Natural Capital

> Sustainability is integral to how we do business - from digital-first processes and operational efficiency to protecting the environment. As our footprint grows, we are decarbonising our operations through renewable energy and energy-efficient infrastructure, putting us firmly on the path to carbon neutrality while contributing to broader climate goals.

S. Sreenivasan,
President, Insurance and Special Projects, Bajaj Finserv Ltd.

> Environmental considerations are integral to our investment decisions. We direct capital towards businesses that combine commercial potential with environmental responsibility – from technology-led enterprises that improve efficiency and reduce resource use to companies creating eco-friendly products. For us, investing in growth also means investing responsibly.

Sam Subramaniam,
President - Private Equity and Group Strategy Head

At Bajaj Finserv, environmental resilience is pursued through concrete measurable action. Our approach to climate management is grounded in data, governed at the highest levels in the organisation, and directed towards outcomes. Through scientific, data-driven efforts and responsible business practices, we aim to make a lasting, positive impact on the planet.

UN SDGs Aligned

Material Topics Impacted

- Climate Strategy and Emissions Management
- Operational Eco-efficiency
- Sustainable Finance

Preserving and Protecting the Environment

Key Highlights for FY2026

757 kW
Rooftop solar capacity installed across 8 locations, further strengthening renewable energy adoption

61,042 tCO_2e
Total Scope 1 and Scope 2 emissions recorded in FY2026

8+ lakh
Saplings planted to date (2+ lakh in FY2026) under biodiversity and ecological initiatives

265.94 metric tonnes
Waste recycled/safely disposed through authorised channels

22,500
Improved Cookstoves (ICS) distributed to foster cleaner and more efficient cooking alternatives

20 EVs
Deployed for inter-office shuttle services, supporting low-emission mobility

₹6,844 crore
Sanctioned for financing 49 green building projects through BHFL

₹2,300+ crore
Disbursed for 3+ lakh EVs, by BFL for supporting cleaner mobility adoption

₹150+ crore
Disbursed for 14,500+ solar equipment loans, supporting clean energy adoption

8.6+ lakh
Trees equivalent saved over the last three years through a reduction in paper consumption of 720+ crore sheets

Decarbonising Business

The Group has defined a clear pathway to achieve carbon neutrality for our Scope 1 and Scope 2 emissions by 2032. In alignment with India's Nationally Determined Contributions (NDCs), as a diversified financial services group, we recognise that our responsibility extends beyond our own operations to the communities we serve.

The Bajaj Finserv group has implemented a comprehensive renewable energy strategy, and is, as a result, a net producer of renewable energy. Total renewable energy generated from the Group's owned wind infrastructure in FY2026 exceeded the cumulative electricity consumption of its pan-India operations.

The Group is committed to increasing renewable electricity usage across its entire footprint, with Renewable Energy Leadership serving as the primary mechanism to decouple business growth from carbon emissions.

In FY2026, our renewable energy installations and generation is as follows:

757 kW
Capacity of solar panels installed by the BFS group

65.2 MW
Installed capacity of wind turbines at Satara and Supa, Maharashtra

9.04 crore units
Power generated through wind turbines at Satara and Supa, Maharashtra

9.08 crore units*
of green electricity generated in FY2026

By generating more electricity through wind power than it consumes, the Group actively reduces its carbon footprint and supports India's transition to renewable energy.

Against a total group level power consumption of 7.20 crore units, the Group generated 9.08 crore units* of renewable energy.

*Refers to consolidated green electricity generated in FY2026, totaling 9.08 crore units (comprising 9.04 crore units from wind and 0.04 crore units from solar).

Environmental Performance

Our Energy Footprint

As a service-driven organisation, the Group's energy consumption is concentrated primarily in its office and branch infrastructure. The major source of energy consumption is grid electricity, which contributes approximately 73.51%, while the remainder comes from use of fuel and renewable electricity.

