

Business Responsibility and 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						
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	investors@bajajfinserv.in						
7.	Telephone	020 7157 6064						
8.	Website	https://www.bajajfinserv.in/corporate-bajaj-finserv						
9.	Financial year for which reporting is being done	2022-23						
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited						
11.	Paid-up Capital	₹159.28 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	<table border="1"> <tr> <td>Name of the person</td> <td>Ms. Uma Shende</td> </tr> <tr> <td>Telephone number</td> <td>020 7157 6064</td> </tr> <tr> <td>Email ID</td> <td>investors@bajajfinserv.in</td> </tr> </table>	Name of the person	Ms. Uma Shende	Telephone number	020 7157 6064	Email ID	investors@bajajfinserv.in
Name of the person	Ms. Uma Shende							
Telephone number	020 7157 6064							
Email ID	investors@bajajfinserv.in							
13.	Reporting boundary	Consolidated basis collectively referred to as '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	% of Turnover of the Group
1.	Financial and Insurance Services	Non-Banking Finance Company engaged in lending and allied activities	52%
2.		Non-life Insurance Business	24%
3.		Life Insurance	24%

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

S. No.	Product/Service	NIC Code	Percentage of Total Turnover contributed
1.	Other Financial activities: Non-Banking Finance Company engaged in lending and allied activities	65923	52%
2.	Non-life Insurance Business	65120	24%
3.	Life Insurance	65110	24%

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	NA	4517	4517
International		NA	NA

* Bajaj Finserv Group provides financial services and does not undertake any manufacturing activity.

Includes branches and corporate offices as at 31st March 2023.

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28 States and 4 Union Territories (UTs)
International (No. of Countries)	NIL

b. What is the contribution of exports as a percentage of the total turnover of the entity?
Nil. BFS Group doesn't have export business operations.

c. A brief on types of customers:

Bajaj Finserv Group provides financial products and services to meet lifecycle needs of its 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 2023, BFL's customer franchise stood at 69.1 million, with a strong focus on mass affluent and above clients and has strong geographic presence across 3,733 locations and 1,54,650 distribution points.
- BFL operates mortgage business through a 100% subsidiary – Bajaj Housing Finance Limited, which 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 (Micro, Small & Medium Enterprises)), while maintaining strong position in large corporate 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 (BFS-D/ Bajaj Markets), has created a digital marketplace which offers range of financial products including loans, insurance, mutual funds, investments, lifestyle products, payments and e-commerce. Through SKALEUP, its digital technology services business, BFDL will also offer end-to-end services including design, development, implementation & support for Digital technology solutions needs of customers.
- Bajaj Finserv Health Ltd. (BFS-H)- BFS-Health provides a healthcare management platform that integrates various parts of the healthcare ecosystem and uses technology to improve the health outcomes of its customers.
- Bajaj Finserv Asset Management Ltd.(BFS-AMC) - BFS-AMC has received the license from SEBI to act as an asset management company for Bajaj Finserv Mutual Fund.
- Bajaj Finserv Ventures Ltd. (BFS-Ventures) - BFS-Ventures is engaged in the business of alternative investments in properties and start-ups. In addition, it also undertakes the business of debt management services, business process outsourcing, and all allied services related to the management of human resources.
- Bajaj Finserv Mutual Fund Trustee Ltd. ('BFSTrustee') : BFS-Trustee is the Trustee for the Bajaj Finserv Mutual Fund. They are entrusted with the responsibility of supervising the activities of asset management company and mutual fund and discharging other obligations under the SEBI (Mutual Fund) Regulations, 1996

IV. Employees

18. Details as at the end of Financial Year 2022-23:

a. Employees (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	73,340	65,193	89%	8147	11%
2.	Other than Permanent (E)*	26,686	16,712	63%	9,974	37%
3.	Total employees (D + E)	1,00,026	81,905	82%	18,121	18%

* 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)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	24	20	83%	4	17%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	24	20	83%	4	17%

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	1	11%
Key Management Personnel*	3	1	33%

Note: The above data pertains to the Company as on 31 March 2023.

