



Date: 5th June, 2024

To
National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400051
NSE Symbol: SBFC

To
BSE Limited
Phiroze Jeejeebhoy Towers,
21st Floor, Dalal Street,
Mumbai – 400001
BSE Scrip Code: 543959

Sub: Business Responsibility and Sustainability Report

Dear Sirs,

Pursuant to Regulations 34(2)(f) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 ("Listing Regulations"), we are submitting herewith the Business Responsibility and Sustainability Report for FY24, which forms an integral part of the Annual Report FY24 of the Company, submitted to the Stock Exchanges on June 5, 2024.

You are requested to take the above on record.

Thanking you,

Yours faithfully,

For SBFC Finance Limited
(Erstwhile SBFC Finance Private Limited)



Jay Mistry
Company Secretary & Chief Compliance Officer
ICSI Membership No : A34264
Encl: As above



Directors' Report *Contd...*

Annexure – 13

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details

1.	Corporate Identity Number (CIN) of Company	U67190MH2008PLC178270
2.	Name of the Company	SBFC Finance Limited
3.	Year of incorporation	25 January 2008
4.	Registered office address	Unit No. 103, 1 st Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri (East), Mumbai - 400059.
5.	Corporate address	Unit No. 103, 1 st Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri (East), Mumbai - 400059.
6.	E-mail	companysecretary@sbfc.com
7.	Telephone	+91-22-67875300
8.	Website	www.sbfc.com
9.	Financial year for which reporting is being done	2023-2024
10.	Name of the Stock Exchange(s) where shares are listed	SBFC Finance Limited is listed on both National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) with effect from August 16, 2023.
11.	Paid-up capital	1,073,754,986 shares of face value of ₹ 10 each, amounting to ₹ 10,737,549,860 as of March 31, 2024.
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	All queries related to the BRSR report from both internal and external stakeholders can be directed to the following individual: Name: Shekhar Bhoral Designation: Head - Centre of excellence Telephone: +91-8894348622 Email ID: shekhar.bhoral@sbfc.com
13.	Reporting boundary	The non-financial information in this report covers the activities and progress of SBFC Finance Limited on a standalone basis. The reporting boundary for all environmental, social, and governance disclosures include all our 183 branches and 2 offices in India as of March 31, 2024. The reporting period for the information covers the period from April 1, 2023 to March 31, 2024.
14.	Name of the assurance provider	N.A.**
15.	Type of assurance obtained	N.A.**

** Third-party assurance has not been taken for any disclosure part of this BRSR report for the reporting period FY 2023-24.

II. Products/services

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

Description of main activity	Description of business activity	% of turnover
Other Credit Granting	SBFC Finance Limited is a non-banking financial company (NBFC) focused on providing loans to the underserved section of the society that includes entrepreneurs, small business owners, self-employed individuals, as well as salaried and working-class individuals.	100%

Business Responsibility and Sustainability Report *Contd...*

17. Products/services sold by the entity (accounting for 90% of the entity's turnover):

Sr. No.	Product/service	NIC Code	% of total turnover contributed
1.	Other Credit Granting As a Non-Banking Financial Company, SBFC Finance Limited primarily offers fund-based products, including secured MSME loan and loan against gold.	64920	More than 90%

III. Operations

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

Location	Number of Offices	Number of branches	Total
National	2	183	185
International	-	-	-

19. Markets served by the entity:

- a) Number of locations

Locations	Number
National (No. of states)	16 States and 2 UTs
International (No. of countries)	-

- b) What is the contribution of exports as a percentage of the total turnover of the entity?

This disclosure is not applicable as we are a Non-Banking Financial Company (NBFC) offering financial services, particularly secured MSME and gold loans to the underserved section of society, in India.

- c) A brief on types of customers

Our customers primarily comprise of entrepreneurs, small business owners, self-employed individuals as well as salaried and working-class individuals who are underserved.

IV. Employees

20. Details as at the end of Financial Year:

- a) Employees and workers (including differently abled):

Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
1.	Permanent (D)*	3,758	3,484	92.7%	274	7.3%
2.	Other than permanent (E)	16	15	93.8%	1	6.3%
3.	Total employees (D + E)	3,774	3,499	92.7%	275	7.3%

Note - Details related to workers are not applicable as we have not employed any workers during the reporting period.

*The total permanent employees count also includes 3 key management personnel, who are part of the total permanent employees list.

- b) Differently abled employees and workers.

Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
1.	Permanent (D)*	3758	1	0.027%	-	-
2.	Other than permanent (E)	16	-	-	-	-
3.	Total employees (D + E)	3774	1	0.03%	-	-

Note - Details related to workers are not applicable as we have not employed any workers during the reporting period.

*Total Permanent employees count also includes 3 Key Management Personnel as they are part of the total permanent employees listing.

Business Responsibility and Sustainability Report *Contd...*

21. Participation/inclusion/representation of women

Particulars	Total	No. and % of females	
	(A)	No. (B)	% (B / A)
Board of Directors	8	1	12.5%
Key Management Personnel	3	-	-

22. Turnover rate for permanent employees and workers

Particulars	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	44.3%	43.1%	44.2%	36.5%	36.9%	36.5%	32.8%	35.3%	33.1%

Note: Details of confirmed employee have been taken for employee turnover calculation during the reporting period.

V. Holding, subsidiary and associate companies (including joint ventures)

23. Names of holding / subsidiary / associate companies / joint ventures.

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	SBFC Home Finance Private Limited	Subsidiary	100%	No

VI. CSR details

24. (i) Whether CSR is applicable as per section 135 of the Companies Act, 2013 - Yes

(ii) Turnover - Standalone - ₹ 10,185.40 million

(iii) Net worth - Standalone - ₹ 27,782.55 million

Business Responsibility and Sustainability Report *Contd...*

VII. Transparency and Disclosures Compliances

25. Complaints/grievances on any of the principles (principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGBRC):

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in Place (Yes/No). (If yes, then provide a web-link for the grievance redress policy.)*	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	25	-	-	-	-	-
Employees and workers	Yes	-	-	-	-	-	-
Customers	Yes	753	-	-	762	2	-
Value Chain Partners	Yes	-	-	-	-	-	-
Others (violation of code of business conduct and ethics)	Yes	-	-	-	-	-	-

* For all our other key stakeholders, we have a dedicated email address for them to raise their grievances, that is then dealt with by either the Human Resources team or another team as applicable.

* Our whistleblower policy is available on our website through this link: <https://www.sbfc.com/cmsproject/mediaGallery/docs/Whistle%20Blower%20Policy-1667053329.pdf?rm=1694197800>

* Our privacy policy is available on our website through this link: <https://www.sbfc.com/privacy-policy>

* Our Grievance Redressal Policy is available on our website through this link: <https://www.sbfc.com/cmsproject/mediaGallery/docs/Grievance%20Redressal%20Policy-1704795424.pdf?rm=1702233000>

Business Responsibility and Sustainability Report *Contd..*

26. 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, and approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Positive/negative implications
1.	Sustainable Finance	0	<p>Financing has an important role to play in enabling businesses and economies to transition to a sustainable economy.</p> <p>The MSME sector in India is one of the key drivers of the economy and significantly contributes to the country's GDP as well as employment.</p> <p>As a financial services company, we recognize that directing capital towards such enterprises presents a substantial opportunity for us to make a meaningful impact.</p> <p>We firmly believe that achieving financial success should be intricately linked with our contribution to the greater good of society.</p>	<p>Being an NBFC, focusing on providing loans to businesses and individuals in the MSME sector that are underserved, we are addressing a major financing gap, thus, enabling such businesses and entrepreneurs to obtain loans to scale up their operations, improve efficiency or for other business expansion-related purposes.</p> <p>Our efforts involve placing a heightened focus on providing loans to entrepreneurs and small businesses with a focus on sustainability and inclusive growth.</p>	<p>Attracting Impact Investors (Positive): Sustainable finance initiatives often attract impact investors and institutions focused on impactful investments. By aligning with sustainability goals, we may gain access to a new source of funding and partnerships with organizations that are keen on supporting socially responsible initiatives.</p> <p>Risk Mitigation (Positive): Assessing and promoting sustainability in lending can help identify risks and opportunities more effectively. It can lead to better risk management by avoiding high-risk industries or projects, reducing the likelihood of loan defaults and losses.</p> <p>Improved Reputation (Positive): Incorporating sustainability into your business model can enhance your brand image and reputation. Customers, especially those from younger generations, are increasingly choosing businesses that align with their values, including environmental and social responsibility.</p>

Business Responsibility and Sustainability Report *Contd...*

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Positive/negative implications
2.	Climate Change and GHG Emissions	R	We recognize that climate change poses a risk to our operations, our clients and the broader economy. The increasing levels of greenhouse gas (GHG) emissions contribute to global warming, resulting in more frequent and severe climate-related events such as hurricanes, floods, droughts and heatwaves. These events can potentially disrupt businesses, communities, and the availability of natural resources, impacting our operations and portfolio. Additionally, regulatory changes aimed at mitigating climate change, such as carbon pricing and emissions reduction targets, may affect our loan portfolio.	We are committed to addressing climate change risks through proactive measures. We are also working on proactively reporting on environmental data to assess our environmental impact and formulate strategies to mitigate emissions.	Financial Implications (Negative): We acknowledge that climate change-related risks may have adverse financial implications for SBFC Finance Limited. These risks include the potential for increased loan defaults, reduced asset values and losses on investments in sectors vulnerable to climate impacts such as fossil fuels and agriculture. Furthermore, extreme weather events can disrupt our business operations, leading to financial losses for us and our clients.