358,265 GJ
Total energy consumption in FY2026

Energy Source	FY2026 (In GJ)
Purchased electricity from grid	259,338
Diesel	39,665
Petrol	53,398
CNG	4,503
Renewable electricity	1,361
Total energy consumption	**358,265**

Energy Intensity Metrics (FY2025 vs. FY2026)

Total Energy Intensity (GJ per crore of Consolidated Total Revenue from Operations)

FY2026	FY2025
2.34	2.43

Total Energy Intensity (GJ per crore of Consolidated Total Revenue) (Adjusted for PPP)

FY2026	FY2025
47.62	50.29

Energy Efficiency and Environmental Management

As part of our energy conservation focus, the Group is working towards aligning facilities with Indian Green Building Council (IGBC) standards. IGBC certification encompasses energy efficiency, renewable energy integration, water conservation, waste management, indoor air quality, and sustainable sourcing of materials.

Pursuing green building certification at our key facilities will form an important part of our strategy to reduce the connected load and overall environmental footprint per square foot of operational space.

The Group manages environmental impact and energy consumption through resource-efficient facilities designed to enhance the indoor environment. By integrating building design, equipment standards, operational practices, and technology infrastructure, we maintain an integrated portfolio of energy efficiency across our group companies. Some such initiatives are:

Equipment and Appliance Efficiency

+ Energy-efficiency ratings are a formal procurement requirement for all new equipment and appliances. Our new equipment procurement now requires efficiency ratings meeting specified standards. Procurement decisions are evaluated on lifecycle costs, certifications, and energy ratings rather than purchase price alone.
+ Regular maintenances are in place to ensure that rated efficiency is sustained in practice.
+ In FY2026, we conducted Electricity Audits for 20 of our large offices across India.
+ Currently, majority of our branches/offices pan-India are equipped with LED light fittings as a standard feature, significantly reducing carbon emissions.

Lighting Systems

+ A phased programme to replace conventional lighting with energy-efficient alternatives is ongoing across the Group and is expected to result in significant energy savings and a reduction in carbon emissions.
+ We are executing a phased replacement of conventional lighting with energy-efficient alternatives. Currently, majority of our branches are equipped with LED light fittings as a standard feature, significantly reducing carbon emissions.

Standardised Operational Excellence
(ISO 14001:2015)

+ As of March 31, 2026, we achieved ISO 14001:2015 (Environmental Management System) certification for 44 of our large offices across India. This milestone is a direct enabler of our FY2032 Scope 1 and Scope 2 carbon neutrality goals, as it institutionalises a standardised framework for resource efficiency and emissions monitoring.
+ These globally recognised standards have enabled us to establish rigorous environmental controls to systematically track and mitigate Scope 1 and Scope 2 impacts. In FY2026, we conducted Energy Audits across 20 of our large offices across India. Annual energy audits complement and serve as a diagnostic tool by identifying site-specific optimisation opportunities, ensuring our operational footprint remains lean as the business scales.

HVAC Optimisation

+ We promote the use of air conditioning systems with ozone-friendly refrigerants. These systems reduce ozone-depletion risk and offer improved energy efficiency compared to older refrigerant technologies, contributing to lower electricity consumption and reduced greenhouse gas emissions.
+ **~96%** of our branches/offices pan-India of our air conditioning systems have ozone-friendly refrigerants. These systems reduce ozone-depletion risk and offer improved energy efficiency compared to older refrigerant technologies, contributing to lower electricity consumption and reduced greenhouse gas emissions.

Green IT Practices

+ The Group's IT infrastructure strategy prioritises energy-efficient hardware, server visualisation and cloud adoption.
+ Digitisation including paperless processing, AI-driven automation and robotic process automation reduces energy intensity of back-office operations.
+ The Group's digital adoption rates across subsidiaries are amongst the highest in the financial services sector.

