employees and worker:**

Category	FY2023			FY2022		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
<b>Employees</b>						
Male	Please refer the note below					
Female						
<b>Total</b>						
<b>Workers</b>						
Male	NA					
Female						
<b>Total</b>						

NA: BFL Group is engaged in financial services businesses which does not require services of workers.



P1 Note: BFL Group conducts business performance review of all the eligible employees on monthly, quarterly and  
P2 annually basis as per its internal policy. A comprehensive performance and career development review of all  
**P3** eligible employees is conducted on a mid-year and annual basis. BFL Group has a well-defined Performance  
P4 Management System, Auto Promotion and Internal Job Posting policies for taking care of performance, growth,  
P5 and development needs of employees.

P6 **10. Health and safety management system:**

P7 **a. Whether an occupational health and safety management system has been implemented by the**  
P8 **entity? (Yes/ No). If yes, the coverage such system?**

P9 BFL Group is committed to provide a safe and healthy workplace by minimizing the risk of accidents, injury and exposure to health risks and it complies with applicable laws and regulations with respect to safety at workplace.

BFL Group has framed a comprehensive policy with respect to health and safety management system. BFL Group trains its employees on safety protocols by conducting periodic trainings on fire safety and evacuation drills for employees. Corporate offices and all branch offices are assessed in regards with the electrical systems safety, fire safety, building stability and working conditions.

BFL Group ensures that all corporate and branch premises are audited on safety aspects and have proper ventilation, hygiene and sanitation, emergency exits, first aid box, etc.

Physical and mental wellbeing of the employees is at the core of BFL Group human resource practices. BFL Group sends periodic internal communication and alerts to employees and conducts various awareness sessions on health and safety related aspects such as always wear a helmet, eat healthy, drink enough water, stay on the move, choose to use the stairs, etc.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

BFL conducts safety audits on a periodic or on a need basis wherein parameters related to fire safety, housekeeping, electrical safety, and emergency preparedness are assessed.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes. While BFL Group does not employ workers for its business operations. BFL Group has a dedicated Central Emergency Service Desk (CESD) helpline portal for its employees which is available 24x7. They can use this portal to register any work-related incidents or hazard and risks.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes. BFL Group has insured its employees under group term insurance, health insurance and accidental insurance policies. Please refer to section on 'Human Capital Management' section of ESG report at <https://www.bajajfinserv.in/finance-investor-relation-annual-reports>

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY2023	FY2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	NA	NA
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	NA	NA
No. of fatalities	Employees	Nil	Nil
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	NA	NA

NA: BFL Group is engaged in financial services businesses which does not require services of workers.

P1 **12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

P2 Refer 10(a) above

P3 **13. Number of Complaints on the following made by employees and workers:**

	FY2023			FY2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil		0	Nil	
Health & Safety	3	Nil	Includes POSH related cases	3	Nil	Includes POSH related cases

P4 **14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices*	100%
Working Conditions	BFL Group strives to keep the workplace environment safe, hygienic, and humane, upholding the dignity of the employees. Offices across the group are internally assessed periodically through internal audits for various aspects of health and safety measures and related working conditions.

\*Safety audits were conducted for all BFL branches.

P5 **15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

P6 No significant corrective actions pertaining to above mentioned parameters was necessitated by BFL Group during the year under review.

P7 **Leadership Indicators**

P8 **1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?**

Yes, BFL group extend various financial support and compensatory package in the event of death of an employee regardless of whether death occurred during work or otherwise. Some of these include one-time lumpsum payment from iCare fund, full month’s pay with recovery waivers, Group Term Life insurance assured amounts, employment opportunity to immediate family member of the deceased employee (if required), etc.

Additional details with respect to the same are provided in ‘Human Capital Management’ section of ESG report at <https://www.bajajfinserv.in/finance-investor-relation-annual-reports>.

P9 **2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

BFL Group strives to influence its value chain partners to participate in the responsible and sustainable business conduct depending upon their means and resources. BFL Group takes multiple measures to ensure that statutory dues have been deducted and deposited by its high risk value chain partners which include contractual commitments, review / audit of value chain partners, seeking confirmations of compliance, etc, which depend on the nature of product / services rendered.

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**3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been / are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2023	FY2022	FY2023	FY2022
	Employees	Nil	Nil	Nil
Workers	NA	NA	NA	NA

NA: BFL Group is engaged in financial services businesses which does not require services of workers.

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Yes. BFL Group have retirement policy which aims to define terms of retirement for employees and the subsequent engagement opportunities with the Company. BFL Group invests significant time and resources in the training and development of its employees, help them stay ahead of latest trends and technology. With such trainings, most employees are skilled and tend to be employable upon retirement / termination.

**5. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	BFL Group expects and influences all its value chain partners to follow extant regulations, including health and safety practices and working. Further, BFL has an outsourcing compliance framework that is used for the evaluation and assessment of vendors basis the scoring model.
Working Conditions	

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

BFL has a detailed vendor audit check list as part of its outsourcing compliance framework that is designed to undertake risk assessment of the vendor. Basis the assessment vendors are classified as satisfactory, Improvement opportunity and needs improvement.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Individuals or a group of individuals, agencies ,institutions who are interested or impacted by the activities of the company’s businesses and vice-versa now or in the future are identified as key stakeholder by the BFL Group. The key stakeholders thus identified are customers, investors, lenders, depositors, government, shareholders, regulators, value chain partners, employees, and the society.

BFL Group understands the impact of its policies, decisions, products and services, and associated operations on the stakeholders. In line with its policies, practices, and processes, BFL Group engages with its stakeholders and strives to resolve differences with them in a just, fair, equitable and consistent manner and where warranted takes corrective measures.

BFL Group also engages with relevant stakeholders for enhancing the sustainable and responsible business practices.

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**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

<b>Stakeholder Group</b>	<b>Whether identified as Vulnerable &amp; Marginalised Group (Yes/ No)</b>	<b>Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)</b>	<b>Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)</b>	<b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>
Shareholder and Investor	No	Multiple channels - physical and digital such as quarterly investor presentations and calls, press releases, disclosure on stock exchanges, participation in investor conferences, etc.	Quarterly and need based	To inform about the performance, major developments and other relevant updates regarding BFL Group.
Customer	No	Multiple channels - physical and digital.	Periodic and need based	Servicing across the lifecycle of the customer, redressal to queries / grievances that the customer may have, Voice of Customer (VOC) and surveys, product/ service offerings and periodic communication to provide update on various lifecycle events over digital channel.
Government and Regulators	No	Multiple channels - physical and digital.	Need based	To provide recommendations or feedback on draft policies and make representations on various subjects before regulators and associations for advancement and improvement of financial services industry in India.
Employees	No	Multiple channels - physical and digital such as ESAT survey, Human Resources Contact Centre (HRCC), HR pulse assessments, confluence, and performance appraisals.	Frequent and need based	To create a thriving, safe and inclusive workplace for its employees and provide merit-based opportunities for professional development and growth.
Value chain Partner	No	Multiple channels - physical and digital including in-person meetings, emails, performance discussions, trainings, policies and processes and periodical meets/ conferences, etc	Frequent and need based	To enhance the access and understanding of relevant and financial products and services of the Company.
Society	Yes	Multiple channels - physical and digital.	Frequent and need based	To promote social welfare activities for inclusive growth, fair and equitable development, and well-being of society through our business functioning.

