



18<sup>th</sup> June, 2025

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

To  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
21st Floor, Dalal Street,  
Mumbai – 400001

NSE Symbol: SBFC

BSE Scrip Code: 543959

**Sub: Business Responsibility and Sustainability Report for the financial year 2024-25**

Dear Sir/Madam,

Pursuant to Regulations 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Business Responsibility and Sustainability Report for the Financial Year 2024-25, which forms an integral part of the Annual Report for the Financial Year 2024-25 of the Company.

You are requested to take the same on record.

Thanking you,

Yours faithfully,  
For **SBFC Finance Limited**



Namrata Sajnani  
Company Secretary & Chief Compliance Officer  
Encl: As above

**SBFC Finance Limited**

Registered Office: Unit No. 103, 1<sup>st</sup> Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri (East) Mumbai - 400 059

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CIN No: L67190MH2008PLC178270



## Annexure - XII

### Business Responsibility and Sustainability Report

#### SECTION A: GENERAL DISCLOSURES

##### I. Details

1.	Corporate Identity Number (CIN) of Company	L67190MH2008PLC178270
2.	Name of the Company	SBFC Finance Limited
3.	Year of incorporation	January 25, 2008
4.	Registered office address	Unit No. 103, 1st Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri (East), Mumbai - 400059.
5.	Corporate address	Unit No. 103, 1st Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri (East), Mumbai - 400059.
6.	E-mail	<a href="mailto:companysecretary@sbfc.com">companysecretary@sbfc.com</a>
7.	Telephone	+91-22-67875300
8.	Website	<a href="http://www.sbfc.com">www.sbfc.com</a>
9.	Financial year for which reporting is being done	2024-25
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).
11.	Paid-up capital	1,085,999,088 shares of face value of ₹ 10 each amounting to ₹ 10,859,990,880 as of March 31, 2025.
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Name: Shekhar Bhoral <b>Designation:</b> Head - Centre of excellence <b>Telephone:</b> +91-8894348622 <b>Email ID:</b> <a href="mailto:shekhar.bhoral@sbfc.com">shekhar.bhoral@sbfc.com</a>
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 205 branches and 2 offices in India as of March 31, 2025. The reporting period for the information covers the period from April 1, 2024, to March 31, 2025.
14.	Name of the assurance provider	Not applicable
15.	Type of assurance obtained	Not applicable

##### 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%

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

S. No.	Product/service	NIC Code	% of total turnover contributed
1.	Other Credit Granting As a Non-Banking Financial Company, SBFC Finance Limited primarily offers fund-based products that includes secured MSME loan and loan against gold.	64920	89.5%

## 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	205	207
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):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1.	Permanent (D)	2,628	2,387	90.8%	241	9.2%
2.	Other than permanent (E)	1,721	1,595	92.7%	126	7.3%
3.	<b>Total employees (D + E)</b>	<b>4,349</b>	<b>3,982</b>	<b>91.6%</b>	<b>367</b>	<b>8.4%</b>

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

## b. Differently abled employees and workers

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1.	Permanent (D)	2,628	1	0.04%	-	-
2.	Other than permanent (E)	1,721	-	-	-	-
3.	<b>Total employees (D + E)</b>	<b>4,349</b>	<b>1</b>	<b>0.02%</b>	<b>-</b>	<b>-</b>

## 21. Participation/inclusion/representation of women

	Total (A)	No. and % of females	
		No. (B)	% (B / A)
Board of Directors	9	1	11.1%
Key Management Personnel	4	1	25.0%

## 22. Turnover rate for permanent employees and workers

	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	54.8%	43.9%	53.90%	44.3%	43.1%	44.2%	36.5%	36.9%	36.5%

\*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

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

## VI. CSR details

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

(ii) Turnover (in ₹) – Standalone - ₹ 13,051.2 million

(iii) Net worth (in ₹) – Standalone - ₹ 31,901.3 million

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 web-link for grievance redress policy.)*	FY 2025			FY 2024		
		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	218	1	-	753	-	-
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 by either the Human Resources team or other team as applicable.