EMS Governance and Key Policy Commitments

+ The Group's Environmental Management System is governed at the highest levels through the CSR and ESG Committee, and at the management level through the Sustainability Council. This dual-layer governance structure ensures that environmental commitments are embedded in strategic decision-making and not confined to operational policy.
+ Our Group's Environmental Management Policy (EMP) is structured around four core commitments:
  - Conserve natural resources through the Reduce, Reuse and Recycle (3R) framework, and integrate environmental considerations into new infrastructure design.
  - Commit to climate action through a target of net-zero operational emissions by 2032 and continued transition to renewable energy.
  - Improve environmental performance through periodic EMS reviews, compliance audits and self-assessments, and sustainable procurement policies.
  - Build environmental awareness by communicating policy objectives to all stakeholders and aligning with national and international sustainability frameworks.

Operational Optimisation

+ We continuously assess and optimise our processes to identify energy-saving opportunities, streamline workflows, and reduce idle time. Accordingly, the Group has completed the deployment of Retro-Fit Emission Control Devices for diesel generators at our Head Offices in Pune to mitigate particulate emissions.
+ In FY2026, we achieved a 7-tonne CO_2e reduction at our Pune Head Office through the implementation of Retrofit Emission Control Device (RECD) technology on our diesel generator (DG) set. This annual reduction of CO_2e emissions was driven by advanced emission control systems, combustion optimisation, and fuel efficiency enhancements.

Greenhouse Gas (GHG) Emission Management

The Group is committed to minimising environmental impact and supporting value chain decarbonisation. Our endeavour is to reduce GHG emissions through robust measurement protocols and initiatives that promote a low carbon system, that align with global sustainability goals.

The Group has reported consolidated GHG emissions, since FY2021, with the methodology and boundary continuously refined. In FY2026, consolidated emissions were published with Reasonable Assurance, aligned with the GHG Protocol and using emission factors from Inter-Governmental Panel on Climate Change (IPCC), Department for Environment, Food and Rural Affairs (DEFRA), Central Electricity Authority (CEA), and the India GHG Programme.

The Group's physical footprint has expanded over this period. For the reporting period our Scope 1 and 2 emissions intensity, however, has declined–a result of energy-efficient infrastructure investment and deliberate operational planning. To sustain and accelerate this improvement, we are executing a structured strategy centred on three pillars: Renewable Energy Leadership, Standardised Operational Excellence (ISO 14001:2015), and Community Impact through clean cooking interventions

Our GHG inventory encompasses three emission categories

Scope 1 Emissions

Includes emissions from owned and operationally controlled DG sets, Company-owned cars, refrigerant used for air conditioning, and CO_2 extinguisher refilling - 9,398.24 tCO_2e.

Scope 2 Emissions

Primarily results from procurement of electricity to sustain our operations - 51,643.43 tCO_2e.

Scope 3 Emissions

In addition to measuring and managing Scope 1 and Scope 2 emissions, the BFS group recognises the significance of Scope 3 emissions in its commitment to comprehensive environmental stewardship.

In FY2026, we expanded our Scope 3 GHG disclosures to include Category 2 (Capital Goods) and Category 7 (Employee Commute), strengthening accountability in emissions tracking.

BFS group's Scope 3 emissions includes:

Category 1

Purchased Goods and Services

Procurement of office supplies and housekeeping essentials, courier, and relocation of employees' goods – 1271.61 tCO_2e

Category 2

Capital Goods

Long-term assets like machinery, vehicles, or buildings – 15,020.73 tCO_2e

Category 3

Fuel- and Energy-related Activities

Transmission and distribution loss – 11,587.34 tCO_2e

Category 5

Waste Generated in Operations

E-waste, battery waste, hazardous waste, and biomedical waste generated – 110.58 tCO_2e

Category 6

Business Travel

Travel by air, train, road, hotel stay, and guesthouse stay – 29,970.07 tCO_2e

Category 7

Employee Commuting

Emissions arising from daily travel of employees between their place of residence and workplace, including commuting via private vehicles, public transport and shared mobility solutions – 81,940.75 tCO_2e

Emission Intensity Metrics (FY2025 vs. FY2026)