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## Leadership Indicators

### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

BFL Group to the extent considered necessary and permitted by regulations, ensures transparent communication and access to relevant information about its decisions that impact relevant stakeholders, keeping in mind the need to protect confidential competitive plans and information.

Engagement with stakeholders is a continuous process, as part of BFL Group's business activities. Such engagement is generally driven by the responsible business functions, with senior executives also participating based on the need of the engagement. The Board of Directors (BoD) are updated on various developments arising out of such engagement and they provide their guidance / inputs on such matters.

As a matter of full transparency, BFL communicates key strategies of its Long-Range Strategy which is a 5-year rolling plan with various stakeholders through investor presentations, Annual Report, townhalls with dealers, distributors and employees, and Annual General Meeting presentation.

### 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. Continuous engagement with stakeholders helps in aligning expectations, thereby enabling the BFL Group to better serve its stakeholders.

The Company personnel interact with various stakeholders to understand the evolvement and relevance of ESG topics, their impact, and expectations from the Company. Based on such interactions, BFL has, over last few years, enhanced its reporting on business responsibility and also started certain new initiatives. BFL Group believes that it is still learning the evolving aspects of ESG and lays significant importance to such interactions.

### 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

BFS Group companies through their CSR policies have taken up various initiatives and activities for the benefit of different segments of the society, with focus on the marginalised, poor, needy, deprived, under-privileged and differently abled persons.

## PRINCIPLE 5: Businesses should respect and promote human rights

### Essential Indicator

#### 1. Employees and workers who have been provided training on human rights issues and policy (ies) of the entity, in the following format:

Category	FY2023			FY2022		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Permanent and other than permanent employees						
Permanent and other than permanent workers						

NA: BFL Group is engaged in financial services businesses which does not require services of workers.

Note: Any Employee who works in any BFL Group must adhere to the commitment of BFL Group to integrity and ensure following the principles laid down in CoEPC which amongst other things includes principles of mutual

P1 respect, privacy, equal opportunities and non-discrimination, health, safety and environment, prevention of  
P2 sexual harassment.

P3 Our commitment to employees' rights is enshrined in the Employee Charter - Human Rights Statement of  
P4 BFL Group- which sets out what employees can reasonably expect from the company (Employee Rights)  
P5 and the responsibilities and qualities that are expected from them while performing their duties (Employee  
P6 Responsibilities). It also lays down the principles of equal opportunity and non-discrimination, anti-corruption  
P7 and bribery, prohibition of forced and child labour, transparency, safe healthful and harassment-free workplace,  
amongst others.

P8 BFL runs ESG awareness programs for its employees to create awareness on ESG initiatives (including human  
P9 rights) for its employees through use of social media as well as internal communication channels-Intranets, HR  
bulletins, Video Snippets, etc.

## 2. Details of minimum wages paid to employees and workers, in the following format:

Category	Total (A)	FY2023				Total (D)	FY2022			
		Equal to Minimum Wage		More than Minimum Wage			Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
<b>Permanent</b>										
Male	41,048	22	0.05%	41,026	99.95%	33,982	354	1%	33,628	99%
Female	2,099	2	0.10%	2,097	99.90%	1,443	34	2%	1,409	98%
<b>Other than Permanent</b>										
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Workers</b>										
<b>Permanent</b>										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Other than Permanent</b>										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

NA: BFL Group is engaged in financial services businesses which does not require services of workers.

## 3. Details of remuneration/salary/wages, in the following format

	Male		Female	
	Number	Median remuneration/salary/wages of respective category (₹ in crore)	Number	Median remuneration/salary/wages of respective category (₹ in crore)
BoD – Whole-time Director*	1	18.04	0	0.00
BoD - non-executive Directors*	6	0.40	1	0.20
Key Managerial Personnel*	2	3.72	0	0.00
Employees other than BoD*	43,355	0.07	2,143	0.09
Workers	NA	NA	NA	NA

Note: This data pertains to BFL

NA: BFL Group is engaged in financial services businesses which does not require services of workers.

\* The above remuneration is exclusive of fair value of options granted as per black Scholes model in the year of vesting

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**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes. BFL Group has a Disciplinary Action Committee (DAC) that addresses all the human rights related issues raised by employees. Additionally, BFL Group has a well-defined Grievance redressal mechanism for its employees which are governed through CoEPC, Employee Charter – Human Rights statement, Whistle Blower and Vigil mechanism policies.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

While BFL Group aims to not have a situation that leads to any grievance; should such a situation arise, BFL Group has a well-defined Grievance redressal mechanism for its employees which are governed through CoEPC, Employee Charter, Disciplinary Action Committee, Whistle Blower and Vigil Mechanism Policies. A formal grievance mechanism is available to all employees, to report or raise their concerns confidentially and anonymously, without fear of any retaliation. Additionally, we have dedicated channels such as Human Resource Contact Centre (HRCC), HR Pulse connects and Central Emergency Service Desk (CESD) wherein all the grievances, emergencies and incidents can be reported.

BFL Group regards respect for human rights as one of its fundamental and core values and strives to support, protect, and promote human rights to ensure that fair and ethical business and employment practices are followed.

BFL Group believes that every workplace shall be free from violence, harassment, intimidation and/or any other unsafe or disruptive conditions, either due to external or internal threats. Accordingly, BFL Group has aimed to provide reasonable safeguards for the benefit of employees at the workplace, while having due regard for their privacy and dignity. BFL Group also has zero tolerance towards and prohibits all forms of slavery, coerced labour, child labour, human trafficking, violence or physical, sexual, psychological, or verbal abuse. As a matter of policy, BFL Group does not hire any employee or engage with any agent or vendor against their free will.

Across the BFL Group, Designated Ethics Officer at each of the companies deals with the issues of the respective Company. BFL Group employees must promptly report any violation of this Code to their Manager and to the Ethics Officer.

**6. Number of Complaints on the following made by employees and workers:**

	FY2023			FY2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	3	0		3	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/ Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

A formal grievance mechanism is available to all employees to report or raise their concerns confidentially and anonymously, without fear of retaliation, along with mechanism to consult on ethical issues through the explicit means provided by CoEPC, Employee Charter, Disciplinary Action Committee, Whistle Blower and Vigil Mechanism Policies. BFL Group prohibits retaliation against any employee who reports in good faith any suspected or potential violation of the Code of Ethics and Personal Conduct of the Company which includes aspects of discrimination and harassment.

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It is the duty of every employee to report instances of possible CoEPC violations that they are aware of. At BFL Group, sharing a possible concern about the code honestly and in good faith, even if it turns out to be unfounded – is never an excuse for any kind of retaliation. The Ethics Officers will ensure CoEPC investigations are conducted in a fair and confidential manner and that there will not be any adverse impact on employees who highlight possible CoEPC violations in good faith.

