

# Being Responsive **Being Responsible**

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## **Business Responsibility & Sustainability Report**

*(also includes elements of Environmental,  
Social and Governance)*

**FY2022**



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## About the Cover

The cover image showcases a macro view of the vastness of a landscape of forests and lush greenery, a symbolic representation of the vision that Bajaj Finserv takes of the financial services businesses from the standpoint of its role as a Group entity. The caption of the theme '**Being Responsive, Being Responsible**' speaks of our broader commitment to the community, playing the role of a responsive and responsible corporate organisation – being responsive to the needs while acting responsibly through our various ventures as befits a market leader and a holding company of our size.



# Preface

The Securities and Exchange Board of India (SEBI) from FY2023 has mandated India's top 1,000 listed entities based on market capitalisation on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) to submit 'Business Responsibility and Sustainability Report' (BRSR/Report) effective 1 April 2022. This Report is required to be in line with the National Guidelines on Responsible Business Conduct published by the Ministry of Corporate Affairs ("NGRBCs") in 2019.

Bajaj Finserv Limited ('BFS', 'Bajaj Finserv', 'the Company') herewith presents its BRSR for FY2022, having voluntarily early adopted, in line with the NGRBCs and BRSR requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations"). This Report, consistent with

previous years, has been presented for the consolidated Group.

This Report describes the approach of the Company, its subsidiaries and its joint venture ('Bajaj Finserv Group', 'BFS Group', 'the Group') towards creating an employee-friendly workplace and a positive environmental and social outcome through its business in a responsible, ethical and inclusive manner. It also highlights the Group's commitment towards enhancing customer value.

While this BRSR provides information about the key initiatives undertaken by the Group towards Environment, Social and Governance ('ESG'), certain other initiatives that are covered in the Annual Reports of the Company and its subsidiaries for FY2022 (available on Company's website – [bajajfinserv.in](http://bajajfinserv.in)) have not necessarily been repeated here.



**This report, consistent with previous years, has been presented for the consolidated Group.**



# About Bajaj Finserv

BFS is the holding company for financial services business under the Bajaj Group. Its vision is to provide financial solutions for retail and SME customers through their life cycle.

BFS’s areas of business are:



## Finance and Lending

BFS participates in the lending business through its 52.49% subsidiary – Bajaj Finance Limited (BFL), a non-banking finance company (NBFC), whose equity shares are listed on BSE and NSE. BFL also participates in the savings business by offering fixed deposits, mutual funds and the like to its customers. BFL operates a mortgage business through a 100% subsidiary – Bajaj Housing Finance Limited (BHFL), which is engaged in various aspects of housing finance and development. BFL also has another 100% unlisted subsidiary, Bajaj Financial Securities Limited (BFinsec), registered with the SEBI as a stockbroker and depository participant providing its clients with a full suite of investment products and services in an all-in-one digital platform.



## Insurance

BFS’s insurance participation is through (i) Bajaj Allianz General Insurance Company Limited (BAGIC) – general insurance (including health insurance); and (ii) Bajaj Allianz Life Insurance

Company Limited (BALIC) – life insurance and retirement plans (together ‘Insurance subsidiaries’). Both are unlisted joint ventures with Allianz SE, one of the world’s leading composite insurers. BFS holds 74% equity capital in these companies, with the balance being held by Allianz SE.



## Renewable Power

BFS also has investments in renewable energy in the form of 138 windmills situated in Maharashtra with an aggregate installed capacity of 65.2 MW.



## Other Ventures

BFS, through its subsidiary, Bajaj Finserv Direct Limited (BFDL / Bajaj Markets), has created a digital marketplace which offers a range of financial products, including loans, insurance, mutual funds, investments, lifestyle products, payments and e-commerce.

BFS, through its 100% subsidiary, Bajaj Finserv Health Limited (BFHL), a health tech venture,

aims to transform healthcare in India by integrating a fragmented healthcare delivery ecosystem with technology and financial services on a digital platform to bring quality healthcare closer to consumers’ reach through products, networks and technology.

For mutual fund and asset management, BFS, through Bajaj Finserv Asset Management Limited, a 100% subsidiary, has obtained an in-principle approval from SEBI to set up the asset management company and is in the process of completing the requirements for the final licence for mutual funds.

Bajaj Finserv Ventures Limited is another 100% subsidiary of BFS, which is an investment platform for (i) early to mid-stage venture capital investments and (ii) an alternate class of assets.

Under the Master Circular – Core Investment Companies (Reserve Bank) Directions, 2016, the Company is termed as an unregistered Core Investment Company as per Reserve Bank of India (RBI) Guidelines dated 13 August 2020. The Company’s equity shares are listed on BSE and NSE.

## Key Consolidated Financial Metrics for the BFS Group: (₹ in Crore)

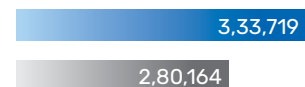
### Total income



### Net profit\*



### Total assets



\* attributable to owners of the Company



ESG initiatives



Statutory reporting

# Message from the Chairman & Managing Director

ESG is not just the right thing to do, it is what will shape a better tomorrow for all!



There is an adage that 'life never gets any easier or more forgiving, it is only we who get stronger and more resilient' with every challenge and hardship that life presents. These unique experiences help us become more accepting of our new realities to thrive in a new, emerging environment.

And nothing can be more relevant today than this when we think of the overwhelming shared experiences of the two bygone years. In this new, emerging world, being responsible for one's environment and communities is no longer an option but an imperative for building a sustainable future for all.

At Bajaj Finserv companies, the financial services arm of the Bajaj Group, one of the country's oldest and most revered business houses, we have imbued our organisational fabric with this belief. We have built it into our business philosophy.

The very foundation of our group was laid by the philanthropic instinct of Shri Jamnalalji Bajaj, our Group's founding father, who took the bold and unprecedented step of using business to serve society, a long cherished value further strengthened by the legendary and extraordinary excellence of my father and our Chairman Emeritus,

Late Shri Rahul Bajaj. Sadly, he left for his heavenly abode earlier this year, and us with a greater responsibility to take forward this inspirational legacy of being a responsive and responsible corporate citizen to serve the needs of an aspirational new India.

In line with this ideology, we have adopted a practical approach to implementing our ESG goals and mapped our business responsibility strategy towards the realisation of the nation's sustainable development and its people's inclusive growth. Our businesses will strive towards achieving these twin objectives, as



ESG initiatives



Statutory reporting

ESG is not just a part but the core of our sustainable long-term growth strategy.

We are steered by the ethos of “reaching financial services solutions to millions of Indians”, whom we seek to empower and enable with our diversified and innovative portfolio of financial products and services. For example, Crop Insurance, one of our products that we have consistently served our customers with over the years, is for the protection of our nation’s farmers whose livelihood is fraught by the high volatility and variability of weather.

Driven by our strong and sustained focus on protecting the environment today to nurture a better tomorrow, we are continually investing in eco-friendly initiatives despite being in a low-impacting business. From minimising paper consumption to designing financial products that protect the planet, we continue to take steps to lower the carbon footprint of our operations. Our 138 windmills continue to generate more power than we can consume annually.

Customer centricity and employee wellness are the other two key pillars of our social development credo, and we are continuously fostering these through concerted measures.

Our community outreach programmes are crafted to serve the emergent needs of the lesser advantaged beneficiaries of society. In fact, as a Group, we have always taken pride in being accountable to our own people and the communities around which we operate.

During FY2022, Bajaj Group joined forces with the local government authorities to conduct a large-scale inoculation drives for our communities in Pune and Aurangabad. And I am happy to share that more than 1 million doses of the COVID-19 vaccines were administered during those drives.

Enabling access and affordability of healthcare treatment for children is an important focus area for us. We have been extending financial support to

the families of children undergoing treatment for curable diseases or suffering from ailments requiring prolonged treatment.

Our dedicated CSR teams conduct year-long engagement programmes in remote rural locations to spread awareness about preventive healthcare, immunisation needs, prenatal and post-natal care for mothers and newborns, inculcating proper oral healthcare, basic hygiene and dietary habits for children.

Our community-based livelihood and skilling programmes help enhance the household income of rural, tribal and migrant populations and create income generation opportunities for their communities.

As a part of a part of the Bajaj Group, we believe that education is one of the most important drivers of the socio-economic prosperity and stability of a self-reliant nation, and all children must have access to education.

Our child education programmes aim to make quality education available to all children through curricular, extra-curricular and supplementary intervention programmes. We are also invested in the dire need of addressing issues of child protection and preventing crime against children.

Our employability initiative ‘BEYOND’ aims to upskill the first-generation graduates from smaller towns and cities to gain the right aptitude and attitude for building a strong career in the financial services industry. The employability programme, started way back in 2015, and has so far benefitted more than 20,000 fresh graduates across the country, which we achieved in collaboration with our partner institutes. It is heartening to note, that this year, Bajaj Finserv BEYOND touched a milestone of up-skilling a record number of 10,000 students with the desired capabilities and a winning edge to compete for the limited job opportunities in the BFSI industry.

Our well-crafted governance framework has been structured to not just meet the compliance standards

of today but go beyond to shape the responsibility benchmarks of tomorrow.

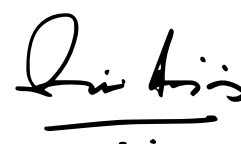
We have developed a robust model of ethical, transparent, responsible and accountable business systems and processes. We remain committed to conducting our business with total integrity, that furthers all stakeholders’ interests.

As committed last year, we have not only completed the accounting of our GHG emissions but also obtained independent assurance over the same. Another commitment that we made last year was to open 50 inclusion branches of BFL in rural and backward areas in FY2022, which has been achieved and taking that further, we plan to open another 50 branches during FY2023.

By adopting Responsible Investment principles, our insurance companies have proactively adapted themselves to our ESG framework. Further, the Bajaj Finserv companies are collectively embracing a consistent Code of Ethics and Professional Conduct, thereby taking another progressive step towards the hallmark legacy of our founding fathers of being a more responsible and ethical organisation.

As we move towards the expansion of our sustainability efforts, we shall continue to accelerate our ESG journey with the unwavering support and dedication of our People.

I urge you all to go through our report to look at some of the ways in which we are powering our ESG journey of responsiveness and responsibility because ESG is not just the right thing to do, it is what will shape a better tomorrow for all!



**Sanjiv Bajaj**

Chairman & Managing Director



ESG initiatives



Statutory reporting



# Highlights During the Year

**1**

Mega Vaccination drive by Bajaj Group administered over 1 million doses of COVID-19 vaccines

**2**

Adoption of Responsible Investment principles by Insurance subsidiaries

**3**

Installation of rooftop solar generation plants at 3 offices and raw hard water treatment plant at an office

**4**

As committed in FY2021, BFL opened 50 financial inclusion branches in rural and backward areas in FY2022 and is committed to open another 50 such branches in FY2023

**5**

Adoption of consistent Code of Ethics and Personal Conduct across BFS Group

**6**

Early voluntary adoption of SEBI's BRSR for FY2022 and independent assurance thereon

**7**

Accounting of greenhouse gas emissions and independent assurance thereon (FY2021 and FY2022)

**8**

Bajaj Finserv employability initiative 'BEYOND' enters northern and eastern states of India, placement division established

**9**









Voluntary third-party assessments for 19 Corporate Social Responsibility partner organisations





# Our Focus Areas

The ambit of ESG is wide and also evolving. It is our firm belief that in order to achieve our ESG objectives and have a greater impact, we need to be focussed on identified areas rather than spreading wide. Accordingly, in our [Responsible and Sustainable Business Conduct policy](#), we have identified following as our areas of focus:

 <p><b>Governance</b></p> <p>Conduct and govern business with integrity in a manner that is ethical, transparent and accountable.</p>	 <p><b>Financial inclusion</b></p> <p>Provide access to relevant and affordable financial products and services that meet the needs of larger society.</p>	 <p><b>Preserving and protecting environment</b></p> <p>Strive to adopt environmental practices and processes that minimise / eliminate the adverse impact of company operations on the environment.</p>	 <p><b>Empowering society</b></p> <p>Promote social welfare activities for inclusive growth, equitable development, and well-being of society.</p>
 <p><b>Customer centricity</b></p> <p>Innovate / invest in products, technologies and processes that enhance customer experience and promote professional, fair and transparent dealings.</p>	 <p><b>Employee wellbeing</b></p> <p>Create a thriving, safe and inclusive workplace for its employees and providing merit-based opportunities for professional development and growth.</p>	 <p><b>Cyber security</b></p> <p>Adopt robust information security, cyber security and fraud controls.</p>	 <p><b>Stakeholder engagement</b></p> <p>Engage with relevant stakeholders for enhancing the sustainable and responsible business practices.</p>





# Summary of Our Major Initiatives Towards ESG

In line with its sustained focus on furthering its ESG goals, the BFS Group continues to take targeted initiatives with deep-rooted responsibility and accountability towards its stakeholders. The summary of major initiatives is narrated below:



## Governance

- ◆ Board approved 'Responsible Business Conduct and Sustainability Policy' of the Company and its material subsidiaries<sup>1</sup>, comprising the essence of ESG
- ◆ Approval of Responsible Investment Principles by the Boards of Insurance subsidiaries, as part of their respective investment policies
- ◆ Adoption of consistent *Code of Ethics and Personal Conduct* for employees across the BFS Group
- ◆ Confidential framework of *Whistle Blower Policy* and elaborate anti-bribery and anti-corruption norms
- ◆ Liquidity / solvency higher than the statutory requirement across material subsidiaries
- ◆ Women empowerment through our policies at workplace, entrepreneurship opportunities, social initiatives and more



## Preserving and protecting environment

- ◆ Renewable power generated is about two times the electricity consumed
- ◆ Installation of rooftop solar power generation units at three offices and hard water treatment plant at one office building
- ◆ BFL has adopted an *Environmental Policy* thereby committing not to extend funds through its commercial lending business for specified lines of businesses and specific activities
- ◆ Continual focus on reducing paper consumption through digital initiatives
- ◆ Extensive awareness campaigns to promote sustainable living and practices amongst employees and other stakeholders



## Reaching financial services to millions of Indians

- ◆ Operating over 4,200 branches through our subsidiaries across the country providing financial products and services
- ◆ Insured crops in over 14.5 million hectares, covering about 6.6 million farmers in 12 states in the last 4 years
- ◆ Extended financing to over 9 million new-to-credit customers during the last 3 years
- ◆ Significantly higher contribution of rural and social sector business in Insurance subsidiaries, as compared to Insurance Regulatory and Development Authority of India (IRDAI) norms
- ◆ Realising its commitment of the previous fiscal, BFL has committed to open another 50 financial inclusion branches in rural and backward areas in FY2023



## Empowering society

- ◆ Spent ₹ 96.18 crore towards CSR in FY2022
- ◆ Bajaj Group - Mega Vaccination drive administered over 1 million doses of Covid-19 vaccine to the beneficiaries in Pune and Aurangabad region
- ◆ Over 20,000 students (67% being women) have enrolled for Certification Programme in Banking, Finance and Insurance (CPBFI), since inception, with more than 10,500 students enrolling during FY2022
- ◆ More than 1.2 million people benefited over the years through active CSR projects as on 31 March 2022

<sup>1</sup> BFL, BHFL, BAGIC and BALIC are material subsidiaries







### Customer centricity

- ◆ Charters and policies to protect interest of customers
- ◆ Use of technology to enhance customer experience
- ◆ Dedicated customer complaint reduction units, to review the grievance redressal mechanism with Board oversight
- ◆ Customer education and awareness campaigns
- ◆ Recognised for innovative customer service and related initiatives



### Human capital management

- ◆ More than 58,000 employees underwent 0.9 million hours of training to upskill / multi-skill themselves
- ◆ Gender pay parity with median remuneration for FY2022 at ₹ 0.05 crore across the Group
- ◆ Offered equal growth opportunities through auto promotions / internal job posting mechanism – more than 14,300 employees moved to new roles
- ◆ Covid-19 initiatives for employees and their families:
  - ◆ financial aid of ₹12.70 crore to 2,810 employee families
  - ◆ More than 24,000 free doctor consultations for employees
- ◆ Professional counsellors to discuss mental health and wellbeing matters – availed by more than 4,500 employees



### Information and cyber security

- ◆ Well-established information security framework, cyber security policy and business continuity plan
- ◆ Awareness campaigns for Cyber safety and fraud prevention for employees, customers and value chain partners.
- ◆ IT Security related projects have oversight of Board of respective companies
- ◆ Dedicated information security, cyber risk and fraud control units
- ◆ Data Loss Prevention solutions in place
- ◆ Data security and information technology security systems compliant with ISO 27001:2013 and ISO 22301:2012



### Stakeholder engagement

- ◆ Maintained one of the highest standards of business information disclosure amongst financial services groups in India
- ◆ Continuous engagement with value chain partners
- ◆ Various offline and online engagement channels for employees and customers
- ◆ Actively participated in public and regulatory policy development





A photograph of a forest floor with large tree trunks and a green overlay. The image shows several large, thick tree trunks in a forest. The ground is covered with dry leaves and twigs. A semi-transparent green rectangular area is overlaid on the upper half of the image, containing text.

## Details of Our ESG Initiatives

# Corporate Governance

For us, corporate governance is a reflection of principles entrenched in our values and policies and also embedded in our day-to-day business practices, leading to value-driven growth. The commitment of Bajaj Group to the highest standards of corporate governance predates the provisions of the SEBI Listing Regulations and clause 49 of the erstwhile Listing Agreement. Ethical dealings, transparency, fairness, disclosure and accountability are the main thrust of the working of the Bajaj Group. The Company maintains the same tradition and commitment. Through its representation on the Boards of the subsidiaries, BFS seeks the of key Group principles of corporate governance across its subsidiaries.





## Building on Corporate Governance

Key governance practices are as follows:

- ◆ Compliance with applicable law
- ◆ Number of Board and Committee meetings more than the statutory requirement, including meetings dedicated for discussing strategy, operating plans and risks
- ◆ Board comprises of Director, from diverse backgrounds and substantial experience, who are able to provide appropriate guidance to the executive management as required
- ◆ Panel of independent directors with outstanding track record and reputation
- ◆ Pre-Audit Committee meetings of the Committee's Chair with statutory auditors, internal auditor and members of executive management
- ◆ Separate meeting of independent Directors without presence of non-independent directors or executive management
- ◆ Confidential Board evaluation process where each Board member evaluates the performance of every Director, Committees of the Board, the Chairman of the Board and the Board as a whole
- ◆ Presentations by key senior management team members of the Company and its subsidiaries to familiarise the Directors with key elements of each of the businesses
- ◆ Complete and detailed information provided to Board members in advance to enable them to evaluate matters carefully for meaningful discussions
- ◆ Representation of the Company via non-executive and independent Director, on the Board of its material subsidiaries which ensures an institutionalised structure of control over subsidiaries

- ◆ Half-yearly communication from the Chairman to all shareholders of the Company giving an update on the Company's performance
- ◆ Adoption of key governance policies and codes by the Board in line with best practices, which are made available to stakeholders for downloading/viewing from the Company's website
- ◆ Half-yearly letter from the Chairman to all shareholders of the Company giving an update on the Company's performance
- ◆ Apart from BFS and its listed subsidiaries, which carry out familiarisation programmes for its Directors, as required under the SEBI Listing Regulations, even unlisted material subsidiaries on an ongoing basis keep their respective Directors abreast of matters relating to the industry, business models, risk metrics, mitigation and management, governing regulations, ESG, information technology including cyber security, their roles, rights and responsibilities, major developments and updates on the Company, etc.
- ◆ The Company has indicated material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to businesses in the Statutory reporting section of this Report

Full details of the Company's Corporate Governance are presented separately in the Report on Corporate Governance of the Annual Report

## Nurturing Ethics and Integrity

The value of ethics and integrity are deeply ingrained and practised in day-to-day operations across the BFS Group. Some of the key elements of its policies and practices in this regard include:

**Six meetings of ESG Committee members were held across the BFS Group along with an update presentation to Board of Directors of Group companies on overall ESG strategy.**

- ◆ The Group's [Code of Ethics and Personal Conduct \(CoEPC\)](#) covers good working, cultural and integrity norms. The 'disciplinary actions and grievance redressal policy' and 'Whistle Blower Policy/vigil mechanism', allow employees to consult on issues, anonymously report and/or escalate grievances of any nature. Including harassment, fraud / suspected fraud, unethical behaviour, instances a leak or suspected leak of unpublished price sensitive information, etc. which are detrimental to our Company's interest or/and is a process/policy violation. Further, with the entire BFS Group embracing a consistent CoEPC, we have taken another futuristic step towards being a more responsible and ethical organisation.
- ◆ A framework of policies and processes is in place to safeguard employees who report any unethical behaviour against discrimination, harassment, victimisation or other unfair employment practices. BFS and its material subsidiaries also accord employees direct access to the Chairman of their Audit Committee

- ◆ BFS and its listed subsidiaries have a separate [Code of Conduct for its Directors and Senior Management](#). They shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgement. The Annual Report carries Directors' and Senior Management's affirmation as communicated to all stakeholders by the Chairman & Managing Director







- ◆ The Company, through its Chairman & Managing Director, has signed the following charters of Confederation of Indian Industry ('CII'):
  - ◆ Model code of conduct for ethical business practices,
  - ◆ Charter on fair and responsible workplace guidelines for collaborative employee relations, and
  - ◆ Charter on fair and responsible workplace guidelines for contract labour.