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

Section A

Section B

Section C

20. Turnover rate for permanent employees

	FY2023			FY2022			FY2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	25%	40%	26%	31%	44%	33%	23%	30%	23%
Permanent Worker	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

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-Mar-2023'	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Bajaj Finserv Limited (BFS)	Holding	–	Refer Note
2	Bajaj Allianz Life Insurance Company Limited (BALIC)	Subsidiary	74	
3	Bajaj Allianz General Insurance Company Limited (BAGIC)	Subsidiary	74	
4	Bajaj Finance Limited (BFL)	Subsidiary	52.49	
5	Bajaj Finserv Direct Limited (Balance 19.87% shares are held by BFL) (BFS-D)	Subsidiary	80.13	
6	Bajaj Finserv Health Limited (BFS-H)	Wholly - owned subsidiary	100	
7	Bajaj Housing Finance Limited (100% Subsidiary of Bajaj Finance Limited) (BHFL)	Subsidiary	–	
8	Bajaj Financial Securities Limited (100% Subsidiary of Bajaj Finance Limited) (BFSL)	Subsidiary	–	
9	Bajaj Finserv Mutual Fund Trustee Limited (BFS-Trustee)	Wholly - owned subsidiary	100	
10	Bajaj Finserv Asset Management Limited (BFS-AMC)	Wholly - owned subsidiary	100	
11	Bajaj Finserv Ventures Limited (BFS-Ventures)	Wholly - owned subsidiary	100	
12	Bajaj Allianz Financial Distributor Limited (BAFDL)	Joint Venture	50	
13	Bajaj Allianz Staffing Solutions Limited (100% subsidiary of Bajaj Allianz Financial Distributor Limited) (BASSL)	Joint Venture	–	

Note: 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 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.

BFL, BAGIC, BALIC and BHFL are the material subsidiaries of BFS.

VI. CSR Details

22.

Whether CSR is applicable as per Section 135 of Companies Act, 2013 (Yes/ No)	Yes
Turnover (In ₹Crore)	82,071.24
Net worth (including non controlling interest) (In ₹Crore)	77,598.08

VII. Transparency and Disclosures Compliances

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

Stakeholder Group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY2023			FY2022		
		Number of complaints		Remarks	Number of complaints		Remarks
		Filed during the year	Pending resolution at close of the year		Filed during the year	Pending resolution at close of the year	
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	33	0	0	17	1	The complaint has been suitably resolved
Employee and workers	Yes	0	0	BFS Group does not have workers	0	0	BFS Group does not have workers
Customers	Yes	11,951	7	Pending complaints as on 31 March 2023 have been suitably addressed by 7 April, 2023	10,492	-	-
Value Chain Partners	Yes	-	-	-	-	-	-
Others (Government and Regulators)	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	Risk and Opportunity	<p>Risks Climate change can result in claim frequency / severity (non-life insurance) and mortality (life insurance) being higher than expected. Reputational risk emerges in case the Group is unable to meet the stakeholder expectations on climate related disclosures and initiatives.</p> <p>Opportunities 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>	<p>Underwriting policies and procedures are in place to assess and manage the risks. Periodic reviews of underwriting processes are conducted, and its effectiveness is assessed. Further, reinsurance programs seek to optimize the retention of risk based on risk retention appetite and capacity of the company. The Group’s ESG (Environment, Social & Governance) reporting is now beyond the minimum statutory reporting and is being enhanced year on year.</p>	<p>Negative Unpredictable adverse events can challenge our assumptions and impact profitability. Conforming with environment related standards and expectations could result in increased expenses.</p> <p>Positive 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 products and services, to millions of customers, any undesirable customer experience could result in the loss of customers or even reputational loss.	Listening to customers and driving continuous transformation to provide them with 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.	Negative Loss of reputation can result in loss of customer and thereby adversely impacting businesses of the Group.

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
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.	The Group's customer reach is achieved through rural distribution networks, adaptation of innovative technology solutions to provide a seamless customer journey through its digital platforms and customized product offering.	Positive Such distribution capabilities creates opportunity for the Group.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies, and processes put in place towards adopting the NGRBC Principles (P1 – P9) and Core Elements.

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs (National Guidelines on Responsible Business Conduct). (Yes/No)	Yes. (Refer note below)								
b. Has the policy been approved by the Board? (Yes/No)	Yes, the Company has a policy covering all the principles named 'Responsible and Sustainable Business Conduct Policy'. The said Policy is approved by the Board. Further, the Policy is reviewed by the management periodically and the changes are put forth the Board for their approval.								
c. Web Link of the Policies, if available	https://www.bajajfinserv.in/policies-and-codes								
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/ best practices or 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.	1. More than 90% applicable portfolio of insurance subsidiaries would be assessed for ESG by FY2025. 2. Implementation of Employee Health & Safety (EHS) Manual on a pilot basis during FY2024. 3. Environment restoration through tree plantation.								

Section A

Section B

Section C

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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 FY2022 <ul style="list-style-type: none"> 50 Branches have been successfully opened and are operational in rural locations across the country in FY2023. More than 80% of applicable investment portfolio assets are ESG assessed: ~90% BAGIC and ~80% BALIC. 								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (<i>listed entity has flexibility regarding the placement of this disclosure</i>) <Please refer to "Message from the Chairman and the Managing Director" in the ESG report at https://www.bajajfinserv.in/finserv-investor-relations-annual-reports >									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name			Sanjiv Bajaj					
	Designation			Chairman & 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"> 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. Such executive committees meet periodically to assess the performance against their business responsibility objectives. Across the group 7 such meetings in aggregate were held during the year. Further at the group level, a committee comprising senior executives, including from material subsidiaries, meets periodically and provides directional inputs on business responsibility matters. The Company's business responsibility performance is reviewed by the Board of Directors on an annual basis. During the year, in a meeting of the Board of Directors an update was provided and discussions were held on the sustainable and responsive business conduct initiatives across the 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. 								