BFL also prohibits retaliation for using any of BFL's complaint reporting procedures, if made in good faith, or for filing, testifying, assisting, or participating in any investigation conducted by a government enforcement agency.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes. The Company appreciates the inherent, universal, indivisible, inalienable and interdependent nature of human rights. Accordingly, the company has included ESG specific clauses which covers the general human rights parameters in the vendor contracts.

**9. Assessments for the year:**

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	
Forced/involuntary labour	BFL Group expects and strives to influence its employees to adhere and respect human rights values and principles. BFL through its Own My Branch (OMB) program interacts with employees at branches to assesses any work and human rights related issues.
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Based on its ongoing reviews of human resource practices BFL Group did not find any significant risk/ concerns in the above areas during the year under review and accordingly no corrective actions were warranted.

**Leadership Indicators**

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

There have been no significant human rights grievances / complaints warranting modification / introduction of business processes.

**2. Details of the scope and coverage of any Human rights due diligence conducted.**

BFL Group has a robust mechanism to track human rights related queries and grievances raised by the employees. All complaints raised are tracked and considered for timely resolution. In addition, BFL Group expects and strives to influence its stakeholders to adhere to the same values, principles and business ethics upheld by BFL Group in all their dealings.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

BFL Group offers its customers ready access to its offices. Various corporate offices of BFL Group, have ramps for easy movement of differently abled people.

BFL group has over the years made a conscious effort to digitize its customer service framework. The group has made a considerable headway in minimising in-person customer interactions. It has mapped the entire lifecycle of the customer interactions and made available all possible customer requests, such as, soft copy of agreements, repayment schedules, yearly interest certificates, statements of accounts, loan closure and no dues certificates, release of hypothecation and mortgages, Deposit receipts, etc in a digital mode. These service requests being fulfilled digitally obviate the need for customer visits to BFL offices.



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#### 4. Details on assessment of value chain partners:

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual Harassment	BFL Group expects and strives to influence its value chain partners to adhere to the same values, principles and business ethics upheld by BFL Group in all their dealings. No specific assessment in respect of value chain partners has been carried out, other than certain elements covered in annual review of processes and controls of select sample of value chain partners by BFL Group.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

#### 5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No corrective actions pertaining to Question 4 was necessitated by BFL Group during the year under review.

### PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

#### Essential Indicator

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Unit of Measurement	FY2023	FY2022*
Total electricity consumption (A)	Gigajoules	112,232.47	85,022.00
Total fuel consumption (B)	Gigajoules	28,347.00	21,045.21
Energy consumption through other sources (C)	Gigajoules	1,017.16	145.00
<b>Total energy consumption (A+B+C)</b>	Gigajoules	141,596.63	106,212.21
Energy intensity per crore of consolidated total revenue from operations (Total energy consumption consolidated total revenue from operations)	Per crore of Consolidated Total Revenue from Operations	3.42	3.36
Energy intensity (optional)- (Total energy consumption/consolidated total loan portfolio)	Per crore of Consolidated Total Loan Portfolio	0.58	0.55

\* Number in gigajoules recomputed taking into consideration appropriate conversion factor.

Note: The conversion factors used for converting the unit of measurement to gigajoules have been sourced from [www.eia.gov](http://www.eia.gov)

#### Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. During the year, an independent limited assurance has been carried out by DNV Business Assurance India Pvt. Ltd. for FY2023.

#### 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable

P1 **3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY2023	FY2022
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water		
(ii) Groundwater		
<b>P6</b> (iii) Third party water		
(iv) Seawater/desalinated Water		
(v) Others		
<b>Total volume of water withdrawal (in kiloliters) (i+ii+iii+iv+v)</b>		
<b>Total volume of water consumption (in kiloliters)</b>		
<b>Water intensity per rupee of turnover</b> (Water consumed/turnover)		
<b>Water intensity</b> (optional)-the relevant metric may be selected by the entity		

Please refer to the note below

Note: BFL Groups’ usage of water is limited to employees and visitors’ consumption only. Given that most offices/ branches of BFL Group are present in shared premises, total freshwater consumption is not accounted. Efforts have been made to ensure that water is consumed judiciously in the office/ branch premises.

**Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Zero liquid discharge is not applicable to BFL group given the nature of its business.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY2023	FY2022
NOx			
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others-Please specify			

Please refer to the note below

Note: As a financial services company, air emissions from our operations are not significant. However, we do monitor our GHG emissions which have been appropriately disclosed in this Report.

**Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No

P1 **6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

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Please refer to GHG Assurance report.

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Parameter	Unit	FY2023	FY2022
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	11,648.51	8,342.40
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	24,629.48	18,616.12
<b>Total Scope 1 and Scope 2 emissions</b>	Metric tonnes of CO <sub>2</sub> equivalent	36,277.98	26,958.52
<b>Total Scope 1 and Scope 2 emissions per crore of consolidated total revenue from operations</b>	Per crore of Consolidated Total Revenue from Operations	0.88	0.85
<b>Total Scope 1 and Scope 2 emissions per crore of consolidated Total Loan Portfolio</b>	Per crore of Consolidated Total Loan Portfolio	0.15	0.14

**Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes. During the year, an independent limited assurance has been carried out by DNV Business Assurance India Pvt. Ltd. for FY2023.

**7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Yes. BFL has undertaken various projects on environmental sustainability such as:

- Reducing paper consumption: It has been an endeavour of BFL over last many years to keep reducing paper consumption across all its business operations.
- Rooftop Solar Power Generation: BFL is endeavouring to reduce its GHG emissions pertaining to its office activities through installation of rooftop solar power generation capacity. Rooftop solar power plants with an installed capacity of 562.8 KW have been commissioned during the year.
- BFL has replaced the employee inter office travel shuttles with Electric vehicles. In FY2023, BFL has introduced 18 new Electric Vehicles (EV) in the fleet.
- BFL is making a significant transformation in its business operations through its 'Omnichannel Strategy' which enables customer with various Do-it-anywhere and Do-it-yourself options for servicing and buying needs thereby reducing the need for travel – resulting in saving in GHG emissions. BFL, thus far, has seen nearly 35% reduction in its customer walk in to branches for servicing needs.

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY2023 (in metric tonnes)	FY 2022 (in metric tonnes)
Plastic waste (A)		
E-waste (B)	6.2	7.5
Bio-medical waste(C)		
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste(F)		
Other Hazardous waste. Please specify, if any (G)		
Other Non-hazardous waste generated (H). Please specify if any (Break-up by composition i.e by materials relevant to the sector)		
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>6.2</b>	<b>7.5</b>

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Parameter	FY2023 (in metric tonnes)	FY 2022 (in metric tonnes)
<b>For each category of waste generated, total waste recovered through recycling-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled		
(ii) Re-used		
(iii) other recovery operations		
<b>Total</b>		
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations	6.2	7.5
<b>Total</b>	<b>6.2</b>	<b>7.5</b>

Note: Given the nature of business, the information with respect to the relevant category of waste has been provided above

**Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

E-waste recycling is carried out by certified e-waste vendors across all offices of the BFL Group and green certificates have been received in this regard. No external assessments have been done.