- ◆ Led by its zero-tolerance towards unethical business practices, the BFS Group ensures adherence to necessary policies with respect to anti-fraud, anti-bribery, conflict of interest, prevention of insider trading, prevention of money laundering, prevention of sexual harassment and related party transactions. Depending on the nature of severity of misconduct/non-compliance of CoEPC/policies, appropriate action ranging from counselling, warning, suspension, and pay deduction to termination are taken.

## Zero tolerance towards unethical business practices.

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



### Awards and Recognition

The successful milestones of the Company, its subsidiaries and key personnel, found appreciation in various prestigious awards during the year. Some of those are listed below:

## BFS

- ◆ Late Rahul Bajaj, Chairman Emeritus of Bajaj Group, was conferred with the 'Hall of Fame' honour at the CNBC-TV18 India Business Leader Awards, 2022 for his extraordinary leadership over the years.
- ◆ S. Sreenivasan, Chief Financial Officer of Bajaj Finserv, was conferred with the 'CFO of the Year BFSI & Fintech' Award in 2021 by CII.

## BFL

- ◆ Rajeev Jain, Managing Director, was conferred with the 'Champion of Champions' honour in the prestigious Business Today-PwC India's Best CEOs rankings in March 2022.
- ◆ Sandeep Jain, Chief Financial Officer, was conferred with the Best Financial Minds in India INC - Financial Express CFO Awards 2022.

## BAGIC

- ◆ Conferred with 'General Insurance Company of the Year' at India Insurance Summit and Awards 2022.
- ◆ Received the 'Gold Award in the Non-Life Insurance Provider of the Year' at the 20th edition of the Outlook Money Awards.

## BALIC

- ◆ Awarded for the 'Highest Growth' category at the ASSOCHAM 13th Global Insurance E-Summit and Awards.
- ◆ Won accolades for revolutionary digital platform Smart Assist, including ET BFSI Excellence Awards 2021 under 'Best Digital Customer Experience Initiative [Insurance]':





## Engaging in prudent and responsible business conduct

Imbued in BFS Group is a strong culture of responsible business conduct for building long-term businesses and providing sustainable growth, and meeting the interests of its stakeholders. Besides adopting high standards of governance, the Group remains committed to prudent business practices in order to ensure that businesses are not exposed to undue risks.

Some of the prudent business practices we follow are enumerated below:

- ◆ Recognising the risks that our businesses carry and keeping the interest of our stakeholders into consideration, all material subsidiaries maintain liquidity / solvency in excess of the norms laid down by the relevant regulators:

	Subsidiary	As of 31 March 2022		As of 31 March 2021		As of 31 March 2020	
		Regulatory requirement	Company ratio	Regulatory requirement	Company ratio	Regulatory requirement	Company ratio
Capital to Risk-weighted Assets ratio (CRAR)	BFL	15% (RBI)	27.2%	15% (RBI)	28.3%	15% (RBI)	25%
	BHFL	15% (RBI)	19.7%	14% (RBI)	21.3%	13% (RBI)	25%
Solvency ratio	BAGIC	150% (IRDAI)	344%	150% (IRDAI)	345%	150% (RBI)	254%
	BALIC	150% (IRDAI)	581%	150% (IRDAI)	666%	150% (RBI)	745%

- ◆ BFL maintains low leverage levels and has always raised equity capital upon reaching 6 to 7 times, much more conservative than the regulatory stipulation and most other NBFCs.

- ◆ More than 98% of the fixed income portfolio of our insurance subsidiaries comprises the highest credit-rated securities (sovereign / AAA or equivalent).

- ◆ The company and its material subsidiaries have a Risk Management framework duly approved by their Boards, more details about which are available in the Annual Report the respective company. Risk management systems are well structured and robustly developed across our businesses as manifested in the fact that:

- BFL ended the year with improved stage two assets of 1.97%, gross NPA of 1.60% and net NPA of 0.68% on a consolidated basis, representing pre-Covid metrics. The Company’s macro and management overlay provision was ₹1,060 crore as of 31 March 2022 compared to ₹840 crore as of 31 March 2021. BFL has entered FY2023 with portfolio quality better than pre-Covid.

- During FY2022, BALIC won the ‘Best Risk Management Initiative’ Award InsureNext, ‘Anti-Fraud Team of the Year’ award by Achromic Point, and ‘Best Fraud Prevention Platform’ by FinTech India Innovation Awards, recognising its risk management, fraud prevention and mitigation initiatives.
- During FY2022, BAGIC received ‘Fraud Intelligence Insurance company of the year’ at Quantic BFSI excellence awards 2021, Best Risk Management Initiative award (Non-Life insurance) for project Anveshak at InsureNext Summit and Best Risk Management strategy award at the 3rd emerging Asia Insurance award 2021.

- ◆ BAGIC industry-leading combined ratios consistent over time - Combined Ratio stood at 99.6% in FY2022.

- ◆ Long-term sustainable businesses can only be run by empowered professionals. BFS Group strongly believes empowerment and accountability to be inexorably linked and has identified ‘Accountable Empowerment’ as one of its core principles. Driven by this principle, all the Companies in the Group are

**In April 2022, the Boards of our insurance subsidiaries have approved Responsible Investment principles as part of their respective investment policies, which shall be implemented in a structured manner.**

managed by competent professionals, while being overseen by their respective Boards. The remuneration of senior management across BFS Group is benchmarked with appropriate peer groups, and it comprises fixed pay, variable pay and long-term incentive (including stock options).

### Making Responsible Investment

Cognisant of our duty to act in the best long-term interests of our investors, shareholders and policyholders, we believe that ESG issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time). Thus, we are consistent with our fiduciary responsibilities, we have adopted Responsible Investment principles.







## Striving for Women Empowerment

Women empowerment is one of the key priorities for sustainable and inclusive development of the society. We have several initiatives for empowerment of women, within the Group and outside, which steers women empowerment agenda.

### Nurturing the growth of women employees

- ◆ To support women colleagues, BFS and its subsidiaries have put in place robust women-centric policies such as women safety, cab facility, women travel policy, flexible working hours (specially post maternity), preferential transfers and so on.
- ◆ The women workforce to the total workforce has been increasing over the last few years from 11% as of 31 March 2019 to 16% as of 31 March 2022.
- ◆ Over the last three years, the gender mix of the total employees hired during the year witnessed an increase in the female ratio from 12% in FY2020 to 21% in FY2022.
- ◆ Further, BAGIC has received 'Best Organisations for Women' award 2022 by The Economic Times.

### Empowering women customers/ value chain partners

- ◆ BAGIC offers women-specific critical illness insurance plan for protection against eight life-threatening conditions. Till date more than 45,000 women have been insured under this plan.
- ◆ Provided financing access, amounting to over ₹ 49,000 crore, to more than 8.7 million women borrowers during the last 3 years.
- ◆ Insurance subsidiaries provide significant entrepreneurship opportunities to women – 40,164 women insurance agents represent 26.9% of our total insurance agents as of 31 March 2022.

### Empowering women through society

- ◆ We strive to empower women (including young girls) through our various CSR programmes in areas of healthcare, education and livelihood (refer to 'Empowering Society' section).
- ◆ Female student enrolment in CPBFI is 67% – our flagship programme to equip fresh graduates and final-year undergraduate students for the BFSI sector.
- ◆ More than 0.2 million women reached through women focussed CSR projects active as of 31 March 2022.





# Reaching Financial Services to Millions of Indians

At BFS Group, there is an all-pervasive belief in the importance of providing access to individuals and businesses, across the country, to relevant financial products and services. It is our constant endeavour to enable individuals and businesses to meet their transactional, payments, credit, insurance and savings needs through such access.





The Group operates over 4,200 branches across the country, through which it provides financial products to millions of Indians. The Group has, over the years, enhanced consumer access to financial products and services through a robust and expanding digital presence.

Further, through its operations in smaller towns and villages, the Group generates opportunities for the local populations in the form of employment and addition to a value-chain partner network. Such opportunities enhance local capabilities and create a robust economic cycle in the smaller cities/ towns and villages. Around 75% of our permanent employees as of 31 March 2022 are from areas other than the top 10 cities of India<sup>2</sup>.

To achieve its objective of taking its gamut of financial services to millions of Indians:

- ◆ The Group has developed a robust distribution network in medium and small towns, as well as in villages across the country. This is helping us bring our financial solutions closer to society. To cite an example, realising its commitment listed in

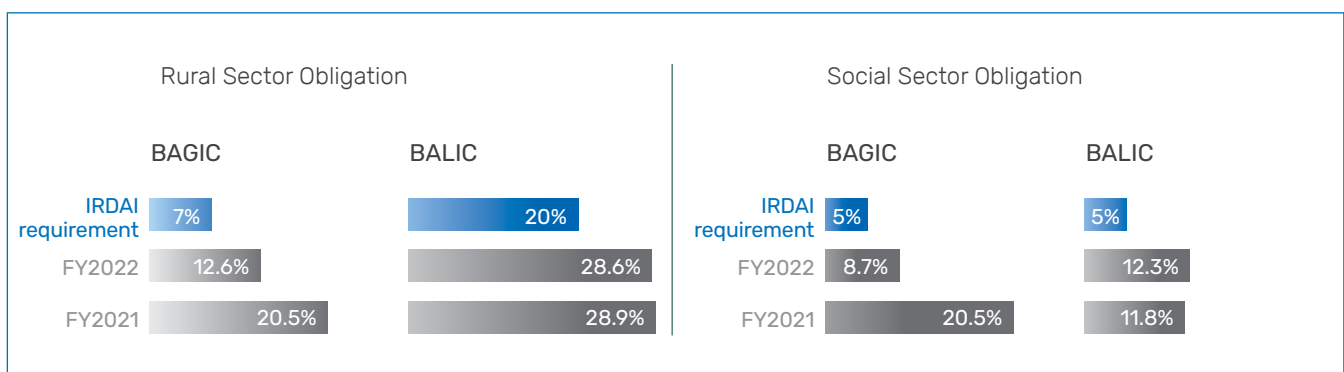
the previous fiscal, BFL opened 50 financial inclusion branches in unbanked rural centres in FY2022. It has now committed to opening another 50 branches in rural and backward areas in FY2023 to expand its reach to under-banked and unbanked rural customers.

- ◆ Participating actively in the Government's crop insurance programmes, we have insured over 12 million hectares, covering about 6.6 million farmers in more than 12 states over the last 4 years.
- ◆ Over the last 3 years, we have, through similar participation in the Government's health insurance schemes, insured over 48.4 million beneficiaries / 12.98 million families.
- ◆ The Group has remained concerted on onboarding new-to-credit customers with small ticket financing products, thus giving them access to the large suite of products offered by the financial services sector. Over the last three years, BFL has extended credit facilities to over 9 million new-to-credit customers.

**The Group operates over 4,200 branches across the country, through which it provides financial products to millions of Indians.**

- ◆ We continue to have a significantly higher contribution of rural / social sector business in our Insurance subsidiaries as compared to IRDAI norms.
- ◆ Extending our continued support to the Government's agenda of 'Housing for All', we disbursed ₹ 3,040 crores in loans under the 'Pradhan Mantri Awas Yojana', to more than 10,000 customers during FY2022. We facilitated another ₹ 227 crores of interest subsidy for our customers from the National Housing Board.
- ◆ BFL provides financing for three-wheeler passenger vehicles and commercial vehicles, enabling the underprivileged and underserved population of the society to own a productive asset and earn a living. During the last 3 years, BFL has financed more than 0.3 million three-wheeler passenger and commercial vehicles and disbursed ₹ 6,190 crore.

**Realising its commitment listed in the previous fiscal, BFL opened 50 financial inclusion branches in unbanked rural centres in FY2022. It has now committed to opening another 50 branches in rural and backward areas in FY2023 to expand its reach to under-banked and unbanked rural customers.**



<sup>2</sup> Top 10 cities by population identified as per Census 2011



The background of the page is a full-page photograph of a natural landscape. It features rolling green hills in the middle ground, leading to a vast field of bright yellow wildflowers in the foreground. The sky is a clear, pale blue, suggesting a bright, sunny day. The overall tone is peaceful and natural.

# Preserving and Protecting Environment

As a financial services group, BFS does not have a sizeable consumption of any raw material, nor does it produce any tangible goods. Even as we continue providing financial solutions to serve the needs of people, we nurture a culture of conservation and reduce dependence on natural resources.





**As committed in our Report for FY2021, we have completed the accounting of our GHG emissions for FY2021, and FY2022 for the BFS Group and an independent assurance has been obtained on the same.**

Refer GHG emission - Independent Verification statement by DNV Business Assurance India Private Limited for the detailed report.

To uphold our environment and work towards a green planet, we continue to make our operations more sustainable. We have adopted four major areas in preservation and protection of the environment i) off-setting environmental impact, ii) eco-friendly offices and practices, iii) reducing paper consumption and iv) products that preserve and protect the environment. These initiatives are detailed below:

### (i) Off-setting environmental impact

Following initiatives assist in offsetting the impact of businesses on environment:



#### Renewable Energy

The Group is currently a net generator of renewable power:

- ◆ 138 windmills of the Company with an installed capacity of 65.2 MW generated over 74 million\* units of electricity, which is about two times the electricity consumed by the BFS Group<sup>3</sup>.
- ◆ Additionally, during the year, we have commissioned rooftop solar plants with an installed annual capacity of 150 kWh.



Rooftop Solar plants installed at Bajaj Allianz House



#### Water Conservation and Treatment

- ◆ Two large offices in Pune have a rainwater harvesting facility, with an aggregate capacity of 14,600 litres.
- ◆ During the year, at one of our corporate offices, we have installed a water treatment plant with the capacity to collect, treat and filter 10,000 litres of raw hard water per day, which is reused for gardening and common area cleaning.



Water Treatment plant commissioned at Bajaj Allianz House



#### Waste Management

BFS Group has systems in place to manage e-waste and engages with certified e-waste handlers for the disposal of e-waste. Approximately 33.99 Metric Tonne of e-waste generated has been disposed through authorised recyclers in FY2022. The Group has received green, disposable and re-cycling certificates from the respective e-waste handlers.



\* Net of wheeling and transmission losses

<sup>3</sup>The Company and its subsidiaries do not consume the minimum power needed to qualify for captive consumption and hence, the power is wheeled to third parties.







## (ii) Eco-friendly offices and practices

The offices where our people conduct daily interactions set the benchmark for BFS's beliefs and work ethic, including its commitment to a better environment. Its initiatives include:




- ◆ Selected and designed offices to facilitate maximum natural light and including use the of LED light fittings in offices
- ◆ Installed ozone-friendly air conditioners manufactured with R32 refrigerant – that lowers our carbon emissions
- ◆ Segregation of dry and wet waste
- ◆ Use of cloud-based virtual servers to increase energy efficiency and data security
- ◆ Conduct meetings and training through digital mediums, reducing impact of travel on the environment





## (iii) Reducing paper consumption

The BFS Group has implemented various environmental protection measures aimed to reduce paper consumption across all its business operations. We have been increasingly focussed on the integration of digital applications in our processes, improving efficiencies, lowering costs and enhancing the customer experience while helping protect the environment. Some of these initiatives include:

<div style="text-align: center; margin-bottom: 10px;">  </div> <h3>Customer processes</h3> <ul style="list-style-type: none"> <li>◆ E-agreements and OTP-based agreements across low-ticket and high-volume businesses</li> <li>◆ End-to-end web-based onboarding of customers, intermediaries, agents, etc.</li> <li>◆ Insurance policy issuance and claim processing electronic means</li> <li>◆ Paperless loans on e-commerce and wallet platforms, and through tele-binding process for existing customers</li> <li>◆ Processing of insurance claims based on scanned documents and images</li> <li>◆ Migrating all mandatory and voluntary customer communications over email, messaging applications, etc.</li> </ul>	<div style="text-align: center; margin-bottom: 10px;">  </div> <h3>Employee processes</h3> <ul style="list-style-type: none"> <li>◆ Paperless hiring of over 12,000 employees during the year, saving on paper document submissions and ensuring greener experience</li> <li>◆ Adoption of payroll services portal and applications for communicating related information</li> <li>◆ Final settlements and claim management of employees through clearance portals</li> </ul>	<div style="text-align: center; margin-bottom: 10px;">  </div> <h3>Other processes</h3> <ul style="list-style-type: none"> <li>◆ The shift from issuance of physical purchase orders to electronic purchase orders</li> <li>◆ Moving significant proportion of invoice processing to e-invoicing</li> <li>◆ Access controlled printing system which enables in reducing paper wastage</li> <li>◆ As a step towards further reducing paper consumption across the Group, documents for i) Board and their Committee meetings and ii) internal review meetings are all transmitted electronically, using a secured web-based application, over last several years.</li> </ul>
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## Products that preserve and protect the environment

Another important way of supporting the environment is providing financial offerings to our customers that assist in the preservation and protection of the environment:

- ◆ insuring more than 1,400 renewable power generation facilities (comprising a mix of solar, wind and hydro)
- ◆ financing solar power generation facilities

- ◆ BFL has during the year identified an exclusion list of activities and/or end use, for which it shall not lend, as detailed in its [Environmental Policy](#)
- ◆ BFL offers financing for e-Scooters, enabling customers to access environmentally friendly modes of transport. During the last 3 years, BFL financed more than 1,500 e-Scooters and disbursed an amount of more than ₹ 15 crore

**1,400 MW**  
renewable power generation facilities insured.

## Environment Protection and Sustainability Awareness Campaigns

We believe that in order to achieve desired results, sustainable practices need to be a collective effort by mankind and cannot be achieved by a single individual or an organisation. Keeping this in mind, we initiated awareness campaigns on sustainable practices for our employees and the world by leveraging our social media presence amplifying the simple, doable activities that can help our planet.

Various creatives were used to promote the message of SaveEarth, SaveWater, SaveElectricity, SaveTrees, StopPollution, ReducePlastics, etc., under the campaign - #LiveSustainably across the Group companies through the use of social media, internal employee device screen savers, displays across office spaces, etc. The campaign also promoted and encouraged the members to take a pledge to live sustainably, thus positively driving the future agendas.





# Empowering Society

Bajaj Group's philanthropic philosophy was articulated by its founder Shri Jamnalalji Bajaj who had advised that all business activities should look for opportunities for philanthropy in all business activities, without considering the business motive.







While collaborating with other Companies in the Bajaj Group, the BFS Group has its flagship CSR projects that resonate closest with its social objectives of healthcare, education and livelihood. Preference is given to the activities which are replicable, scalable and sustainable on a long-term basis with focus on lives, living and livelihood. Through its social investments, Bajaj Group addresses the needs of communities, taking sustainable initiatives in the areas of health, education, environment, women empowerment, infrastructure, rural development, community development and response to natural calamities.