Total Scope 1 and Scope 2 Emissions Intensity (tCO_2e per crore of Consolidated Total Revenue from Operations)

FY2026	FY2025
0.41	0.44

Status: Reduction

Total Scope 3 Emission Intensity (tCO_2e per crore of Consolidated Total Revenue from Operations)

FY2026	FY2025
0.93	0.26

Status: Increase due to inclusion of new Scope 3 categories - Capital Goods and Employee commute

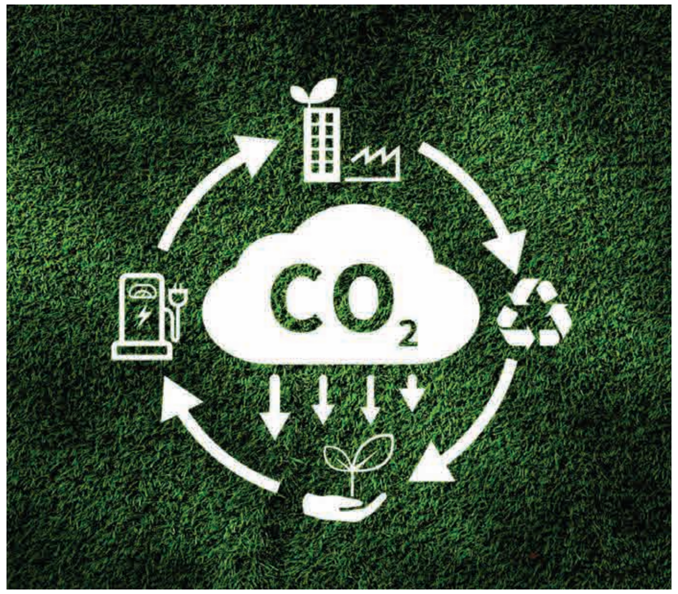
Commitment to Carbon Neutrality

Aligned with our long-range strategy, at BFS group, we are embedding sustainability into operations to support global climate action alongside business goals.

In partnership with a leading consulting firm, we have developed a carbon neutrality roadmap, to become carbon neutral for Scope 1 and 2 emissions by FY2032—a key milestone in our commitment to a sustainable future.

To reach this goal, we are focusing on system-level changes to reduce our greenhouse gas (GHG) intensity through a structured strategy centred on three pillars:

+ Renewable Energy Leadership
+ Standardised Operational Excellence (ISO 14001:2015)
+ Community Impact through the Improved Cookstove (ICS) Distribution Programme



Waste Management

At the Group, environmental responsibility is integral to our operations. Our initiatives span an integrated waste management framework focused on reduction, segregation, and circularity. Key initiatives include cutting paper and plastic use and systematic source segregation and responsible disposal through certified vendors.

We have also partnered with certified waste management vendors to ensure the responsible disposal of e-waste and battery waste, in line with the E-waste (Management) Rules, 2022.

Our Group's longer-term waste ambition is to achieve a 'Zero Waste to Landfill' status at key facilities—a globally recognised benchmark measuring the percentage of total waste recycled or reused rather than sent to landfill. This objective is pursued through nature-centric facility design, waste reduction at source, responsible handling of operational waste, maximising reuse and recycling, and systematic source segregation across wet, dry, hazardous and e-waste streams.

We are aligning facilities with Indian Green Building Council standards. In FY2026, the Bajaj Finserv Head Office was awarded the IGBC Net-Zero Waste to Landfill Certification. Future targets include obtaining this certification for the BFL Head Office and Insurance House (Bajaj General and Bajaj Life HO).

Our flagship 'Waste to Wealth' project at Bajaj Finserv House processes **12 kg of organic waste** daily, converting it into **4.4 tonnes of compost** annually to maintain office gardens–making the facility self-sustaining and eco-friendly for over **1,800 full-time employees** and **5,800 visitors**.