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)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Performance against above policies and follow up action	As a practice, all the policies of the Company are reviewed periodically or on a need basis by department heads, business heads, senior management personnel and placed before the Board of Directors as and when required. During this assessment, the efficacy of the policies is also reviewed and necessary changes to policies and procedures are implemented.																

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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)																		
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.																			
		<table border="1"> <thead> <tr> <th>P 1</th> <th>P 2</th> <th>P 3</th> <th>P 4</th> <th>P 5</th> <th>P 6</th> <th>P 7</th> <th>P 8</th> <th>P 9</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9									
P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9												
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.	Currently no external assessments are being conducted for the policies. However, we ensure that all the policies are reviewed either by the department heads, relevant committee members and/or the board members internally as applicable.																			

Note:

Other than the policies placed on the Company's website (<https://www.bajajfinserv.in/policies-and-codes>), certain policies of the Company are internal documents and are not accessible to the 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:

1. BFL: [bajajfinserv.in/finance-investor-relations-policies-and-documents](https://www.bajajfinserv.in/finance-investor-relations-policies-and-documents)
2. BHFL: [bajajhousingfinance.in/policies-and-documents](https://www.bajajhousingfinance.in/policies-and-documents),
3. BAGIC: [bajajallianz.com/about-us/corporate-policy.html](https://www.bajajallianz.com/about-us/corporate-policy.html),
4. BALIC: [bajajallianzlife.com/about-us.html](https://www.bajajallianzlife.com/about-us.html).

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
Board of Directors		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%
Key Managerial Personnel			100%

P1

P2			Percentage of persons in respective category covered by awareness programmes
P3	Segment	Total number of training and awareness programmes held	Topics /principles covered under the training and its impact
P4	Employees other than BoD and KMPs	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 programs are carried out through emails, posters / banners (physical and digital) and other modes of internal communication.	100%
P5			
P6			
P7		Such training / awareness programs are on array of topics, such as Code of conduct, Ethics, Cyber security, Data Privacy, ESG Fraud Prevention, Functional Trainings, Health and safety, Insider Trading, Prevention of sexual harassment, Skill Upgradation, etc.	
P8			
P9		During the year, more than 0.53 million hours of logged in training were completed by employees on above mentioned topics.	

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format
 (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	1-9	NIL	NIL	NIL	NIL
Settlement	1-9	NIL	NIL	NIL	NIL
Compounding fee	1-9	NIL	NIL	NIL	NIL
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment					NA
Punishment					NA

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

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

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.
 Yes. 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 our website (<https://www.bajajfinserv.in/policies-and-codes>). Further material subsidiaries also have some of these policies, codes and charters available on their respective websites.

P1

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

	FY2023	FY2022	FY2021
Directors	NIL	NIL	NIL
KMPs	NIL	NIL	NIL
Employees	NIL	NIL	NIL

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

	FY2023		FY2022		FY2021	
	Number	Remarks	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL	NIL	NIL

P9

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.

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 which cover various topics such as Code of Conduct, ethics, professional conduct, anti-money laundering, functional and skill upgradation trainings that are knowledge-based. They also cover the 'Did you Know' series about products, processes, FAQs, new product launches, know your compliances, existing products, ready-reckoners, sample illustrations, etc.

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 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.

P1

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

P2

Essential Indicators

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P9

- 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.**

BFS Group is engaged in financial services businesses. The portion of its revenue and capital expenditure that directly contributes to improve the environmental and make a social impact revolves around its expenses on Information technology whereby the entire business cycle and customer interaction is facilitated using technology, thereby reducing use of paper that otherwise would have been incurred in physical interactions. Moreover, during the year, the Group has invested in EVs (Electric Vehicles) and rooftop Solar power plants to reduce its environmental footprint.

- 2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
b. If yes, what percentage of inputs were sourced sustainably?**

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.

- 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 have limited scope to use recycled material as processed inputs. However, recycled tissue papers are used at some of the corporate offices.

BFS Group companies dispose e-waste through registered vendors and has collected certificate of disposal from them. During the year e-waste of 19.5 Metric Tonnes has been treated in scientific and eco-friendly manner by certified vendors for safe disposal.

- 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)? If yes, provide details in the following format?**

Given the business operations of BFS Group, there are no products or services offered by the entity that qualify for Life Cycle Perspective / Assessments (LCA).