\* Our CSR policy can be accessed through the following link: <https://www.sbfc.com/cmsproject/mediaGallery/docs/Corporate%20Social%20Responsibility%20Policy-1644468331.pdf?rm=1702233000>

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Incase of Risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1 <sup>1</sup>	Sustainable Finance	O	<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. As a financial services company, we recognize that directing capital towards such enterprises presents a substantial opportunity for us to make a meaningful impact. 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, enables such businesses and entrepreneurs 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>Sustainable finance offers positive financial benefits to SBFC by enhancing risk management, improving access to capital, and driving long-term value creation through responsible and resilient business practices</p> <p><b>1. Attracting Impact Investors:</b> 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><b>2. Risk Mitigation:</b> Assessing and promoting sustainability in lending can help identify risks and opportunities more effectively. It can lead to better risk management by avoiding industries or projects with high risks, reducing the likelihood of loan defaults and losses</p> <p><b>3. Improved Reputation:</b> 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>



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Incase of Risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Climate Change	R	We recognize that climate change, poses a risk to our operations, our clients, and the broader economy.	We are committed to addressing climate change risks through proactive measures. We are primarily into mortgage loan and we have created policy around excluded activities. We exclude funding of loan in production of, or trade in, any product or activity deemed illegal under applicable local or national laws or regulations or subject to internationally agreed phase- outs or bans as defined in global conventions and agreements.	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.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Incase of Risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Financial Inclusion and Capacity Building	O	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 business owners who are underserved and further unlocking India's growth story. We are also deeply associated with uplifting other marginalized groups of the society including women, rural and local borrowers, people in old age etc., ensuring overall inclusion.	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,  <b>1. Partnerships:</b> Collaborating with government agencies, non- governmental organizations, and other stakeholders to promote financial inclusion and address challenges effectively. Through partnerships, we can leverage expertise, resources, and networks to scale our impact.  <b>2. Data and Analytics:</b> Leveraging data and analytics to identify regions and communities that have limited access to financial services. This data-driven approach will enable us to prioritize our efforts and allocate resources where they are most needed.  <b>3. Ethical Selling and Responsible Marketing:</b> Ensuring the highest quality of ethics during sale of our products. Through our training programs we 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 to us through multiple channels at their disposal.	Embracing financial inclusion and capacity building as an opportunity can lead to several positive financial implications:  <b>1. Market Expansion:</b> Reaching previously underserved markets can expand our customer base and unlock new business opportunities.  <b>2. Customer Loyalty and Retention:</b> Providing tailored financial solutions can foster customer loyalty and retention, enhancing long-term profitability.  <b>3. Reputation and Branding:</b> 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.



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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Incase of Risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Customer Experience	O	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> <p><b>Digital Innovation:</b> Embracing digitalization and leveraging innovative technologies through our "PhyGital" model which uses technology and authentic in-person service to create loans which support the ambitions of our customers. We engage directly with small business owners and work through loan applications together, in person, at the customer's pace.</p> <p><b>Grievance Redressal Mechanisms:</b> 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 complete customer satisfaction. To bolster our support, a dedicated Grievance Redressal Officer is appointed and prominently displayed in all our branches.</p> <p><b>Continuous Improvement:</b> 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>	<p><b>Financial Implications (Positive):</b> Improving customer experience can lead to several positive financial implications, such as:</p> <p><b>Customer Loyalty:</b> Satisfied customers are more likely to remain loyal and utilize a broader range of our services, increasing customer retention and lifetime value.</p> <p><b>Word-of-Mouth Referrals:</b> Delighted customers are more inclined to refer friends and family to our services, expanding our customer base through word-of-mouth referrals.</p> <p><b>Competitive Advantage:</b> By providing superior customer experience, we can differentiate ourselves from competitors and attract new customers seeking exceptional financial services.</p>





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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Incase of Risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Data privacy and Cyber security	R	Data privacy and cybersecurity is a significant risk for us due to the potential financial and reputational consequences of data breaches. 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 interests of both the institution and its customers.	<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, allowing us to understand and underwrite credit for our valued customers effectively.</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 not limited to,</p> <ol style="list-style-type: none"><li><b>Reputation Damage:</b> A data breach or cybersecurity incident can severely impact our reputation, leading to a loss of customer trust and potential business opportunities</li><li><b>Financial Losses:</b> Cyberattacks may result in financial losses, such as regulatory fines, legal costs, and compensating affected customers for any damages incurred.</li></ol>



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Incase of Risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Economic Performance	O	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 enhance ability to offer competitive interest rates and attractive financial products, further attracting potential borrowers and investors alike. 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.	To leverage the opportunity of economic performance, we have developed the following approach:  1. Financial Strength: We have the capital to grow with confidence 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 make the customer journey easier.  6. Responsible Investments: Making responsible and sustainable investments that align with our values and contribute to long-term economic growth.	Financial Implications (Positive): Maintaining strong economic performance can lead to several positive financial implications for us. Some of these key implications include,  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 favorably 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.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Incase of Risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Business Ethics and Governance	R/ O	At SBFC, we recognize that having strong Business Ethics and Governance present significant opportunities for us to establish ourselves as responsible and trustworthy organization 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.  The evolving financial regulatory landscape places greater emphasis on ethical conduct, transparent disclosures, customer protection, and responsible lending practices.	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.  At SBFC, we have developed robust governance frameworks, ethical business practices, and proactive compliance management systems that position us to mitigate regulatory risks while capitalizing on emerging opportunities such as faster approvals, preferential partnerships, and enhanced investor confidence.	Financial Implications (Positive)-  Ethical behavior 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.  Regulatory Sanctions (Negative): Failure to adhere to these ethical and governance standards exposes SBFC to regulatory sanctions, reputational damage, and financial penalties.