### Our approach

Most of the projects supported by BFS are executed by credible grassroots organisations - ranging from tiny local entities to those with a pan-India presence. Since 2014, we have worked with 130 partner organisations on more than 300 projects. Partner proposals undergo appropriate checks to ensure that they meet stipulated criteria and have the potential for delivering to the needs of the target beneficiaries.

The Group uses social sector experts and other independent professionals to conduct social and financial assessments of the projects. These

**Since 2014, we have worked with 130 partner organisations on more than 300 projects.**

assessments help in the early identification and mitigation of risks to the concerned projects. During the year, 19 projects underwent a third-party review on various aspects. The Group further endeavours to expand the coverage of assessments by external agencies to more organisations in the coming years.



## Healthcare

### Children-focussed projects

More than  
**76,000**  
kids

### Women-focussed projects

More than  
**1,57,000**  
women

### Other health initiatives

More than  
**1,00,000**  
individuals

Note: The beneficiaries are estimated for active projects and not necessarily for the year

We have directed our focus towards projects that would help in i) healthcare infrastructure creation and augmentation, ii) reduction in malnourishment and infant and maternal mortality rates, iii) communicable and non-communicable diseases and iv) specialised surgeries and treatment programmes. Some of the notable impact of these initiatives are as under:

- ◆ More than 82,000 in-meal and nutrition supplements have been provided for cancer-afflicted kids and more than 60,000 counselling sessions have been provided for cancer patients since 2018
- ◆ More than 74,000 individuals benefited from access to primary healthcare and lab facilities, from the tribal and rural communities of Gadchiroli, urban slums of Pune region, since 2020
- ◆ Cleft Reconstructive Surgeries for more than 62,000 underprivileged children across India since 2014, of whom 41% were women beneficiaries and 51% of surgeries were for beneficiaries aged below 18 months
- ◆ More than 51,000 children participated in various preventive health awareness measures campaigns over the last three years
- ◆ Supported capacity building of organisations on addressing developmental disabilities by training more than 12,200 development specialists through various workshops since 2020
- ◆ More than 21,000 beneficiaries in various districts of Maharashtra and Rajasthan were provided nutrition facilities along with health, education and protection measures
- ◆ In Pune, more than 5,800 individuals were provided with medical care, treatment and support, and more than 7,000 individuals participated in awareness campaigns related to mental health issues during the year







## Integrated Health Project for Slums of Pune City

BFS Group has partnered with the NGO Partner Ashish Gram Rachna Trust, Pachod for 50 Slums in Hadapsar, Mundhwa and Ghorpadi areas of Pune city for health-based interventions.

Most commonly, primary health care is provided based on a syndromic approach, i.e, symptoms reported by the patient. Treatment is provided based on triage of symptoms reported by the patient, examination by a doctor and clinical pathology lab tests, and all made accessible at the slum level through outreach

workers and a Mobile Medical Unit. Following is the beneficiary profile from March 2020 onwards:

- ◆ 3,850 young married women covered for outreach services – Maternal care, Reproductive health and family planning
- ◆ 950 women identified and referred for self-reported symptoms of Reproductive tract infection
- ◆ Pathology lab services for early diagnosis of illness, 3,200 individuals benefited from the services



## Education

### Children-focussed projects

More than

**65,000**

Children given educational facilities

### Other education initiatives

More than

**44,000**

individuals provided with other learning facilities

### BEYOND- Flagship employability initiative

CPBFI annual enrolments crossed

**10,500**

Annual enrolments crossed for CPBFI

Note: The beneficiaries are estimated for active projects and not necessarily for the year

BFS's education initiatives focus strongly on primary education, with a special thrust on improving i) low learning outcomes, ii) early childhood education, iii) learning disabilities, and iv) out-school programmes. Some of the notable impacts of these initiatives are as under:

- ◆ From FY2021 onwards, more than 10,200 children benefited from a host of educational facilities provided through non-formal education centres, evening and night schools, school learning advancement programmes, and the like
- ◆ More than 34,400 specially-abled children were provided educational awareness and training programmes since FY2021 with the aim to bridge the gap of learning disabilities
- ◆ During the year, around 3,500 children benefited from education facilities provided for empowering de-notified tribes, migrant labourers working at construction sites, and vulnerable communities
- ◆ More than 2,300 students benefited through career guidance programme, networking with employment agencies and exposure visits during the last 3 years
- ◆ More than 6,000 direct beneficiaries enrolled for secondary education through 18-night schools in Mumbai, Pune, and Ahmednagar, and an evening learning centre project in Pune since 2017
- ◆ Through 550 classroom sessions and awareness programmes, reached 13,000 students and 350 teaching / non-teaching staff from 15 government secondary and 5 low-cost private schools in Pune district promoting education related to mental health, reproductive and sexual health, gender equity, and mitigating bullying and violence, substance use, and other adverse health outcomes



ESG initiatives



Statutory reporting



## Education Related to Mental Health in Schools - Sangath

We have partnered with Sangath to enhance the school climate and therefore promote education related to mental health, reproductive and sexual health, gender equity, and mitigate bullying and violence, substance use, and other adverse health outcomes. Through this project, we have reached:

- ◆ 13,000 students and 350 teaching / non-teaching staff from 15 government secondary and 5 low-cost private schools in Pune district
- ◆ This involved about 1,550 classroom sessions and awareness programmes. Further, more than 2,000 individual counselling sessions and follow-ups were also arranged



### Bajaj Finserv - BEYOND

Bajaj Finserv BEYOND is a flagship employability initiative under our CSR ambit. It aims to make graduates, especially first-generation graduates from small towns, employable in the financial services industry. Under BEYOND, the Company conducted a customised 100-hour certificate programme, viz. Certificate Programme in Banking, Finance and Insurance (CPBFI) for final-year undergraduate students. CPBFI comprehensively covers all aspects of employability, i.e. attitude, skills and knowledge, and unlike conventional skilling programmes, prepare the students for more than 10 roles in the financial services industry. The programme also produces a unique talent pool of "industry trained graduates" for

the entire BFSI industry, which offers an excellent balance between cost and productivity compared to their traditional target segments. FY2022 was a record year for CPBFI, with annual enrolments crossing 10,500 and the programme entering 18 states. With a certified alumni base of close to 8,000 graduates, a placement division has now been set up under BEYOND to provide career opportunities to CPBFI alumni.

BFS has partnered with a top management school and mental health experts to develop the programme's curriculum and pedagogy. The students are trained by the industry through intense 100-hour training sessions covering aspects of industry-

**FY2022 was a record year for CPBFI, with annual enrolments crossing 10,500 and the programme entering 18 states.**

readiness viz. attitude-skill-knowledge, along with soft skill trainings. A round of mock interviews is also conducted by recruiters from the industry, where the students gain experience of a corporate recruitment process and receive feedback about their own industry-readiness. This programme is available for a nominal fee, with the rest of the cost borne by the Group.

### BEYOND's Journey So Far

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
CPBFI launched in partnership with Symbiosis International University in Pune		First 2 college partnerships at Wardha and Nagpur	CPBFI moves to smaller towns	CPBFI enters Goa, Madhya Pradesh and Karnataka. First job fair at Ratnagiri, Maharashtra	CPBFI enters Tamil Nadu, Andhra Pradesh, Telangana. 2nd job fair at Nagpur	CPBFI goes online during Covid-19 pandemic	New curriculum introduced. BEYOND goes North and East. Placement division set up. First virtual pan India job fair
<b>States</b>	1	1	1	4	7	8	18
<b>Towns</b>	1	4	6	16	41	58	114
<b>Enrolment</b>	36	166	406	1,022	3,810	4,081	10,530

Male 33%: Female 67% | First-generation graduates 66% | Commerce 63%: Management 29%: Others 8% | Graduates 74% : Post-Graduates 26% | Employability<sup>4</sup> of students reached 74% in FY2022

<sup>4</sup> Employability is measured based on results of interview by corporate recruiters





## Livelihood and Others

Children-focussed projects

More than  
**21,000**  
kids

Women-focussed projects

More than  
**25,000**  
women

Other livelihood project initiatives

More than  
**18,000**  
individuals

Note: The beneficiaries are estimated for active projects and not necessarily for the year

BFS Group undertakes two modes of livelihood activities: i) farm/agro-based and ii) non-farm. Further, it also undertakes projects in childcare and protection. Some of the notable impacts of these initiatives are:

- ◆ 7,500 farmer families of 1,077 Self Help Groups were trained and applied the skills and knowledge in advancing Kharif Agriculture in their fields
- ◆ More than 500 Self Help Groups were formed since 2019, providing them an opportunity to build an institutional platform and giving them financial support for income enhancement through various livelihood activities

### “Income Enhancement of Marginalised Families Through Goat Rearing” - Yuva Mitra



Yuva Mitra conceptualised a goatery-based livelihood programme for enhancing the income of marginalised women in the Sinnar block of Nashik district. The project provides scientific knowledge on goat rearing through Goat Resource Centre, and establishes value chains in goat, goat milk, and goat byproducts, in addition to the developing a well-equipped veterinary ambulance for prompt veterinary service. Under the project, 26 buck entrepreneurs have been developed for breed improvement. The project has helped in the establishment of 568 JLGs, with the involvement of 2,840 goat-rearing women across 30 villages. Besides, 24,052 goats were vaccinated, and 7,983 goats were treated through veterinary services.





## Our response to Covid-19

The Group's Covid response activities were carried out in two phases. While during the first phase/first wave of the pandemic, the focus was laid on immediate need mitigation in terms of healthcare systems upgradation, during the second phase it was on mass vaccination and mitigating the urgent oxygen crisis that had hit the country.

### Key Highlights

#### Covid-19 First Wave: Healthcare Systems Upgradation – Urban and Rural

- ◆ The entire contribution was spent on procurement of equipment, consumables, protective gear and setting up of Covid Care Centres
- ◆ Key hospitals across the city of Pune were provided medical equipment such as ventilators, HFNOs, extracorporeal membrane machines and CT Scan Machines
- ◆ Pune's largest Covid Care Centre was set up in Viman Nagar with a capacity of 2,800 beds with the support of the Group's Covid Response Funds

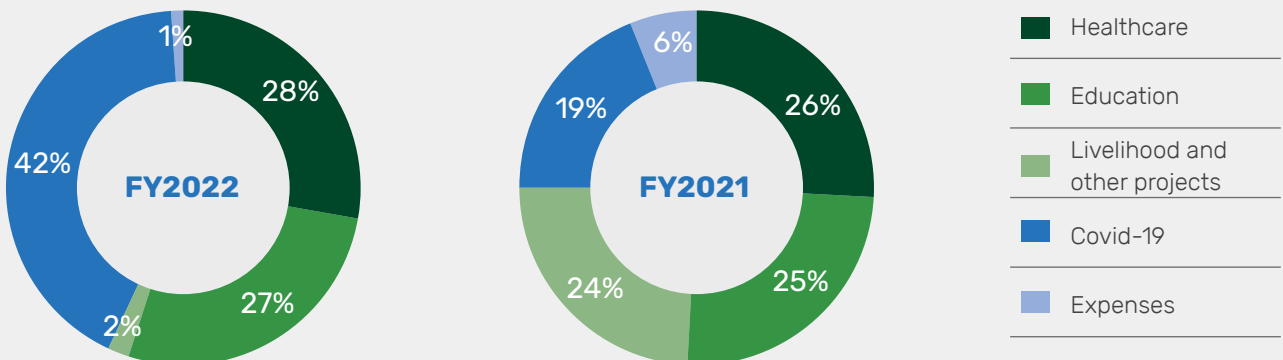
- ◆ 17 facilities were targeted for key healthcare upgradation in a phased manner. These facilities played a key role in the second wave as all were used as Covid response facilities
- ◆ Operation of Tele ICU in Khed and Bhore (Pune) was initiated to transform remote rural hospitals into functional ICUs

#### Covid-19 Second Wave: Mitigating the Oxygen Crisis and Vaccination Drive

- ◆ Bajaj Group - Mega Vaccination drive - Through this, Bajaj Group was able to administer over 1 million doses of Covid vaccines to the beneficiaries of Pune and Aurangabad region
- ◆ The Group has been a core supporter of project #MissionVayu: an industry-led effort by Pune Platform for Covid-19 Response (PPCR), anchored at MCCIA, to alleviate the ongoing oxygen crises by airlifting oxygen concentrators and BiPAP machines from Singapore to India
- ◆ The Bajaj Group contributed 12 Oxygen plants, upgradation of 17 rural healthcare Covid ICU and isolation wards, support through MCCIA to Covid hospitals for 23 high flow nasal oxygen therapy machines, 10 vaccine refrigerators, 70 BiPaPs, and 32 oxygen concentrators, 37 ventilators and operationalisation of 15 Tele ICUs beds in Pune
- ◆ The Bajaj Group supported certain rural areas - Manchar (100 beds), Chandoli (45 beds), Narayangaon (30 beds) and Vadgaon Maval (30 beds), to alleviate the load on the Pune urban health infrastructure by providing more than 200 oxygen supported beds in different parts of the district
- ◆ Other support to these facilities included providing key additional infrastructure such as oxygen piping and uninterrupted power supply to ensure that admitted patients receive the best of care



### Summary of CSR expenditure by BFS Group:



For statutory disclosures on CSR, refer to the Corporate Social Responsibility section of the Annual Report.



# Customer Centricity

At BFS Group, we always strive to listen to our customers and drive continuous transformation to provide them with a frictionless experience. We have ingrained the values of ethics, transparency and accountability into the organisational fabric and concerted practice the same in our daily operations, including in our dealings with customers. The Group offers innovative products/services to appropriately address customer's grievances and make them more aware, thus improving their experience.











- ◆ BFS Group endeavours to maintain best-in-class customer service, which is continuously tracked through net promoter scores, claim settlement ratio and grievance percentages. Insurance subsidiaries have one of the highest claim settlement ratios in the industry
- ◆ Our Insurance subsidiaries provide relevant and important information in the policy schedule, key features document and transcript for all their policies
- ◆ BAGIC launched an industry-first completely digital and paperless process - from onboarding, offline screening and medical check-ups, risk assessment to reporting and policy generation. Since 2017, 41.2 million policies have been processed digitally
- ◆ Insurance subsidiaries are active participants in the Regulatory Sandbox Framework of IRDAI, contributing to new and innovative products for their customers
- ◆ Health prime rider was introduced by BAGIC for select retail and group health customers. This rider covers 24x7 unlimited tele consultation, more than 90,000 doctors for teleconsultation, investigation, pathology and radiology expenses, as well as annual preventive health check-ups cover
- ◆ Companies in the Group have adopted the Net Promoter Score (NPS) as a mechanism to gauge customer experience for core services offered. NPS is a comprehensive global methodology to measure customer loyalty. This survey is conducted through an

**Since 2017, 41.2 million policies have been processed digitally.**

independent third party, and its outcome is given due importance in the Company's future planning process

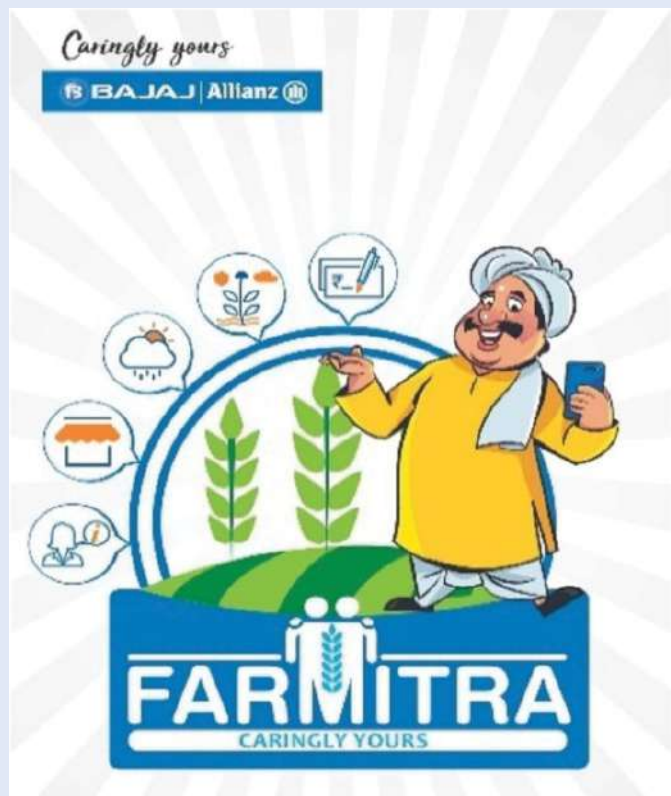
- ◆ Bajaj Markets started its journey in July 2018. It is a unique and diversified marketplace for financial services and e-commerce, which offers electronics, mobiles and lifestyle products in India. Its multi-provider open architecture platform currently offers over 100 financial product variants across loans, cards, insurance, investments and payments

## Farmitra

BAGIC not only provides crop insurance to farmers, it also empowers them through 'Farmitra' app, a unique offering in the industry, by:

- ◆ Hosting over 907 articles related to farming and insurance in various regional languages
- ◆ Enabling claim intimations through the app – over 0.3 million claim intimations since launch
- ◆ Receiving and processing video-based self-survey – More than 97,000 cases since July 2020
- ◆ Verification of self-submitted land records for discrepant cases – over 55,500 cases

The app has more than 0.5 million unique downloads





## Awards and Recognition

During the year, the Group companies received several prestigious awards, some of which are given below:

<h3 style="margin: 0;">BAGIC</h3>	<h3 style="margin: 0;">BALIC</h3>
<ul style="list-style-type: none"> <li>◆ 'General Insurance Company of the Year' at India Insurance Summit &amp; Awards 2022</li> <li>◆ 'Gold Award in the Non-Life Insurance Provider of the Year' at the 20th edition of the Outlook Money Awards</li> </ul>	<ul style="list-style-type: none"> <li>◆ Won accolades for revolutionary digital platform 'Smart Assist', including ET BFSI Excellence Awards 2021 under 'Best Digital Customer Experience Initiative [Insurance]'</li> </ul>
	<h3 style="margin: 0;">BFL</h3>
	<ul style="list-style-type: none"> <li>◆ Received Gold for 'Digital Marketing Excellence in Financial Services' for the Fixed Deposit digital campaign at the DIGIXX 2019 Awards by Adegully</li> </ul>

## Ensuring customer grievance redressal

Timely and appropriate customer grievance redressal is vital to ensuring customer satisfaction. It is our constant endeavour to reduce customer grievances by learning from our experiences, through root cause analysis.

Some of the initiatives in this regard are:

- ◆ The BFS Group companies, through their charters, policies etc., communicate customer rights, company commitments, grievance redressal mechanism and ombudsman scheme, as applicable. These 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 the oversight of the Boards of respective material subsidiaries

- ◆ Customer grievances are also reviewed with a focus on the identification of root causes, corrective action plans and customer service initiatives. Such review also has oversight of the Board of the respective material subsidiary
- ◆ BFL has appointed two Internal Ombudsmen as per the RBI guidelines on Appointment of Internal Ombudsman by NBFCs and an Internal Ombudsman for Prepaid Payments Instruments, to strengthen customer grievance redressal mechanism
- ◆ All material subsidiaries follow strict protocols for their outsourced agents by prescribing guidelines for maintaining the privacy of prospective and existing customers, providing accurate product information, telemarketing etiquettes, and more
- ◆ All material subsidiaries have a monitoring framework for their value chain partners, such as debt recovery agents, insurance agents, etc., to review their performance

and take suitable action in terms of warning, penalty and termination for deviations

- ◆ BFL has a 'Reparation Policy' based on principles of transparency and fairness in the treatment of customers. This policy seeks to compensate customers for service deficiencies as per agreed metrics

BFS Group did not receive any complaints regarding unfair trade practices, irresponsible advertising and anti-competitive behaviour during the year. The Group received 6,554 customer complaints in FY2022, all of which have been resolved appropriately.