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

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

Not Applicable

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

Not Applicable

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

Refer #3 under Essential Indicator of this Principle.

P1

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

P2

Essential Indicators

P3

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

P4

P5

P6

P7

P8

P9

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)
Permanent employees											
Male	65,193	65,193	100%	65,193	100%	NA	NA	65,193	100%	65,193	100%
Female	8,147	8,147	100%	8,147	100%	8,147	100%	NA	NA	8,147	100%
Total	73,340	73,340	100%	73,340	100%	8,147	100%	65,193	100%	73,340	100%
Other than permanent employees											
Male	16,712	2,846	17%	2846	17%	NA	NA				
Female	9,974	622	6%	622	6%	622	6%			NA*	
Total	26,686	3,468	13%	3468	13%	622	6%	NA*	NA*	NA*	NA*

Wherever required under regulations, Day care facilities are provided

*Being fixed term employees

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

P1 **2. Details of retirement benefits, for Current and Previous Financial Year.**

P2

P3

P4

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P9

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

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

3. Accessibility of workplaces

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

As a principle 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 (<https://www.bajajfinserv.in/policies-and-codes>)

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

Gender	Permanent employees			
	FY2023		FY2022	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	99%	71%	100%	87%
Female	97%	54%	98%	94%
Total	99%	69%	99%	88%

P1 **6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

P2 **Yes/No**
(If Yes, then give details of the mechanism in brief)

P3		
P4	Permanent Workers	NA
P5	Other than Permanent Workers	NA
P6	Permanent 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 CoEPC , Whistle Blower Policy , Prevention of Sexual Harassment Policy and other policies/charters.
P7	Other than Permanent Employees	
P8		
P9		

7. Membership of employees and worker 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	FY2023					FY2022				
	Total (A)	On Health and safety measures#		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	61,075	33,157	88%	49,615	81%	53,871	0	0	41,588	77%
Female	7,645	1,581	89%	6,026	79%	6,090	0	0	4,984	82%
Total	68,720	34,738	88%	55,641	81%	59,961	0	0	46,572	78%

**From FY2023 the group has initiated accounting of training of employees on Health and Safety measures. In addition, BFS Group trains its employees on safety protocols by conducting periodic trainings on fire safety and evacuation drills. During the year, 806 fire audits and 826 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:

Category	FY2023			FY2022		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	Performance appraisal was conducted during the year for all the eligible employees as per policy.					
Female						
Total						

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P9

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 trains its employees on safety protocols by conducting periodic trainings on fire safety and evacuation drills. During the year, 806 fire audits and 826 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.

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/ worker 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	FY2023	FY2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
Total recordable work-related injuries	Employees	NIL	NIL
No. of fatalities	Employees	NIL	NIL
High consequence work-related injury or ill-health (excluding fatalities)	Employees	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 and workers:

	FY2023			FY2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL		NIL	NIL	
Health & Safety	NIL	NIL		NIL	NIL	

P1 **14. Assessments for the year:**

		% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
P3	Health and safety practices	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.
P4	Working Conditions	

P6 **15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

P7 None

P9 **Leadership Indicators**

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

All Group companies extend various support and compensatory package in the event of death of permanent employees. Each Company has their own program and some of these include full month's pay with recovery waivers, iCare fund release, Group Term Life insurance assured amounts, etc.

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

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

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

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.

P1 **5. Details on assessment of value chain partners:**

P2 **% of value chain partners (by value of business done with such partners) that were assessed**

P3 Health and safety practices BFS Group expects all its value chain partners to follow extant regulations, including health and safety practices and working conditions.

P4

P5 Working Conditions

P6 **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.**

P7 In absence of any significant risks / concerns, no need for corrective action plan has been necessitated.

P8

P9

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 & Marginalized 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 addressing queries / grievances that the customer may have.

P1		Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
P2	Stakeholder Group				
P3					
P4	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.
P5					
P6					
P7					
P8					
P9					
	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

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity. Continuous engagement with stakeholders helps in aligning expectations, thereby enabling the Group to better

P1 serve its stakeholders. The Company personnel interact with various stakeholders to understand the evolution and relevance of ESG topics, their impact and expectations from the Group. Based on such interactions, the
 P2 Group has over the last few years enhanced its reporting on business responsibility and has also started certain
 P3 new initiatives. The Group believes that it is still learning the evolving aspects of ESG and lays significant
 P4 importance to such interactions. For example, our insurance subsidiaries have during the year implemented
 adoption of Responsible Investment Principles in their investment decision making.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder Groups.