S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Incase of Risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10	Risk Management	R/ O	<p>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>	<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> <p>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.</p> <p>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.</p> <p>It positions the company as a stable and reliable financial institution, supporting sustainable growth and success in the competitive financial industry.</p>

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

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.

S. 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.	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. To access our Code of Conduct of Board of Directors and Senior Management available on our website, please refer to the following link: <a href="https://www.sbfc.com/cmsproject/mediaGallery/docs/Code%20of%20Conduct%20-%20Board%20and%20Senior%20Management-1679632545.pdf?rm=">https://www.sbfc.com/cmsproject/mediaGallery/docs/Code%20of%20Conduct%20-%20Board%20and%20Senior%20Management-1679632545.pdf?rm=</a> To access our privacy policy available on our website, please refer to the following link: <a href="https://www.sbfc.com/privacy-policy">https://www.sbfc.com/privacy-policy</a> To access our Grievance Redressal Policy available on our website, please refer to the following link: <a href="https://www.sbfc.com/cmsproject/mediaGallery/docs/Grievance%20Redressal%20Policy-1704795424.pdf?rm=1702233000">https://www.sbfc.com/cmsproject/mediaGallery/docs/Grievance%20Redressal%20Policy-1704795424.pdf?rm=1702233000</a> To access our CSR policy available on our website, please refer to the following link: <a href="https://www.sbfc.com/cmsproject/mediaGallery/docs/Corporate%20Social%20Responsibility%20Policy-1683527618.pdf?rm=">https://www.sbfc.com/cmsproject/mediaGallery/docs/Corporate%20Social%20Responsibility%20Policy-1683527618.pdf?rm=</a> To access our Corporate Governance Policy available on our website, please refer to the following link: <a href="https://www.sbfc.com/cmsproject/mediaGallery/docs/Corporate%20Governance%20Policy-1644468392.pdf?rm=1694197800">https://www.sbfc.com/cmsproject/mediaGallery/docs/Corporate%20Governance%20Policy-1644468392.pdf?rm=1694197800</a> To access our Nomination and Remuneration policy available on our website, please refer to the following link: <a href="https://www.sbfc.com/cmsproject/mediaGallery/docs/Nomination%20and%20Remuneration%20Policy-1644468634.pdf?rm=1694197800">https://www.sbfc.com/cmsproject/mediaGallery/docs/Nomination%20and%20Remuneration%20Policy-1644468634.pdf?rm=1694197800</a> Our whistleblower policy available on our website, please refer to the following link: <a href="https://www.sbfc.com/cmsproject/mediaGallery/docs/Whistle%20Blower%20Policy-1667053329.pdf?rm=1694197800">https://www.sbfc.com/cmsproject/mediaGallery/docs/Whistle%20Blower%20Policy-1667053329.pdf?rm=1694197800</a>								

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.	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.								
5. Specific commitments, goals, and targets set by the entity	<p>We are continuing to build on the identified focus areas in our ESG framework as mentioned below:</p> <ul style="list-style-type: none"><li><b>Inclusive Lending Goal:</b><ul style="list-style-type: none"><li>50% of the proceeds of the disbursed Facility to be disbursed to Sub-borrowers with household income levels of &lt;=INR 28,000 (adjusted bi-annually with inflation) ("Low-Income").</li><li>50% of the proceeds of the disbursed Facility to be disbursed to Sub-borrowers where either 1) female is the main loan applicant or 2) the collateral is owned or co-owned by a female in cases where female is not the main loan applicant.</li><li>Moreover, SBFC has taken accepted the 2x challenge wherein, Gender is a key consideration within SBFC and SBFC commits to allocating at least 50% of use of proceeds to women-led and owned SME.</li></ul></li><li><b>Gender Diversity in Workforce:</b> Ensuring the women participation above 25% employees in the Head Office.</li><li><b>Training and Capacity Building:</b> Target 90% coverage in skill development program.</li><li><b>CSR:</b> Support education to under privileged students through infrastructure development under Shiksha Program, building skill under Gurukul program through Skill India and Preventing Health under Aarogya Program.</li><li><b>ILO:</b> Alignment of the policies with ILO Core Conventions ratified in India.</li><li><b>Health and Safety Commitment:</b> Ensure a safe and healthy work environment by implementing robust occupational health and safety standards and achieve 100% awareness on employee coverage in Human Rights Training.</li><li><b>Data Privacy and Protection:</b> Uphold the highest standards of data privacy and security by ensuring compliance under ISO 27001:2022.</li></ul>								

Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	Our performance during the FY 2025 on identified focus areas in our ESG framework as mentioned below: <ul style="list-style-type: none"><li><b>Inclusive Lending Goal:</b><ul style="list-style-type: none"><li>50% of the proceeds of the disbursed facility to be disbursed to Sub-borrowers with household income levels of &lt;=INR 28,000 (adjusted bi-annually with inflation) ("Low-Income").</li><li>50% of the proceeds of the disbursed facility to be disbursed to Sub-borrowers where either 1) female is the main loan applicant or 2) the collateral is owned or co-owned by a female in cases where female is not the main loan applicant.</li><li>Moreover, SBFC has accepted the 2x Challenge, wherein gender is a key consideration. SBFC commits to allocating at least 50% of the use of proceeds to women-led and women-owned SMEs.</li></ul></li><li><b>Gender Diversity in Workforce:</b> Women make up 26% of the employees at the Head Office in FY 2025</li><li><b>Training and Capacity Building:</b> 98% covered in skill development program.</li><li><b>CSR:</b> The total number of beneficiaries during FY 2024-25 includes 402 students under Siksha, 265 apprentices under Gurukul, and 6,927 students under Aarogya.</li><li><b>Health and Safety Commitment:</b> Ensure a safe and healthy work environment by implementing robust occupational health and safety standards and 100% employee covered under Human Rights Training. <b>Data Privacy and Protection:</b> Ensured the highest standards of data privacy and security by ensuring compliance under ISO 27001:2022 during FY 2025.</li></ul>								
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, SBFC strategically opens branches to bring services closer to where these businesses operate. The company is committed to creating skill development opportunities for community members, ensuring equal access to opportunities for all. Additionally, SBFC actively engages in CSR initiatives, including reconstructing schools in remote areas, collaborating with NGOs, and promoting education and skill-based 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 to 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	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.	Yes, the CSR Committee, ESG Management Committee & Stakeholders Relationship Committee of the Board are responsible for making decisions on sustainability related issues								

10. Details of review of NGRBCs by the company:

Subject for review	Indicate whether the review was undertaken by Director/committee of the board/ any other committee									Frequency (Annually/ half-yearly/ quarterly/ any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	All the policies are reviewed by the Board members and others in senior management.									The reviews are done on an annual basis.								
Compliance with statutory requirements of relevance to the principles, and the rectification of any non-compliances	SBFC strives to comply with all applicable statutory requirements. There have been no instances of non-compliances during the financial year.																	

11. Has the entity carried out 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 necessary financial, human, and technical resources for this task. However, this is the first year of reporting, the company is still in 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 FY 2023. 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 FY 2025. However, we are currently working on respective roadmap for 3 years starting from the FY 2026 to FY 2028.								
Any other reason (please specify)	-								



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	Training and awareness on departmental policies of the company, including those related to Human Resources, Compliance, Information Technology, and other functional areas.	100%
Key managerial personnel*	1	Training and awareness on departmental policies of the company, including those related to Human Resources, Compliance, Information Technology, and other functional areas.	100%
Employees other than BoD and KMPs**	24	<div>1) Prarambh- Induction Program covers<ul style="list-style-type: none"><li>About Company, Our Leadership &amp; Our Values</li><li>Product Training</li><li>Grooming &amp; Uniform</li></ul></div> <div>2) Mandatory Training:<ul style="list-style-type: none"><li>Cyber Security</li><li>POSH</li><li>Code of Conduct,</li><li>KYC &amp; AML Awareness</li><li>BCP &amp; DR</li></ul></div> <div>3) Leadership Development Program<ul style="list-style-type: none"><li>Strategies for Growth, Campus Course, Indian Institute of Management Ahmedabad</li></ul></div> <div>4) Departmental Module<ul style="list-style-type: none"><li>ABM</li><li>Incentive Structure</li><li>CPA Modules</li><li>Advance Excel Training</li><li>IT Change and Release Management</li><li>Linux Server Administrative Training – For TSG and SMG</li></ul></div>	100% of the eligible employees were covered by these training and awareness programs.