Business Responsibility and Sustainability Report *Contd...*

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Positive/negative implications
3.	Financial Inclusion and Capacity Building	0	<p>MSMEs contribute significantly to India's growth story by making up a substantial portion of the country's GDP as well as employment. However, they do not have required access to formal credit or lending. As a result, financing becomes a major obstacle for such entrepreneurs and business owners as traditional banks do not provide financing tailored to their requirements. At SBFC, we aim to fill this gap by providing financing opportunities to underserved business owners and further unlocking India's growth story. We are also deeply associated with uplifting other marginalized groups of society, including women, rural and local borrowers, people in old age, etc., ensuring overall inclusion.</p>	<p>As an NBFC engaged in providing loans to small businesses and entrepreneurs in the MSME sector, women, and other marginalized groups, our business model aligns with key principles of financial inclusion. Some of our current approaches to capture the opportunity include:</p> <ol style="list-style-type: none"> 1. Partnerships: Collaborating with government agencies, non-governmental organizations and other stakeholders to effectively promote financial inclusion and address challenges. We can leverage expertise, resources, and networks through partnerships to scale our impact. 2. Data and Analytics: Leveraging data and analytics to identify regions and communities with limited financial services access. This data-driven approach will enable us to prioritize our efforts and allocate resources where they are most needed. 3. Ethical Selling and Responsible Marketing: Ensuring the highest quality of ethics during the sale of our products. Our training programs ensure that all the product-related terms and conditions are appropriately explained to the customer during the loan process. In case of grievances or complaints, the customer can raise their grievance with us through multiple channels at their disposal. 	<p>Embracing financial inclusion and climate change as an opportunity can lead to several positive financial implications:</p> <ol style="list-style-type: none"> 1. Market Expansion: Reaching previously underserved markets can expand our customer base and unlock new business opportunities. 2 Customer Loyalty and Retention: Providing tailored financial solutions can foster customer loyalty and retention, enhancing long-term profitability. 3. Reputation and Branding: Demonstrating our commitment to financial inclusion aligns with evolving consumer preferences and enhances our reputation as a socially responsible financial institution, attracting ethically minded customers and investors.

Business Responsibility and Sustainability Report *Contd...*

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Positive/negative implications
4.	Employee Health and Well-being	0	At SBFC, we recognize that our employees' health and well-being are paramount to our organisation's success and sustainability. Emphasizing employee health and well-being presents a significant opportunity to create a positive and productive work environment while fostering a culture of care and support.	<p>To prioritize employee health and well-being, we have developed a comprehensive approach that demonstrates our commitment to our most valuable asset - our employees:</p> <ol style="list-style-type: none"> 1. Health Benefits and Insurance: Providing robust health benefits and insurance coverage to ensure our employees have access to quality medical care and support in times of need. 2. Workplace Safety: Ensuring a safe and secure work environment by adhering to rigorous safety standards and promoting a culture of safety awareness among employees. 3. Flexible Work Arrangements: Offering flexible work arrangements, such as remote work options or flexible hours, to accommodate our employees' diverse needs and responsibilities. 	<p>Financial Implications (Positive): Prioritizing employee health and well-being can lead to several positive financial implications:</p> <ol style="list-style-type: none"> 1. Increased Productivity: Healthy and engaged employees tend to be more productive, improving operational efficiency and enhanced customer service. 2. Reduced Absenteeism and Turnover: By investing in employee well-being, we can potentially reduce absenteeism and turnover, leading to cost savings associated with recruitment and training. 3. Enhanced Employee Engagement: Focusing on health and well-being fosters a positive work culture, leading to higher employee satisfaction and increased organisational loyalty. 4. Attracting Talent: Demonstrating our commitment to employee health and well-being makes us an attractive employer, helping us attract and retain top talent in the industry.

Business Responsibility and Sustainability Report *Contd..*

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Positive/negative implications
5.	Customer Experience	0	Customer experience is a significant opportunity to enhance our competitiveness and build lasting relationships with our clients. By delivering exceptional services and products, we can increase customer satisfaction, retention and loyalty.	<p>To maximize the opportunity of customer experience, we have adopted the following approach:</p> <ol style="list-style-type: none"> 1. Digital Innovation: Embracing digitalization and leveraging innovative technologies through our “PhyGital” model, which uses technology and authentic in-person service to create loans that support our customers' ambitions. We engage directly with small business owners and work through loan applications together, in person, at the customer’s pace. 2. Grievance Redressal Mechanisms: We have a dedicated grievance redressal mechanism to promptly address customer-related complaints and grievances through multiple channels. Each complaint is thoroughly reviewed, monitored and resolved to achieve customer satisfaction. To bolster our support, a dedicated Grievance Redressal Officer is appointed and prominently displayed in all our branches. 3. Continuous Improvement: Continuously reviewing and upgrading our processes and systems to stay ahead in the dynamic financial landscape and provide the best possible experience to our customers. 	<p>Financial Implications (Positive): Improving customer experience can lead to several positive financial implications such as:</p> <ol style="list-style-type: none"> 1. Customer Loyalty: Satisfied customers are more likely to remain loyal and utilize a broader range of our services, increasing customer retention and lifetime value. 2. Word-of-Mouth Referrals: Delighted customers are more inclined to refer friends and family to our services, expanding our customer base through word-of-mouth referrals. 3. Competitive Advantage: By providing superior customer experience, we can differentiate ourselves from competitors and attract new customers seeking exceptional financial services.

Business Responsibility and Sustainability Report *Contd...*

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Positive/negative implications
6.	Diversity and Inclusion	0	Diversity and inclusion is a tremendous opportunity for us to foster a culture of innovation, creativity and equality within our organization. Embracing diversity can help us tap into a broader talent pool and enhance decision-making processes.	<p>To leverage the opportunity of diversity and inclusion, we have implemented the following approach:</p> <ol style="list-style-type: none"> 1. Diverse Hiring Practices: Promoting a diverse and inclusive workforce by adopting fair and unbiased hiring practices that attract talent from various backgrounds. 2. Inclusive Workplace: Creating an inclusive workplace where all employees feel valued, respected and empowered to contribute their unique perspectives and ideas. 3. Training and Development: Providing training and development opportunities that foster cultural awareness, sensitivity and understanding among employees. 4. Human Rights: Factoring in Human Rights considerations in our HR policies. 5. Fair Wage: Compliant with minimum wage requirements to ensure that our employees are appropriately compensated. 6. Grievance redressal mechanism: Implementing a mechanism for employees to report and seek resolution for their grievances. 	<p>Financial Implications (Positive): Embracing diversity and inclusion can lead to several positive financial implications, including:</p> <ol style="list-style-type: none"> 1. Increased Innovation: A diverse workforce brings together varied perspectives, driving innovation and creativity, which can lead to the development of innovative financial products and services. 2. Enhanced Employee Productivity: Inclusive workplaces tend to have higher employee satisfaction and productivity, contributing to overall organizational efficiency and effectiveness. 3. Talent Attraction and Retention: Demonstrating a commitment to diversity and inclusion can attract top talent and reduce employee turnover, resulting in cost savings associated with recruitment and training.

Business Responsibility and Sustainability Report *Contd...*

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Positive/negative implications
7.	Data privacy and Cyber security	R	Data privacy and cybersecurity is a significant risk for us due to data breaches' potential financial and reputational consequences. In the event of a security breach, sensitive customer information could be exposed, leading to regulatory fines, legal liabilities, loss of customer trust and damage to the company's brand image. Ensuring robust data protection measures is essential to safeguard the institution's and its customers' interests.	<p>We have a well-defined framework and policy on cyber security and data privacy. This policy assures users that all personal information provided through the website is treated with the utmost confidentiality and is not shared with third parties in most circumstances, unless explicitly solicited and permitted by the user.</p> <p>In alignment with our commitment to providing safe and secure banking services, we have a defined cyber security and data privacy policy for client data protection. Our Phygital Model blends technology with human touch, effectively allowing us to understand and underwrite credit for our valued customers.</p>	<p>Financial Implications (Negative): Data privacy and cybersecurity risks can have several adverse financial implications for us at SBFC. Some of these implications include, but are not limited to:</p> <ol style="list-style-type: none"> 1. Reputation Damage: A data breach or cybersecurity incident can severely impact our reputation, leading to a loss of customer trust and potential business opportunities. 2. Financial Losses: Cyberattacks may result in financial losses, such as regulatory fines, legal costs, and compensating affected customers for any damages incurred.