P5 BFS Group companies through their CSR policies have taken up various initiatives and activities for the benefit
 P6 of different segments of the society, with focus on the marginalised, poor, needy, deprived, under-privileged and
 P7 differently abled persons.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

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

Any Employee who works in any BFS Group Company or on BFS’s behalf (including third-party Employees or Employees of Vendors) must adhere to the commitment of Bajaj Finserv to integrity and ensure following 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, sexual harassment.

Our commitment to employees’ rights is enshrined in the Employee Charter- Human Rights Statement of the respective Company – which sets out what 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-Intranets, HR bulletins, Video Snippets, etc.

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

Category	FY2023					FY2022				
	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)
Permanent Employees										
Male	65,193	22	0.1%	65,171	99.9%	53,732	415	0.7%	53,456	99.3%
Female	8,147	2	0.1%	8,145	99.9%	6,090	69	1.1%	6,021	98.9%
Other than Permanent employees										
Male	16,712	885	5.3%	15,827	94.7%	10,018	1,992	19.9%	8,026	80.1%
Female	9,974	331	3.3%	9,643	96.6%	5,873	492	8.4%	5,381	91.6%

P1 **3. Details of remuneration/salary/wages, in the following format:**

P2		Male		Female	
P3		Median remuneration/ salary/ wages of respective category (in ₹ Crore)		Median remuneration/ salary/ wages of respective category (in ₹ Crore)	
P4		Number		Number	
P5	Board of Directors (BoD) - Non-Executive Directors*	7	0.36	1	0.24
P6	BoD - Executive Director	1	23.62	0	NA
P7	Key Managerial Personnel (KMP)	1	6.69	1	0.58
P8	Employees other than BoD and KMP	74,152	0.06	8,913	0.06

*All Non-Executive Directors are entitled to same sitting fees and commission. Differences in remuneration arise because of the number of meetings attended as per their memberships of different committees

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 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.

P1 **6. Number of Complaints on the following made by employees and workers:**

	FY2023			FY2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
P5 Sexual Harassment	14	1	The pending case as on 31 March 2023 are in process of resolution as per respective Company's policy.	14	2	The pending cases as on 31 March 2022 are in process of resolution as per respective Company's policy.
P6 Discrimination at workplace	-	-	-	-	-	-
P7 Child Labour	-	-	-	-	-	-
P8 Forced Labour / Involuntary Labour	-	-	-	-	-	-
P9 Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

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

A formal grievance mechanism is available to all employees to report or raise their concerns confidentially and anonymously, without fear of retaliation, along with mechanism to consult on ethical issues through the explicit means provided by CoEPC, employee charter, disciplinary action committee 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 Code of ethics and professional conduct 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 BFS 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.

We also prohibit retaliation for using any of the 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

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)

Child labour	The Group is in compliance with the laws, as applicable.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

P1 **10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

P2 No corrective actions pertaining to Question 9 was necessitated by the Group during the year under review.

P3 **Leadership Indicators:**

P4 **1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

P5 There have been no significant human rights grievances / complaints warranting modification / introduction of business processes.

P6

P7 **2. Details of the scope and coverage of any Human rights due-diligence conducted**
Not Applicable

P8 **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?**

P9 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. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The Group expects and strives to influence its value chain partners to adhere to the same values, principles and business ethics 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	

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

No corrective actions pertaining to Question 4 was necessitated by 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	FY2023	FY2022*
Total electricity consumption (A)	Gigajoules	1,67,664	1,99,935
Total fuel consumption (B)	Gigajoules	49,552	39,793
Energy consumption through other sources (C)	Gigajoules	-	-
Total energy consumption (A+B+C)	Gigajoules	2,17,216	2,39,728
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	-	2.65	3.50

* Number in gigajoules recomputed taking into consideration appropriate conversion factor

P1 **Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

P2 Yes. During the year, energy indicators were verified as part of emission accounting by DNV Business Assurance India Private Limited.

P3

P4 **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.**

P5

Not Applicable

P6

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

P7

The Group's usage of water is restricted to human consumption purposes only. Efforts have been made to ensure that water is consumed judiciously in the office premises, such as:

P8

- Two large offices in Pune have rainwater harvesting facility, with aggregate capacity of 14,600 litres.
- Water treatment plant at an office in Pune 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.

P9

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) & its intensity, in the following format:

Parameter	Unit	FY2023	FY2022
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	14,843	12,585
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	36,793	26,833
Total Scope 1 and Scope 2 emissions per rupee of turnover*	Per crore of Consolidated Total Revenue from operations	0.63	0.58

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

Yes. The assessment was carried out by DNV Business Assurance India Private Limited for FY2023.

* Considering that FY2023 is the first year of full operations post COVID-19, emission intensity is not comparable.

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 ecological restoration, waste management and clean energy projects. 138 windmills of the Company with installed capacity of 65.2 MW generated over 83.2* million units of electricity, which is more than the electricity consumed by the BFS Group. The Group is a net generator of renewable power.