## Enabling customer education and awareness

As a responsible corporate citizen, it is imperative for us 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 and the various types of frauds. It is also important for us to address their questions on financial products etc.



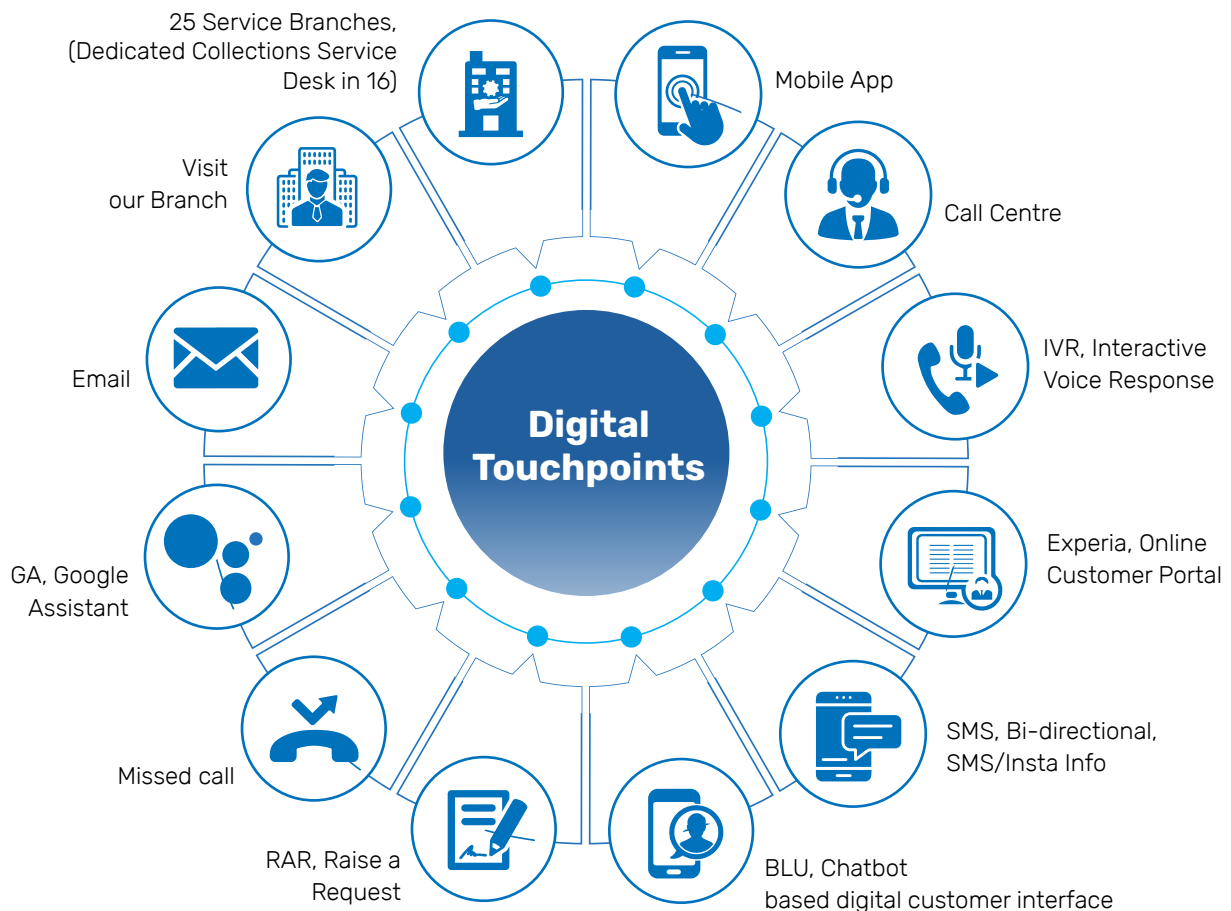




Some of the initiatives taken in this regard are:

- ◆ Video series called 'School of Insurance', with over 80 videos to educate on insurance in multiple regional languages
- ◆ Campaigns like 'Savdhaan Rahein. Safe Rahein', 'Be Cyber Safe' and 'Fraud Awareness Week' are undertaken across customer portals and social media channels for creating awareness about various consumer frauds that take place in the financial services ecosystem
- ◆ Online initiatives, such as Bajaj Allianz Marathon, Bagic4Fitness and other programmes around health awareness and well-being, are conducted to promote health and safety
- ◆ Awareness initiatives, like webinars, use of offline tools (including print and radio), comprehensive FAQs on website / apps, communications through email, blogs, etc., are a key focus area
- ◆ Insurance subsidiaries actively participate in and provide advisory support to industry-wide insurance awareness campaigns – like 'Sabse Pehle Life Insurance' and 'Fayde ki Baat' carried out by Life Insurance Council and General Insurance Councils, in addition to providing monetary contribution
- ◆ Educational material on information security, phishing, etc. is provided on our websites
- ◆ SMS and email alerts are sent to customers, notifying them that we never ask for OTP, PIN or such personal details. If such details are asked, they should report such matter immediately
- ◆ For the 5th year in a row, BAGIC has been promoting healthy heart initiatives through leadership participation in panel discussions

Details on the Group initiatives on cyber security, and data privacy are provided in the 'Information Security, Cyber Security and Fraud Controls section of the Report'

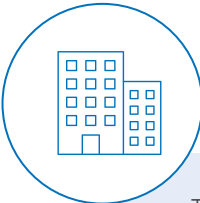


# Human Capital Management

We aim to provide a workplace that nurtures talent, inculcates responsibility and builds future leaders.







## A Nurturing Work Culture at Bajaj Finserv Group

The BFS Group works to promote a workplace culture where innovation, agility and ownership thrive. We seek to create responsible leaders who build long-term profitable businesses while nurturing customer relationships. To cultivate an inclusive work culture that integrates employees' personal involvement and professional development, we promote a One BFS Leadership DNA. We have accordingly defined a set of leadership mindsets and behaviours that encapsulate the target culture, which will propel the Group towards a reimagined future in alignment with its purpose against the backdrop of a fast-developing nation.

We have identified four leadership mindsets and four leadership behaviours that together constitute the cultural DNA of the BFS Group. These leadership mindsets and behaviours combine to produce a culture that is highly customer-centric, agile, boldly entrepreneurial, audacious, and innovative.

### Leadership Mindsets

Customer Obsession	Being Responsible	Founder's Mindset	Talent-Builder

### Leadership Behaviours

Dream to Deliver	Innovate to Simplify Intuitive	Delegate and Develop	Do the Right Thing

The 4 leadership mindsets and the associated capabilities are detailed in the CoEPC adopted consistently across all the Group companies.

## People Practices

People are our key assets. Group's people policies and processes have enabled us to attract and retain talent in an intensely competitive market. We have created a safe, thriving and inclusive workplace for our employees. We provide our employee's opportunities for professional development to realise their potential that drives superior performance. Our 'Do More, Earn More' philosophy presents an opportunity that rewards people for their performance and maximises performance-linked earning. Our workplace culture encourages collaboration, accountability, open communication, trust, integrity and responsibility, which builds stronger teams.

**59,961**

Permanent employees as on 31 March 2022

**~50%**

Employees below age of 30

**6,400+**

Undergraduates employed

- ◆ As on 31 March 2022, the BFS Group has 59,961 permanent employees with diversified professional backgrounds, age brackets and so on, building a collaborative work culture and stronger teams. Our 6,090 women employees represent around 10% of the permanent workforce.
- ◆ Further, around 50% of our employees are under the age of 30 and only about 5% are above 45.
- ◆ The Group provides employment opportunities to more than 6,400 undergraduates.





### Inclusive Workplace for Stronger Teams

Our people practices acknowledge and respect employees' uniqueness while enabling employees to feel valued. In an inclusive workplace with a strong orientation to learning and development, we provide learning opportunities aligned to employees' roles, levels and specific focus areas. The Group has made a shift to digital learning, and most of trainings for professional development are conducted by internally certified trainers and managers.

Our robust reward and recognition framework acknowledges employee achievement and contribution to business outcomes while delivering future leaders.

Our people practices may be broadly grouped under four categories viz. i) fair, safe and transparent workplace; ii) pay, rewards and benefits; iii) talent development and retention; and iv) ethics, compliance and grievance redressal.

**Gender pay parity with median remuneration for FY2022 at ₹0.05 crore across the Group.**

### Fair, safe and transparent workplace

The BFS Group has mapped out an organisational strategy to create a workplace culture built on communication, trust and integrity. We have strived to create an open and safe workplace with policies and practices that are clear, transparent, and fair.

All business elements throughout the Group – business plans, compensation packages, computation of performance metrics, or compliance processes – demonstrate transparency. Management and employees are encouraged to communicate openly and effectively. The median remuneration for FY 2022 was 0.05 crore which ensured gender pay parity across the Group. Our commitment to employees is enshrined under the [Employee Charter \(Rights and Responsibilities\) and Human Rights statement \('Employee Charter'\)](#). The Employee Charter explicitly sets out what employees can reasonably expect from the Company while also stating the responsibility and work ethics expected from employees in the performance of their duties. This Charter also provides for equal opportunity and non-discriminatory practices. We prohibit forced child labour, bribery, and corruption. The Charter is available on the Company's website.

**We prohibit forced child labour, bribery, and corruption.**

The BFS Group walks the extra mile to develop a transparent, safe, healthful and inclusive workplace through some key practices.

- ◆ Recruitments and career advancement are based on merit
- ◆ BFS believes in equal pay for equal work and there is no discrimination against employees on any grounds. Employees are provided with competitive remuneration and benefits and a conducive work environment in exchange for their efforts and contributions
- ◆ Training on safety protocols like safety, and evacuation processes are provided to employees. During FY2022, 1,636 fire audits and 786 fire drills were conducted
- ◆ To promote a healthy work-life balance, we offer all employees a generous leave policy and flexible office options enabling employees to spend quality time with their families while managing work responsibilities
- ◆ We regularly conduct employee surveys for open feedback, assess employees' views and take action as appropriate to co-create a preferred workplace



### One Finserv – Employee Engagement Survey FY2022

It was conducted for continuous employee listening, action planning and for co-creating a preferred workplace. The employee survey had a **response rate of 93%** during the year. The survey was designed to obtain opinions from across the Group and to identify improvement opportunities in our systems and practices. Employee answers are treated with complete confidentiality and no access to anyone from the Group to any individual answers.







## Pay, rewards and benefits

BFS Group's philosophy is to reward people for their performance and contribution, which are anchored on metricised work deliverables and directly reflect in earning potential. Accordingly, strong performance pay, rewards and recognition and benefit plans have been created. The remuneration of employees consists of fixed pay, short-term performance pay (monthly/quarterly/annual) and long-term incentive plans (including stock options). These benefits beyond a fixed compensation package encourage performance and work delivery.

Other initiatives taken to enhance employee engagement are as follows:

- ◆ **Insurance:** We have insured our permanent employees under group term insurance, health insurance and accident insurance policies. Additionally, BAGIC provides unlimited health insurance cover for all its employees.
- ◆ **Leaves:** We have in place a generous package of earned leaves for employees. During the year, 195 employees availed maternity leave, while 1,363 employees took the benefit of paternity leave.
- ◆ **Performance:** Superlative employee performance is recognised and rewarded. More than 13,000 employees were recognised during the year.
- ◆ **Women's Safety:** The BFS Group of companies has put in place policies that support women colleagues' safety and performance, including cab facility, flexible working hours, especially post-maternity leave and preferential transfers.
- ◆ **Financial Assistance:** BFL Group has introduced 'I-Care', an employee participatory financial assistance programme for emergency situations. It encourages employees to enrol and contribute a small amount from their monthly salaries,

which is matched by the Company's contribution of an equal amount. More than 32,000 employees registered under this programme during the year and 158 employees received financial support of more than ₹ 8.26 crore. The Company makes an additional contribution when required.

- ◆ **Benefits:** The BFS Group also provides employees thoughtful benefits, including an option to receive the salary fortnightly or avail of an advance against salary to meet financial commitments. Across the Group, more than 1,300 employees availed benefits of fortnightly salary payment and more than 10,500 employees availed the benefit of advance salary in FY2022.

## Talent Treasure

The BFS Group strives to inculcate a sense of ownership in its employees that has helped to build and maintain a talent pipeline. In selecting between a 'develop versus hire' talent model, we place a larger emphasis on developing talent through capability building.

Employees at the BFS Group are the architects of their career progression. They own their development with guidance and support from immediate managers and the organisation. Besides, in-house capability building initiatives sustain high performance and enable the Company to retain and manage talent effectively.

Capability building is led by the Group Learning Academy (GLA) and the Learning and Development teams in the various companies. Various workshops and skill upgradation programmes to build capabilities has served to enable business growth and excellence.

The GLA focusses primarily on leadership and group talent capability building. It runs accelerated programmes aligned with BFS leadership mindsets, behaviours and identified key capabilities, apart from

**The BFS Group strives to inculcate a sense of ownership in its employees that has helped to build and maintain a talent pipeline.**

providing anytime learning sources. The Learning and Development teams focus on company-specific capability building. Additionally, multiple functional academies from different domains drive specific capability building and skills.

These programmes run by the Company have been popular with employees.

- ◆ During the year, more than 58,000 employees with tracked training hours of 0.9 million hours participated in at least one of the development programmes, viz. functional, managerial and leadership skill enhancement programmes, helping them in upskilling / multi-skilling. During the year, around 81% of the total women employees and 77% of total male employees participated in at least one of the functional / skill upgradation training
- ◆ In addition to various exhaustive awareness campaigns conducted during the year for fraud prevention, Cyber security and data privacy by the Group companies, more than 63,000 hours of training were provided to permanent employees. Refer to section < [Information Security, Cyber Security and Fraud Controls](#) > for more details on awareness campaigns
- ◆ Eligible employees are encouraged to pursue higher studies and enhance their technical skills
- ◆ The Group provides internal career growth and mobility opportunities to employees through





internal job posting mechanism and auto-promotions. More than 4,300 employees moved to new roles through these mechanisms and more than 10,000 employees got auto-promoted during the current year. Further, internal job postings on 'One Finserv Career' works as a one-stop destination to job opportunities across the BFS Group companies

- ◆ The BFS Group conducts group-wide programmes to identify and train young talent. These employees are trained in different roles with three companies over a period of 18-36 months, after which they take up the final role:
  - Group Young Leaders Programme – Talent from Premier B-Schools is groomed for Gen-man roles
  - 30 Under 30 – Aims to internally identify young talent under 30 who can be groomed for future capabilities
  - Group Finance Associate Program – grooms fresh Chartered Accountants for future roles.

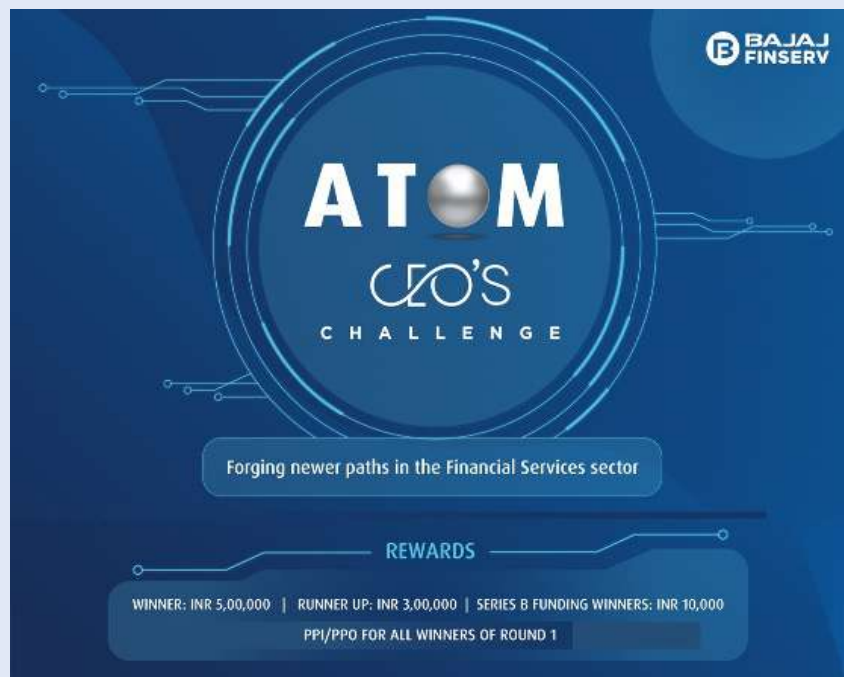
- ◆ All eligible employees of BFS Group underwent quarterly / biannual / annual performance assessments conducted in a transparent manner and focussed on structured development conversations
- ◆ To support the digital transformation agenda of BFL, the need for tech talent was recognised and a young talent programme called Bajaj Young Technical Engineers (BYTE) was launched. A campus programme, BYTE aims to attract and build ground-up tech talent for the Company. In the current year, 260 new engineers have been offered to join BFL from seven chosen campuses. This programme will become a foundational frame for BFL with the objective to staff over 60% of the technical manpower requirements over the next few years

**More than 4,300 employees moved to new roles through these mechanisms and more than 10,000 employees got auto-promoted during the current year.**

- ◆ BFS Group companies organise various specialised programmes for upskilling and mentorship of its people. For example, BAGIC conduct 'Project Economy' - where cross-functional employee teams come together to work on a live business project and get recognised and rewarded based on the business outcome

## Bajaj Finserv ATOM - CEO's Challenge

1,180 teams across 17 B-schools registered for ATOM - a competition for students to use scenario planning and design thinking creating a disruptive solution for the future. ATOM un-case study programme offers a chance to peek in the future and be ready today with tomorrow in mind. The idea is to predict the direction of the financial products and services sector for an open banking era and create solution for citizens of the future. ATOM - CEO's Challenge is the proposition created to engage talent on campuses to design and build futuristic solutions on CEOs agenda. It will provide an opportunity to engage with leaders of the organisation, understand context of problems and then come up with breakthrough ideas for the CEO.







## Ethics, compliance and grievance redressal

Our corporate culture, based on trust and integrity, is reflected in our high level of compliance with regulations and employees' ethics. While the BFS Group is compliant with applicable labour laws and regulations, our employees are not part of any employee association.

Our commitment to our people has led to the creation of a formal grievance redressal system available to all employees across Group companies, including joint ventures. Employees may anonymously raise their concerns, in confidence, without fear of reprisal or retribution. Our redressal mechanism involves a fair investigation of the complaint in accordance with the explicit guidelines provided by the CoEPC and Employees' Charter, besides Disciplinary Action Committee reviews, whistleblower and vigil mechanism policies. The Disciplinary Action Committee delivers the decision without prejudice, as it enjoys Board oversight across Group companies. Group companies also maintain an independent helpline for employees to report their concerns.

- ◆ During the year, no company in the Group received any complaint related to forced or voluntary child labour, discrimination at workplace, health and safety concerns or grievances related to wages, working conditions or human rights related issues
- ◆ BFS strictly follows a gender-neutral policy for [prevention of sexual harassment](#). During FY2022, fourteen complaints of sexual harassment were received, of which twelve have been appropriately resolved. The others are in various stages of resolution as on 31 March 2022
- ◆ All Group companies conducted training programmes for employees with more than 0.17 million logged hours, covering topics like acceptable behaviour, human rights, anti-corruption and bribery, anti-

money laundering and facilitation payments, fraud prevention, insider trading, prevention of sexual harassment, etc.

## Support for Employees During Pandemic

Each of the BFS Group companies worked hard to support employees and foster a sense of inclusion at work during the Covid-19 pandemic. We took various steps to prevent disease spread and support employees who contracted Covid-19. viz. (i) Convenient access to vaccination, (ii) migration from physical to digital training and conferences, (iii) curtailed travel, (iv) taking extensive precautionary measures like sanitisation of offices, availability of hand sanitisers and masks, (v) work from home facilities and introduced operations in multiple shifts to ensure lesser number of employees at the workplace - enabling social distancing.