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Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Positive/negative implications
8.	Economic Performance	0	For SBFC, strong economic performance opens doors to greater access to funding sources, enabling them to expand their lending capabilities and reach a wider customer base. It enhances the organization's ability to offer competitive interest rates and attractive financial products, attracting potential borrowers and investors. Additionally, a solid financial track record builds trust and credibility in the eyes of regulatory authorities and customers, fostering long-term relationships and ensuring sustained profitability for the organization.	<p>To leverage the opportunity of economic performance, we have developed the following approach:</p> <ol style="list-style-type: none"> 1. Financial Strength: We have the capital to grow confidently and are backed by investors. 2. Skilled workforce: We have a hand-picked team of people with diverse skills, relevant experience and a passion for customer service. 3. Risk Management: We have implemented effective risk management practices to identify and mitigate potential financial risks that could impact our economic performance. 4. Analytics: We optimize business processes and customer service using advanced data analysis. 5. Innovation and Technology: We use smart technology to enhance efficiency and simplify customer journeys. 6. Responsible Investments: Making responsible and sustainable investments that align with our values and contribute to long-term economic growth. 	<p>Financial Implications (Positive): Maintaining strong economic performance can lead to several positive financial implications for us. Some of these key implications include:</p> <ol style="list-style-type: none"> 1. Investor Confidence: A strong financial performance can enhance investor confidence and attract new investors seeking profitable opportunities. 2. Competitive Advantage: A robust economic performance positions us favourably among competitors and strengthens our position in the financial market. 3. Capital Access: Improved economic performance enhances our ability to access capital for expansion and strategic investments.

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Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Positive/negative implications
9.	Business Ethics and Governance	0	At SBFC, we recognize that having strong business ethics and governance presents significant opportunities for us to establish ourselves as responsible and trustworthy organizations in the financial industry. This is particularly crucial considering the inherent risks associated with the financial sector and the need to safeguard the interests of customers, investors and stakeholders.	By adhering to strong ethical practices and adopting robust governance mechanisms, we seek to enhance our reputation in the market. Trust is a vital asset in the financial sector and customers are more likely to engage with an organization that prioritizes ethics and governance. We have a strong Code of Conduct at place along with other policies to ensure that ethical practices are upheld at all times and throughout the hierarchy of our operational system.	Financial Implications (Positive): Ethical behaviour improves the reputation of the company, attracting more customers, thereby increasing revenue. It may also help to attract more investments and capital. Compliance with ethical standards reduces legal and regulatory expenses and also facilitate easier access to capital markets for further growth.
10.	Risk Management	0	Risk Management presents a significant opportunity for SBFC since it helps us to enhance our stability, resilience and sustainable growth. As we operate in an inherently risk-prone financial environment, effective risk management strategies help us minimize our losses, maintain regulatory compliance and enhance investor confidence which in turn helps us in optimizing our capital allocations, thus maximizing returns on investments.	<p>We have a highly comprehensive risk management strategy that helps us to navigate uncertainties and achieve long term success in our business.</p> <p>We have identified potential sources of risks specific to our business model, operations and industry and accordingly we have implemented risk mitigation strategies and controls to reduce the likelihood and impact of the identified risks.</p> <p>We have also established a robust system to continuously monitor risks and ensure the proper approach towards mitigation of the risks.</p>	<p>Financial Implications (Positive):</p> <ol style="list-style-type: none"> 1. A comprehensive risk management strategy will positively impact our financial performance by reducing losses, enhancing profitability, optimizing capital allocation, improving creditworthiness, ensuring compliance, attracting investments and fostering customer trust. 2. Proactive management of risks reduces the likelihood and severity of financial losses and avoid potential expenses associated with managing and recovering from risk related incidents. 3. It positions the company as a stable and reliable financial institution, supporting sustainable growth and success in the competitive financial industry.

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Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Positive/negative implications
11.	Digitalization and Innovation	0	Digitalization and innovation present a remarkable opportunity for SBFC to revolutionize its lending operations. By leveraging advanced data analytics and AI-driven processes, the organization can assess creditworthiness more accurately and tailor financial solutions that cater to the specific needs and ambitions of small business owners.	<p>To leverage the opportunity of digitalization and innovation, we have embraced the following approach:</p> <ol style="list-style-type: none"> 1. Digital Transformation: Investing in digital technologies to streamline our processes, enhance efficiency, and provide more convenient services to our customers. 2. Analytics: We optimize business processes and customer service using advanced data analysis. 3. Innovation and Technology: We use smart technology to enhance efficiency and make the customer journey easier. 4. PhyGital Model: It combines the efficiency and speed of technology with personalized, face-to-face interactions, providing a unique customer experience. 5. Customer-Centric Solutions: Prioritizing customer needs and preferences while developing digital solutions to create seamless and user-friendly experiences. 	<p>Financial Implications (Positive): Some key positive financial implications include:</p> <ol style="list-style-type: none"> 1. Operational Efficiency: Digitalization streamlines operations, reduces costs and improves efficiency, leading to potential cost savings and increased profitability. 2. Competitive Edge: By adopting innovative technologies, we gain a competitive edge in the market, attracting tech-savvy customers and staying ahead of competitors. 3. New Revenue Streams: Innovative financial products and services open up new revenue streams, expanding our business opportunities and revenue generation. 4. Enhanced Customer Acquisition: Digital solutions that offer convenience and personalized experiences attract new customers and enhance customer acquisition rates.

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SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

ESSENTIAL INDICATORS

This section is aimed at helping businesses demonstrate the structures, policies, and processes put in place towards adopting the NGRBC principles and core elements

Sr. No.	Principle description
P1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all their stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure questions	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. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web-link of the policies, if available.	<p>Our employee Code of Conduct is made accessible to all our employees through the company's intranet and thus it is not possible to provide a publicly available link.</p> <p>To access our Code of Conduct of Board of Directors and Senior Management available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Code%20of%20Conduct%20-%20Board%20and%20Senior%20Management-1679632545.pdf?rm=</p> <p>To access our privacy policy available on our website, please refer to the following link: https://www.sbfc.com/privacy-policy</p> <p>To access our Grievance Redressal Policy available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Grievance%20Redressal%20Policy-1704795424.pdf?rm=1702233000</p> <p>To access our CSR policy available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Corporate%20Social%20Responsibility%20Policy-1683527618.pdf?rm=</p> <p>To access our Corporate Governance Policy available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Corporate%20Governance%20Policy-1644468392.pdf?rm=1694197800</p> <p>To access our Nomination and Remuneration policy available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Nomination%20and%20Remuneration%20Policy-1644468634.pdf?rm=1694197800</p> <p>Our whistleblower policy available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Whistle%20Blower%20Policy-1667053329.pdf?rm=1694197800</p>								

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Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	N	Y	N	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, all the policies have been extended to all our stakeholders including our value chain partners, wherever applicable.								
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest stewardship council, Fairtrade, Rainforest alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.	<p>Principle 1</p> <p>Principle 2</p> <p>Principle 3</p> <p>Principle 4</p> <p>Principle 5</p> <p>Principle 6</p> <p>Principle 7</p> <p>Principle 8</p> <p>Principle 9</p> <p>SBFC adheres to Fair Practice Code guidelines issued by the Reserve Bank of India for Non-Banking Financial Companies (NBFCs) detailing standards for fair business and corporate practices while dealing with their customers. SBFC is ISO 27001:2022 certified w.e.f January 29, 2024.</p>								
5. Specific commitments, goals, and targets set by the entity	We are currently in the process of assessing our baseline performance as presented in this BRSR report based on which we will set tangible commitments, goals and targets.								
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	We are currently in the process of establishing our data baseline, which will serve as the foundation for defining our environmental, social and governance targets.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	SBFC is building on certain pillars to drive its institutional value for all its stakeholders. These pillars include providing services to micro enterprises or the small businesses that are at the heart of the segment in which SBFC operates. Focusing on small businesses in small towns for which branches are opened accordingly taking SBFC closer to where these small businesses are located, creation of skillful opportunities for the members of society with focus on good opportunity for everyone and engaging and extending its support by way of CSR activities like reconstruction of school in remote areas of the country, working closely with NGOs and promoting education and skillful training for youth. We strive to balance profitability with principles, adhering to stringent Governance, Compliance and Risk Management measures while proactively working towards empowering the under banked and underserved sectors of the society. As we chart our course towards a sustainable future, we stand united, committed to empowering dreams and transforming lives. In the dynamic world of MSME lending, we stand firm in our commitment to Excellence, Resilience and most importantly, Growth that is truly Sustainable.								
8. Details of the highest authority responsible for implementation and oversight of the business responsibility policy/policies	As of March 31, 2024, the highest authority responsible for the implementation and oversight of business responsibility policy/policies is the Board of Directors of the Company.								
9. Does the entity have a specified committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes / No). If yes, provide details.	<p>The CSR Committee of the board is currently responsible for decision-making on sustainability-related issues.</p> <p>The ESG policy has been approved by Board on April 27, 2023, we are currently in the process of establishing a dedicated ESG Management Committee that would be responsible for driving communication and oversee the implementation of ESG related policy and commitments.</p>								

Business Responsibility and Sustainability Report *Contd..*

10. Details of review of NGRBCs by the company:

Subject for review	Indicate whether the review was undertaken by the 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
Performance against the above policies and follow-up action	All the policies are reviewed by the Board members and others in senior management.									
Compliance with statutory requirements of relevance to the principles and the rectification of any non-compliance	SBFC strives to comply with all applicable statutory requirements. There have been no instances of non-compliance during the financial year.									