In addition, there are rooftop solar plants installed with capacity to generate 690.8 KW annually. Further, the Group has during the year invested in 18 Electric vehicles for city transport in Pune along with charging stations for employees in selected locations.

*Net of wheeling and transmission losses

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

Parameter	FY2023	FY2022
Total Waste generated (in metric tonnes)		
E-waste (B)	19.50	33.99

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

P1 E-waste recycling is carried out by various e-waste vendors across all offices of the Group. Form 2 (for
P2 maintaining records of e-waste handled/generated), green certificates and disposal and recycling reports have
been received by the Group.

P3 **9. Briefly describe the waste management practices adopted in your establishments. Describe the
P4 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.**

P5 Given the nature of the business, there is no usage of hazardous and toxic chemicals by the Group companies.
P6 BFS Group has systems in place to manage e-waste and engages with certified e-waste handlers for disposal
of e-waste. Approximately, 19.5 metric tonnes of e-waste generated has been disposed through authorised
recyclers in FY2023. The Group has received green, disposable and re-cycling certificates from the respective
e-waste handlers.

P7 **10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks,
P8 wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation
zones etc.) where environmental approvals / clearances are required, please specify details in the
P9 following format:**

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 (Y/N).**

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 Measure	FY2023	FY2022
From renewable sources			
Total electricity consumption (A) *	Gigajoule	1,446	244
Total fuel consumption (B)	Gigajoule	0	0
Energy consumption through other sources (C)	Gigajoule	0	0
Total energy consumed from renewable sources (A+B+C)	Gigajoule	1,446	244
From non-renewable sources			
Total electricity consumption (D)	Gigajoule	1,67,664	1,99,935
Total fuel consumption (E)	Gigajoule	49,552	39,793
Energy consumption through other sources (F)	Gigajoule	0	0
Total energy consumed from non-renewable sources (D+E+F)	Gigajoule	2,17,216	2,39,728

* Rooftop Solar power plants with installed capacity of 690.8 KW as at 31st March 2023.

Number in gigajoules recomputed taking into consideration appropriate conversion factor.

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

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

Yes. Independent Limited assurance has been carried out by DNV Business Assurance India Private Limited for
the year ending FY2023.

2. Provide the following details related to water discharged:

Not Applicable

P1 **3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**
 P2 Not Applicable

P3 **4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY2023	FY2022
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	18,747	9,922
Total Scope 3 emissions per rupee of turnover*		0.23	0.15

P6 **Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

P7 Yes. Independent Limited assurance has been carried out by DNV Business Assurance India Private Limited for the year ending FY2023. Refer section Independent Greenhouse Gas Verification Statement

P8 ** Considering that FY2023 is the first year of full operations post COVID-19, emission intensity is not comparable.*

P9 **5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.**
 Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:
 Please refer to response provided at Q. 3, 7 and 9 of the essential indicators above

7. 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.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.
 Given the nature of the business, there has been no adverse impact to the environment.

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

P1 **PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

P2 **Essential Indicators**

- P3 **1. a. Number of affiliations with trade and industry chambers/ associations.**
- P4 BFS Group through its subsidiaries is a member of 9 trade and industry chambers/associations.
- P5 **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.**

P6

P7 S. No.	Name of the trade and industry chambers associations	Company Name	Reach of trade and industry chambers/ associations (State/National)
P8 1	Confederation of Indian Industry	BFS, BAGIC, BALIC	International
P9 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.

P1 **PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**P2 **Essential Indicators**P3 **1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

P4 During the year 4 projects were assessed by external Impact Assessment Agencies as mandated by the CSR regulations. The agencies have submitted their detailed reports which are uploaded on respective Company's website. All projects that underwent Impact Assessments met all project objectives as per the assessment reports.

P6 **2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format**

P7 Not Applicable

P8 3. Describe the mechanisms to receive and redress grievances of the community.

P9 The Bajaj Group Companies have various mechanisms to receive and redress grievances of various stakeholders. Details of such mechanisms and policies is detailed [CSR policy](#) disclosed on the website.

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

	FY2023	FY2022
Directly sourced from MSMEs/ small producers	352.31	412.16
Sourced directly from within the district and neighbouring districts	NA	NA

Leadership Indicators

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

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:

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.

P1 For more details on the CSR initiatives undertaken during the year, Section Empowering society.