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
		<ul style="list-style-type: none"><li>Windows Server Administration - For TSG and SMG</li><li>Oracle Database Administration – For TSG and SMG.</li><li>Time Management, Verbal &amp; Written Communication.</li><li>Team Management – For Senior &amp; Middle Layer</li></ul>	
		<div>5) Health &amp; Safety Training<ul style="list-style-type: none"><li>First Aid Training</li></ul></div> <div>6) New Software and process launch.<ul style="list-style-type: none"><li>Kapture CRM Process</li><li>DICE</li><li>miFIN- LMS</li><li>Sahayak (DSR Portal)</li></ul></div>	

\* All the draft policies are subject to board review before their adoption. Draft copy 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 trainings 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 2025, Board and Committee meetings kept Independent Directors made aware on various topics like regulatory changes, economic landscape, IT updates, and risk indicators.

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





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 behavior 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 the employees through the company's intranet.

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

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

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

Not applicable

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

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Number of days of Account Payables	0.71	3.89

9. Openness of business

Provide details of 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 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Being a financial services company, these disclosures are not applicable.	
	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		
	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	Nil
	d. Investments (Investments in related parties / Total Investments made)	Nil	4.93%

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 of the same.

Yes.

The company has a separate Code of Conduct for the Board of Directors and the Senior Management which provides all the members of the Board and the Senior Management shall conduct their activities and fulfill 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>



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

ESSENTIAL INDICATORS

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

	FY 2025	FY 2024	Details of improvements in environmental and social impacts
R&D	Nil	Nil	Not Applicable
Capex (Technology & Software fees)	₹ 24.86 million	₹ 7.78 million	The expenses incurred on technology and software licenses, helps us create a system which is equipped to process a loan with quick turnaround time. We believe these expenses are an investment to stay relevant, competitive and efficient in today's digital world. The technology expenses help us to improve customer experiences, manage, and analyze large amounts of data.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
- Yes, we have formulated a Sustainable Procurement Policy to ensure that the limited procurement we undertake is further aligned with sustainable sourcing practices.
- However, given the nature of our business, which predominantly deals with financial instruments rather than tangible raw materials, the concept of sustainable sourcing, typically associated with physical goods, is not directly applicable to our operations
- b. If yes, what percentage of inputs were sourced sustainably?
- We are still developing procedures for our sustainable sourcing policy and will implement it in upcoming financial year.
3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Waste type	Waste management procedure in place
Plastic (including packaging)	The company is in the business of providing loans. Hence the scope of using recycle material as inputs is limited. Further, we have tie-up with e-waste handler for disposal of electronic waste.
E-waste	
Hazardous waste	
Other waste (wastepaper and paper products)	

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the 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?
- Not Applicable, given the nature of business of SBFC

LEADERSHIP INDICATORS

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

NIC Code	Name of Product / Service	%of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
Not Applicable					

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

SBFC operations are limited to providing Loan Against Property (LAP) and Loan against Gold, which are financial products, there are no significant social or environmental concerns or risks arising from the production or disposal of our services. These offerings do not involve physical manufacturing, processing, or disposal activities that could impact the environment. Accordingly, no Life Cycle Assessment (LCA) or mitigation action is required in this context.

Name of Product / Service	Description of the risk / concern	Action Taken
NA	NA	NA

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
NA	NA	NA

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

	FY 2025 Current Financial Year			FY 2024 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA

**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		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	2,387	2,387	100%	2,387	100%	-	-	2,387	100%	-	-
Female	241	241	100%	241	100%	241	100%	-	-	-	-
Total	2,628	2,628	100%	2,628	100%	241	9.17%	2,387	90.8%	-	-
Other than Permanent employees											
Male	1,595	NA	NA	1,595	100%	-	-	1,595	100%	-	-
Female	126	NA	NA	126	100%	126	100%	-	-	-	-
Total	1,721	NA	NA	1,721	100%	126	7.3%	1,595	92.7%	-	-

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

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	0.16%	0.20%

**2. Details of retirement benefits.**

Benefits	FY 2025 (Current Financial Year)			FY 2024 (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*	61.69%	Y		100%	Y
ESI	13.18%	Y		17%	Y

\* Other than permanent employees hired for fixed tenure does not fall under the preview of gratuity.