86.14 metric tonnes

E-waste and battery waste responsibly recycled, with certificates confirming proper handling

Water Management

At Bajaj Finserv group, we are committed to reducing water consumption through a blend of measures. Sensor-based taps, waterless urinals, rainwater harvesting, and the refurbishment of the Sewage Treatment Plant (STP) at our head office have significantly reduced our dependence on third-party water sources.

The Group's water use is primarily for domestic and drinking purposes, sourced from municipal or authorised providers, we have adopted a phased approach to monitor and measure water usage—starting with larger sites—to enable data-driven optimisation and expand meter coverage over time.

Our water stewardship is driven by digitised monitoring and localised efficiency measures.

- In FY2026, we successfully operationalised our Water Tracking System (WTS) across more than **71 locations** of BFL, BHFL, Bajaj General, and Bajaj Life.
- Building on this momentum, we have committed to expanding the WTS and installing high-efficiency aerators at **46 additional locations** in FY2027 to further enhance consumption tracking and conservation efforts.
- **12.31 lakh kilolitres** estimated total water usage for FY2026 by BFS group (computed as per CGWA guidelines).

Water Intensity Metrics (FY2025 vs. FY2026)

Total Water Intensity per crore of Consolidated Total Revenue from Operations

FY2026	FY2025
8.18	8.42

Status: Marginal decrease observed

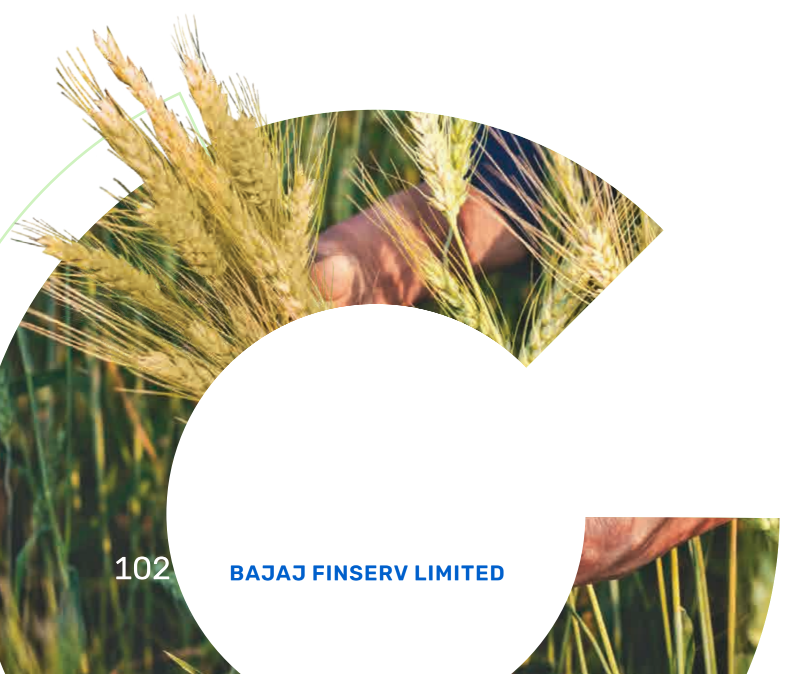
Independent Assurance on Environmental Parameters

At the Bajaj Finserv group, we are committed to transparent ESG disclosures and data reliability. Since FY2022, we have voluntarily sought limited assurance for environmental data, and from FY2024, aligned with SEBI BRSR guidelines, we transitioned to reasonable assurance for waste, water, and Scope 1 and 2 emissions, along with voluntary assurance for Scope 3 emissions.

Notably, our insurance subsidiaries Bajaj General and Bajaj Life are among the first non-listed insurance companies in India to fully report ESG metrics as per SEBI BRSR

guidelines and to obtain limited assurance for BRSR reports and verified GHG emissions (Scope 1, 2, and 3) from FY2023 onwards.

Green Initiatives: A Model for Environmental Restoration



Paper Reduction

Over the last 3 years, the Group has avoided the use of approximately **720+ crore** sheets of paper - equivalent to preserving nearly **8.6+ lakh trees**.