	Theme	Beneficiaries (in million)
P2	Education	0.3
P3	Infant mortality	0.3
P4	Children protection	0.1
P5	Health	0.1
P6	Other (including Children with disability)	0.2
	Children Total	1.0
P7	Youth supported under livelihood initiatives	0.1
	Youth Total	0.1
P8	Others (including CPBFI)	0.2
P9	Total Beneficiaries	1.3

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

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 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:**

	FY2023			FY2022		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy						
Advertising						
Cyber- security	NIL	NIL	None	NIL	NIL	None
Restrictive Trade practices						
Unfair Trade practices						
Others	10,551	7	Pending complaints as on 31 March 2023 have been suitably addressed by 7 April, 2023.	10,492	0	

- P1 **Some of the initiatives in this regard are:**
- P2 ● 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.
 - P3 ● Dedicated customer complaint reduction units are in place, to review the grievance redressal mechanism under oversight of the Boards of respective material subsidiaries.
 - P4 ● Customer grievances are also reviewed with focus on identification of root cause, corrective action plans and customer service initiatives.
 - P5 ● Detailed customer grievance handling mechanism is further enumerated under section Customer centricity of the Report as well as on respective company websites.

P6 **4. Details of instances of product recalls on account of safety issues.**

P7 Not Applicable

P8 **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.**

P9 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. 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 that 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.

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 programs – 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 have been the hallmark of our businesses. Each business is unique and so is its approach towards enhancing customer experience. But the core objectives that tie them together

P1 stay the same – simplification of processes, ease of use and quick and appropriate response. The importance of
 P2 information security, cyber security and fraud controls cannot be over-emphasised in this technological age. The
 P3 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.

P4 In line with the IRDAI regulation, the insurance subsidiary companies shall give two-month advance notice in
 P5 newspaper before re-allocation or closure of branch office and the same also published on the website.

P6 All material subsidiaries have business continuity strategy and framework which is also compliant with applicable
 P7 regulatory requirements. Business Continuity Plan (BCP) envisages the likely disruptive events, their probability
 and impact on business operations which is assessed through business impact analysis

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.

P8 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.

P9

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

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

Yes. 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.

6. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

None

b. Percentage of data breaches involving personally identifiable information of customers.

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

Independent Assurance Statement

Introduction

DNV Business Assurance India Private Limited ('DNV') has been commissioned by the management of Bajaj 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 2023 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 2023 – June 2023 covering the Company's non-financial/sustainability performance during 1 April 2022 – 31 March 2023. We performed a limited level of assurance based on our assurance methodology, VeriSustain™¹.

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.

1. 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

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 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 Onsite verification of sustainability performance data and sample evidence related to the sampled offices of Bajaj Finserv Limited and its subsidiaries – BHFL and BFSL to review the processes and systems for aggregating site-level sustainability information, as well as overall aggregation and consolidation of data from sites by the sustainability team at the Corporate Office at Pune in Maharashtra.
- Reviewed the process of reporting on BRSR requirements including Section A: General Disclosures, Section B: Management and Process Disclosures, and Section C: Principle-wise Performance Disclosures.
- Carried out an assessment of the processes for gathering and consolidating performance data related to the NGRBC Principles and, for a sample, checked the processes of data consolidation to assess the Reliability and Accuracy of performance disclosures reported based on BRSR requirements.
- Verification of the data consolidation of reported performance disclosures in context to the Principle of Completeness as per VeriSustain for a limited level of verification.
- An independent assessment of the reports non-financial information against the requirements of BRSR and the guidance notes

Opinion and Observations

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

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

Materiality

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

The Report explains the process of materiality determination which has been carried out by Bajaj Finserv towards identifying material topics which are significant to its business and have been considered important to the Company and its stakeholders, based on the National Guidelines on Responsible Business Conduct (NGRBC) for Business Sustainability and Reporting Standard (BSRS), Section A: General Disclosures – Overview of the entity's material responsible business conduct and sustainability issues. Key ESG risks, stakeholder requirements, expectations and impact of expectations were taken into account while arriving at overall topics which were further prioritized to arrive at material topics. 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.

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 engagement platforms and systems which have been established for identifying key stakeholder concerns and expectations. The Company has identified customers, employees, communities & NGO's, suppliers, investors & shareholders, government & regulatory bodies, academic institutions, industry bodies and media as its key stakeholder groups. Bajaj Finserv identifies and prioritizes its formal and informal processes for engagement with its significant stakeholders based on significance of actual and potential impacts of the Company's activities, and these processes are brought out within the Report, along with the identified expectations and concerns of stakeholders.

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 articulates Bajaj Finserv responses to its identified material topics through key sustainability indicators in line with the requirements of NGRBC Principles, as well as descriptions of the Company's management approach, policies and strategies, and initiatives, reporting and data tracking processes which are part of its overall ESG Management Framework.

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 the data and information verified through our remote assessments with the Company's management teams and data owners at the operations sampled by us as part of our assurance engagement were found to be fairly accurate and reliable. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors. These data inaccuracies have been communicated for correction and the related disclosures were reviewed for correctness.