**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.

Yes, currently we have one especially able employee and we have taken appropriate measures to ensure that our offices are accessible to differently abled employee 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 our employees and qualified applicants without discrimination on the grounds of race, caste, religion, color, 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%	86.00%	NA	NA
Female	100%	80.00%	NA	NA
<b>Total</b>	<b>100%</b>	<b>83.00%</b>	<b>NA</b>	<b>NA</b>

**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	

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

Category	FY 2025			FY 2024		
	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	2,628	-	-	3,758	-	-
Male	2,387	-	-	3,484	-	-
Female	241	-	-	274	-	-

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

Category	FY 2025					FY 2024				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	3,982	3,982	100%	3,888	97.64%	3,499	3,499	100%	2,289	65.42%
Female	367	367	100%	343	93.46%	275	275	100%	252	91.64%
Total	4,349	4,349	100%	4,231	97.29%	3,774	3,774	100%	2,541	67.33%

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

Category	FY 2025			FY 2024		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees*</b>						
Male	1,959	1,959	100%	1,760	1,760	100%
Female	222	222	100%	173	173	100%
<b>Total</b>	<b>2,181</b>	<b>2,181</b>	<b>100%</b>	<b>1,933</b>	<b>1,933</b>	<b>100%</b>

\* 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?

Yes, we 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. Additionally, training is being conducted for Health & Safety, Fire Drills and First-aid.

- 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 the work-related hazards and to remove themselves from such risks. Not Applicable.

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

Yes, our employees are covered either under Group Health Insurance Policy, ESIC, Accidental Insurance, online medical consultation and Subject Matter Expert Webinars for Preventive Heart Care & Women Health.

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

Safety incident/number	Category*	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one-million-person hour worked)	Employees	No such caes reported	
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

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 workplace through the 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 2025			Remarks	FY 2024			Remarks
	Filed during the year	Pending resolution at the end of year			Filed during the year	Pending resolution at the end of year		
Working Conditions	-	-	-		-	-	-	
Health & safety	-	-	-		-	-	-	

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 2025
Working conditions	

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.

LEADERSHIP INDICATORS

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

(A) Yes, Health insurance and accidental death insurance are included as part of the benefits provided 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 measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Evidence of compliance against statutory norms adherence are checked before release of payment for workforce deployed thorough Labor Contract.

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

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

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

Nil

5. Details on assessment of value chain partners:

% of value chain partners (by value of business done with such partners) that were assessed	
Health and safety practices	NA
Working Conditions	NA

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

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 workplace through the email to the Human Resources team.

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	Yes	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	To adhere to the guidelines issues by 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 inputs, 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	To communicate and update regarding key changes related to our business operations and to 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.

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 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 are 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.





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 2025			FY 2024		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	2,628	2,628	100%	3,758	3,758	100%
Other than permanent	1,721	1,721	100%	16	16	100%
Total employees	4,349	4,349	100%	3,774	3,774	100%

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

2. Details of minimum wages paid to employees and workers

Category	FY 2025					FY 2024				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	2,628	-	-	2,628	100.00%	3,758	8	0.21%	3,750	99.79%
Other than permanent	1,721	9	0.52%	1,712	99.48%	16	-	-	16	100.00%
Total employees	4,349	9	0.21%	4,340	99.79%	3,774	8	0.19%	3,766	99.81%

3. Details of remuneration/salary/wages

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	4	₹ 1,600,000	1	₹ 1,600,000
Key managerial personnel	3	₹ 22,432,824	1	₹ 4,500,012
Employees other than BOD and KMP	3,975	₹ 350,004	365	₹ 309,996

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

	FY 2025 (Current Financial Year)	FY 2024 (Current Financial Year)
Gross wages paid to females as % of total wages	6.11%	5.88%

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

Yes, the Internal Complaints Committee addresses the issues for prevention of sexual harassment at workplace, whistle blower for upholding the prescribed Code of Conduct and online portal for employee grievance.

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:

	FY 2025			FY 2024		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed During the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced labour /Involuntary labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights-related issues	-	-	-	-	-	-

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

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2019 (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, applicable to all companies, to ensure a secure and inclusive work environment.

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





10. Assessments for the year:

	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Child labour	
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	Nil
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.

LEADERSHIPINDICATORS

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

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 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.

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

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 is appointed and 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

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

Currently all the offices of the company are either leased or under leave and license agreement. The Company does not have any owned premises and there is a common entrance for the building. Company follows the access provided by the complex where the offices are leased for all its employees including differently abled. However, we have spread awareness to our employees to handle differently abled employees.

4. Details on assessment of value chain partners.

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	Not Applicable
Wages	
Others, please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.
- Not Applicable.