11. Has the entity carried out an independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.

No, we have not carried out any independent assessment/ evaluation of the working of our policies by an external agency during the reporting period.

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

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/ No)	N	N	N	N	N	N	N	N	N
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/ No)	No. SBFC has commenced its ESG journey in the financial year 2022-23. The company is making active efforts to establish systems in place to formulate and implement all policies related to the principles of NGBRC.								
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)	No. SBFC has the necessary financial, human and technical resources for this task. However, this is the first year of reporting. The company is still in the process of strengthening its position in ESG management.								
It is planned to be done in the next financial year (Yes/No)	SBFC has commenced its ESG journey in the financial year 2022-23. The company is making active efforts to establish systems in place to formulate and implement all policies related to the principles of NGBRC during the year 2023-24, however, we are currently working on respective roadmap for 3 years starting from the FY 2024-25 to FY 2026-27.								
Any other reason (please specify)	-								

Business Responsibility and Sustainability Report *Contd...*

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 programme 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	% of persons in respective category covered by the awareness programmes
Board of Directors*	1	Review and Adoption of departmental policies of the company, including human resource, compliance and IT, among others.	100% of the board of directors attended the policy resolution meeting.
Key managerial personnel*	1	Review and Adoption of departmental policies of the company, including human resource, compliance and IT, among others.	100% of the board of directors attended the policy resolution meeting.
Employees other than BoD and KMPs**	10	Mandatory Training: <ul style="list-style-type: none"> • Cyber Security • POSH • Code of Conduct, • KYC & AML Awareness, Leadership Development Program: Prarambh- The Induction Program covers <ul style="list-style-type: none"> • About Company • Our Leadership • Our Values • Product Training • Grooming & Uniform • New Software and process launch. 	100% of the eligible employees were covered by these training and awareness programmes.

* All the draft policies are subject to board review before their adoption. Draft copies of all policies subject to resolution are circulated among all the board members and senior management before the meeting. They are also briefed and made aware regarding the context and key updates related to such policies.

** All the new joiners are subject to mandatory induction training that covers topics such as POSH, Cybersecurity, Code of Conduct, KYC and other mandatory trainings. Moreover, some trainings on key topics such as POSH, CoC, Cyber-security and KYC & AML awareness are mandatorily provided to all eligible employees as well.

Note : In FY 2023-24, Board and Committee meetings kept Independent Directors informed on various topics like regulatory changes, economic landscape, IT updates and risk indicators.

Note : Details related to workers are not applicable as we have not employed any workers during the reporting period.

Business Responsibility and Sustainability Report *Contd..*

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

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine					No
Settlement	-	-	-	-	-
Compounding	P1	Ministry of Corporate Affairs	969,000	Our Company had, suo moto, filed a compounding application dated January 25, 2021 with the RoC under the Companies Act. The Compounding Application pertained to compounding the offence committed under Section 179(3)(d) and Section 179(3)(f) of the Companies Act read with Secretarial Standards 1 on "Meetings of the Board of Directors" with respect to items of business which should not have been passed by a circular resolution. In accordance with the second explanation to paragraph 1.3.8 and the explanation to paragraph 6.1.1 of the Secretarial Standards 1, items of business in relation to borrowing money other than by issue of debentures and providing security in respect of loans should be placed in a board meeting of a company and shall not be passed by a circular resolution. In contravention of the above, our Company has passed certain circular resolutions to avail credit and loan facilities. By way of an order signed on May 31, 2023, the RoC has disposed of the Compounding Applications and the offences thereunder have been compounded, after payment of the fees by the Company and the KMP's	No
Non-Monetary					
Imprisonment	-	-	-	-	-
Punishment	-	-	-	-	-

Note : We are not aware of any additional instances of fines, penalties, punishment, award, compounding fees and settlement amount paid in proceedings by the entity or its directors and KMPs apart from the instances reported during the reporting period, FY 2023-24 in the above disclosure.

Business Responsibility and Sustainability Report *Contd...*

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

Case details	Name of the regulatory/ enforcement agencies/ judicial institutions
--------------	---------------------------------------------------------------------

Not applicable as no such appeals were filed during the reporting period.

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.

Our comprehensive Code of Conduct (CoC) applies to all employees and it includes stringent provisions against bribery. SBFC Finance Limited is committed to upholding the highest standards of integrity confidentiality and ethical behaviour both within and outside the organization. This ensures that all our employees are bound by these principles. Our Code of Conduct for employees is made accessible to all employees through the company's intranet. Moreover, we are in the process of formulating a dedicated anti-corruption or anti-bribery policy.

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

Note : We are not aware of any instances of disciplinary action taken by any law enforcement agency for the charges of bribery/ corruption against any Director, KMP, employee or worker for the FY 2023-24.

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

Note - We are not aware of any complaints in relation to issues of Conflict of Interest of the Directors and KMPs against any Director or KMPs during the reporting period, FY 2023-24.

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.

Not applicable as there were no instances of disciplinary action taken by any law enforcement agency against the Directors and KMPs for the charges of bribery/ corruption during the reporting period, FY 2023-24.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

Particulars	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of Account Payables	3.89	2.24

Business Responsibility and Sustainability Report *Contd...*

9. Open-ness of business

Provide details of the concentration of purchases and sales with trading houses, dealers and related parties, along-with loans and, advances & investments with related parties, in the following format:

Parameters	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases		
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	Being a financial services company, these disclosures are not applicable to us.	
	b. Number of dealers / distributors to whom sales are made		
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors		
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	Nil	Nil
	b. Sales (Sales to related parties / Total Sales)	Nil	Nil
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	0.0024726
	d. Investments (Investments in related parties / Total Investments made)	4.93%	0.00824%

LEADERSHIP INDICATORS

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

Yes.

The company has a separate Code of Conduct for the Board of Directors and the Senior Management, which provides that all the members of the Board and the Senior Management shall conduct their activities and fulfil their fiduciary obligations on behalf of the Company, with honesty, integrity and fairness and in the best interest of the Company. They are prohibited from engaging in any activity that interferes with their performance or responsibilities or otherwise is in conflict with or prejudicial to the company.

In addition to the above, SBFC Finance Limited's CoC covers potential areas where conflict of interest may be countered. It also provides specific guidelines on avoiding and dealing with possible conflicts of interest and the requirement to disclose potential conflicts of interest by employees.

The Code of Conduct for BOD and Senior Management can be accessed from this link:

<https://www.sbfc.com/cmsproject/mediaGallery/docs/Code%20of%20Conduct%20-%20Board%20and%20Senior%20Management-1679632545.pdf?rm=1694197800>

Business Responsibility and Sustainability Report *Contd...*

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

ESSENTIAL INDICATORS

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

Particulars	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D			
Capex	We did not make any R&D and capital expenditure (CAPEX) investments during the reporting period in specific technologies to improve the environmental and social impact of our products and processes. However, moving forward, we intend to identify areas in which we can invest in technologies to enhance the environmental and social impact of our products and processes.		

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

Yes, we have formulated a Sustainable Value Chain policy to ensure that the limited procurement we undertake is further aligned with sustainable sourcing practices.

SBFC Finance Limited is a financial services company engaged in providing loans to entrepreneurs, small business owners, self-employed individuals, as well as salaried and working-class individuals. Consequently, we do not procure any raw materials to produce physical goods due to the nature of our services. The only procurement we engage in is for domestic or office use, and for that, we ensure that it is done in a sustainable manner, giving preference to medium and small enterprises.

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

We have formulated a sustainable value chain policy that is applicable to our value chain.

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

Waste type	Waste management procedure in place
Plastic (including packaging)	
E-waste	Due to the service-oriented nature of our operations, we do not consume a lot of material resources. Moreover, there is minimal waste generation at our offices, but we prioritize responsible management of any waste generated.
Hazardous waste	
Other waste (wastepaper and paper products)	

- 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 EPR plan submitted to Pollution Control Boards? If yes, whether the waste collection plan is in line with the EPR plan submitted to Pollution Control Boards?