Various other employee welfare initiatives were implemented by Group companies. These included:

- ◆ During the year, the Company offered convenient access to Covid-19 vaccination across various locations to more than 71,000 employees and around 18,000 family members of employees.
- ◆ Employees infected by Covid-19 were allowed additional leaves above their annual entitlement – More than 9,800 employees availed the extra leaves
- ◆ Antibody testing camps were conducted periodically for employees
- ◆ Dedicated 24\*7 helplines were launched by every Group company to support employees and their families for Covid-19 testing and hospitalisation – More than employees and their family members were served through these helplines
- ◆ Some Group companies introduced a financial aid programme for employees who had contracted



## Employees may anonymously raise their concerns, in confidence, without fear of reprisal or retribution.

Covid-19 – in addition to medical insurance – to reduce the financial burden of treatment and isolation. Aid of ₹12.70 crore was availed by 2,810 employees

- ◆ Further, BFS and all its subsidiary companies adopted the 'Covid Impacted Family Assistance Programme', providing additional support in case of covid specific employee demise through medical expense reimbursement; monetary family assistance for 48 months; child education up to the age of 21 years; and employment opportunity for their spouse, if found suitable. During FY2022, more than 60 employee families were assisted through this programme
- ◆ To address queries about health and Covid-19, more than 24,000 free doctor consultations were provided and availed by employees and their dependents
- ◆ Counselling programmes were introduced for employees to connect with professional psychologists to discuss mental health and well-being matters – more than 4,500 employees availed of this service
- ◆ DIY health regimes were organised to help employees cope with remote working and maintain a good work-life balance. Health focussed initiatives included Health Coach Workshop on Parenthood, Well-being Webinar for Women and Children, and Virtual Fun Friday, which included physical fitness activities like Zumba, yoga etc.





## Awards and Recognition

The successful milestones of the Company and its subsidiaries found appreciation in various prestigious awards during the year. Some of those are listed below:

- ◆ Bajaj Markets Recognised as the 'Dream Employer of the Year' at the Dream Companies to Work for Awards by The World HRD Congress 2022
- ◆ BALIC won Kincentric 'Best Employer Award' 2021
- ◆ BFL is recognised as Top 30 Great Places to Work in FY2022

## Employee ESG Awareness

- ◆ Employee engagement in ESG is the most effective way to promote ways of sustainable business.
- ◆ Social media posts, use of intranet communication platforms for subject matter dialogues, device screen savers, display across office spaces, email flashes, etc. were some of the targeted mediums used for the ESG awareness

**Group companies carried out campaigns during the year to create awareness amongst its employees on responsible and sustainable business conduct principles and to familiarise and engage them with the Group's ESG practices and initiatives.**

**Mapping the ESG journey of BFL**

At BFL, we believe in building businesses while being socially and environmentally conscious. The Environmental Social Governance report captures our efforts in the pursuit of creating a better tomorrow.

**CLICK HERE**  
to read the full report for FY'21

**Extending a helping hand**

The Bajaj Group pledged Rs.100 crore to provide an impetus to the relief efforts of the nation in collaboration with 200 NGOs.

Measures like offering moratorium, one-time loan restructuring, providing existing eligible customers to convert their term loans into hybrid Flexi Loans, etc. provided the flexibility to customers to manage their finances.

Financial Aid, a dedicated helpline, free doctor consultations among others were enabled for the employees to tide over this difficult period.

**CLICK HERE**  
to read the full report for FY'21

**Financial services for sustainable livelihood**

At BFL, we strongly believe that all individuals and businesses should have access to relevant, sustainable and affordable financial services that meet their financial needs.

Our financial products and services enable millions of people to secure a sustainable livelihood, healthcare, education, homes, protection, and savings.

**CLICK HERE**  
to read the full report for FY'21

**Conserving the environment and empowering the community**

Bajaj Group's philanthropic philosophy was articulated by its founder Shri Jinnalal Bajaj who had advised that all business activities should look for opportunities for philanthropy. In the same breath, he also said that a business's motive should not be considered during philanthropy.

Keeping this in mind, BFL is committed to creating a clean and sustainable future.

So far, we have reduced consumption by 400 million sheets of paper and planted over 231,950 saplings across 910 locations.

BFL's core philosophy includes integrating philanthropic initiatives without seeking business opportunities. We have contributed to the community by working closely with 90 partner organizations on more than 148 projects. BFL also has its flagship projects that work towards this common goal.

**CLICK HERE**  
to read the full report for FY'21





# Information Security, Cyber Security and Fraud Controls

Information has emerged as a valuable asset in this technological age, necessitating robust control over information security, cyber security and fraud. Our Information Technology (IT) framework provides for controls to overcome the various challenges and threats that can disrupt our business operations and endanger customer data.



We overcome these threats and challenges through the IT framework, which inter-alia covers governance, policy, operations, security, audit and Business Continuity Plan (BCP).

The IT framework of each of the Group companies is designed to establish, implement, monitor and constantly improve its information security posture.

- ◆ The focus of the IT framework is on the privacy of customer information and data security
- ◆ The material subsidiaries of the Company are compliant with ISO 27001:2013 Information security management system and ISO 22301:2012 Business Continuity Management
- ◆ The subsidiaries also comply with the applicable regulatory framework and guidelines (viz. RBI’s Master Direction – Information Technology Framework for the NBFC Sector, IRDAI’s Guidelines on Information and Cyber Security for Insurers, etc.)
- ◆ The Group companies have implemented Data Loss Prevention (DLP) solutions, such as:
  - ◆ Endpoint DLP
  - ◆ Email DLP
  - ◆ Conditional access to Office 365
  - ◆ VPN access on corporate laptops
  - ◆ Mobile Device Management for corporate mobile apps, etc.
- ◆ All data protection controls are enhanced periodically and evaluated at least once a year.

### IT Framework and Policies

The material subsidiaries have defined and implemented policies / frameworks / practices on cyber security and risks related to data privacy. The policies cover and communicate the respective company’s:

- ◆ Commitment to obtain user data through lawful and transparent

means, with explicit consent of the data subject where required

- ◆ Clear terms involving the collection, use, sharing and retention of user data, including data transferred to third parties
- ◆ Commitment to notify data subjects in a timely manner in case of policy changes or data breaches
- ◆ Commitment to collect and process user data that is limited to the stated purpose

The Group companies clearly disclose the mechanisms for data subjects to raise concerns about data privacy through dedicated cyber cell units / email IDs on their respective websites.

### Cyber Security

Cyber security policies and practices have been institutionalised with the aim to protect information infrastructure on the internet; prevent and respond to cyber threats; reduce vulnerabilities, and minimise damage from cyber incidents. A combination of dedicated teams, processes and technology enable the successful realisation of these objectives. Some of the operational measures to monitor and respond to data breaches and cyber-attacks are:

- ◆ Security operations centre: managed by reputed cyber security service providers,
- ◆ Surface Web and Dark Web monitoring: carried out through service providers, and
- ◆ Customer related fraud events: detected, managed and mitigated through risk control unit along with cyber risk team.

### Privacy of Personal Information

Led by a commitment to protecting the privacy of personal data, we have put well-structured privacy policies in place. Our privacy policies apply to our entire operations, including the



**The material subsidiaries of the Company are compliant with ISO 27001:2013 Information security management system and ISO 22301:2012 Business Continuity Management.**

suppliers. The privacy policy system is embedded in risk/compliance management across the material subsidiaries.

### Ensuring personal information privacy

- ◆ The Customers’ Personally Identifiable Information (PII) is masked in the core systems and customer-facing systems through data encryption
- ◆ Access to customer PII is restricted, and access is granted based on consent on a need-to-know basis with due approval
- ◆ Data uploaded on dialler is stored in an encrypted format, and no access to customer’s PII is granted to the calling agent
- ◆ Privacy terms are displayed on the website of the respective Group company; it covers the details regarding consent, collection, use, sharing, processing and retention of customer data. Any changes to the Privacy Terms are updated on the respective company’s website, where the customers can also raise their concerns

The BFS Group has zero-tolerance for breaches confidentiality and privacy. Further, the Group companies have defined actions, ranging from suspension to termination, penalty, legal action, etc., for noted instances of data breach. During the year, there were no instances of data breaches involving PII of customers across any of the Group companies.







## Audits and Assessments

We undertake regular audits and assessments of the security threats through a comprehensive strategy comprising:

- ◆ Regular internal security audits, vulnerability assessments and penetration testing of systems, products and practices affecting user data
- ◆ Periodic application security assessment, like pre-production, six-monthly application security assessment and yearly structured exercise at various stages of business enhancements, APIs, Bots etc.
- ◆ At least annual audit assessments, by external experts, of systems, products and practices affecting user data
  - ◆ ISO 27001 Surveillance Audit
  - ◆ ISO 22301 Surveillance Audit
  - ◆ Audits required as per the applicable regulatory requirements
  - ◆ Red Team exercise for internet-facing customer systems and IT Infrastructure

## Governance structure

In case of material subsidiaries, the IT security-related projects and operations are reviewed by a committee, under the oversight of the respective company’s Board. The committees meet at least on a half-yearly basis. Dedicated teams manage the cyber security programme and operations for digital initiatives.

## Awareness and Training

The BFS Group deploys multiple channels, such as class-rooms training, mails, posters, chronicles, brochures, etc., to create cyber security awareness across stakeholder communities, including employees, value-channel partners, business partners, etc.

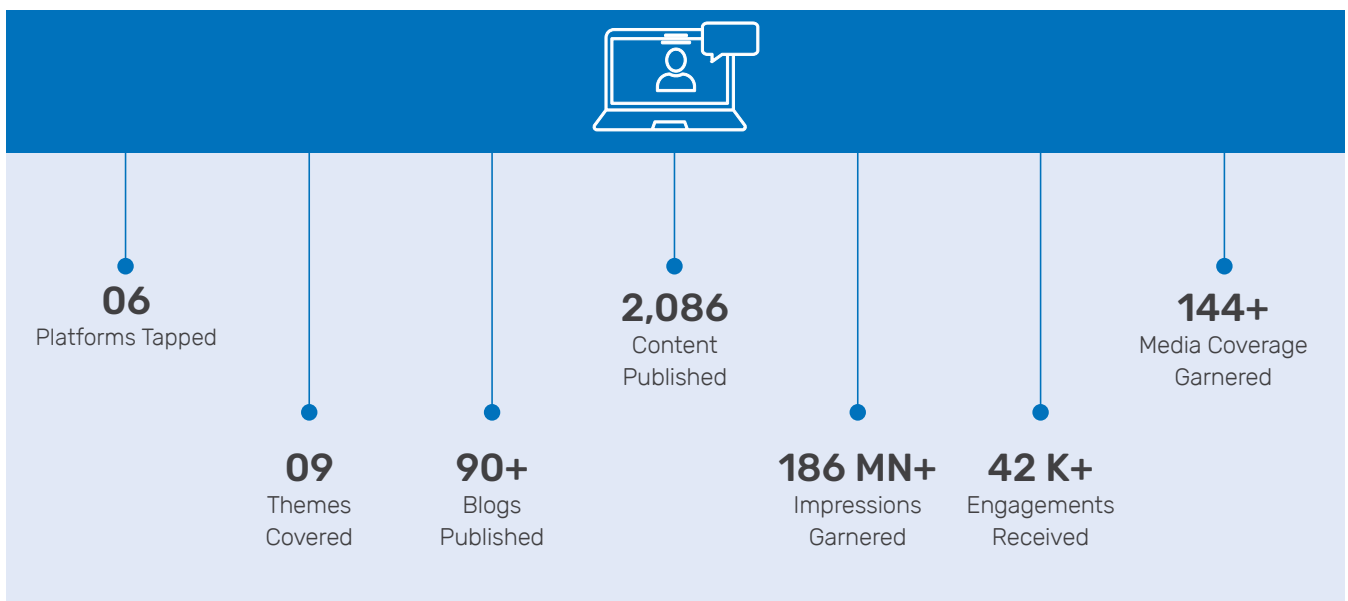
- ◆ Trainings are conducted for employees and vendors who use customer-facing application and assets
- ◆ To educate customers / users on privacy, security awareness and confidentiality aspects, the Group companies run campaigns on NOT sharing OTP, Fraud alerts, no asking/ sharing of personal details on calls, etc.

**Led by a commitment to protecting the privacy of personal data, we have put well-structured privacy policies in place.**

- ◆ “Fraud Awareness Week” is celebrated during November across insurance companies, with the active participation of Mancom members
- ◆ Training for law enforcement agencies, such as Police, on Insurance Frauds, creating awareness among them and an environment of deterrence among fraudsters
- ◆ Cautionary Note for customers on being ‘ Beware of spurious calls’, and Fraud Prevention Tips on the website for all stakeholders
- ◆ In addition, awareness campaigns were conducted during the year for fraud prevention, cyber security and data privacy by the Group companies, more than 63,000 hours of training were provided to permanent employees

## 'Be Cyber Safe' Campaign

Deployed a 360-degree customer awareness campaign for RBI’s cyber security awareness drive throughout October 2021.





## Fraud Awareness Campaigns

Group companies conduct various campaigns to create awareness amongst its employees, customers and value chain partners. Insurance Subsidiaries celebrated International Fraud Awareness Week from 14<sup>th</sup> to 20<sup>th</sup> November, 2021 with the intention of creating an anti-fraud awareness among our distributors and customers alike. Key highlights of some of the campaigns have been presented below:

### 'Savdhaan Rahein. Safe Rahein'

Our fraud awareness focus encompasses targeted initiatives and programmes covering customers and employees. It covered fraud themes of loans, fake profiles, ads on social media, UPI, vishing, phishing, SMS, lottery/offers, job and insurance frauds. The Group's Fraud prevention awareness campaign was recognised with Gold at Adgully's Digixx 2022- BFSI services sector.

Fraud Prevention   Savdhaan Rahein Safe Rahein - Key Highlights			
Input		Output	
<b>10+</b> Platforms Tapped	<b>10+</b> Themes Covered	<b>343MN</b> Impressions Garnered	<b>15MN</b> Engagements Received
<b>130+</b> Blogs Published	<b>10,000</b> Content Published	<b>167MN+</b> Video Views Achieved	<b>500</b> Media Coverage Garnered

**Click images to watch the video**





## Business Continuity Management

All Group companies have in place a business continuity strategy and framework, which is also compliant with applicable regulatory requirements. BCP envisages the likely disruptive events, as well as their probability and impact on business operations. The impact is assessed through business impact analysis. The process is aimed at eliminating or minimising any potential disruption to critical business operations.

The BCP includes Disaster Recovery procedures to quickly recover from

an emergency. Annual BCP drills and reviews are conducted to ensure that the BCP is effective given the current nature of business processes, infrastructure, personnel, etc.

## Fraud Risk Management

To check any fraudulent activities across our business operations, we closely assess the various fraud risks to which we are exposed. Our anti-fraud programme is crafted to prevent such risks. Fraud risk audits are conducted at least annually. Fraud risk policies and frameworks are also reviewed annually. Fraud risks are monitored at least quarterly and have Board

oversight through Audit Committee, Risk Committee and Whistle Blower Committee.

**Insurance Subsidiaries celebrated International Fraud Awareness Week from 14th to 20th November, 2021 with the intention of creating an anti-fraud awareness among our distributors and customers alike.**





# Stakeholder Engagement

BFS's key stakeholders include shareholders and investors, customers, government and regulators, value chain partners, employees and society as a whole. Through periodic interactions, the BFS Group actively addresses their expectations and concerns.





BFS Group is dedicated to upholding and protecting stakeholders’ interests and ensuring compliance with all applicable laws pertaining to human rights. In FY2022, none of the companies in BFS Group received any complaint relating to a violation of human rights.

### Shareholders and Investors

Leading with integrity, invoking the trust of stakeholders, BFS and BFL, the two equity listed entities within the BFS Group, maintain one of the highest standards of business information disclosures amongst financial services companies in India. Both companies communicate with shareholders and investors in various ways, including quarterly investor presentations, press releases and communications through stock exchanges, participation in investor conferences, etc. Additionally, senior executives of our unlisted material subsidiaries (BAGIC and BALIC in case of BFS and BHFL in case of BFL) also participate in the investor call and address their queries, underlining the importance of these engagements.

Our Stakeholders Relationship Committee of the Board addresses the grievances of investors. During the year, the Group received 17 shareholder and investor complaints, of which 1 was pending for resolution as on

31 March 2022 which also has been appropriately resolved subsequently.

### Value-Chain Partners

BFS Group strives to influence its partners in the value chain to participate in responsible and sustainable business conduct depending upon their means and resources. We believe that mutual and inclusive growth of our value-chain partners is necessary to foster trust and manage potential risks through interactions with value chain partners. Each subsidiary has various partners such as vendors, business associates etc., with whom they have an ongoing engagement in the form of in-person / online meetings, emails, performance discussions, trainings, company policy/process communication etc. Additionally, each company conducts periodical meets/conferences for some of its value-chain partners. For instance, BFL conducts ‘Samvaad—Dialogues to Success’ with its business partners while our insurance subsidiaries conduct agent meets.

Each of the Companies in the Group conducts awareness and training programmes for its value chain partners (especially agents and other intermediaries), depending upon business needs, stakeholder

feedback and regulatory requirements relating to code of conduct, anti-money laundering, fraud prevention, health and safety, prevention of sexual harassment, whistle blower mechanism, other functional trainings, etc.

During the year, our insurance subsidiaries provided specialised training to their agents. These training sessions covered various topics such as code of conduct, ethics, professional conduct, anti-money laundering, functional and skill upgradation trainings that were knowledge-based and covered the ‘Did you Know’ series about products, processes, FAQs, new product launches, know your compliances, existing products, ready-reckoners, sample illustrations, selling stories and video pitches. Similarly, BFL conducted Suo-moto Debt Recovery Agent (DRA) training and a Change Agent program for its collection agents. All agents associated with collections are covered under this program – more than 17,800 agents have completed the training program.

All material subsidiaries have a monitoring framework for their value chain partners such as debt recovery agents, insurance agents,

## “Samvaad - Dialogues to Success”

An annual meet is conducted to strengthen relationship with business partners and to address their concerns – around 1,000 large retailers used to attend this session in person in pre-Covid-19 period. BFL felicitates and recognises outstanding performance of its partners in such forums. In FY2022, due to travel restrictions, ‘Samvaad’ was conducted in a digital manner and was broadcasted LIVE where over 11,000 retailers participated and interacted live with the senior management.







etc. to review their performance and take suitable action in terms of warning, penalty and termination for deviations. This is achieved through contracting, engagement, and following Board-approved policies and codes:

- ◆ Insurance subsidiaries – Appointments and operations are conducted according to the guidelines provided under the Policy on Appointment of Insurance agents, Policy on payment of Commission/ Remuneration / Reward to Insurance Agents and Insurance Intermediaries and Policy on engagement of Agency Development Partner
- ◆ BFL and its subsidiaries have adopted a Board-approved Code of Conduct for Direct Selling Agents, Direct Marketing Agents and Recovery Agents

to stay on track and provide timely and accurate information, as required.

Each of the Group companies participates in the interactive engagement with government authorities and regulators, be it by offering suggestions and recommendations or feedback on draft policies. We also provide our discerning views on setting up of new industry standards or regulatory developments pertaining to the financial services industry. These interactions enable us to understand the areas of focus and concerns. When providing our views or feedback, we always attempt to balance the interests of various stakeholders objectively. All interactions with government bodies and regulators like RBI, SEBI, IRDAI etc., are conducted only by authorised senior officials of the Group companies.

BFS Group is one of the financial conglomerates which is monitored by the Inter-regulatory Forum (IRF), comprising representatives from the IRDAI, SEBI, RBI, NHB and PFRDA. As part of the monitoring process, an annual meeting is held by the IRF

with the BFS Group, wherein the IRF is updated on the practises at the BFS Group pertaining to compliances, risk management, capital adequacy, grievance management, business development, etc. From the respective regulators’ side, their expectations on any identified issues and challenges, if any, in the conduct of respective companies are discussed, including their expectations from the overall BFS Group of companies.