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 2025	FY 2024
<b>From Renewable Sources</b>		
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)	-	-
<b>From Non-Renewable Sources</b>		
Total electricity consumption (in GJ) (D)	15,596.88	9733.78
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)	15,596.88	9733.78
<b>Total Energy Consumed (in GJ) (A+B+C+D+E+F)</b>	<b>15,596.88</b>	<b>9733.78</b>
<b>Energy intensity per rupee of turnover</b> (Total energy consumption/ turnover in rupees)	0.00000120 GJ per rupee turnover	0.00000095 GJ per rupee turnover
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*</b> (Total energy consumed / Revenue from operations adjusted for PPP)	0.0000268 GJ per rupee turnover adjusted for PPP	0.0000214 GJ per rupee turnover adjusted for PPP
<b>Energy Intensity in terms of Physical Output**</b>	0.00000029 GJ per rupee of loan disbursed	0.00000029 GJ per rupee of loan disbursed
<b>Energy Intensity (Per employee) #</b> (Total energy consumed / Total employees in the organization)	3.59 GJ per employee	2.59 GJ per employee

\* We have calculated energy intensity in terms of per rupee of turnover adjusted for PPP. We have divided by Total Revenue from operations for FY 2025 and FY 2024 by Purchasing Power Parity (Total, National currency units/US dollar) obtained from 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 total energy consumed divided by the total employees were employed during the reporting periods FY 2025 and FY 2024 respectively. The total number of employees only include 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 energy related disclosures for the reporting period FY 2025.

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:

Not applicable

Parameter	FY 2025	FY 2024
Water withdrawal by source (in kilo liters)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third-party water ()	4,857.60	2,080.55
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	4,857.60	2,080.55
Total volume of water consumption (in kiloliters)	4,857.60	2,080.55
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.000000374 KL per rupee turnover	0.000000204 KL per rupee turnover
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.0000084 KL per rupee turnover adjusted for PPP	0.0000046 KL per rupee turnover adjusted for PPP
Water Intensity in terms of Physical Output	0.000000089 KL per rupee of loan disbursed	0.000000043 KL per rupee of loan disbursed
Water Intensity (Per employee) (Total water consumed / Total employees in the organization)	1.21 KL per employee	0.55 KL per employee

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.

Not Applicable

4. Provide the following details related to water discharged:

Parameter	FY 2025	FY 2024
Water discharge by destination and level of treatment (in kiloliters)		
(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)		

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.

Not Applicable.

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

Not Applicable

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

Parameter	Unit	FY 2025	FY 2024
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)			

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.

Not Applicable

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

Parameter	Unit	FY 2025	FY 2024
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 equivalent	-	-
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)*	Metric tons of CO2 equivalent	3149.70	2225.25
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tons of CO2 equivalent per rupee turnover	0.000000241	0.000000218
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 tons of CO2 equivalent per rupee turnover adjusted for PPP	0.0000054	0.0000049
Total Scope 1 and Scope 2 emission intensity in terms of physical output***	Metric tons of CO2 equivalent per rupee in loan disbursed	0.000000058	0.000000045
Total Scope 1 and Scope 2 emission intensity (per Employee) (Total Scope 1 and Scope 2 emissions / total employees in the organization) #	Metric tons of CO2 equivalent per employee	0.72	0.59

\* Scope 2 emissions = Grid Electricity Consumption

For FY 2025, the EF has been taken as 0.727 tCO2/MWh and for FY 2024, the EF has been taken as 0.823 tCO2/MWh. The source of EF has been Central Electricity Authority, Government of India.

\*\* 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 2025 and FY 2024 by Purchasing Power Parity (Total, National currency units/US dollar) obtained from 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 total number of employees in the organization during the reporting periods FY 2025 and FY 2024 respectively. The total number of employees only include 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.

Not Applicable



8. Does the entity have any project related to reducing greenhouse gas emission? If yes, then provide details. Not Applicable
9. Provide details related to waste management by the entity, in the following format:

Company is in the business of providing loan and is a service-oriented company. Our focus on waste management is limited in scope and pertains to office related waste. Our processes are largely digital and paperless. Regarding e-waste, company has an e-waste policy and has signed an agreement with a certified e-waste handler for disposal of e-waste.

Parameter	FY 2025*	FY 2024**
Total waste generated (in metric tons)		
Plastic waste (A)	1.92	1.81
E-waste (B)	0.77	0.29
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector) – Paper Waste*	3.41	3.46
Total (A+B+C+D+E+F+G+H)	6.10	5.56
Waste intensity per rupee of turnover (Total Waste consumption / Revenue from operations)	0.0000000047 MT per rupee turnover	0.0000000055 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)	0.0000001048 MT per rupee turnover adjusted for PPP	0.0000001223 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)	0.0014 MT per employee	0.0015 MT per employee

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)	
Category of waste	Since we are a financial services company, the waste generated across our offices and branches primarily comprise 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, total waste disposed of by nature of disposal method (in metric tons)	
Category of waste	
(i) Incineration	
(ii) Landfilling	Not Applicable
(iii) Other disposal operations	
Total	

\*Paper waste has only be calculated for the Head Office in Mumbai and not for the branches across the country.