Given the nature of our operations and the absence of product manufacturing, Extended Producer Responsibility (EPR) does not apply to our business.

Business Responsibility and Sustainability Report *Contd..*

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

ESSENTIAL INDICATORS

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Daycare facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	3,484	3,484	100%	3,484	100%	-	-	3,484	100%	-	-
Female	274	274	100%	274	100%	274	100%	-	-	-	-
Total	3,758	3,758	100%	3,758	100%	274	7.29%	3,484	92.71%	-	-
Other than Permanent employees											
Male	15	15	100%	15	100%	-	-	-	-	-	-
Female	1	1	100%	1	100%	1	100%	-	-	-	-
Total	16	16	100%	16	100%	1	6.3%	-	-	-	-

- b) Spending on measures towards the well-being of employees and workers (including permanent and other than permanent) in the following format:

Particulars	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
The cost incurred on well-being measures as a % of the total revenue of the company	0.20%	0.31%

2. Details of retirement benefits:

Benefits	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	No. of employees covered as a % of total employees*	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees*	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	Y	100%	Y
Gratuity	100%	Y	100%	Y
ESI	17%	Y	16%	Y

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.

No, as currently all our premises, including our branches and offices are leased premises. We have taken appropriate measures to ensure that our offices are accessible to differently-abled employees wherever possible as per the requirements of the Rights of Persons with Disabilities Act, 2016.

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 provision of equal opportunity is part of the employee Code of Conduct, which is made accessible to all employees through the company's intranet. We strive to provide equal opportunities to all employees and

Business Responsibility and Sustainability Report *Contd...*

qualified applicants without discrimination on the grounds of race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, or special ability.

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100.00%	NA	NA
Female	100%	33.00%	NA	NA
Total	100%	64.00%	NA	NA

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

	(If Yes, then give details of the mechanism in brief)
Permanent employees	Employees can share grievances to the respective HR team members through email communication wherein the grievances are addressed and concluded. The HR team is responsible for timely redressal of employee-related grievances. The mechanism ensures that they can report and address their concerns confidentially and anonymously, without facing any reprisals or adverse consequences. All investigations conducted by SBFC are treated as confidential matters.
Other than permanent employees	

Note : Details related to workers are not applicable as we have not employed any workers during the reporting period.

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

Category	FY 2023-24			FY 2022-23		
	Total employees/workers in the respective category (A)	No. of employees/workers in the respective category, who are part of the association(s) or Union (B)	% (B/A)	Total employees/workers in the respective category (C)	No. of employees/workers in the respective category, who are part of the association(s) or Union (D)	% (D/C)
Total permanent employees	3,758	-	-	2,822	-	-
Male	3,484	-	-	2,589	-	-
Female	274	-	-	233	-	-

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / D)	Number (F)	% (F / D)
Employees										
Male	3,499	3,499	100%	2,289	65.4%	2,605	-	-	1,525	58.5%
Female	275	275	100%	252	91.6%	235	-	-	171	72.8%
Total	3,774	3,774	100%	2,541	67.3%	2,840	-	-	1,696	59.7%

Business Responsibility and Sustainability Report *Contd...*

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

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees*						
Male	1,760	1,760	100%	1,251	1,251	100%
Female	173	173	100%	136	136	100%
Total	1,933	1,933	100%	1,387	1,387	100%

* The coverage of performance and career development reviews of employees only includes employees that were eligible for review as per the company policy.

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, what is the coverage of such a system?

No, however, all our corporate offices and branches have provisions for proper ventilation, branch hygiene & sanitation, emergency exits, and first aid boxes. Moreover, we are also in the process of further enhancing health and safety across all our premises, including establishing a dedicated occupational health and safety management system.

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

As a responsible business entity, we understand the importance of providing a workplace that is free of work-related hazards and risks. In order to ensure the best interest of our employees and to safeguard the health and wellbeing of all, we put active efforts towards providing a work environment that uplifts the mental and physical wellness of all. We comply with all necessary requirements of a safe workplace, and we conduct routine checks to eliminate any possible risk that might exist in our premises.

c) Whether you have processes for workers to report work-related hazards and to remove themselves from such risks.

No, however we will be implementing a mechanism for workers to report work-related hazards.

d) Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes. All our branches and offices are near local hospitals and medical care centres. In addition, all our permanent employees and their eligible dependents are covered by our Group Health Insurance Policy. In addition, we extend accidental insurance coverage to our other than permanent employees as well.

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

Safety incident/number	Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one-million-person hours worked)	Employees		
	Workers		
Total recordable work-related injuries	Employees		
	Workers		No such cases have been reported, however, we have implemented a well-structured process to track these parameters since March 2024.
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

Business Responsibility and Sustainability Report *Contd...*

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

We adhere to all the relevant regulations and laws governing workplace health and safety. In a bid to continuously improve on health and safety related parameters, employees can communicate their grievances related to health and safety at the workplace through email to the Human Resources team. Employees can verbally communicate their grievances related to health and safety to the concerned HR across our offices and branches.

13. Number of complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working conditions	-	-	-	-	-	-
Health & safety	-	-	-	-	-	-

Note : Details related to workers are not applicable as we have not employed any workers during the reporting period.

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	No assessments were carried out during the financial year
Working conditions	2023-24.

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.

Not applicable as no such assessments were conducted. However, we are currently evaluating the requirements and feasibility of conducting health and safety practices and working conditions related assessment for our offices and branches.

LEADERSHIP INDICATORS

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

(A) Yes, health insurance and accidental death insurance are part of the employee benefits that we provide to all our permanent employees. (B) Details related to workers are not applicable as we have not employed any workers during the reporting period.

2. 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:

Particulars	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	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees				
		NA, No such cases reported		

Business Responsibility and Sustainability Report *Contd..*

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.

At SBFC, we firmly believe that engaging with stakeholders is a crucial aspect of understanding the impact of our actions. To gain comprehensive insights into how our organization affects various parties, we initiated a series of discussions with our board and senior management. Through multiple rounds of dialogue and careful consideration, we meticulously identified the key stakeholder groups that hold significant relevance to our operations. These essential stakeholder groups encompass Shareholders and Investors, Customers, Government and Regulators, Employees, Value Chain Partners and the Community.

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 (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholder and Investor	No	Emails, Meetings, Website	Quarterly	To inform about the performance, major developments and other relevant updates regarding the Company and its subsidiaries.
Customer	Yes	SMS, Newspaper, Advertisement, Website	Need basis	Servicing throughout the lifecycle of the customer and addressing queries/grievances that the customer may have.
Government and Regulators	No	Emails, Website	Need basis	Adhere to the guidelines and issues of the regulator and take feedback on questions, if any. Provide opinion on draft policies rolled out before getting implemented.
Employees	No	Emails, SMS, Advertisement, Notice board, Website	Need basis	To record and address employee grievances that may arise as a result of our operations. To collect input and feedback and communicate regarding implemented policies and other relevant initiatives related to our operations.
Value Chain partners	No	Emails, SMS, Newspaper, Advertisement, Website	Need basis	Communicate and update regarding key changes related to our business operations and communicate or inform contractual requirements.
Community	Yes	Newspaper, Advertisement, Website	Need basis	To promote social welfare activities for inclusive growth, fair and equitable development, and well-being of society through our business functioning.

Business Responsibility and Sustainability Report *Contd...*

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 feedback from such consultations is provided to the board.

We have conducted a materiality assessment to determine key factors that affect the Society, Environment and our business at large. These material factors have been communicated to the board and we are in the process of deriving management solutions to ensure that such stakeholder feedback is incorporated into crucial business decisions for further improvement and value creation for all.

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 input received from stakeholders on these topics were incorporated into the policies and activities of the entity.

We have conducted a Materiality Assessment to identify the environmental, social, and economic concerns that affect our stakeholders, society, environment and our business at large. This effort is to further our commitment to continuously enhancing existing processes and systems. As per the feedback received, we have already initiated the development and enhancement of existing company policies and addressing key stakeholder needs by formulating initiatives and management solutions. Examples include our Environmental, Social, and Governance (ESG) policy that outlines our commitment to environmentally responsible practices, social welfare, robust governance, and stakeholder engagement. It guides our decisions, promotes sustainable value creation, and ensures ethical conduct, transparency, and accountability across our operations.

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

We have implemented a formal grievance mechanism for our customers to raise their concerns. Our multi-channel grievance redressal mechanism is designed to address all customer-related issues. Additionally, community members can raise grievances through a dedicated channel on our website. As part of our commitment to engaging with marginalized stakeholder groups, we have conducted an initiative to gather testimonials from some of our customers regarding their experiences with us. These testimonials are publicly available on our website. Moreover, it's noteworthy that in more than 90% of our loan agreements, women either serve as primary applicants or co-applicants.