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

Completeness

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

The Report brings out the Company's performance during FY2023 related to economic, environmental, social and governance-related aspects of the BRSR and covering the operations of Bajaj Finserv and its subsidiaries, 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 Conduct² 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 in the scope of assurance during FY2023 that could compromise the independence or impartiality of our work.

For DNV Business Assurance India Private Limited

Bhargav Lankalapalli

Lead Verifier

DNV Business Assurance India
Private Limited, India.

Karthik Ramaswamy

Technical Reviewer

DNV Business Assurance India
Private Limited, India.

28th June 2023, Mumbai, India.

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

2. 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)

Independent Greenhouse Gas 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 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 April 2022 – 31 March 2023. 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 2022-23 and other disclosures as applicable.

The Company has prepared its GHG emissions based on the requirements set out in Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised edition) published by World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) to calculate its GHG emissions and reported in the Business Responsibility and Sustainability Reporting as mandated under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The verification provides a limited level of customized engagement as per DNV's VeriSustainTM1 protocol, which is based on our professional experience, international assurance best practice including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised* for Defining Report Content and Quality. This verification applies a $\pm 5\%$ uncertainty threshold towards errors and omissions.

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

Scope, Boundary and Limitations of Verification

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

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

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

- Bajaj Finserv Limited
- 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, not being material, do 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 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

Verification Methodology

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

Desk review of the Company's emissions data for FY 2022-23 provided in spreadsheets.

Review of activity data and related evidence maintained in corresponding dashboard systems.

Interaction with key managers and data owners to review data consolidation systems of the Company and sampled operational sites including reviews of emission factors and assumptions used for calculations.

Onsite verification of activity data and sample evidence related to the sampled offices of Bajaj Finserv.

Review of the consolidated GHG emissions data in order to calculate the total emission of Bajaj Finserv with the corresponding environment and sustainability teams.

Conclusion

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

Emissions for FY 2022-23

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
Scope 1 Emissions (tCO ₂ e)	93.20	11,387.50	1,459.79	1,417.08	224.15	85.67	138.87	36.86
Scope 2 Emissions (tCO ₂ e)	1,688.74	21,951.46	4,796.69	5,197.09	2,187.01	119.75	361.29	491.02
Scope 3 Emissions (tCO ₂ e)	69.42	10,674.17	2,155.31	3,023.00	2,345.22	161.19	198.36	121.46
Total (tCO₂e)	1,851.36	44,013.14	8,411.79	9,637	4,756.37	366.61	698.52	649.33

Note 1: The average retail price of diesel and petrol used for calculating company owned vehicle's diesel & petrol consumption which is based on the data

provided by Petroleum Planning and Analysis Cell data, Ministry of Petroleum and Natural Gas dated 17-March 2023.

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

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

Note 4: Emissions factors for purchased electricity – Grid Emission factor based on weighted average factor of 0.79 tCO₂/MWh from the CO₂ Baseline

Database for the Indian Power Sector User Guide Version 17.0 October 2022.

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

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

Tonne

Note 7: The average consumption of HSD by DG Set with the following assumed values: Electricity generating capacity – 800 KW, Derated electricity

generating capacity 640 KW, Type of fuel used – HSD, Average load as % of derated capacity – 74, Specific fuel consumption – 0.324 Lit/KWh

Note 8: Bajaj Allianz Staffing Solutions Limited is accounted under emissions of Bajaj Allianz Life Insurance Company limited as the staff placement is in the same premises

Summary of Emissions:

Indicator	Factors	Emissions for FY 2022-23 (tCO ₂ e)
Scope 1 Emissions	a) diesel generators, b) company owned vehicles, c) Refrigerant release in air conditioners	14,843.11
Scope 2 Emissions	Purchased electricity from the grid	36,793.03
Total Scope 1 & Scope 2 Emissions		51,636.15
Scope 3 Emissions	a) Business travel; b) Fuel and energy related activities c) Employee Commute; d) Waste generated from operations (Paper)	18,747.33
Total Scope 1, Scope 2 & Scope 3 Emissions		70,383.48

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 Conduct² 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 in the scope of verification during FY 2022-23 that could compromise independence or impartiality of our work.

For DNV Business Assurance India Private Limited,

Bhargav Lankalapalli

Lead Verifier

DNV Business Assurance India Private Limited, India.

Arun Aravind

Technical Reviewer

DNV Business Assurance India Private Limited, India.

Mumbai, India, 19th June 2023.

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Mapping United Nations Sustainable Development Goals (UNSDG)

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

Principle 1 :

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



Principle 2 :

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



Principle 3 :

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



Principle 4 :

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



Principle 5 :

Businesses should respect and promote human rights



Principle 6 :

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



Principle 7 :

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



Principle 8 :

Businesses should promote inclusive growth and equitable development



Principle 9 :

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