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Given the nature of the business, there is no usage of hazardous and toxic chemicals by BFL Group companies. BFL Group has systems in place to manage e-waste and engages with certified e-waste handlers for disposal of e-waste.

6.2 Metric Tonne of e-waste generated has been disposed through authorised recyclers in FY2023. BFL Group has received green, disposable and re-cycling certificates from the respective e-waste handlers.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
			Nil

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

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**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

S. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
	BFL Group is in compliance with applicable environmental norms applicable to the nature of its business.			

### Leadership Indicators

**1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	Unit of Measurement	FY2023	FY2022*
<b>From renewable sources</b>			
Total electricity consumption (A)	Gigajoules	1,017.16	145.00
<b>From non-renewable sources</b>			
Total electricity consumption (B)	Gigajoules	112,232.47	85,022.00
Total fuel consumption (C)	Gigajoules	28,347.00	21,045.21
<b>Total energy consumed from non-renewable sources (A+B+C)</b>	Gigajoules	141,596.63	106,212.21

Note: Rooftop Solar power plants with an installed capacity of 562.8 KW have been commissioned during the year

\*Number in gigajoules recomputed taking into consideration appropriate conversion factor.

Note: The conversion factors used for converting the unit of measurement to gigajoules have been sourced from www.eia.gov

**Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes. During the year, an independent limited assurance has been carried out by DNV Business Assurance India Pvt. Ltd. for FY2023.

**2. Provide the following details related to water discharged:**

Parameter	FY2023	FY2022
<b>Water discharge by destination and level of treatment (in kiloliters)</b>		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third- parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

Given the nature of business, the same is not relevant

**Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No

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**3. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres): For each facility / plant located in areas of water stress, provide the following information:**

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption, and discharge in the following format:

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Parameter	FY2023	FY2022
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
<b>Total volume of water withdrawal (in kilolitres)</b>		
<b>Total volume of water consumption (in kilolitres)</b>		
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)		
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity		
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

Given the nature of business, the same is not relevant

Given the nature of business, the same is not relevant

**Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY2023	FY2022
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	13,140.86	5,798.95
<b>Total Scope 3 emissions per crore of consolidated total revenue from operations</b>	Per crore of Consolidated Total Revenue from Operations	0.32	0.18
<b>Total Scope 3 emissions per crore of consolidated Total Loan Portfolio</b>	Per crore of Consolidated Total Loan Portfolio	0.05	0.03

For details, please refer to GHG Assurance report.

**Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes. During the year, independent limited assurance has been carried out by DNV Business Assurance India Pvt. Ltd. for FY2023.

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**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not applicable

**6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Please refer the note below			

Note: BFL Group constantly strives for Environment protection and welfare. Accordingly, in FY2023, we had implemented certain Environmentally responsible practices and initiatives that contribute to achieve a positive impact on the Environment, for more details please refer to response provided at Q.3, Q.7 and Q.9 of the "Essential Indicators" as above. We also have a robust Environmental Policy that endeavors to integrate sound environmental practices and governance systems in it's day to day operations to minimize environmental impact. Additionally, we have voluntarily undertaken our GHG accounting since last two years to stay updated on our carbon footprint.

**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes. The Company has business continuity strategy and framework (BCP) which is also compliant with applicable regulatory requirements and includes disaster management protocols. BCP envisages likely disruptive events, their probability and their impact on business operations which is assessed through business impact analysis. It aims to eliminate or minimise any potential disruption to critical business operations. It also includes Disaster Recovery (DR) procedures to quickly recover from an emergency. Annual BCP and DR drills are conducted to ensure that they are effective under the present business processes, infrastructure, personnel, etc

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

BFL Group's operations as a financial services company does not present any significant adverse impact to the environment.

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Nil

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

**1. a. Number of affiliations with trade and industry chambers/ associations.**

BFL through its parent company i.e BFS is member of 2 trade and industry chambers/ associations. It proactively contributes to the discussions and resolutions within the scope of these forums.

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No	Name of the trade and industry chambers/ associations	Company Name	Reach of trade and industry chambers/ associations (State/ National)
1.	Confederations of Indian Industry	BFS	National
2.	World Economic Forum	BFS	International

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**2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of Authority	Brief of case	Corrective action taken
Please refer note below		

Note: BFL group had no adverse orders from any regulatory authorities relating to anticompetitive activities. Hence, No corrective action was necessitated by the Group during the year under review.

**Leadership Indicators**

**1. Details of public policy positions advocated by the entity:**

S. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others - please specify)	Web Link, if available
Please refer the note below					

Note: BFL keenly participates in putting forward its views on the setting of new industry standards or regulatory developments pertaining to the NBFC sector. While making recommendations, BFL attempts to balance the interest of various stakeholders.

It maintains regular engagement with the Government agencies and regulators and stands committed to providing timely and accurate information, suggestions and recommendations, feedback on draft policies, etc. as and when required. This also enables BFL to understand their areas of focus and concerns.

BFL engages in public and regulatory policy development process by providing suggestions to draft notifications, and interactions with various bodies / regulators on matters significant to the industry and society at large. BFL also makes recommendations to various regulators in the larger interest of the industry. All interactions with the Government and regulators are done by authorised officials of the respective company.

BFS (Parent Company) is a member of World Economic Forum and Confederation of Indian Industries (CII), through which it actively engages in policy advocacy. These engagements are overseen by Sanjiv Bajaj, Chairman & Managing Director of BFS, also, the President of CII with effect from May 2022.

**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Please refer the note below					

Note: During the year 2 projects were assessed by external Impact Assessment Agencies as mandated by the CSR regulations. The agencies have submitted their detailed reports which are uploaded on Company website\*. All Projects that underwent Impact Assessments met all project objectives as per the assessment reports

\*Link: <https://www.bajajfinserv.in/corporate-bajaj-finance>

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable						



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**3. Describe the mechanisms to receive and redress grievances of the community.**

The BFS Group Companies have various mechanisms to receive and redress grievances of various stakeholders. Details of such mechanisms and policies is detailed in CSR policy disclosed on the website.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY2023	FY2022
Directly sourced from MSMEs/ small producers	10.36%	3.29%
Sourced directly from within the district and neighbouring districts	As a financial services organisation, BFL Group does not require any substantial input material to conduct financial service business.	

**Leadership Indicators**

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Not applicable	

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies;**

S No.	State	Aspirational District	Amount spent (In INR)
None			

**3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)**

**(b) From which marginalised /vulnerable groups do you procure?**

**(c) What percentage of total procurement (by value) does it constitute?**

Not applicable

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Sr. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not applicable				

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved**

Name of authority	Brief of the Case	Corrective action taken
No corrective actions pertaining to above mentioned parameters was necessitated by BFL Group during the year under review.		