Business Responsibility and Sustainability Report *Contd..*

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:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/workers covered (B)	% (B / A)	Total (C)	No. of employees/workers covered (D)	% (D / C)
Employees						
Permanent	3,758	3,758	100%	2,822	-	-
Other than permanent	16	16	100%	18	-	-
Total employees	3,774	3,774	100%	2,840	-	-

Note : Human rights were covered as part of our mandatory Code of Conduct training provided to all employees. We have formulated a specific Human Rights Policy.

2. Details of minimum wages paid to employees and workers

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / D)	Number (F)	% (F / D)
Employees										
Permanent	3,758	8	0.21%	3,750	99.79%	2,822	6	0.2%	2,816	99.79%
Other than permanent	16	-	-	16	100%	18	-	-	18	100%
Total employees	3,774	8	0.19%	3,766	99.81%	2,840	6	0.2%	2,834	99.79%

3. Details of remuneration/salary/wages

- a) Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of the respective category	Number	Median remuneration/ salary/ wages of the respective category
Board of Directors (BoD)	4*	₹ 1,900,000	1	₹ 2,600,000
Key managerial personnel	3	₹ 20,029,308	-	-
Employees other than BOD and KMP**	3,481	₹ 345,067	274	₹ 318,240

* The total number of male Directors of the Company is 7. However, '4' is mentioned in the column for the number of Directors as only 4 out of 7 Directors were entitled to remuneration and the remaining '3' male Directors are not entitled to remuneration for the financial year ended 31st March 2024.

** Employees other than BOD and KMP account for remuneration related disclosure for permanent employees only, excluding 3 KMps as part of the total employee listing.

Business Responsibility and Sustainability Report *Contd...*

b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Gross wages paid to females as % of total wages*	5.88%	6.61%

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)

No, however, the Internal Complaints Committee is currently responsible for addressing POSH related complaints. Moreover, we are in the process of formulating a human rights policy.

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

The Internal Complaints Committee (ICC), established in accordance with the Prevention of Sexual Harassment (POSH) Act, is responsible for addressing POSH related complaints and ensuring resolution and confidentiality throughout the duration of the case. We have email as a communication channel for our employees to officially submit their grievances and concerns including human rights related issues to the HR department. It is the responsibility of the HR team to promptly address these employee-related grievances.

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

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced labour/Involuntary labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights-related issues	-	-	-	-	-	-

Note : Details related to workers are not applicable as we have not employed any workers during the reporting period.

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees/workers	-	-
Complaints on POSH upheld	-	-

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

All employees have access to a grievance mechanism, which ensures that they can report and address their concerns confidentially and anonymously without facing any reprisals or adverse consequences. Employees are required to cooperate fully with any investigation into alleged violations of the Code of Conduct, Laws, Regulations, Policies, or Procedures. During such investigations, employees are expected to provide truthful and comprehensive information. All investigations conducted by SBFC are treated as confidential matters. Employees are prohibited from discussing any aspect of an investigation, including its existence, with anyone except members of the disciplinary action committees authorized under the policy guidelines. Moreover, the Internal Complaints Committee (ICC), as mandated by the Prevention of Sexual Harassment (POSH) Act, is applicable to all companies, to ensure a secure and inclusive work environment.

Business Responsibility and Sustainability Report *Contd..*

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

No, at present, human rights requirements do not explicitly form part of our business agreements and contracts. However, we adhere to the guidelines laid down by the Reserve Bank of India which are related to directions on managing risks and a code of conduct in outsourcing financial services applicable to NBFCS.

10. Assessments for the year:

	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Child labour	During the reporting period, no third-party assessments were conducted. Nevertheless, our hiring policy and employee Code of Conduct (CoC) diligently adhere to the statutory requirements outlined in the country's laws. These provisions include preventing child labour, forced/involuntary labour practices, workplace discrimination, and wage-based discrimination on any grounds within our premises. Our employee CoC is designed to foster a workplace free from sexual harassment and discrimination. Furthermore, we have established an Internal Complaints Committee (ICC) in accordance with the Protection of Women from Sexual Harassment Act, 2013 (POSH). This committee serves as a robust grievance mechanism, empowering all employees to confidentially report concerns and ensuring a prompt and comprehensive resolution.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others	

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

Not applicable as no assessments have been carried out for the financial year 2023-24.

Business Responsibility and Sustainability Report *Contd...*

Principle 6: Businesses should respect and make efforts to protect and restore the environment.

ESSENTIAL INDICATORS

1. Details of total energy consumption (in giga Joules) and energy intensity:

Parameter	FY 2023-24	FY 2022-23
From Renewable Sources		
Total electricity consumption (in GJ) (A)	-	-
Total fuel consumption (in GJ) (B)	-	-
Energy consumption through other sources (in GJ) (C)	-	-
Total Energy Consumed from Renewable Sources (in GJ) (A+B+C)	-	-
From Non Renewable Sources		
Total electricity consumption (in GJ) (D)	9733.78	8273.38
Total fuel consumption (in GJ) (E)	-	-
Energy consumption through other sources (in GJ) (F)	-	-
Total Energy Consumed from Non-renewable Sources (in GJ) (D+E+F)	9733.78	8273.38
Total Energy Consumed (in GJ) (A+B+C+D+E+F)	9733.78	8273.38
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.00000095 GJ per rupee (₹) turnover	0.00000113 GJ per rupee (₹) turnover
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed / Revenue from operations adjusted for PPP)	0.0000218 GJ per rupee (₹) turnover adjusted for PPP	0.0000256 GJ per rupee (₹) turnover adjusted for PPP
Energy Intensity in terms of Physical Output**	0.00000020 GJ per rupee of loan disbursed	0.00000023 GJ per rupee of loan disbursed
Energy Intensity (Per employee) # (Total energy consumed / Total employees in the organization)	2.59 GJ per employee	2.92 GJ per employee

* We have calculated energy intensity per rupee of turnover adjusted for PPP. We have divided by Total Revenue from operations for FY 2023-24 and FY 2022-23 by Purchasing Power Parity (Total, National currency units/US dollar) obtained from the OECD database: <https://data.oecd.org/conversion/purchasing-power-parities-ppp.htm#indicator-chart>

** Since SBFC is a financial services company, the physical output has been considered to be the total amount of loan disbursed (in ₹). As a result, the disclosure provides the amount of energy used per rupee of loan disbursed.

Energy Intensity per employee is calculated by dividing the total energy consumed by the total employees employed during the reporting periods FY 2023-24 and FY 2022-23, respectively. The total number of employees only includes permanent employees, as no other than permanent employees were employed during the reporting periods.

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

No external assurance has been taken for the energy-related disclosures for the reporting period FY 2023-24.

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

Not applicable as we do not have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

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

Business Responsibility and Sustainability Report *Contd..*

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third-party water (municipal water supplies)	2080.55	2132.72
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (I + ii + iii + iv + v)	2080.55	2132.72
Total volume of water consumption (in kilolitres)	2080.55	2132.72
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.00000204 kilolitres per rupee turnover	0.00000291 kilolitres per rupee turnover
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption / Revenue from operations adjusted for PPP)	0.0000047 kilolitres per rupee turnover adjusted for PPP	0.0000066 kilolitres per rupee turnover adjusted for PPP
Water Intensity in terms of Physical Output**	0.00000043 kilolitres per rupee of loan disbursed	0.00000059 kilolitres per rupee of loan disbursed
Water Intensity (Per employee) # (Total water consumed / Total employees in the organization)	0.55 kilolitres per employee	0.75 kiloliters per employee

* We have calculated water intensity per rupee of turnover adjusted for PPP. We have divided Total Revenue from operations for FY 2023-24 and FY 2022-23 by Purchasing Power Parity (Total, National currency units/US dollar) obtained from the OECD database: <https://data.oecd.org/conversion/purchasing-power-parities-ppp.htm#indicator-chart>

** Since SBFC is a financial services company, the physical output has been considered to be the total amount of loan disbursed (in ₹). As a result, the disclosure provides the amount of water used per rupee of the loan disbursed.

Water Intensity per employee is calculated by dividing the total water consumed by the total number of employees in the organization during the reporting periods FY 2023-24 and FY 2022-23. The total number of employees only includes permanent employees, as no other than permanent employees were employed during the reporting periods.

Note : SBFC is dedicated to the preservation of water as a precious resource, limiting its use strictly to household needs and drinking purposes. Our water supply is sourced from municipal providers or third-party vendors.

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

No external assurance has been taken for the water-related disclosures for the reporting period FY 2023-24.

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To surface-water		
- No treatment		
- With treatment – please specify the level of treatment		
(ii) To groundwater		
- No treatment		
- With treatment – please specify the level of treatment		
(iii) To seawater		
- No treatment		
- With treatment – please specify the level of treatment		
(iv) Sent to third parties		
- No treatment		
- With treatment – please specify the level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify the level of treatment		
Total water discharged (in kiloliters)		

Currently, all our premises, including our branches and offices, are leased premises, and thus we do not have direct control over this parameter. However, given the nature of our business operation, the usage of water is restricted to domestic purposes only.