Reforestation Efforts

More than **8 lakh** saplings have been planted across India over the past six years, supporting ecological restoration and local climate resilience.

Improved Cookstove (ICS) Distribution Programme

The Group is facilitating the adoption of clean cookstoves in underserved households replacing traditional, high-emission cooking methods with cleaner alternatives. This programme drives measurable avoided emissions while generating carbon credits and delivering direct health benefits to beneficiaries.

This programme targets 67,500 total beneficiaries over three years with specific focus on rural women's health outcomes.

This project not only reduces our broader ecosystem's carbon footprint but also improves the health and economic resilience of the families involved. Carbon credits accrued though the programme contribute to the Group's Scope 1 and Scope 2 carbon neutrality strategy.

22,500

ICS units distributed across Maharashtra as of March 31, 2026

From Smoke-filled Kitchens to Comfortable Cooking: Wardha

Darshana Umesh Thool is a 43-year-old woman from Salod village in Wardha district and a member of the Satvik Self-Help Group. She studied up to the 12th standard and lives in a kutcha house with her husband and two children.

The family survives on daily wage work, with a monthly household income of around ₹6,000-8,000.

To support the family, Darshana works in other people's houses doing household chores and domestic work, while her husband works as a labourer at construction sites. Despite working hard every day, managing household expenses, children's needs and daily food arrangements has always been a struggle for the family.

Before receiving the Improved Cookstove (ICS), Darshana cooked on a traditional three-stone fire pit. Every day, she had to spend long hours collecting firewood and preparing meals in a smoke-filled kitchen. The thick smoke caused constant eye irritation, coughing, and breathing discomfort, making cooking physically exhausting. During the rainy season, finding dry firewood became even more difficult, and cooking meals for the family turned into a stressful task. Even after returning tired from work, she had to spend extra time managing the traditional chulha, which added to her daily burden.

The introduction of the ICS brought a meaningful change in Darshana's life. The stove produces very little smoke, requires less firewood, and cooks food faster, reducing both physical strain and time spent in the kitchen. Its portable design has been especially helpful during the rainy season, allowing her to cook more comfortably and efficiently. With less time spent collecting firewood and cooking, Darshana is now able to focus more on household responsibilities, care for her children, and contribute more time towards income-generating work.

Darshana shared that receiving the ICS stove has brought relief and comfort to her daily life. She feels happy that her kitchen is now cleaner and healthier, and that she no longer has to struggle with excessive smoke while cooking. The reduction in fuel use has also helped the family save money and effort. For Darshana, the stove is not just a cooking device—it is a source of convenience, dignity, and hope for a healthier life for her family. Her story reflects how access to clean cooking technology can create a positive and lasting impact on the lives of rural women and their families. Darshana expressed her sincere gratitude to the Bajaj Group for providing the Improved Cookstove (ICS) and bringing positive change to her family's life

Usage of E-vehicles

Sustainability Impact

These initiatives reflect the Group's holistic approach to sustainability by reducing waste, promoting biodiversity and mitigating climate change.

1.59 lakh
Trips in FY2026

~4.3 lakh km
Travel achieved in FY2026

20
Electric vehicles for inter-office shuttles, enhancing air quality and reducing pollution

~34 tonnes
CO_2 emissions avoided in FY2026

Sustainable Finance: Products with Purpose Encouraging Environmental Stewardship

While we take steps to reduce the impact of our business operations on the environment, it is simultaneously an imperative to provide financial products and services to customers that enable customers to reduce their environmental impact through what we finance, insure and invest in. Through the development of specialised products that accelerate the transition to a low-carbon economy, we can drive systemic change at scale.

Key initiatives include:

Green Building Financing - BHFL

- During FY2026, BHFL increased its finance towards Green Building projects to **₹6,844 crore** across **49** projects, representing a **218%** increase from FY2025, where over **₹2,152 crore** was disbursed across **21 Green Building projects**, supporting the development of energy-efficient and environmentally responsible infrastructure aligned with global green certification standards.