**6. Details of beneficiaries of CSR Projects:**

Theme	Category	Beneficiaries (in thousands)
Child	Education	297
	Health	170
	Physical and Intellectual disabilities	31
	Prevention of Mortality	365
	Protection	75
Youth	Livelihood Initiatives	64
	Skilling for employment/Self-employment	26
	Youth - PWD – Skilling (Beneficiaries – 430)	0
Others	Mental health and Sanitation	65

Section A

Section B

Section C

P1		Mental Health	4
P2	Physical Wellbeing Projects	Support to Epilepsy centre-optical reader for tissue analysis	
P3		Support for Phototherapy unit and cooling system for vitiligo treatment.	
P4		Leica Surgical Microscope for Neurosurgery	1
P5	Construction Projects	Muktangan Mitra Renovation (Phase 1)	
P6		Padma Bhushan Rahul Bajaj Cyber Knife Centre (Proposed by Ruby Hall)	
P7		Support for the construction of Asawali Unit	
	Total beneficiaries		1,098

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- The beneficiaries are for active projects and not as per the financial year.
- 100% of beneficiaries are from vulnerable and marginalised groups as all the CSR initiatives and activities taken up at the various work centres and locations of the company benefit different segments of the society, with focus on the marginalised, poor, needy, deprived, under-privileged and differently abled persons.

For more details on the CSR initiatives undertaken during the year, refer Empowering Society section of the ESG report at <https://www.bajajfinserv.in/finance-investor-relation-annual-reports>.

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Timely and appropriate customer grievance redressal is imperative. In fact, we aim to reduce the grievances learning from our experiences, through root cause analysis. BFL Group’s dealings with its customers are professional, fair, and transparent. BFL Group has a robust customer services governance framework and same are enumerated under “Customer Obsession” section of ESG report at <https://www.bajajfinserv.in/finance-investor-relation-annual-reports>

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information**

**As a percentage to total turnover**

Environmental and social parameters relevant to the product	Transparency and fairness in dealings with customers is followed across BFL Group. None of the products withhold any relevant information needed by the customers to make informed decisions.
Safe and responsible usage	
Recycling and/or safe disposals	

**3. Number of consumer complaints in respect of the following:**

	FY2023			FY2022		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber security	0	0		0	0	
Restrictive Trade practices	0	0		0	0	
Unfair Trade practices	0	0		0	0	
Others	7,872	7	Pending complaints has been resolved by 7 April 2023	8,059	0	

- P1 Some of the initiatives in this regard are:
- P2
- P3
- P4
- P5
- P6
- P7
- P8
- P9**
- BFL Group through its charters and policies etc, communicate customer rights, company commitments, grievance redressal mechanism and ombudsman scheme, as applicable. These policies and communications emphasise our commitment to fair practices by maintaining transparency in products and services offered.
  - Dedicated customer complaint reduction units are in place, to review the grievance redressal mechanism under oversight of the Boards of respective material subsidiaries.
  - Customer grievances are also reviewed with focus on identification of root cause, corrective action plans and customer service initiatives.

#### 4. Details of instances of product recalls on account of safety issues.

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		Not applicable

#### 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. BFL has adopted an information security framework to establish, implement, monitor, and constantly improve its information security posture. We focus on privacy of customer information and data security. The Company has 'Data Privacy Policy' in place and same is available on the website of the Company. BFL Group is compliant with ISO 27001:2013 Information security management system. BFL Group is compliant with the applicable regulatory framework and guidelines. For more details, please refer to section on "Information security, cyber security and fraud controls" section of the ESG report at <https://www.bajajfinserv.in/finance-investor-relation-annual-reports>.

#### 6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

No penalties or regulatory action has been levied or taken on the above-mentioned parameters.

### Leadership Indicators

#### 1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

BFL Group envisages to be an omnipresent financial company which will enable its existing and new customer to engage, transact and be serviced online to offline and vice versa. Information relating to various financial services provided by the BFL Group is available on the website, <https://www.bajajfinserv.in/corporate-bajaj-finserv>.

Further, please refer to "Customer Obsession" section of ESG report at <https://www.bajajfinserv.in/finance-investor-relation-annual-reports>.

#### 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

As a responsible corporate, it is imperative to not just do business with customers, but also educate them and make them more aware of what could be good or bad for them, frauds, addressing their questions on financial products, etc.

BFL Group has mechanisms to inform customers on usage of products and services offered. Continuous and contextual communication across the customer lifecycle through - press releases, yearly customer engagements, company website and blogs, social media campaigns, use of video content, feature based audio-visual content for ease of understanding, etc. have helped us educate and create awareness amongst our customers and society at large.

Further, please refer to "Customer Obsession" section of ESG report at <https://www.bajajfinserv.in/finance-investor-relation-annual-reports>.

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**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Technology enabled seamless customer experience has been the hallmark of our businesses. Each business is unique and so is its approach towards enhancing customer experience. But the core objectives that tie them together and stay the same are simplification of processes, ease of use and quick and appropriate response. In the current technology age, information security, cyber security, and fraud controls have become extremely critical. The need for robust control over these areas find a dominant place in our information technology framework. These controls obviate disruptions and security threats endangering loss of customer data and disruption in business operations.

In line with the RBI regulation, the Company shall give ninety days advance notice in newspaper before re-allocation or closure of branch office.

During the year, there were no major disruptions of critical services of the Group.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

Transparency and fairness in dealings with customers is followed across BFL Group. None of the products withhold any relevant information needed by the customers to make informed decisions.

The BFL Group through its charters, policies, etc. communicate the customer rights, company commitments, grievance redressal mechanism and ombudsman scheme, as applicable which emphasise our commitment to fair practices by maintaining transparency in products and services offered.

**5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes. BFL has adopted Net Promoter Score (NPS) as a mechanism to gauge customer experience including collections processes. NPS is a comprehensive global methodology to measure customer loyalty. This survey is conducted through an independent third party and its outcome is given due importance in the Company's planning process.

**6. Provide the following information relating to data breaches:**

- a. **Number of instances of data breaches along-with impact** None
- b. **Percentage of data breaches involving personally identifiable information of customers** None.

The BFL Group has not witnessed any instances of data breaches during the year.

# INDEPENDENT ASSURANCE STATEMENT

## Introduction

DNV Business Assurance India Private Limited ('DNV') has been commissioned by the management of Bajaj Finance Limited ('the Company' or 'Bajaj Finance', Corporate Identification Number: L65910MH1987PLC042961) to undertake an independent assurance of Bajaj Finance's Business Responsibility and Sustainability Reporting ('BRSR') disclosures (the 'Report') which shall form part of the Company's Business Responsibility and Sustainability Report FY2023 in its digital/online format. The disclosures in this Report have been prepared based on the requirements of SEBI Circular no. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, prescribing format of the BRSR and the guidance notes and the nine principles of the National Guidelines on Responsible Business Conduct, 2019 ('NGRBC') of the Ministry of Corporate Affairs, Government of India. The intended user of this assurance statement is the Management of Bajaj Finance ('the Management') and its stakeholders. Our assurance engagement was planned and carried out during February 2023 – June 2023 covering the Company's non-financial/sustainability performance during 1 April 2022 to 31 March 2023. We performed a limited level of assurance based on our assurance methodology, VeriSustain<sup>TM1</sup>.

## Responsibilities of the Management of Bajaj Finance and of the Assurance Provider

The Management has the sole responsibility for the preparation of the Report and are responsible for all information disclosed in the Report as well as the processes for collecting, analyzing and reporting the information presented in the Report. Bajaj Finance is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on sustainability performance. In performing this assurance work, DNV's responsibility is to the Management of Bajaj Finance; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of Bajaj Finance.