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

No external assurance has been taken for the water-related disclosures for the reporting period FY 2023-24.

Business Responsibility and Sustainability Report *Contd...*

5. Has the entity implemented a mechanism for zero liquid discharge? If yes, provide details of its coverage and implementation.

No, being a financial services company, our branches and offices limit water consumption to domestic use only. Moreover, all our offices and branches are leased premises over which we have no operational control.

6. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Unit	FY 2023-24	FY 2022-23
NOx			
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – ozone-depleting substances (HCFC - 22 or R-22)			

These disclosures do not apply to our business operations, as we operate in the service industry, specifically providing financial services. Consequently, our operations do not involve process-based emissions. However, in alignment with our overarching goal of sustainable growth, we are working to enhance our capability to monitor and measure all emissions within our operational boundary as a result of our operations.

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. No external assurance has been taken for the emission related disclosures for the reporting period FY 2023-24.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:

Parameter	Unit	FY 2023-24	FY 2022-23
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	-	-
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	2190.10	1861.51
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO ₂ equivalent per rupee turnover	0.000000215	0.000000254
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)**	Metric tonnes of CO ₂ equivalent per rupee turnover adjusted for PPP	0.00000049	0.00000057
Total Scope 1 and Scope 2 emission intensity in terms of physical output***	Metric tonnes of CO ₂ equivalent per rupee in loan disbursed	0.000000045	0.000000051
Total Scope 1 and Scope 2 emission intensity (per Employee) (Total Scope 1 and Scope 2 emissions / total employees in the organization)#	Metric tonnes of CO ₂ equivalent per employee	0.58	0.66

* Scope 2 emissions = Grid Electricity Consumption * 0.71. Electricity consumption is calculated.

** We have calculated Scope 1 and Scope 2 intensity in terms of per rupee of turnover adjusted for PPP. We have divided by Total Revenue from operations for FY 2023-24 and FY 2022-23 by Purchasing Power Parity (Total, National currency units/US dollar) obtained from the OECD database: <https://data.oecd.org/conversion/purchasing-power-parities-ppp.htm#indicator-chart>

*** Since SBFC is a financial services company, the physical output has been considered to be the total amount of loan disbursed (in ₹). As a result, the disclosure provides the amount of Scope 1 and Scope 2 emissions emitted per rupee of loan disbursed.

Scope 1 and Scope 2 Intensity per employee is calculated by dividing total Scope 1 and Scope 2 emissions by the total number of employees in the organization during the reporting periods FY 2023-24 and FY 2022-23, respectively. The total number of employees only includes permanent employees, as no other than permanent employees were reported during the reporting periods.

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.

No external assurance has been taken for the emission related disclosures for the reporting period FY 2023-24.

8. Does the entity have any project related to reducing greenhouse gas emission? If yes, then provide details.

Business Responsibility and Sustainability Report *Contd..*

No. Currently, we do not have any ongoing projects related to reducing greenhouse gas emissions.

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

Parameter	FY 2023-24*	FY 2022-23**
Total waste generated (in metric tonnes)		
Plastic waste (A)	1.8	1.5
E-waste (B)	0.29	N.A.
Bio-medical waste (C)***	-	N.A.
Construction and demolition waste (D)***	-	N.A.
Battery waste (E)***	-	N.A.
Radioactive waste (F)***	-	N.A.
Other Hazardous waste. Please specify, if any. (G)***	-	N.A.
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition, i.e., by materials relevant to the sector)	Paper 3.46	Paper Waste: 2.82
Total (A+B+C+D+E+F+G+H)	5.56	4.32
Waste intensity per rupee of turnover (Total Waste consumption / Revenue from operations)	0.0000000055 MT per rupee turnover	0.0000000059 MT per rupee turnover
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste consumption / Revenue from operations adjusted for PPP) §	0.0000001248 MT per rupee turnover adjusted for PPP	0.0000001334 MT per rupee turnover adjusted for PPP
Waste Intensity in terms of Physical Output §	0.0000000011 MT per rupee in loan disbursed	0.0000000012 MT per rupee in loan disbursed
Waste Intensity (Per employee) (Total Waste consumed / Total employees in the organization) #	0.0015 MT per employee	0.0017 MT per employee
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste	Since we are a financial services company, the waste generated across our offices and branches primarily comprises of domestic and office-related waste such as food waste, paper waste, and e-waste. Our recyclable waste is managed by a third-party vendor, and we ensure that whatever recyclable waste is generated in our facilities is handled and taken care of responsibly.	
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
Total		
For each category of waste generated, the total waste disposed of by nature of disposal method (in metric tonnes)		
Category of waste	As a financial services company, we do not generate any production-related waste. Office and domestic waste generated at our offices are responsibly managed through the municipal waste management system as applicable.	
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
Total		

* Waste-related data is calculated for two offices (1 Head Office and 1 Regional Office) only. We are currently in the process of implementing mechanisms to collect and report waste-related data from all the offices and branches within our operational boundary.

** We have started monitoring and categorization of data related to waste from the current reporting period, i.e., FY 2023-24. Thus, earlier data is not available.

*** SBFC operates in the services industry, and the products and services we offer do not require any material inputs such as construction materials or any other raw materials. Thus, disclosures related to C&D waste, biomedical waste, and radioactive or hazardous waste are not applicable.

§ We have calculated waste intensity per rupee of turnover adjusted for PPP. We have divided by Total Revenue from operations for FY 2023-24 and FY 2022-23 by Purchasing Power Parity (Total, National currency units/US dollar) obtained from the OECD database: <https://data.oecd.org/conversion/purchasing-power-parities-ppp.htm#indicator-chart>

§ Since SBFC is a financial services company, the physical output has been considered to be the total amount of loan disbursed (in ₹). As a result, the disclosure provides the amount of Waste generated per rupee of loan disbursed.

Waste Intensity per employee is calculated by dividing total waste by the total number of employees in the organization during the reporting periods FY 2023-24 and FY 2022-23, respectively. The total number of employees only includes permanent employees, as no other than permanent employees were reported during the reporting periods.

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

No external assurance has been received for waste-related disclosures for the reporting period.

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

Business Responsibility and Sustainability Report *Contd...*

SBFC Finance Limited operates in the services industry, specializing in providing essential financial services across India. Our dedication to responsible environmental practices is evident through our commitment to digital communication and documentation, which significantly reduces paper waste. None of our products or services generate hazardous waste or make use of toxic chemicals, as we do not have any physical product offerings. The waste generated as a result of our operations is primarily domestic and office waste, such as food waste, paper waste, and e-waste. We ensure that all recyclable waste generated is handled responsibly by a third-party vendor wherever possible.

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

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
The disclosure is not applicable as we do not have any operations/offices in/around ecologically sensitive areas.			

12. Details of Environmental Impact Assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA notification no.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in the public domain (Yes / No)	Relevant web link
The above disclosure is not applicable as no projects have been undertaken during the reporting period for which the Environmental Impact Assessment was applicable.					

13. 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 there under (Y/N). If not, provide details of all such non-compliances:

Sr. No.	Specify the law/ regulation /guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Yes, we are compliant with all the applicable environmental laws/ regulations/ guidelines in India.				

LEADERSHIP INDICATORS

1. 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 the outcome of such initiatives:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	The outcome of the initiative
1.	In strict adherence to the guidelines laid out by the Reserve Bank of India (RBI), lending companies are mandated to furnish welcome kits to their borrowers. To align with these directives and bolster sustainable practices, SBFC has transitioned to delivering digital welcome kits to all borrowers. This strategic shift has yielded twofold benefits. Firstly, it has substantially curtailed direct paper consumption, leading to a reduction in our ecological footprint. Secondly, by circumventing the need for physical transit, the initiative has tangibly minimized indirect fuel consumption, contributing to a more environmentally conscious operation.		
2.	All loan documentation files stored in our warehouses were meticulously digitized and are now accessible in electronic format. This transformation has notably diminished the need for physical transportation of files across various locations, thus significantly decreasing indirect fuel consumption. Formerly, these files necessitated transport for verification, audit, and inspection purposes. As a result of this forward-looking endeavour, we have not only streamlined our operational processes but also achieved a substantial reduction in our carbon emissions footprint.		

Business Responsibility and Sustainability Report *Contd..*

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

ESSENTIAL INDICATORS

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

SBFC Finance Limited has applied for affiliation with FIDC in March 2024 and have received the membership which is valid till March 31, 2025.

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

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)	About the chambers
1	FIDC	National	Finance Industry Development Council (FIDC) is a Representative Body of NBFCs registered with the Reserve Bank of India. FIDC was formed 19 years ago and is the recognized face of the NBFC sector. FIDC has been engaged in regular interaction both with Reserve Bank of India and Govt. of India, which include pre-budget meetings and also important policy related meetings with RBI. Almost all the leading NBFCs and a large number of small and medium sized NBFCs are our members.