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 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.

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. 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 company has e-waste policy and signed an agreement with the certified e-waste disposable vendor.

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:

S. No.	Locationof 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.
Not Applicable			

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 public domain (Yes / No)	Relevant web link
Not 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:

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

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any,may be provided along-with summary)	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 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 endeavor, we have not only streamlined our operational processes but also achieved a substantial reduction in our carbon emissions footprint.		



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 affiliation with FIDC in March 2025 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.
- | S. 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

LEADERSHIP INDICATORS

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

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

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.
- | Name and brief details of project | SIA notification No. | Date of notification | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant web link |
|-----------------------------------|----------------------|----------------------|---|--|-------------------|
| Not Applicable                    |                      |                      |   |  |                   |
2. Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:
- | S No.          | Name of project for which R&R is ongoing | State | District | No. of project affected families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In ₹) |
|----------------|--|-------|----------|---|--------------------------|---------------------------------------|
| Not 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:
- |  | FY 2025        | FY 2024        |
|--|----------------|----------------|
| Directly sourced from MSMEs/ small producers | Not Applicable | Not Applicable |
| Directly from within India                   | Not Applicable | Not Applicable |
- Note – Being a financial services company we are not engaged in manufacturing of any physical good and thus we do not source any raw material. 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 2025 (Current Financial Year) | FY 2024 (Previous Financial Year) |
|--------------|----------------------------------|-----------------------------------|
| Urban        | 2,162                            | 1,952                             |
| Metropolitan | 551                              | 510                               |





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 procurement of raw materials, nor production of tangible goods, the procurement activities associated with our operations remain low and of limited scope. However, we are committed to uphold and promote sustainability throughout our value chain, including the aspect of the materials we procure for our day-to-day functioning including administrative needs at offices and branches. Consequently, we have Sustainable Procurement Policy that reflects our commitment to incorporate sustainable practices and develop a holistic approach to address ESG risks across our value chain. For the limited procurement activities that we conduct, we ensure that they are conducted in a manner that aligns our ESG principles and objectives catering 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:

S. 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.	Infrastructure Development School with our NGO Partner Yuva Unstoppable: <ul style="list-style-type: none"><li>Shri Swaminarayan Vidyalaya, Manipura, Viramgam, Ahmedabad.</li><li>Government Upper Primary School Tankariya, Sirohi, Rajasthan</li></ul>	110	100%
3.	National Apprenticeship Promotion Schemes (NAPS)	450	33.80%
4.	Ekam Foundation – Mobile Eye Clinic van for rural areas in Kolhapur.	6,927	100%

Note - Our CSR initiatives revolve around offering support to education, skill development, healthcare, and NGOs, with a specific focus on aiding small and marginalized segments of society. This aligns with our core business objective of serving underserved section of society. Total contribution towards these projects ₹ 44,914,641 includes, ₹ 28,352,641 towards NAPS, ₹ 12,320,000 Improvement in School Infrastructure Shri Swaminarayan Vidyalaya, Vidyalaya, Manipura, Viramgam, Ahmedabad & Government Upper Primary School Tankariya, Sirohi, Rajasthan with YUVA UNSTOPPABLE, ₹ 1,242,000 for supporting Little Angel's School and ₹ 3,000,000 against the Mobile Eye Clinic van for rural areas in Kolhapur.

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 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 is appointed and 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 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:

As a % to 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:

	FY 2025		Remarks	FY 2024		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)	218	1	-	753	-	-

4. Details of instances of product recalls on account of safety issues. Not Applicable.
5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web link 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 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.
- Nil
7. Provide the following information relating to data breaches:
- a. Number of instances of data breaches.
- Nil
- b. Percentage of data breaches involving personally identifiable information of customers.
- Nil
- c. Impact, if, any, of the data breaches. Nil

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.sbfc.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 substantial part of the loan process from application to disbursal of into a digital format through our website, [www.sbfc.com](http://www.sbfc.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

Neeraj Swaroop  
Chairperson & Independent Director  
DIN: 00061170

Aseem Dhru  
Managing Director & CEO  
DIN: 01761455

Place: Mumbai  
Date: June 6, 2025