BFS and its subsidiaries are also members of various trade and industry chambers, associations, councils and other collective platforms or forums. We proactively participate in the discussions and contribute to the resolutions within the scope of these forums.

For instance, BFS is a member of the World Economic Forum and CII, through which it actively engages in policy advocacy. These engagements are overseen by Sanjiv Bajaj, Chairman & Managing Director of the Company, and the President of CII, from May 2022.

## Government and Regulators

The BFS Group companies continually monitor their legal and regulatory compliances. We regularly engage with government agencies and regulators

## Society

### Empowering society



## Customers

### Customer centricity



## Employees

### Human capital management





# Statutory Reporting

- A. BRSR Independent Verification Statement
- B. Statutory Disclosures - BRSR
- C. GHG Independent verification statement



## Introduction

DNV Business Assurance India Private Limited ('DNV') has been commissioned by the management of Bajaj Finserv Limited ('the Company' or 'Bajaj Finserv', Corporate Identification Number: L65923PN2007PLC130075 to undertake an independent assurance of Bajaj Finserv's Business Responsibility and Sustainability Reporting ('BRSR') disclosures (the 'Report') which shall form part of the Company's Business Responsibility and Sustainability Report FY 2022 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 Finserv ('the Management') and its stakeholders. Our assurance engagement was planned and carried out during March 2022 – June 2022 covering the Company's non-financial/sustainability performance during 1<sup>st</sup> April 2021 - 31<sup>st</sup> March 2022. We performed a limited level of assurance based on our assurance methodology, VeriSustain<sup>TM1</sup>.

## Responsibilities of the Management of Bajaj Finserv 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 Finserv 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 Finserv; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of Bajaj Finserv.

We do not provide any services to Bajaj Finserv 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 Finserv in India covering the financial and insurance services-related operations of Bajaj Finserv Limited, its subsidiaries and joint ventures, 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 Finserv 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 Finserv. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to Bajaj Finserv'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.
- 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

<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)



and claims disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility to deliver Bajaj Finserv's overall sustainability objectives.

- Carried out remote verification of sustainability performance data and sample evidences related to the following sampled subsidiaries that is, Bajaj Finance Limited, Bajaj Allianz General Insurance Company Limited and Bajaj Allianz Life Insurance Company Limited 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 properly describe Bajaj Finserv Limited's adherence 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 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. The Company may strengthen its process of materiality identification and prioritisation of material topics through engagement and feedback with internal and external stakeholders.

**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 key stakeholder groups identified by Bajaj Finserv, that is, shareholders and investors, customers, government and regulators, value chain partners, employees, and society. The formal and informal modes of engagement with these stakeholder groups as well as the key topics and concerns which have come out from these engagement channels are brought out within the Report.

**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 Finserv 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 Finserv has established towards capturing and reporting its sustainability performance related to each Principle of NGRBC. The majority of 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 FY 2021-22 related to economic, environmental, social and governance-related aspects of the BRSR and covering the operations of Bajaj Finserv Limited, its subsidiaries and its joint ventures, covering the performance related to the nine NGRBC Principles. Bajaj Finserv 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 Finserv’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 Finserv and its subsidiaries and joint ventures in the scope of assurance during FY 2021-22 that could compromise the independence or impartiality of our work.

For DNV Business Assurance India Private Limited

<p><b>Lankalapalli, Bhargav</b> Digitally signed by Lankalapalli, Bhargav Date: 2022.06.24 16:28:03 +05'30'</p> <p>Bhargav Lankalapalli Lead Verifier DNV Business Assurance India Private Limited, India.</p>	<p><b>Radhakrishnan, Kiran</b> Digitally signed by Radhakrishnan, Kiran Date: 2022.06.24 16:48:02 +05'30'</p> <p>Kiran Radhakrishnan Technical Reviewer DNV Business Assurance India Private Limited, India.</p>
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24<sup>th</sup> June 2022, 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 \(https://www.dnv.com/about/in-brief/corporate-governance.html\)](https://www.dnv.com/about/in-brief/corporate-governance.html)

# Statutory Disclosures

## Business Responsibility & Sustainability Report

### Section A: General Disclosures

#### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L65923PN2007PLC130075		
2.	Name of the Listed Entity	Bajaj Finserv Limited (Referred to as 'the Company'/'BFS')		
3.	Year of incorporation	2007		
4.	Registered office address	Bajaj Auto Limited Complex, Mumbai-Pune Road, Pune - 411035		
5.	Corporate address	6th Floor, Bajaj Finserv Corporate Office, Off Pune-Ahmednagar Road, Viman Nagar, Pune - 411014		
6.	E-mail	<a href="mailto:uma.shende@bajajfinserv.in">uma.shende@bajajfinserv.in</a>		
7.	Telephone	020 7157 6064		
8.	Website	<a href="https://www.bajajfinserv.in/corporate-bajaj-finserv">https://www.bajajfinserv.in/corporate-bajaj-finserv</a>		
9.	Financial year for which reporting is being done	2021 - 2022		
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited		
11.	Paid-up Capital	₹ 79.57 crore		
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR Report	Name of the person	Ms. Uma Shende	
		Telephone Number	020 7157 6064	
		Email ID	<a href="mailto:uma.shende@bajajfinserv.in">uma.shende@bajajfinserv.in</a>	
13.	Reporting boundary	Consolidated basis Collectively referred to as 'the Group'/'the BFS Group' (For more details on entities considered for consolidation refer #21 below)		

#### II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	NIC Code	% of Turnover of the Group
1.	Financial and Insurance Services	Non-Banking Finance Company engaged in lending and allied activities	65923	45%
2.		Non-life Insurance Business	65120	28%
3.		Life Insurance	65110	25%

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

BFS is the holding company for financial services business under the Bajaj Group. Its vision is to provide financial solutions for retail and SME customers through their life cycle. These involve: (i) asset acquisition and lifestyle enhancement through financing, (ii) asset protection through insurance, (iii) family protection through life and health insurance, (iv) providing healthcare needs for the family, (v) offering savings products, (vi) wealth management, and (vii) retirement planning and annuities. Through these businesses it offers various attractive solutions, refer #14 for product/service wise breakup of turnover.





### 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
National	Not applicable*	4058	4058
International		Not applicable	Not applicable

\* BFS Group provides financial services through its subsidiary companies and does not undertake any manufacturing activity.

# includes branches and corporate offices as at 31 March 2022.

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

##### a. Number of locations

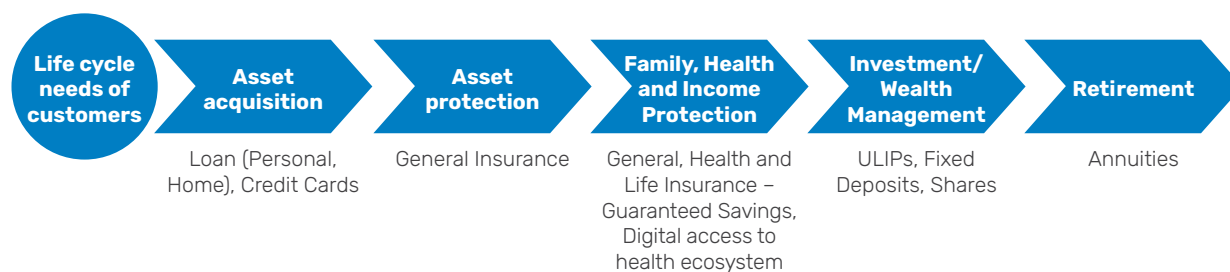
Locations	Number
National	Pan India
International (No. of Countries)	NIL

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

Nil

##### c. A brief on types of customers:

BFS Group provides financial products and services to meet life cycle needs of customers.



### Finance and Lending

- BFS participates in lending business through its 52.49% subsidiary – Bajaj Finance Limited (BFL). BFL also participates in savings business by offering fixed deposits, mutual funds and the like to its customers.
- As of 31 March 2022, BFL's customer franchise stood at 57.6 million, with a strong focus on mass affluent and above clients and has strong geographic presence across 3,504 locations and 1,33,200+ distribution points.
- BFL operates mortgage business through a 100% subsidiary – Bajaj Housing Finance Limited, is engaged in various aspects of housing finance and development. BFL also has another 100% unlisted subsidiary called Bajaj Financial Securities Limited, which is registered with the SEBI as a stockbroker and depository participant providing its clients a full suite of investment products and services in an all-in-one digital platform.

### Insurance

BFS's insurance participation is through (i) Bajaj Allianz General Insurance Company Limited (BAGIC) – general insurance (including health insurance); and (ii) Bajaj Allianz Life Insurance Company Limited (BALIC) – life insurance and retirement plans (together 'Insurance subsidiaries'). Both are unlisted joint ventures with Allianz SE, one of the world's leading composite insurers.



### Non-Life insurance

- BAGIC, our non-life insurance subsidiary, is focussed on retail segments (mass, mass affluent and HNI) and commercial segments (SME and MSMEs), while maintaining strong position in large corporates and government business.
- It uses a strong multi-channel distribution network encompassing multiline agents, bancassurance, broking, direct, and ecommerce network serving all segments of customers.

### Life Insurance

- In life insurance, BALIC's strong agency channel and pan-Indian distribution network of 500+ branches, combined with an array of innovative products and features, has enabled it to create a strong retail customer franchise.
- Its strong focus on service and customer obsession has helped BALIC witness a solid growth in their number of customers, especially in the mass affluent and above segments.

### Others

- BFS through its subsidiary, Bajaj Finserv Direct Limited (BFDL), has created a digital marketplace which offers range of financial products including loans, insurance, mutual funds, investments, lifestyle products, payments and e-commerce.
- BFS through its another 100% subsidiary, Bajaj Finserv Health Limited, a health tech venture, aims to transform healthcare in India by integrating a fragmented healthcare delivery ecosystem with technology and financial services on a digital platform to bring quality healthcare closer to consumers' reach through products, networks and technology.
- For mutual fund and asset management, BFS through Bajaj Finserv Asset Management Limited, a 100% subsidiary, has obtained an in-principle approval from SEBI to set up the asset management company and is in the process of completing the requirements for the final licence for mutual fund.
- Bajaj Finserv Ventures Limited is another 100% subsidiary of BFS, which is an investment platform for (i) early to mid-stage venture capital investments and (ii) alternate class of assets.

## IV. Employees

### 18. Details as at the end of Financial Year:

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

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
1.	Permanent (D)	59,961	53,871	90%	6,090	10%
2.	Other than Permanent (E) *	15,891	10,018	63%	5,873	37%
3.	<b>Total employees (D + E)</b>	<b>75,852</b>	<b>63,889</b>	<b>84%</b>	<b>11,963</b>	<b>16%</b>

\* Refers to fixed term employees

The Company does not have any 'worker'.

#### b. Differently abled Employees:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
1.	Permanent (D)	19	15	79%	4	21%
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total differently abled employees (D + E)</b>	<b>19</b>	<b>15</b>	<b>79%</b>	<b>4</b>	<b>21%</b>





## 19. Participation/Inclusion/Representation of Women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors (BoD/Board)	8	1	13%
Key Management Personnel *	3	1	33%

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

The above information pertains only to the Company as at 31 March 2022.

## 20. Turnover rate for permanent employees

	FY2022			FY2021			FY2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	31%	44%	33%	23%	30%	23%	32%	42%	33%

## 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 Bajaj Finserv Limited as at 31 March 2022
1	Bajaj Finserv Limited	Holding	—
2	Bajaj Allianz Life Insurance Company Limited	Subsidiary	74%
3	Bajaj Allianz General Insurance Company Limited	Subsidiary	74%
4	Bajaj Finance Limited	Subsidiary	52.49%
5	Bajaj Finserv Direct Limited *	Subsidiary	80.10%
6	Bajaj Finserv Health Limited	Subsidiary	100%
7	Bajaj Housing Finance Limited (100% Subsidiary of BFL)	Subsidiary	-
8	Bajaj Financial Securities Limited (100% Subsidiary of BFL)	Subsidiary	-
9	Bajaj Finserv Mutual Fund Trustee Limited	Subsidiary	100%
10	Bajaj Finserv Asset Management Limited	Subsidiary	100%
11	Bajaj Finserv Ventures Limited	Subsidiary	100%
12	Bajaj Allianz Financial Distributor Limited (BAFDL)	Joint Venture	50%
13	Bajaj Allianz Staffing Solutions Limited (100% subsidiary of BAFDL)	Joint Venture	-

\*Balance 19.90% shares are held by BFL

Keeping in mind that the nature and conduct of the businesses across the Group companies are distinct, to the extent relevant, the Company through its [Responsible and Sustainable Business Conduct Policy](#) (i) engages with and enjoins upon its Group companies to participate in the responsible and sustainable business conduct and (ii) requires its material subsidiaries<sup>1</sup> to embody a similar policy. Accordingly, the business responsibility initiatives of the subsidiaries and joint ventures could either be similar or distinct depending on the business responsibility initiative under consideration and nature of their respective businesses.

<sup>1</sup>BFL, BAGIC, BALIC and BHFL are the material subsidiaries of BFS.



## VI. CSR Details

22.

i.	Whether CSR is applicable as per section 135 of Companies Act, 2013 (Yes/No)	Yes
ii.	Consolidated Turnover for FY2022 (₹ in crore)	68,406.08
iii.	Consolidated net worth as at 31 March 2022 (₹ in crore)	66,319.92

## VII. Transparency and Disclosure Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the NGRBC:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY2022		Remarks	FY2021	
		Number of complaints			Number of complaints	Remarks
		Filed during the year	Pending resolution at close of the year			
Shareholders and investors	Yes	17	1	Compliant pending as on 31 March 2022 has been appropriately resolved subsequently	15	
Customers	Yes	6,554	-		10,737	1
Government and Regulators	Yes	-	-		-	-
Value Chain Partners	Yes	-	-		-	-
Employees	Yes	-	-		-	-
Society	Yes	-	-		-	-

As a principle, in line with their policies, practices and processes, each of the Company in the Group engages with its stakeholders and strives to resolve differences with them in a just, fair, equitable and consistent manner and if warranted takes corrective measures. There are certain policies which are internal documents and are not accessible to public, in addition to the policies available on respective company's website, regarding conduct with stakeholders, including grievance mechanisms.

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 identified issue	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications - positive or negative
1	Climate change vulnerability	Risk and Opportunity	<p><u>Risks</u>  <i>Climate change vulnerability</i> - Climate change can result in claim frequency/severity (non-life insurance) and mortality (life insurance) being higher than expected.</p> <p><u>Opportunities</u>  <i>Opportunities in clean technology Financing/Insurance</i> - 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 these class of assets.</p>	Underwriting policies and procedures are in place to assess and manage the risks. Periodic reviews of underwriting processes are conducted, and their effectiveness is assessed. Further, reinsurance programmes seek to optimise the retention of risk, based on risk retention appetite and capacity of the respective company.	<p><u>Negative</u>  Unpredictable adverse events can challenge our assumptions and impact profitability.</p> <p><u>Positive</u>  Being relatively newer class of assets, the Group's experience and depth of balance sheets could allow it to harness these opportunities.</p>
2	Customer experience	Risk	Given that the Group provides financial services products and services to millions of customers, any undesirable customer experience could result in loss of customers or even reputational loss.	Listening to customers and driving continuous transformation to provide them a frictionless experience is what the Group has always strived for. Ethics, transparency, fair practices and accountability are deeply ingrained and practiced in daily operations, including in dealing with customers. 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.	<p><u>Negative</u>  Loss of reputation can result in loss of customer, thereby adversely impacting businesses of the Group.</p>
3	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.	Group's customer reach is achieved through distribution networks, adaptation of innovative technology solutions to provide a seamless customer journey through its digital platforms and customised product offering.	<p><u>Positive</u>  Such distribution capabilities create opportunity for the Group.</p>



## Section B: Management And Process Disclosures

Structures, policies and processes put in place towards adopting the NGRBC Principles (P1 – P9) 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				
b. Has the policy been approved by the Board? (Yes/No)					Yes				
c. Web-Link of the Policies, if available	'Responsible and Sustainable Business Conduct Policy' covering the above-mentioned principles has been approved by the Board. All the policies disclosed by Company are available at <a href="http://bajajfinserv.in/policies-and-codes">bajajfinserv.in/policies-and-codes</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 of the Company, as applicable.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	The Company strives to influence its partners in the value chain to participate in the responsible and sustainable business conduct depending upon their means and resources.								
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	All policies have been developed based on industry practices, as per the regulatory requirements and through appropriate consultation with relevant stakeholders.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The subsidiary companies strive for the following - <ul style="list-style-type: none"> <li>BFL has committed to open another 50 financial inclusion branches in rural and backward areas in FY2023</li> <li>The insurance subsidiaries, based on the policies approved by their respective BoD in April 2022, endeavour to integrate the principles of Responsible Investment in the Investment operations</li> </ul>								
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	As committed in FY2021: <ul style="list-style-type: none"> <li>The Group completed accounting and independent assurance of its GHG emissions for FY2021 and FY2022, the results of which are included in this Report and</li> <li>BFL has opened 50 financial inclusion branches during the year.</li> </ul>								

### Governance, leadership and oversight

7. Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.	<Refer Message from Chairman & Managing Director section>								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name	Mr Sanjiv Bajaj							
	Designation	Chairman and Managing Director							
	DIN	DIN 00014615							
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.	Yes	<ul style="list-style-type: none"> <li>The Company and all its material subsidiaries have their own policies, as approved by their respective Boards, the implementation of which is monitored through their empowered executive committee</li> </ul>							





P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
								<ul style="list-style-type: none"> <li>Such executive committees meet periodically to assess the performance against their business responsibility objectives. Across the group seven such meetings in aggregate were held during the year</li> <li>Further at the group level, a committee comprising senior executives, including from material subsidiaries, meets periodically and provides directional inputs on business responsibility matters</li> <li>During the year, a separate meeting of all the BoD was also convened specifically to discuss and the sustainable and responsive business conduct initiatives across the BFS Group. Further, ESG Risks of the Company and its material subsidiaries were also discussed during the year in respective Company’s Risk Management Committee of the Board</li> </ul>

10. Details of Review of 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)
Performance against the 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 and placed before the BoD as and when required. During this assessment, the efficacy of the 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.	
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.	Evaluation is a continuous process and is done internally.	

**Note:**

Other than the policies placed on the Company’s website ([bajajfinserv.in/policies-and-codes](http://bajajfinserv.in/policies-and-codes)), certain policies of the Company are internal documents and are not accessible to public.

The above compliance is also done by all the material subsidiaries of the Company through their policies and accompanying processes, to the extent relevant/applicable to them. Publicly accessible policies of material subsidiaries are available on their respective websites ([bajajfinserv.in/corporate-bajaj-finance](http://bajajfinserv.in/corporate-bajaj-finance), [bajajallianz.com/general-insurance.html](http://bajajallianz.com/general-insurance.html), [bajajallianzlife.com](http://bajajallianzlife.com), [bajajhousingfinance.in](http://bajajhousingfinance.in)).



## Section C: Principle Wise Performance Disclosure

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

#### Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by awareness programmes
BoD	Apart from BFS and its listed subsidiaries, which carry out familiarisation programmes for its Directors, as required under the SEBI Listing Regulations, even unlisted material subsidiaries on an ongoing basis keep their respective Directors and KMPs abreast on matters relating to the industry, business models, risk metrics, 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.		100%
KMP	The BFS Group invests significant time and resources in the training and development of its employees, to help them stay ahead of latest trends and technology. Further, for certain relevant topics, periodical awareness programmes 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, Fraud Prevention, Health and safety, Insider Trading, Prevention of sexual harassment, etc. During the year, more than 1.1 million hours of trainings were completed and logged by employees on above mentioned topics.		100%

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	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**

	<b>NGRBC Principle</b>	<b>Name of the regulatory/enforcement agencies/judicial institutions</b>	<b>Brief of the Case</b>	<b>Has an appeal been preferred? (Yes/No)</b>
	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.