We do not provide any services to Bajaj Finance which in our opinion constitutes a conflict of interest with this assurance work. Our assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith and are free from material misstatements.

## Scope, Boundary and Limitations

The reporting scope and boundary encompasses economic, environmental, social and governance performance of Bajaj Finance in India covering the financial and insurance services-related operations of Bajaj Finance Limited and its subsidiaries – (i) Bajaj Housing Finance Limited (BHFL) and (ii) Bajaj Financial Securities Limited (BFinsec) as brought out in Section A: General Disclosures of the BRSR.

The assurance engagement considers an uncertainty of  $\pm 5\%$  based on materiality threshold for estimation/measurement errors and omissions. We did not engage with any external stakeholders as part of this assurance engagement.

During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement. The reported data on economic performance, expenditure towards Corporate Social Responsibility (CSR) activities, and other financial data are based on financial statements prepared by Bajaj Finance and audited by its statutory auditors which is subject to a separate audit process. We were not involved in the review of financial information within the Report.

## Basis of our Opinion

As part of the assurance process, a multi-disciplinary team of sustainability specialists performed assurance work for selected sample sites of Bajaj Finance. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to Bajaj Finance's business and its key stakeholders. We carried out the following activities:

- Reviewed the approach to stakeholder engagement and materiality determination process and its outcomes as brought out in the Report.

<sup>1</sup>The VeriSustain protocol is based on the principles of various assurance standards including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and the GRI Principles for Defining Report Content and Quality, international best practices in verification and our professional experience; and is available on request from [www.dnv.com](http://www.dnv.com)

- Conducted interviews with selected representatives responsible for management of sustainability issues and implementation of the NGRBC Principles and carried out reviews of selected evidence to support topics and claims disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility to deliver Bajaj Finance's overall sustainability objectives.
- Carried out Onsite verification of sustainability performance data and sample evidence related to the sampled offices of Bajaj Finance Limited and its subsidiaries – BHFL and BFSL to review the processes and systems for aggregating site-level sustainability information, as well as overall aggregation and consolidation of data from sites by the sustainability team at the Corporate Office at Pune in Maharashtra.
- Reviewed the process of reporting on BRSR requirements including Section A: General Disclosures, Section B: Management and Process Disclosures, and Section C: Principle-wise Performance Disclosures.
- Carried out an assessment of the processes for gathering and consolidating performance data related to the NGRBC Principles and, for a sample, checked the processes of data consolidation to assess the Reliability and Accuracy of performance disclosures reported based on BRSR requirements.
- Verification of the data consolidation of reported performance disclosures in context to the Principle of Completeness as per VeriSustain for a limited level of verification.
- An independent assessment of the reports non-financial information against the requirements of BRSR and the guidance notes.

## Opinion and Observations

Based on the verification undertaken, nothing has come to our attention to suggest that the Report together with referenced information does not adhere to the requirements of BRSR including the General Disclosures, Management and Process Disclosures, and Principle-wise Performance Disclosures.

Without affecting our assurance opinion, we provide the following observations against the principles of VeriSustain:

### Materiality

The process of determining the issues that is most relevant to an organization and its stakeholders.

The Report brings out the broad range of with the rationale for issues which the Company has identified as being material to its business which are mapped as risks and opportunities, along with the rationale for considering the issue as being material. Key ESG risks, stakeholder opinions and concerns, and peer issues were taken into account while arriving at overall topics which were further prioritized to arrive at the significant material issues.

**Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.**

### Stakeholder Inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

The Report brings out the formal and informal channels in place to engage with its various identified stakeholders, including descriptions of the methods, frequencies and basis of engagement with each stakeholder group, as well as opinions and concerns arising out of the engagement processes during the reporting period. Inputs from the stakeholder engagement are used towards identifying key ESG topics and refining the Company's policies and strategies.

**Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.**

## Responsiveness

The extent to which an organization responds to stakeholder issues.

The Report brings out the approaches adopted by the Company to adapt and/or mitigate impacts related to its identified material issues, as well as responses to key stakeholder concerns. The disclosures bring out the descriptions of structures, policies and processes implemented by Bajaj Finance towards adopting and reviewing the NGRBC Principles, as well as performance data, and processes for governance.

**Nothing has come to our attention to believe that the Report does not meet the requirements related to the Principle of Responsiveness.**

## Reliability

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.

The Report brings out the processes that Bajaj Finance has established towards capturing and reporting its sustainability performance related to each Principle of NGRBC. The majority of the data and information verified through our remote assessments with the Company's management teams and data owners at the operations sampled by us as part of our assurance engagement were found to be fairly accurate and reliable. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors. These data inaccuracies have been communicated for correction and the related disclosures were reviewed for correctness.

**Nothing has come to our attention to believe that the Report does not meet the principle of Reliability.**

## Completeness

How much of all the information that has been identified as material to the organisation and its stakeholders is reported?

The Report brings out the Company's performance during FY2023 related to economic, environmental, social and governance-related aspects of the BRSR and covering the operations of Bajaj Finance and its subsidiaries, covering the performance related to the nine NGRBC Principles. Bajaj Finance may further strengthen its processes towards capturing and reporting information and data related to Essential and certain Leadership Indicators of Principle-wise Performance Disclosures in future reporting periods.

**Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.**

## Neutrality

The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.

The Report brings out Bajaj Finance's sustainability performance during the reporting period in a neutral tone in terms of content along with descriptions of key risks and opportunities during the reporting period.

**Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.**

## Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct<sup>2</sup> during the verification engagement and maintain independence where required by relevant ethical requirements as detailed in DNV VeriSustain. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data except for this Assurance Statement, the GHG Verification Statement and Management Report. DNV maintains complete impartiality toward stakeholders interviewed during the verification process. We did not provide any services to Bajaj Finance in the scope of assurance during FY2023 that could compromise the independence or impartiality of our work.

For DNV Business Assurance India Private Limited

Bhargav Lankalapalli  
Lead Verifier

DNV Business Assurance India Private Limited, India.

Karthik Ramaswamy  
Technical Reviewer

DNV Business Assurance India Private Limited, India.

6th June 2023, Mumbai, India.

DNV Business Assurance India Private Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. [www.dnv.com](http://www.dnv.com)

<sup>2</sup>The DNV Code of Conduct is available on request from [www.dnv.com](http://www.dnv.com) (<https://www.dnv.com/about/in-brief/corporate-governance.html>)



# INDEPENDENT GREENHOUSE GAS VERIFICATION STATEMENT

## Introduction

DNV Business Assurance India Private Limited ('DNV') has been commissioned by the management of Bajaj Finance Limited ('the Company' or 'Bajaj Finance Limited', Corporate Identification Number: L65910MH1987PLC042961) to carry out an independent verification of Bajaj Finance Limited's Scope 1, Scope 2 and Scope 3 Greenhouse Gas Emissions (the 'GHG Emissions') data in spreadsheets and for itself and its two (2) subsidiaries for the period 1st April 2022 – 31st March 2023. This verification has been carried out as part of the overall work of assurance of Bajaj Finance Limited's Business Responsibility and Sustainability Reporting for FY 2022-23 and other disclosures as applicable.