Financing Eco-friendly Devices*

- **BFL:** BFL disbursed more than **₹4,000 crore**, to finance **13.5+ lakh** energy efficient devices rated 5-star and above in FY2026, enabling customers to reduce their household energy consumption.

Electric Mobility Financing and Protection - Bajaj General and BFL

- Bajaj General insured **2.65+ lakh EVs**, covering 10% of India's EV market in FY2026.

- Bajaj General launched #EVForAll, offering **11 specialised services**, including:
  - EV Helpline, SOS, On-site Charging, Pickup and Drop, Accommodation, Roadside and Minor Repairs, Urgent Message Relay, Legal and Medical Assistance, Taxi Benefits.
- BFL disbursed over **₹2,300 crore,** financing **3+ lakh EVs** in FY2026.

Renewable Energy Support – Bajaj General and BFL

- Bajaj General issued 18,466 insurance policies in FY2026 for renewable energy projects (solar, wind, hydropower), with Gross Written Premium of ₹1,214 crore.
- 14,500+ Loans disbursed for solar equipment financing by BFL, amounting to more than ₹ 150 crore in FY2026.

Launch of Environment-friendly Products - Bajaj General

Bajaj General has launched a series of environment friendly products such as **EcoAssure**, a pioneering initiative aimed at integrating sustainability into the insurance sector. This product reflects their commitment to:

- Promoting environment friendly practices.
- Encouraging green insurance* solutions.
- Supporting customers who prioritise sustainability.
- EcoAssure sum assured: 1,503.27 crore.
- Number of policies of EcoAssure: 37,685 policies.

Climate Risk Policy

Demonstrating our commitment to structured climate governance, our insurance subsidiaries, Bajaj General and Bajaj Life, operate under comprehensive, Board-approved Climate Risk Policies.

Concurrently, our lending subsidiary, Bajaj Finance Ltd., manages environmental risks through a robust internal climate risk policy framework. This tiered governance approach ensures that climate-related risks and opportunities are systematically identified, monitored, and mitigated in alignment with the specific operational realities and regulatory expectations of our Insurance and Lending subsidiaries.

Climate Safe Insurance

In FY2026, Bajaj General launched Climate Safe, the industry's first retail parametric insurance product designed to address the growing challenges of climate risk. This innovative solution empowers households, small businesses, gig workers, and everyday retail customers by offering accessible and transparent protection against weather-related disruptions.

Unlike traditional insurance, Climate Safe uses predefined parameters and objective data triggers such as rainfall levels, temperature extremes, or storm intensity to automatically activate coverage. This ensures faster payouts, reduced complexity, and greater trust, enabling individuals and communities to recover quickly from climate events without the burden of lengthy claims processes. By combining simplicity, affordability, and reliability, Climate Safe represents a breakthrough in democratising climate resilience for those most vulnerable to environmental uncertainty.

Key Metrics (As of March 31, 2026)

- **Direct Retail Adoption:** Over **0.37 lakh policies** issued directly to retail customers in its debut fiscal year.
- **Consolidated Outreach:** A total of **0.90 lakh policies** issued across both retail channels and corporate partnerships.

Environment Policy

- Our lending arm, BFL has adopted an Environmental Policy under which it commits to ensure that funds will not be used to finance certain types of activities such as:
- Manufacture and marketing of banned drugs
- Dealing in narcotics
- Dealing in banned wildlife related products
- Production and distribution of obscene material, etc.

*The term 'eco-friendly devices' refers exclusively to air conditioners, washing machines, and refrigerators that carry a 5-star energy efficiency rating.

*A Green Insurance Portfolio covers eco-friendly, clean-tech, and climate-resilient products. Bajaj General delivers this across four pillars: Renewable Power (solar, wind, biomass, and hydro), EV (electric mobility), Climate Safe (crop/weather protection), and Eco Assure (circular repairs).