Not Applicable

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.

BFS Group has zero tolerance towards unethical business practices and prohibits bribery in any form in all of its business dealings through various policies, codes and charters.

The [Code of Ethics and Personal Conduct \(CoEPC\)](#) consistently adopted across the Group reiterates our commitment on anti-bribery. All employees of BFS Group companies must adhere to the commitment of integrity and other responsible business conduct principles laid down in CoEPC.

Some of these policies, codes and charters are available on Company's website ([bajajfinserv.in/policies-and-codes](http://bajajfinserv.in/policies-and-codes)). Further material subsidiaries also have some of their policies, codes and charters available on their respective websites.

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

	<b>FY2022</b>	<b>FY2021</b>
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil

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

	<b>FY2022</b>		<b>FY2021</b>	
	<b>Number</b>	<b>Remarks</b>	<b>Number</b>	<b>Remarks</b>
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

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.

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



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## Leadership Indicators

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

BFS Group strives to influence its value chain partners to participate in the responsible and sustainable business conduct depending upon their means and resources. Group companies carry out awareness/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. For example, our insurance subsidiaries provide specialised training to their agents. These training sessions cover various topics such as Code of Conduct, ethics, professional conduct, anti-money laundering, functional and skill upgradation trainings that were knowledge-based. They also covered the 'Did you Know' series about products, processes, FAQs, new product launches, know your compliances, existing products, ready-reckoners, sample illustrations, selling stories and video pitches. Similarly, on a suo moto basis, BFL has trained about 17,800 Debt Recovery Agents.

### 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.

BFS and its subsidiaries have zero tolerance towards unethical business practices and ensures adherence to relevant principles including in relation to conflict of interest.

The Company has a separate [Code of Conduct for Directors and Senior Management \('CoC'\)](#) 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 also requires them to not to engage in any material business relationship or activity, which conflicts with their duties towards the Company. A declaration for the Directors and Senior Management's affirmation to the said CoC is communicated to all stakeholders by the Chairman & Managing Director, through the Annual Report. CoC hyperlinked herewith, is available on the Company's website.

In addition to the above, the BFS Group 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.

Further, BFS and its material subsidiaries have policies on related party transactions, which require all the transactions to be at arm's-length price.

## 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.

Being a financial services group, the relevance of above is largely related to the Group's capex in information technology. During the year, the Group companies have invested ₹ 445.86 crore on Information Technology capex (hardware and software). Greater adoption of digital platforms not only brings in increased efficiencies of operations but also ensures substantially through reduced consumption of paper.

Further, as part of its initiative to reduce the carbon footprint of its operations, ₹ 1.14 crore have been invested for rooftop solar plant installations at certain offices during the year.

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

BFS Group companies provide financial products and services, and thus neither has a sizeable consumption of any raw material nor produces any tangible goods. Its activities are limited to providing financial solutions to serve the needs of the people. However, the Group nurtures a culture of conservation of resources and encourages innovations that aid in reducing the dependence on natural resources.

#### 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 nature of the business, BFS Group companies provides financial services to its customers and does not manufacture any products, hence we do not currently maintain records for hazardous and other waste generation. However, recycled tissue papers are used at some of the corporate offices. BFS Group has systems in place to manage e-waste and engages with certified e-waste handlers for disposal of e-waste. Approximately, 33.99 metric tonnes of e-waste generated has been disposed through authorised recyclers in FY2022. The Group has received green, disposable and re-cycling certificates from the respective e-waste handlers.

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.

### 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)?

BFS Group provides varied financial products and services to its customers. However, lending and insurance (life and non-life) are the largest businesses for the Group. The broad lifecycle of these businesses has been summarised below:

**Sourcing:** Loans and Insurance are sourced through multiple channels such as walk-in at branches/offices, own digital platforms (website/mobile apps), agents/intermediaries etc. Depending on the type of product, information/applications are obtained from the customer either physically or electronically.

**Underwriting:** All loans and insurance products go through an underwriting mechanism, where eligibility for the product, validation of the documents provided, genuineness of the transaction, compliance with applicable regulations etc. are verified. Depending on the type of product, customer profile and other parameters, the underwriting can either be completely automated or may require manual intervention. Upon satisfaction with the above, including adherence to internal risk parameters, the product is issued to the customer (loan in case of lending and policy in case of insurance).

**Servicing:** After the issuance of product, there can be various reasons for which a customer may need servicing. While collecting instalments in case of loan or paying claims in case of insurance are the most obvious parts of customer servicing, there can be many more instances when a customer can reach out such as requesting change in personal information, adding/changing nominees, grievance redressal etc. As a Group, we believe in enhancing customer experience and have a number of digital tools where the customer can self-service and in the alternate, they can also reach out at our offices/branches, write to/call us etc.

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.

None other than those identified in *S. No. 24 of Section A* 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).

Given the nature of the business, BFS Group companies provides financial services to its customers and does not manufacture any products, hence we do not currently maintain records for recycled/reused material consumed.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed.

Not Applicable

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

BFS Group provides financial services and thus the above is not applicable.



### 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	53,871	53,871	100%	53,871	100%	NA	NA	53,871	100%	53,871	100%
Female	6,090	6,090	100%	6,090	100%	6,090	100%	NA	NA	6,090	100%
<b>Total</b>	<b>59,961</b>	<b>59,961</b>	<b>100%</b>	<b>59,961</b>	<b>100%</b>	<b>6,090</b>	<b>10%</b>	<b>53,871</b>	<b>90%</b>	<b>59,961</b>	<b>100%</b>
<b>Other than Permanent employees</b>											
Male	10,018	1,964	20%	2,000	20%						
Female	5,873	476	8%	496	8%				NA*		
<b>Total</b>	<b>15,891</b>	<b>2,440</b>	<b>15%</b>	<b>2,496</b>	<b>16%</b>						

# wherever applicable under regulations, day care facilities are provided

\*Being fixed term employees

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

Benefits	FY2022		FY2021	
	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Yes/No/NA)	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Yes/No/NA)
PF	100%	Yes	100%	Yes
Gratuity	100%	Yes	100%	Yes
ESI	100%	Yes	100%	Yes
NPS	100%	Yes	100%	Yes
Super Annuation	100%	Yes	100%	Yes

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

##### 3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees 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 the Company through its [Employee Charter and Human Rights Statement](#) prohibits discrimination against any person with disability in any matter related to employment as per the Right of Person with Disabilities Act, 2016 and Transgender persons (Protection of Rights) Act 2019.

Corporate offices of the Group companies have ramps for easy movement and wheelchair accessible restrooms for specially abled people.



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.

The Company through its [Employee Charter and Human Rights Statement](#) prohibits discrimination against any person with disability in any matter related to employment as per the Right of Person with Disabilities Act, 2016 and Transgender persons (Protection of Rights) Act 2019.

As enshrined in the '[Responsible and Sustainable Business Conduct Policy](#)', the Company provides 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, thereby presenting an opportunity to excel and grow best suited to the individual's suitability and ability to perform the related work.

The above are available on our website [bajajfinserv.in/policies-and-codes](http://bajajfinserv.in/policies-and-codes).

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

Gender	Permanent employees	
	Return to work rate	Retention rate
Male	100%	87%
Female	98%	94%
<b>Total</b>	<b>99%</b>	<b>88%</b>

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

Category	Yes/No
Employees	Yes. BFS Group creates a culture which is fair, open and transparent and where employees can openly present their views. BFS Group transparently communicates its policies and practices such as company plans, compensation, performance metrics, performance pay grids/calculation, career enhancements, compliance etc. BFS Group enables employees to work without fear of prejudice, gender discrimination and harassment. It has zero tolerance towards any non-compliance of these principles.  A formal grievance mechanism is available to employees to report or raise their concerns confidentially and anonymously, and without fear of any retaliation, along with mechanism to consult on ethical issues through the explicit means provided by <a href="#">CoEPC</a> , <a href="#">Whistle Blower Policy</a> , <a href="#">Prevention of Sexual Harassment Policy</a> and other policies/charters.

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

BFS Group employees are currently not part of any employee association.

8. Details of training given to employees:

Category	On Skill upgradation								
	Total employees			Permanent employees			Non-permanent employees		
	Total (A=C+E)	No. (B=D+F)	% (B/A)	Total (C)	No. (D)	% (D/C)	Total (E)	No. (F)	% (F/E)
Male (G)	63,889	49,118	77%	53,871	41,588	77%	10,018	7,530	75%
Female (H)	11,963	9,697	81%	6,090	4,984	82%	5,873	4,713	80%
<b>Total Employees (G+H)</b>	<b>75,852</b>	<b>58,815</b>	<b>78%</b>	<b>59,961</b>	<b>46,572</b>	<b>78%</b>	<b>15,891</b>	<b>12,243</b>	<b>77%</b>





### For Health and Safety:

BFS Group trains its employees on safety protocols by conducting periodic trainings on fire safety and evacuation drills. During the year, 1,636 fire audits and 786 drills were conducted.

Periodical awareness programmes are carried out through emails, posters/banners (physical and digital) and other modes of internal communication. The Group companies also initiated exhaustive employee engagement campaigns like “#Stay Healthy #Stay Safe” 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.

#### 9. Details of performance and career development reviews of employees:

Performance appraisal was conducted during the year for all the eligible employees as per the policies.

#### 10. Health and safety management system:

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

BFS Group is committed to provide a productive workplace by minimising the risk of accidents, injury and exposure to health risks. BFS has adopted various initiatives for occupational health and safety by setting up Emergency response teams, safety signage displays related to Do's and Don'ts/Attention marks across premises, identification of fire marshals, firefighting systems, etc.

BFS Group trains its employees on safety protocols by conducting periodic trainings on fire safety and evacuation drills. During the year, across 1,636 locations fire audits and 786 drills were conducted.

Group Companies also run internal awareness campaigns 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?

BFS Group provides financial services and does not undertake any manufacturing activity and hence this is not applicable for us. However, the Company has designed and adopted manuals and procedures to cover environmental aspects and health and safety risks that the facility/property can control and directly manage, and those that it does not directly control or manage but over which it can be expected to have an influence through its Environment, Health and Safety Manual.

There are no product risks but there are those related to the provision of services like ergonomics in work as well as those associated with the operation of utilities, indoor air quality, lift/elevator safety, fire safety procedures, personnel protective equipment, signages, etc.

Further, our risk assessment also periodically cover incidents that have been noted and immediate steps are taken to mitigate the associated risks. During the year, no such instances have been noted which necessitated further action.

The applicable processes have been briefly described in 'a' above.

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

Not Applicable. The Company does not have any 'worker'.

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

Yes.



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

Safety Incident/Number	Category	FY2022	FY2021
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
Total recordable work-related injuries		NIL	NIL
No. of fatalities		NIL	NIL
High consequence work-related injury or ill-health (excluding fatalities)		NIL	NIL

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

Refer 10 (a) above.

13. Number of Complaints on the following made by employees:

	FY2022			FY2021		
	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	NA	Nil	Nil	NA
Health & Safety	Nil	Nil	NA	Nil	Nil	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Working conditions	BFS 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 surveys, audits, etc. for various aspects of health and safety measures and related working conditions.
Health and safety practices	

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 and safety practices and working conditions.

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

### Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of Employees (Yes/No)?

All Group companies extend various support and compensatory package in the event of death of permanent employees. Some of these include full month's pay with recovery waivers, iCare fund release, Group Term Life insurance assured amounts, etc. Further, various additional benefits were provided for Covid-related deaths ranging from medical expense reimbursement, monetary assistance for 48 months to family members, facilitating child education up to the age of 21 years, employment opportunity for spouse where suitable, etc.



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

BFS Group strives to influence its partners in the value chain to participate in the responsible and sustainable business conduct depending upon their means and resources. Having said that, there are multiple measures to ensure that statutory dues have been deducted and deposited by them which include contractual commitments, obtaining evidences of payment, review/audit of value chain partners, seeking confirmations of compliance, etc., which depend on the nature of product/services rendered. For example, material subsidiaries on an annual basis, select a sample of value chain partners to review their processes and controls, which includes their compliance for deduction and payment of statutory dues.

3. Provide the number of employees 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:

Not Applicable

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

The BFS 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:

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Working conditions	BFS Group expects all its value chain partners to follow extant regulations, including health and safety practices and working conditions.
Health and safety practices	

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.

In absence of any significant risks/concerns, no need for corrective action plan has been necessitated.

**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.

Individual or group concerned or interested with or impacted by the activities of the businesses and vice versa, now or in the future are identified as key stakeholder by the Group Companies. Based on this, the key stakeholders are shareholders and investors, customers, government and regulators, value chain partners, employees and the society as a whole.

The 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, the Group engages with its stakeholders and strives to resolve differences with them in a just, fair, equitable and consistent manner, and if warranted takes corrective measures.

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





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

Stakeholder Group	Whether identified as Vulnerable and Marginalised Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholder and Investor	No	Multiple channels – physical and digital including quarterly investor presentations, press releases and communications through stock exchanges, participation in investor conferences, etc.	Frequent and need-based	To inform about the performance, major developments and other relevant updates regarding the Company and Group
Customer	No	Multiple channels – physical and digital	Frequent and need-based	Servicing throughout the lifecycle of the customer and address queries/grievances that the customer may have
Government and Regulators	No	Multiple channels – physical and digital	Need-based	To provide timely recommendations/feedback on draft policies, representations before regulators and associations for advancement and improvement of financial services industry in India
Value Chain Partner	No	Multiple channels – physical and digital including in-person meetings, emails, performance discussions, trainings, company policy/process communication, periodical meets/conferences, etc.	Frequent and need-based	To enhance the access and understanding of relevant financial products and services of the Group
Employees	No	Multiple channels – physical and digital	Daily	To create a thriving, safe and inclusive workplace for its employees and providing merit-based opportunities for professional development and growth
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

### 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.

The Group companies to the extent considered necessary and permitted by regulations, ensure 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 the 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 BoD are updated on various developments arising out of such engagement and they provide their guidance/inputs on such matters.



- P1 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social  
 P2 topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were  
 P3 incorporated into policies and activities of the entity.

P3 Continuous engagement with stakeholders helps in aligning expectations, thereby enabling the Group to better serve its stakeholders.

P4 The Company personnel interact with various stakeholders to understand the evolvement and relevance of ESG topics,  
 P5 their impact and expectations from the Group. Based on such interactions, the Group has over the last few years  
 P6 enhanced its reporting on business responsibility and has also started certain new initiatives. The Group believes that it  
 P7 is still learning the evolving aspects of ESG and lays significant importance to such interactions.

P7 For example, during the year, BFL has adopted an [Environmental Policy](#) thereby committing not to extend fund through its commercial lending business for specified lines of businesses and specific activities.

- P8 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised  
 P9 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 Indicators

1. Employees who have been provided training on human rights issues and policy(ies) of the entity:

Any employee who works full-time or part-time in any BFS Group Company must adhere to the commitment of BFS to integrity and ensure the principles laid down in [CoEPC](#) which amongst other things includes principles of mutual respect, privacy, equal opportunities and non-discrimination, health, safety and environment and sexual harassment.

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

BFS Group companies use various mediums to create awareness on ESG initiatives (including human rights) for its employees through use of Social media as well as internal communication channels - intranet, bulletins, etc.

2. Details of minimum wages paid to employees in the following format:

Category	FY2022					FY2021				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	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>Permanent Employees</b>										
Male	53,871	415	1%	53,456	99%	44,342	142	0%	44,200	100%
Female	6,090	69	1%	6,021	99%	4,590	69	2%	4,521	98%
<b>Other than Permanent Employees</b>										
Male	10,018	1,992	20%	8,026	80%	4,765	2,009	42%	2,756	58%
Female	5,873	492	8%	5,381	92%	2,204	490	22%	1,714	78%



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

	Male		Female	
	Number	Median remuneration (₹ in crore)	Number	Median remuneration (₹ in crore)
BoD – Non-Executive Directors	6	0.22	1	0.27
BoD – Executive Directors	1	21.69	NA	NA
KMP (excluding BoD)	1	10.94	2	0.68
Employees other than BoD and KMP	72,376	0.05	8,572	0.05

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.

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

While BFS Group aims to not have a situation that leads to any grievance; should such a situation arise, BFS Group has a well-defined Grievance redressal mechanism for its employees. A formal grievance mechanism is available to all employees, to report or raise their concerns confidentially and anonymously, without fear of any retaliation.

The 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.

BFS 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, BFS Group has aimed to provide reasonable safeguards for the benefit of employees at the workplace, while having due regard for their privacy and dignity. BFS 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, BFS Group does not hire any employee or engage with any agent or vendor against their free will.

Across the Group, Designated Ethics Officer at each of the companies deals with the issues of the respective Company. BFS 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:

	FY2022			FY2021		
	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	14	2	The pending cases as on 31 March 2022 are in process of resolution as per respective Company's policy.	10	-	
Discrimination at workplace	-	-		-	-	
Child labour	-	-		-	-	
Forced labour/ Involuntary labour	-	-		-	-	
Wages	-	-		-	-	
Other human rights related issues	-	-		-	-	





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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 and Human Rights Statement disciplinary action committee reviews, whistle blower and vigil mechanism policies. BFS Group prohibits retaliation against any employee who reports in good faith any suspected or potential violation of the CoEPC of the Company which includes aspects of discrimination and harassment.

It is the duty of every Employee to report instances of possible CoEPC violations that they are aware of. At BFS 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.

BFS also prohibits retaliation for using any of BFS’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)

The Group appreciates the inherent, universal, indivisible, inalienable and interdependent nature of human rights. The Group strives to percolate these values, through its policies, at all levels in the Group.

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	The Group is in compliance with the laws, as applicable.
Forced/involuntary labour	
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.

No corrective actions pertaining to Question 9 was necessitated by the Group during the year under review.

**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.

Not Applicable

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?

As a principle, the Company through its Employee Charter and Human Rights Statement prohibits discrimination against any person with disability in any matter related to employment as per the Right of Person with Disabilities Act, 2016 and Transgender persons (Protection of Rights) Act 2019.

Corporate offices of the Group companies have ramps for easy movement and wheelchair accessible restrooms for specially abled people.



P1 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	The Group expects and strives to influence its value chain partners to adhere to the same values, principles and business ethics as upheld by the 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 material subsidiaries.
Discrimination at workplace	
Child labour	
Forced labour/Involuntary labour	
Wages	
Others – please specify	

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P8 5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

P9 No corrective actions pertaining to Question 4 was necessitated by the Group during the year under review.

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

### Essential Indicators

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

Parameter	Unit of measurement	FY2022	FY2021
Total electricity consumption (A)	Gigajoules	1,22,780	1,12,090
Total fuel consumption (B)	Gigajoules	4,296	2,991
<b>Total energy consumption (A+B)</b>	<b>Gigajoules</b>	<b>1,27,076</b>	<b>1,15,081</b>

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No)  
If yes, name of the external agency.

During the year, energy indicators were verified as part of emission accounting by DNV Business Assurance India Private Limited for FY2021 and FY2022.

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

3. Provide details of the following disclosures related to water.

The Group's usage of water is restricted to human consumption purposes only. Given that most offices/branches of the Group are present in shared premises, total freshwater consumption is not accounted. However, efforts have been made to ensure that water is consumed judiciously in the office premises.

- Two large offices in Pune have rainwater harvesting facility, with aggregate capacity of 14,600 litres.
- Water treatment plant with capacity to collect, treat and filter 10,000 litres of raw hard water per day, which is reused for gardening and common area cleaning.
- In various offices, sensor taps are installed in office washrooms to optimise water consumption.

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

No



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

Not Applicable

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

Parameter	Unit	FY2022	FY2021
Total Scope 1 emissions	(tCO <sub>2</sub> e)	12,585.24	10,386.86
LPG used for cooking, diesel generators, company owned vehicles, fire extinguishers and refrigerant release in air conditioners and refrigerators.			
Total Scope 2 emissions	(tCO <sub>2</sub> e)	26,833.47	24,542.46
Purchased electricity from the grid (Net of captive solar power consumption)			
Total Scope 1 and Scope 2 emissions	(tCO <sub>2</sub> e)	39,418.71	34,929.32
Total Scope 1 and Scope 2 emissions per crore of Consolidated Total Revenue from operations	Per crore of Consolidated Total Revenue from operations	0.58	0.58

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No)  
If yes, name of the external agency.