The Company has prepared its GHG emissions based on the requirements set out in Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised edition) published by World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) to calculate its GHG emissions and reported in the Business Responsibility and Sustainability Reporting as mandated under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The verification provides a limited level of customized engagement as per DNV's VeriSustain<sup>TM1</sup> protocol, which is based on our professional experience, international assurance best practice including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised\* for Defining Report Content and Quality. This verification applies a  $\pm 5\%$  uncertainty threshold towards errors and omissions.

Bajaj Finance Limited is responsible for the collection, analysis, aggregation, preparation (conversion factors, assumptions, methodology, calculations) and presentation of GHG Emissions as part of its sustainability disclosures. Our responsibility of performing this work is to the management of Company and in accordance with terms of reference agreed with the Company. The verification engagement is based on the assumption that the data provided to us is complete, sufficient, true and free from material misstatements. DNV disclaims any liability or co-responsibility for any decision a person or entity would make based on this verification statement. The verification was carried out from March 2023 to May 2023 by a team of qualified sustainability and GHG assessors.

## Scope, Boundary and Limitations of Verification

The scope of work agreed upon with Company includes verification of its GHG emissions as below:

- Scope 1 emissions arising from stationary and mobile combustion of fossil fuels – Diesel and Petrol. Fugitive emissions from the leakage of refrigerants.
- Scope 2 emissions arising from consumption of purchased electricity from the grid.
- Scope 3 emissions arising from, business travel (air, train and road), shared diesel generators, freight goods, procurement of paper and hotel stay.

The operational boundary selected for reporting and the consolidation approach is based on operational control criterion adopted by Bajaj Finance Limited and includes itself and the following two subsidiaries in India:

- Bajaj Finance Limited
- Bajaj Housing Finance Limited
- Bajaj Financial Securities Limited

We did not come across any limitations to the agreed scope of work except the use of default values to calculate GHG emissions.

<sup>1</sup>The VeriSustain protocol is based on the principles of various assurance standards including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and the GRI Principles for Defining Report Content and Quality, international best practices in verification and our professional experience; and is available on request from [www.dnv.com](http://www.dnv.com)

## Verification Methodology

The verification was conducted by DNV in accordance with the requirements as set out in VeriSustain for a limited level of verification while adopting a risk-based approach and selection of samples. We carried out the following activities:

- Desk review of the Company's emissions data for FY 2022-23 provided in spreadsheets.
- Review of activity data and related evidence maintained in corresponding dashboard systems.
- Interaction with key managers and data owners to review data consolidation systems of the Company and sampled operational sites including reviews of emission factors and assumptions used for calculations.
- Remote verification of activity data and sample evidence related to the sampled offices of Bajaj Finance Limited and subsidiaries (Consumer finance & Auto finance, Bajaj Housing Finance Limited, Bajaj Financial Securities Limited).
- Review of the consolidated GHG emissions data in order to calculate the total emission of Bajaj Finance Limited and its subsidiaries with the corresponding environment and sustainability teams.

## Conclusion

On the basis of our verification methodology and scope of work agreed upon, nothing has come to our attention to believe that the GHG data (absolute emissions) as below are not a correct representation of Bajaj Finance Limited's and its subsidiaries GHG emissions profile during FY 2022-2023:

Indicator	Emissions for FY 2022-23		
	Bajaj Finance Limited	Bajaj Housing Finance Limited	Bajaj Financial Securities Limited
Scope 1 Emissions (tCO <sub>2</sub> e)	11,387.50	224.15	36.86
Scope 2 Emissions (tCO <sub>2</sub> e)	21,951.46	2,187.01	491.02
Scope 3 Emissions (tCO <sub>2</sub> e)	10,674.19	2,345.22	121.46
<b>Total (tCO<sub>2</sub>e)</b>	<b>44013.14</b>	<b>4,756.37</b>	<b>649.33</b>

Note 1: The average retail price of diesel and petrol used for calculating company owned vehicle's diesel & petrol consumption which is based on the data provided by Petroleum Planning and Analysis Cell data, Ministry of Petroleum and Natural Gas dated 17-March 2023.

Note 2: The average mileage of cab/hired vehicles as part of business travel – Diesel for Bajaj Finserv group Limited is assumed as 12.5 km / litre.

Note 3: The emission factor associated with all fuel types was obtained from UK Government GHG Conversion Factors for Company Reporting.

Note 4: Emissions factors for purchased electricity – Grid Emission factor based on weighted average factor of 0.79 tCO<sub>2</sub>/MWh from the CO<sub>2</sub> Baseline Database for the Indian Power Sector User Guide Version 17.0 October 2022.

Note 5: The average weight of courier parcel is considered for city to city with an assumed per parcel weight at 0.2 kg (200 gm per parcel average).

Note 6: The average refilling for refrigeration is conservatively being assumed with R22 and other refrigerant gases with an average rate of 0.7 kgs per Tonne.

Note 7: The average consumption of HSD by DG Set with the following assumed values: Electricity generating capacity – 800 KW, Derated electricity generating capacity 640 KW, Type of fuel used – HSD, Average load as % of derated capacity – 74, Specific fuel consumption – 0.324 Lit/KWh.

## Summary of Emissions:

Indicator	Factors	Emissions for FY 2022-23 (tCO2e)
<b>Scope 1 Emissions</b>	a) LPG used for cooking, b) diesel generators, c) company owned vehicles, d) Refrigerant release in air conditioners.	11,648.51
<b>Scope 2 Emissions</b>	Purchased electricity from the grid.	24,629.48
	<b>Total Scope 1 &amp; Scope 2 Emissions</b>	36,277.98
<b>Scope 3 Emissions</b>	a) Business travel; b) Employee commute; c) Fuel and energy related activities; d) Waste generated from operations (paper).	13,140.86
	<b>Total Scope 1, Scope 2 &amp; Scope 3 Emissions</b>	49,418.84

## DNV's Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct<sup>2</sup> during the verification engagement and maintain independence where required by relevant ethical requirements as detailed in DNV VeriSustain. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data except for this Verification Statement and Management Report. DNV maintains complete impartiality toward stakeholders interviewed during the verification process. DNV did not provide any services to Bajaj Finance Limited and its subsidiaries in the scope of verification during FY 2022-23 that could compromise independence or impartiality of our work.

For DNV Business Assurance India Private Limited,

Bhargav Lankalapalli

Lead Verifier

DNV Business Assurance India Private Limited, India.

Arun Aravind

Technical Reviewer

DNV Business Assurance India Private Limited, India.

Mumbai, India, 20th June 2023.