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

Not applicable as there were no reported instances of anti-competitive conduct by the entity during the reporting period.

Business Responsibility and Sustainability Report *Contd...*

Principle 8: Businesses should promote inclusive growth and equitable development.

ESSENTIAL INDICATORS

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

Name and brief details of the project	SIA notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in the public domain (Yes/No)	Relevant web link
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The above disclosure is not applicable as no projects have been undertaken during the reporting period for which Social Impact Assessment was applicable.

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

Sr. No.	Name of the project for which R&R is ongoing	State	District	No. of project-affected families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
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The above disclosure is not applicable as no projects have been undertaken during the reporting period for which Rehabilitation and Resettlement (R&R) was applicable.

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

We have a channel to receive and address grievances received from the larger community. An email address and phone number are made accessible for members from the general community to share their grievances or complaints.

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

Particulars	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	14.39%	12.49%
Directly from within India	100%	100%

Note: Being a financial services company, we are not engaged in manufacturing of any physical goods, and thus, we do not source any raw materials. Thus, our procurement is limited to procuring materials for domestic and office purposes only across our branches and offices.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as & of total wage cost.

Location	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	The disclosure requires data to be categorized as rural, semi-urban, urban, or metropolitan based on the RBI classification system, which is derived from Census 2011 data. However, since the last census, there have been significant changes in both the population and the country's overall geography. Therefore, we are seeking more clarity regarding the disclosure requirements before applying the necessary categorization and reporting the data in the format required by this indicator.	
Semi-Urban		
Urban		
Metropolitan		

Business Responsibility and Sustainability Report *Contd..*

LEADERSHIP INDICATORS

1. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable group

Being a NBFC, our service offerings include financial products and services to a wide range of consumers. Since such activities neither involve the procurement of raw materials nor the production of tangible goods, the procurement activities associated with our operations remain low and of limited scope. However, we are committed to upholding and promoting sustainability throughout our value chain, including the materials we procure for our day-to-day functioning, including administrative needs at offices and branches. Consequently, we are developing a Value Chain Policy that reflects our commitment to incorporate sustainable practices and develop a holistic approach to address ESG risks across our value chain. We ensure that the limited procurement activities that we conduct are conducted in a manner that aligns with our ESG principles and objectives and caters to sustainable value chains.

- b) From which marginalized/vulnerable groups do you procure?

While our current activities do not involve the procurement of raw materials or the production of tangible goods, our procurement activities associated with operations are currently negligible. Nevertheless, we are dedicated to a future where we actively enhance representation from diverse groups within our value chain whenever applicable.

2. Details of beneficiaries of CSR projects:

Sr. No.	CSR project	No. of persons benefited from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1.	Supporting Little Angel's School for specially-abled children (i.e., Human Development Centre)	12	100%
2.	Improvement in School Infrastructure Shri Swaminarayan Vidyalaya, YUVA UNSTOPPABLE	101	100%
3.	National Apprenticeship Promotion Schemes (NAPS)	402	33.80%
4.	Tree Plantation, with Pangea EcoNetAssets Pvt Ltd	N.A.	N.A.

Note: Our CSR initiatives revolve around offering support to education, skill development, tree plantation, and NGOs, with a specific focus on aiding small and marginalized segments of society. This aligns with our core business objective of serving underserved sections of society. Total contribution towards these projects ₹ 26,072,803, ₹ 23,206,903 towards NAPS, ₹ 1,500,000 Improvement in School Infrastructure Shri Swaminarayan Vidyalaya, YUVA UNSTOPPABLE, ₹ 1,238,400 for supporting Little Angel's School and ₹127,500 against the tree plantations of 1,500 saplings.

Business Responsibility and Sustainability Report *Contd...*

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.

SBFC has set up a Vigil Mechanism for its employees to report their concerns or grievances. The said mechanism includes the Whistle Blower Policy and supplies adequate safeguards against the victimization of persons who use it. Information about the mechanism and the channels for reporting concerns (including a third-party reporting channel) is communicated to the relevant stakeholders.

At SBFC, our customers are paramount, and their feedback is crucial for us. We have a well-structured grievance redressal mechanism to promptly address any concerns. All disputes related to business practices, lending decisions, credit management, and recovery are diligently heard and responded to. Customers can easily reach us through several communication modes, including toll-free numbers and customer service emails. Each complaint is thoroughly reviewed, monitored, and resolved to achieve complete customer satisfaction. To bolster our support, a dedicated Grievance Redressal Officer has been appointed and is prominently displayed in all our branches. If needed, we have an escalation matrix, and unresolved issues can be appealed to the RBI Ombudsman, emphasizing our commitment to exemplary customer service.

For more information, please visit our Grievance Redressal Policy, which is available on our website through this link: <https://www.sbfc.com/cmsproject/mediaGallery/docs/Grievance%20Redressal%20Policy-1704795424.pdf?rm=1702233000>

Our whistleblower policy is also available on our website:

<https://www.sbfc.com/cmsproject/mediaGallery/docs/Whistle%20Blower%20Policy-1667053329.pdf?rm=1694197800>

Customer satisfaction is essential for continuous improvement and delivering exceptional experiences. We actively encourage and appreciate feedback to shape our offerings and ensure customer satisfaction remains our top priority. For more information, please refer to the Customer Testimonial section of our website through this link: <https://www.sbfc.com/customer-testimonials>

2. Turnover of products and/or services as a percentage of turnover from all products/services that carry information about:

Particulars	As a % of total turnover
Environmental and social parameters relevant to the product	N.A.
Safe and responsible usage	N.A.
Recycling and/or safe disposal	N.A.

Note: The above disclosure is not applicable as we are a financial services company and do not manufacture any physical products or goods

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

Particulars	FY 2023-24		Remarks	FY 2022-23		Remarks
	Receive during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive trade practices	-	-	-	-	-	-
Unfair trade practices	-	-	-	-	-	-
Other (Customers)	753	-	-	762	2	-

Business Responsibility and Sustainability Report *Contd..*

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

The above disclosure is not applicable as we are a financial services company and do not manufacture any physical products or goods.

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 to the policy.

SBFC Finance Limited has a well-defined framework and policy on cyber security and data privacy, as stated in our privacy policy, which is available on our website (<https://www.sbfc.com/privacy-policy>). This policy assures users that all personal information provided through the website is treated with the utmost confidentiality and is not shared with third parties in most circumstances unless explicitly solicited and permitted by the user. We deeply respect user privacy and strive to provide a hassle-free experience on our website.

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 the safety of products/services.

Corrective actions were not required as there were no issues related to advertising, the delivery of essential services, cybersecurity, data privacy of customers, repeated product recalls, or penalties/actions taken by regulatory authorities regarding the safety of products/services during the reporting period.

7. Provide the following information relating to data breaches:

a) Number of instances of data breaches.

No data breaches have been recorded during the reporting period, FY 2023-24.

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

No data breaches have been recorded during the reporting period, FY 2023-24.

c) Impact, if any, of the data breaches.

Not applicable as no data breaches have been recorded during the reporting period, FY 2023-24.

Business Responsibility and Sustainability Report *Contd...*

LEADERSHIP INDICATORS

1. Channels/ platforms where information on products and services of the entity can be accessed.

As a Non-Banking Financial Company (NBFC), SBFC focuses on providing financing opportunities to business owners deemed underserved by traditional banks. Our key offering includes a fund-based product that includes secured MSME loans and loans against gold. Detailed information about our product offerings is available on the company's official website (<https://www.safc.com>), SBFC mobile application, and Annual Report. Information about our offerings can also be enquired through the customer care number, email, and offline branches.

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

As a responsible corporate citizen, we strive to educate consumers about the safe and responsible use of our services. This is achieved through effective customer service management and addressing queries related to financial products and services, and providing other customer support. Additionally, we have transformed a substantial part of the loan process from application to disbursal into a digital format through our website, www.safc.com, utilizing our in-house LOS/App named LeviOSa (Light). We operate using an assisted digital "PhyGital" model. In this model, our Loan Officers utilize the app to digitalize the application process either at the customer's office or residence.

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

All contact(s) with the customer(s) by SBFC and/or its associates, designated third parties, is conducted through mail, e-mails, SMS, monthly statements, letters, phone or toll-free customer care numbers, and branch visits.

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. 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, all information related to the loan is available on our website. As per the relevant regulation, we also communicate all relevant information during the loan sanction process to the customer. Moreover, a welcome kit containing all the relevant details related to loans is sent to the customer.

Yes, we have taken customer testimonials to gather feedback related to our product and services and further make improvements and enhancements to it.

For & on behalf of Board of Directors of SBFC Finance Limited (Erstwhile SBFC Finance Private Limited)

Neeraj Swaroop
Chairperson & Independent Director
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Aseem Dhru
Managing Director & CEO
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Prabhadevi, Mumbai – 400025

Place: Mumbai
Date : April 27, 2024