Yes. During the year, the assessment was carried out by DNV Business Assurance India Private Limited for FY2021 and FY2022. Refer section Independent Verification statement.

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

The Group has undertaken various projects on environmental sustainability such as waste management and clean energy projects. 138 windmills of the Company with installed capacity of 65.2 MW generated over 74<sup>2</sup> million units of electricity, which is about two times the electricity consumed by the BFS Group, making BFS Group a net generator of renewable power. In addition, Rooftop Solar power plants with an installed capacity of 150 kWh have been commissioned during the year. During the year, BFL has also adopted an [Environmental Policy](#) thereby committing not to extend fund through its commercial lending business for specified lines of businesses and specific activities.

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

Parameter	FY2022 (in metric tonnes)
E-waste	33.99

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No)  
If yes, name of the external agency.

E-waste recycling is carried out by registered e-waste vendors. Form 2 (for maintaining records of e-waste handled/generated), green certificates and disposal and recycling reports have been provided by these vendors.

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 the Group companies. BFS Group has systems in place to manage e-waste and engages with certified e-waste handlers for disposal of e-waste. Approximately, 33.99 metric tonnes of e-waste generated has been disposed through authorised recyclers in FY2022. The Group has received green, disposable and re-cycling certificates from the respective e-waste handlers.

<sup>2</sup>Net of wheeling and transmission losses





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.

No

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

Not Applicable

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 (Yes/No)

Based on the nature of business, the Group is in compliance with applicable environmental norms.

### 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	FY2022	FY2021
<b>From renewable sources</b>			
Total electricity consumption (A) *	Gigajoules	244	-
<b>From non-renewable sources</b>			
Total electricity consumption (B)	Gigajoules	1,22,536	1,12,090
Total fuel consumption (C)	Gigajoules	4,296	2,991
<b>Total energy consumed from non-renewable sources (A+B+C)</b>	Gigajoules	<b>1,26,832</b>	1,15,081

\* Rooftop Solar power plants with an installed capacity of 150 kWh have been commissioned during the year.

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No)  
If yes, name of the external agency.

During the year, energy indicators were verified as part of emission accounting by DNV Business Assurance India Private Limited for FY2021 and FY2022.

2. Please provide details of total Scope 3 emissions and its intensity, in the following format:

Parameter	Unit	FY2022	FY2021
<b>Total Scope 3 emissions</b>	(tCO <sub>2</sub> e)	9,922.87	3,717.29
Purchased goods and services; Fuel and energy related activities; Upstream transportation of products; Waste generated in operations; Business travel; Employee commute; Upstream leased assets; Downstream transportation and distribution; End of life treatment			
<b>Total Scope 3 emissions per crore of Consolidated Total Revenue from operations</b>	Per crore of Consolidated Total Revenue from operations	0.15	# 0.06

# Scope 3 emission per crore of consolidated total revenue from operations for FY2021 is not representative of the Group's operations considering the impact of Covid-related lockdown/restrictions.

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No)  
If yes, name of the external agency.

Yes. During the year, the assessment was carried out by DNV Business Assurance India Private Limited for FY2021 and FY2022. Refer section Independent Verification statement.



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

Not Applicable

4. 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.

Please refer to response provided at Q. 3, 7 and 9 of the essential indicators above.

5. Does the entity have a business continuity and disaster management plan?

Yes. All material subsidiaries have Business Continuity Plan (BCP, strategies and framework which is also compliant with applicable regulatory requirements. BCP envisages the likely disruptive events, their probability and impact on business operations which is assessed through business impact analysis. These aim to eliminate or minimise any potential disruption to critical business operations. The BCP includes Disaster Recovery procedures to quickly recover from an emergency. Annual BCP drills are conducted to ensure that the BCP is effective given the current nature of business processes, infrastructure, personnel, etc. For more details, refer *Section <Information security, cyber security and fraud controls>*

6. 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.

Given the nature of the business, there has been no adverse impact to the environment.

## 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.

BFS Group through its subsidiaries is a member of 9 trade and industry chambers/associations.

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/International)
1	Confederation of Indian Industry	BFS, BAGIC, BALIC	International
2	World Economic Forum	BFS	International
3	General Insurance Council	BAGIC	National
4	Indo German Chamber of Commerce		International
5	Bombay Chamber of Commerce and Industry	BALIC	National
6	Executive Council of Insurers		National
7	Insurance Information Bureau of India		National
8	Life Insurance Council		National
9	Internet and Mobile Association of India	BFDL	National

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.

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:

BFS Group 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. It keenly participates in putting forward views on the setting of new industry standards or regulatory developments pertaining to the financial services industry. While making recommendations, in line with our policy, we attempt to balance the interest of various stakeholders. The senior executives of BFS Group engage with RBI, SEBI, IRDAI and other regulators on a periodic basis or as and when required. This enables the BFS Group to understand their areas of focus and concerns. All interactions with the Government and regulators are done by authorised officials of the respective company.

BFS 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 Mr. Sanjiv Bajaj, Chairman & Managing Director of the Company, also, the President of CII with effect from May 2022.

BFS and its subsidiaries are members of various trade and industry chambers, associations, councils and such other collective platforms ('forums'). We proactively contribute to the discussions and resolutions within the scope of these forums. *Refer section Stakeholder Engagement.*

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

### Essential Indicators

#### 1. Details of Social Impact Assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

No project was required to be assessed for their impact during the year under the regulatory requirement. However, the Group uses social sector experts and independent professionals to conduct social and financial assessments of the projects. These assessments help in early identification and mitigation of risks to the concerned projects. During the year, 19 projects underwent a third-party review on various aspects. The Group further endeavours to expand the coverage of assessments by external agencies to more organisations in the coming years.

#### 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

Not Applicable

#### 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:

(₹ in crore)

	FY2022	FY2021
Directly sourced from MSMEs	412.16	205.64

## Leadership Indicators

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

Not Applicable





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

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.

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.

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

6. Details of beneficiaries of CSR Projects:

Numbers in thousands

Theme	Total Beneficiaries	Beneficiaries of Children focussed projects included in Total Beneficiaries	Beneficiaries of Women focussed projects included in Total Beneficiaries
<b>Health</b>	<b>1,007</b>	<b>77</b>	<b>157</b>
Covid vaccination *	670	-	-
Meal supplements and ration baskets	163	6	157
Medical treatment, care and support	88	7	-
Surgeries	63	63	-
Health awareness programmes	23	1	-
<b>Education</b>	<b>109</b>	<b>65</b>	<b>-</b>
Health awareness programmes	58	47	-
Awareness programmes	28	1	-
Education facilities	15	15	-
Capacity Building of Organisations	8	2	-
<b>Livelihood</b>	<b>66</b>	<b>22</b>	<b>26</b>
Empowering for employment	46	2	26
Rehabilitation and resettlement	20	20	-
<b>Grand Total</b>	<b>1,182</b>	<b>164</b>	<b>183</b>

\* Mega Vaccination drive administered over 1 million doses of Covid-19 vaccine to the beneficiaries in Pune and Aurangabad region by Bajaj Group

The beneficiaries are estimated for active projects and not necessarily for the year.

Beneficiaries are from vulnerable and marginalised groups, as all the CSR initiatives and activities taken up at the various work centres and locations 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, [Section <Empowering society>](#)



## 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. The Group's dealings with its customers are professional, fair and transparent. BFS Group has a robust customer/policy holders services governance framework and same are enumerated under the section of *Customer centricity*.

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

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

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

	FY2022			FY2021		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy						
Advertising						
Cyber-security	NIL	NIL	None	NIL	NIL	None
Restrictive Trade practices						
Unfair Trade practices						
Others	6,554	-		10,737	1	

\*Complaints mentioned above are in the operational nature of day-to-day transactions with customers

Some of the initiatives in this regard are:

- The BFS Group companies, through their charters, policies etc., communicate customer rights, company commitments, grievance redressal mechanism and ombudsman scheme, as applicable. These 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.
- Detailed customer grievance handling mechanism is further enumerated under section *Customer centricity* of the Report as well as on respective company websites.

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

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.

Each of the material subsidiaries in the Group 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 material subsidiaries of the Company are compliant with ISO 27001:2013 Information security management system. They also comply with the applicable regulatory framework and guidelines (viz. RBI's Master Direction – Information Technology Framework for the NBFC Sector, IRDAI's Guidelines on Information and Cyber Security for Insurers, etc.).



In case of material subsidiaries, IT Security related projects and operations are reviewed by a committee, under oversight of Board of respective companies. These committees meet at least on a half-yearly frequency. Further, dedicated teams manage cyber security programme and operations for digital initiatives. *“For more details refer Information security, cyber security and fraud controls”.*

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/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).

BFS Group companies envisage to be an omnipresent financial services provider company enabling 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 BFS Group is available on the Company's website, [bajajfinserv.in/corporate-bajaj-finserv](http://bajajfinserv.in/corporate-bajaj-finserv)

In addition, the Group companies actively use various social media and digital platforms to disseminate information on its products suite.

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

As a responsible corporate citizen, 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.

Each Group company has a mechanism to inform customers on usage of products 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, on-ground activities, participation in insurance awareness programmes – GIC, Product awareness Campaigns, awareness campaigns during the pandemic, webinars, feature based audio-visual content for ease of understanding, etc. have helped us educate and create awareness amongst our customers and society at large.

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

Tech-led seamless customer experiences has been the hallmark of our businesses. Each business is unique and so is the approach towards enhancing customer experience. But the core objectives that tie them together stay the same – simplification of processes, ease of use and quick and appropriate response. The importance of *information security, cyber security and fraud controls* cannot be over-emphasised in this technological age. 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.

All material subsidiaries have BCP, aligned strategies and framework and framework which is also compliant with applicable regulatory requirements. BCP envisages the likely disruptive events, their probability and impact on business operations which is assessed through business impact analysis

During the year, there were no major disruptions of critical services of the Group. Owing to Covid-19 related disruptions, customers were intimated of the same through the call centres, electronic communications or through the Group's website. The digital/online portals also ensured that customers could continue to be served during the lockdowns.

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 the Group. None of the products withhold any relevant information needed by the customers to make informed decisions.





P1 The BFS Group companies through their charters, policies, etc. communicate the customer rights, company  
P2 commitments, grievance redressal mechanism and ombudsman scheme, as applicable which emphasise our  
commitment to fair practices by maintaining transparency in products and services offered.

P3 [Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the  
P4 entity, significant locations of operation of the entity or the entity as a whole? \(Yes/No\)](#)

P5 Yes. The material subsidiaries carry out various surveys on regular basis for continuous listening to customers and  
driving continuous transformation to provide them a frictionless experience.

P6 5. [Provide the following information relating to data breaches:](#)

P7 a. [Number of instances of data breaches along with impact -](#)

P8 None

P9 b. [Percentage of data breaches involving personally identifiable information of customers -](#)

None. The Group has not witnessed any instances of data breaches during the year.



## Mapping UN SDG Goals

### 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



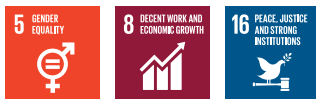
Principle 3 : Businesses should respect and promote the well-being of all employees, including those in their value chains



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



## Introduction

DNV Business Assurance India Private Limited ('DNV') has been commissioned by the management of Bajaj Finserv Limited ('the Company' or 'Bajaj Finserv', Corporate Identification Number: L65923PN2007PLC130075) to carry out an independent verification of Bajaj Finserv Group's Scope 1, Scope 2 and Scope 3 Greenhouse Gas Emissions (the 'GHG Emissions') data in spreadsheets and for its seven (7) subsidiaries and two (2) joint ventures sites for the period 1<sup>st</sup> April 2020 – 31<sup>st</sup> March 2021 and 1<sup>st</sup> April 2021 – 31<sup>st</sup> March 2022. This verification has been carried out as part of the overall work of assurance of Bajaj Finserv's Business Responsibility and Sustainability Reporting for FY 2021-22 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 ±5% uncertainty threshold towards errors and omissions.

Bajaj Finserv Group 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 2022 to May 2022 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 employee commute, business travel (air, train and road), shared diesel generators, freight goods and hotel stay.

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

- Bajaj Finserv
- Bajaj Finance Limited
- Bajaj Allianz General Insurance Company Limited
- Bajaj Allianz Life Insurance Company Limited
- Bajaj Housing Finance Limited
- Bajaj Finserv Direct Limited
- Bajaj Finserv Health Limited
- Bajaj Financial Securities Limited
- Bajaj Allianz Financial Distributor Limited & Bajaj Allianz Staffing Solutions Limited

The subsidiaries Bajaj Finserv Mutual Fund Trustee Limited, Bajaj Finserv Asset Management Limited and Bajaj Finserv Ventures Limited of Bajaj Finserv Group does not form part of boundary for verification.

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

*The VeriSustain protocol is available on request from [www.dnv.com](http://www.dnv.com)*

*\* Assurance Engagements other than Audits or Reviews of Historical Financial Information.*





## 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 2020-21 and FY 2021-22 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 following sampled subsidiaries that is, Bajaj Finserv Limited, Bajaj Allianz General Insurance Company Limited and Bajaj Allianz Life Insurance Company Limited
- Review of the consolidated GHG emissions data in order to calculate the total emission of Bajaj Finserv Group for all subsidiaries and joint ventures with the corresponding environment and sustainability teams.

Due to the outbreak of the COVID-19 pandemic and related travel restrictions, we carried out remote assessments following DNV's remote audit methodology, as one-to-one discussions and onsite location audits were not feasible.

## 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 Finserv Limited's GHG emissions data during FY 2020-21 and FY 2021-2022:

Emissions for FY 2020-21									
Indicator	Bajaj Finserv	Bajaj Finance Limited	Bajaj Allianz General Insurance Company Limited	Bajaj Allianz Life Insurance Company Limited	Bajaj Housing Finance Limited	Bajaj Finserv Direct Limited	Bajaj Finserv Health Limited	Bajaj Financial Securities Limited	Bajaj Financial Securities Limited & Bajaj Allianz Staffing Solutions Limited
Scope 1 Emissions (tCO <sub>2</sub> e)	125.74	6,370.37	823.98	2,544.35	405.52	79.04	8.76	29.09	-
Scope 2 Emissions (tCO <sub>2</sub> e)	380.16	15,884.54	1,949.97	4,711.04	1,463.25	84.88	14.78	53.85	-
Scope 3 Emissions (tCO <sub>2</sub> e)	46.72	2,247.18	381.93	706.32	190.63	100.61	14.69	28.90	0.31
Total (tCO <sub>2</sub> e)	552.62	24,502.09	3,155.88	7,961.71	2,059.40	264.53	38.23	111.84	0.31

Emissions for FY 2021-22									
Indicator	Bajaj Finserv	Bajaj Finance Limited	Bajaj Allianz General Insurance Company Limited	Bajaj Allianz Life Insurance Company Limited	Bajaj Housing Finance Limited	Bajaj Finserv Direct Limited	Bajaj Finserv Health Limited	Bajaj Financial Securities Limited	Bajaj Financial Securities Limited & Bajaj Allianz Staffing Solutions Limited
Scope 1 Emissions (tCO <sub>2</sub> e)	131.96	7,534.01	1,109.32	2,891.2	729.92	92.51	17.86	78.46	-
Scope 2 Emissions (tCO <sub>2</sub> e)	418.51	16,903.18	3,885.05	3,783.67	1,500.20	93.18	36.94	212.74	-
Scope 3 Emissions (tCO <sub>2</sub> e)	31.55	5,361.99	1,507.21	2,441.44	389.71	118.18	22.10	47.25	3.44
Total (tCO <sub>2</sub> e)	582.02	29,799.18	6,501.58	9,116.31	2,619.83	303.87	76.90	338.46	3.44

Note 1: The average retail price of diesel and petrol used for calculating DG set consumption and owned diesel & petrol cars consumption is based on the data provided by Petroleum Planning and Analysis Cell data, Ministry of Petroleum and Natural Gas dated 17-March 2022.



Note 2: The Guest House facility commonly shared between Bajaj Allianz General Insurance Company Limited & Bajaj Allianz Life Insurance Company Limited, associated electricity and LPG consumption is apportioned equally between both subsidiaries  
 Note 3: The car hire charges for Bajaj Allianz General Insurance Company Limited is calculated based on the existing contract charges (80 km / 8hrs and 300 km /day for outstation package) rather than actual km travelled.  
 Note 4: The bifurcation of total fuel reimbursement amount claimed in Bajaj Allianz General Insurance Company Limited are based on the assumption 30% and 70% for 2 Wheelers and 4 Wheelers respectively and 65% and 35% for consumption of petrol and diesel respectively.  
 Note 5: The average mileage of Company Owned Vehicles – Diesel for Bajaj Finance Limited – CF is assumed as 11 km / litre.  
 Note 6: The emission factor associated with all fuel types was obtained from UK Government GHG Conversion Factors for Company Reporting  
 Note 7: 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 16.0 March 2021.

### Summary of Emissions:

Indicator	Factors	Emissions for FY 2020-21 (tCO <sub>2</sub> e)	Emissions for FY 2021-22 (tCO <sub>2</sub> e)
<b>Scope 1 Emissions</b>	a) LPG used for cooking, b) diesel generators, c) company owned vehicles, d) CO <sub>2</sub> release due to use of fire extinguishers and e) Refrigerant release in air conditioners and refrigerators.	10,386.86	12,585.24
<b>Scope 2 Emissions</b>	Purchased electricity from the grid	24,542.46	26,833.47
	<b>Total Scope 1 &amp; Scope 2 Emissions</b>	34,929.32	39,418.71
<b>Scope 3 Emissions</b>	a) Purchased goods and services; b) Fuel and energy related activities; c) Upstream transportation of products; d) Waste generated in operations; e) Business travel; f) Employee commute; g) Upstream leased assets; h) Downstream transportation & distribution; i) End of life treatment	3,717.29	9,922.87
	<b>Total Scope 1, Scope 2 &amp; Scope 3 Emissions</b>	38,646.62	49,341.58

### 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>1</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 Finserv and its subsidiaries in the scope of verification during FY 2020-21 and FY 2021-22 that could compromise the independence or impartiality of our work.

For DNV Business Assurance India Private Limited,

<p><b>Lankalapalli, Bhargav</b></p> <p>Digitally signed by Lankalapalli, Bhargav                      Date: 2022.05.31 13:07:20 +05'30'</p> <p>Bhargav Lankalapalli                      Lead Verifier                      DNV Business Assurance India Private Limited, India.</p>	<p><b>Vadakepatth, Nandkumar</b></p> <p>Digitally signed by Vadakepatth, Nandkumar                      Date: 2022.05.31 13:33:32 +05'30'</p> <p>Vadakepatth Nandkumar                      Technical Reviewer                      DNV Business Assurance India Private Limited, India.</p>
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Mumbai, India, 31<sup>st</sup> May 2022.

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> [DNV corporate governance & code of conduct - DNV](#)

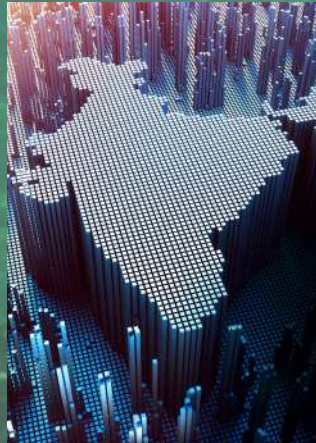




ESG is not just the right thing to do, it is what will shape a better tomorrow for all!



**Corporate Governance**



**Reaching Financial Services to Millions of Indians**



**Preserving and Protecting Environment**



**Empowering Society**



**Customer Centricity**



**Human Capital Management**



**Information Security, Cyber Security and Fraud Controls**



**Stakeholder Engagement**