DNV Business Assurance India Private Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. [www.dnv.com](http://www.dnv.com).<sup>1</sup> The DNV Code of Conduct is available on request from [www.dnv.com](https://www.dnv.com/about/in-brief/corporate-governance.html) (<https://www.dnv.com/about/in-brief/corporate-governance.html>)

## Annexure 1: List of Policies

S. No.	Principle wise Policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Responsible and Sustainable Business Conduct Policy <sup>#</sup>	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Environmental Policy <sup>#</sup>	✓	✓		✓		✓		✓	✓
3	Code of Conduct to regulate, monitor and report trading by designated persons*	✓								
4	Fair practices code <sup>#</sup>	✓			✓					✓
5	Prevention of sexual harassment at workplace <sup>#</sup>	✓		✓		✓				
6	Disciplinary action and grievance redressal <sup>#</sup>	✓		✓		✓				
7	Code of Conduct for DSAs/DMA/Recovery Agents*	✓								✓
8	Code for independent directors*	✓								
9	Policy for dealing with Frauds*	✓								
10	Information Security Management policy*	✓								✓
11	Information Security Management policy – Payments Systems*	✓								✓
12	Cyber security policy*	✓								✓
13	Data Privacy Policy <sup>#</sup>	✓								✓
14	Outsourcing policy*	✓								✓
15	Vigil and whistle blower policy <sup>#</sup>	✓		✓		✓				
16	Know Your Customer Policy*	✓								✓
17	Corporate Social Responsibility (CSR) Policy <sup>#</sup>	✓			✓				✓	
18	Policy for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information*	✓								
19	Code of practices and procedures for fair disclosure and unpublished price sensitive information (UPSII) <sup>#</sup>	✓								
20	Policy on Materiality of Related Party Transaction policy <sup>#</sup>	✓								
21	Policy for determination of materiality for disclosure of events or information <sup>#</sup>	✓								
22	Interest Rate Policy <sup>#</sup>	✓			✓					✓
23	Policy on Fit and proper criteria for directors*	✓								
24	Performance Evaluation Criteria for Board, Committees of Board, Chairperson and Directors <sup>#</sup>	✓								
25	Code of Ethics and Personal Conduct <sup>#</sup>	✓		✓						
26	Mind Your Behavior*	✓		✓		✓				
27	Equal Employment opportunity and Non-Discrimination <sup>#</sup>	✓		✓		✓				
28	Corporate Communication Policy*	✓			✓					✓
29	Employee Charter – Human Rights*	✓		✓	✓					
30	IJP policy*			✓						
31	Auto Promotion Policy*			✓						
32	Recognition Policy*			✓						
33	iCare Policy*			✓						

S. No.	Principle wise Policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
34	Employee and parental insurance policy*			✓						
35	Creche policy*			✓						
36	Staff welfare & team engagement Policy*			✓						
37	Fortnightly salary advance*			✓						
38	Money on call*			✓						
39	Dividend Distribution Policy#	✓			✓					
40	Board Diversity Policy*	✓								
41	Fraud Detection Policy*	✓			✓					
42	Corporate Audit Services (CAS) Risk Based Internal Audit (RBIA) Policy Document*	✓								
43	Grievance Redressal Mechanism*	✓			✓	✓				✓
44	Internal Ombudsman SOP*	✓								✓
45	Internal Ombudsman Scheme for Pre-paid Payment Instruments (PPIs)*	✓								✓
46	Customer Protection & Grievance Redressal Policy for Prepaid Payment Instruments*	✓			✓					✓
47	Sustainable Business Strategy Framework*	✓			✓					
48	Policy for Monitoring End-Use of Funds*	✓								✓
49	Record maintenance and retention policy*	✓								
50	Risk Management Policy*	✓								
51	Investment & Market Risk Policy*	✓								
52	Asset Liability Management Policy*	✓								
53	Business Continuity Management Policy*	✓								✓
54	Policy on dealing in securities of group companies*	✓								
55	Remuneration policy*	✓		✓						
56	Password procedure policy*	✓								
57	Online Security*	✓			✓					✓
58	Business Continuity Policy - Operations*	✓								
59	Compliance Policy*	✓								
60	Corporate Audit Services (CAS) - Risk Based Internal Audit(RBIA) Policy Document*	✓								
61	Corporate Governance Guidelines*	✓								
62	Framework for Corporate Governance in Subsidiary companies*	✓								
63	Information Security Management System - Information Security Management Policy*	✓								
64	Institutional mechanism for prevention of insider trading*	✓								
65	Internal Capital Adequacy Assessment Process Policy (ICAAP)*	✓								
66	Policy for compensation of Key Managerial Personnel and SMT*	✓								
67	Retirement Policy*			✓						
68	Code of conduct for directors and members of senior management#	✓								

\* internal document; # accessible to public

# Annexure 2: Mapping United Nations Sustainable Development Goals (UNSDG)

We have mapped our initiatives under the BRSR principles to the United Nations Sustainable Development Goals

## Principle 1 :

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.



## Principle 2 :

Businesses should provide goods and services in a manner that is sustainable and safe.



## Principle 3 :

Businesses should respect and promote the well-being of all employees, including those in their value chains.



## Principle 4 :

Businesses should respect the interests of and be responsive to all its stakeholders.



## Principle 5 :

Businesses should respect and promote human rights.



## Principle 6 :

Businesses should respect and make efforts to protect and restore the environment.



## Principle 7 :

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.



## Principle 8 :

Businesses should promote inclusive growth and equitable development.



## Principle 9 :

Businesses should engage with and provide value to their consumers in a responsible manner.



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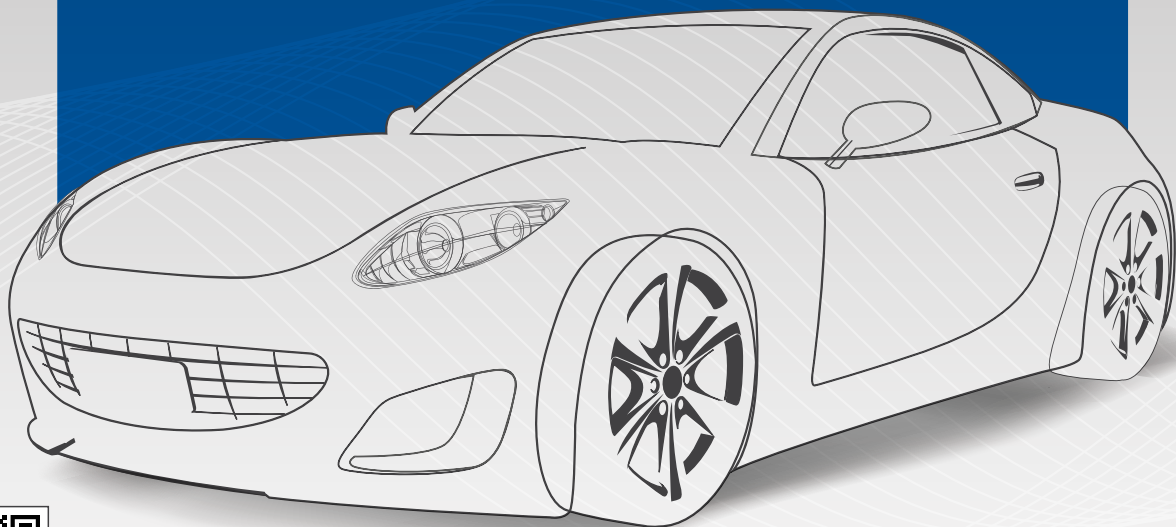
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