

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sr. No.	Particulars	FY 2023-2024
1	Corporate Identity Number (CIN) of the Listed Entity	L65191TN1979PLC007874
2	Name of the Listed Entity	Shriram Finance Limited (SFL)
3	Year of incorporation	30-06-1979
4	Registered office address	Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai, Tamil Nadu- 600 032
5	Corporate address	Wockhardt Towers, Level-3, West Wing, C-2, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai, Maharashtra - 400 051
6	E-mail	secretarial@shriramfinance.in
7	Telephone	022-4095 9595
8	Website	www.shriramfinance.in
9	Financial year for which reporting is being done	April 01, 2023 to March 31, 2024
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	Rs. 3,75,79,28,100
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. U. Balasundararao Company Secretary and Compliance Officer Contact: 022 - 4095 9595 Email: balasundar@shriramfinance.in
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis
14	Name of assurance provider	M/s. Pijush Gupta & Co.
15	Type of assurance obtained	Reasonable Assurance

II. Products/services

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

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial Services	The Company is primarily engaged in the business of financing commercial vehicles, passenger vehicles, construction equipment, farm equipment, micro, small and medium enterprises, two-wheelers, gold and personal loans.	93.96%

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

Sr. No.	Product/Service	NIC Code	% of total Turnover Contributed
1.	Financial Services	64920*	93.96%

* Other Credit Granting



III. Operations

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

Location	Number of plants	Number of offices	Total
National	0	3,082	3,082
International	0	0	0

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	31*
International (No. of Countries)	0

*26 States + 5 Union Territories

b. What is the contribution of exports as a percentage of the total turnover of the entity?	NA*
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*The Company does not export any products or services.

c. A brief on types of customers	As a leading financial institution in the country, we pride ourselves on our commitment to serving the financial needs of the most vulnerable and underserved segments of our society. Our focus is on providing reliable and affordable financial services to Small Road Transport Operators (“SRTOs”) and First-Time Buyers (“FTBs”) of the commercial vehicles who often belong to the weaker sections of society. In addition to catering to the needs of these groups, we also offer loans for equipment and other business purposes to support their growth and expansion. We also extend our financial services to small and medium enterprises. Our offerings further extend to a range of financial products including loans for two-wheelers and three-wheelers, gold, personal needs and vehicles.
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IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1	Permanent (D)	74,645	65,560	87.83%	9,085	12.17%
2	Other than Permanent (E)	NA*	NA*	NA*	NA*	NA*
3	Total employees (D + E)	74,645	65,560	87.83%	9,085	12.17%
WORKERS **						
4	Permanent (F)	NA	NA	NA	NA	NA
5	Other than Permanent (G)	NA	NA	NA	NA	NA
6	Total workers (F + G)	NA	NA	NA	NA	NA

*The Company does not have any employees in the ‘Other than permanent’ category.

** The Company does not have any staff in the ‘Workers’ category.

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	60	50	83.33%	10	16.67%
2	Other than Permanent (E)	NA*	NA*	NA*	NA*	NA*
3	Total differently abled employees (D + E)	60	50	83.33%	10	16.67%

*The Company does not have any differently abled employees in the 'Other than permanent' category.

DIFFERENTLY ABLED WORKERS *						
4	Permanent (F)	NA	NA	NA	NA	NA
5	Other than Permanent (E)	NA	NA	NA	NA	NA
6	Total differently abled workers (F + G)	NA	NA	NA	NA	NA

* The Company does not have any staff in the 'Workers' category.

21. Participation/Inclusion/Representation of women

Particular	Total	No. and percentage of Females	
	(A)	No. (B)	% (B / A)
*Board of Directors (BoD)	10	1	10%
*Key Management Personnel (KMP)	7	0	0%

*3 KMP (Mr. Umesh Revankar, Executive Vice Chairman; Mr. Y. S. Chakravarti, Managing Director and CEO; Mr. Parag Sharma, Joint Managing Director and CFO) are covered under BoD and KMP both.

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Particular	FY 2023-24*			FY 2022-23*			FY 2021-22**		
	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	29.71%	33.07%	30.09%	30.23%	35.26%	30.74%*	19.70%	13.16%	19.36%
Permanent Workers***	NA	NA	NA	NA	NA	NA	NA	NA	NA

*During FY 2023-24 and FY 2022-23, the high turnover was on account of employees leaving the Company in less than one year from their date of joining. Calculation methodology is as per BRSR guidelines.

**During FY 2021-22, the turnover was on account of employees leaving the Company in less than one year from their date of joining and the new recruitment of employees having been impacted due to COVID- 19 Pandemic. Calculation methodology is as per BRSR guidelines.

*** The Company does not have any staff in the 'Workers' category.

*/** As per the Company's internal guidelines, the Turnover rate is as follows:

Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Particular	FY 2023-24			FY 2022-23			FY 2021-22		
	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	21.77%	22.40%	21.85%	21.81%	23.52%	21.99%	16.23%	10.90%	15.95%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

Turnover rate as per Company's internal guidelines = (Total number of relieved employees during the FY/ (Opening count of employees for the FY + Total count of employees added during FY))*100



V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business responsibility initiatives of the listed entity? (Yes/No)
1.	Shriram Housing Finance Limited	Subsidiary	83.78%	No
2.	Shriram Automall India Limited	Associate	44.56%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
a. Turnover (Rs.)	3,49,97,58,78,547.00
b. Net worth (Rs.)	4,84,63,82,18,497.00

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:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) **	FY 2023-24			FY 2022-23		
		Current Financial Year			Previous Financial Year		
		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	0	0	NA	0	0	NA
Investors (other than shareholders)*	Yes	3	0	NA	1	0	NA
Shareholders	Yes	11	1	The pending complaint was duly resolved as on the date of the report.	6	0	NA
Employees and workers	Yes	0	0	NA	0	0	NA
Customers	Yes	16,553	462	The pending complaints were duly resolved as on the date of the report.	10,490	136	The pending complaints were duly resolved.
Value Chain Partners	Yes	0	0	NA	0	0	NA
Other (please specify)				NA	0	0	NA

*Here 'Investors (other than shareholders)' refers to debenture holders of the Company.

**** Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)**

Stakeholder group from whom complaint is received	Web Link for Grievance Policy
Communities	https://cdn.shriramfinance.in/sfl-kalam/files/2023-08/2.Business%20Responsibility%20Policy.pdf
Investors (other than shareholders)	
Shareholders	
Employees and workers	https://cdn.shriramfinance.in/sfl-kalam/files/2023-08/Whistle-Blower-Policy-Vigil-Mechanism-Policy_0.pdf
Customers	
Value Chain Partners	
Other (please specify)	

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

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	GHG Emissions	Risk	The Company consumes electricity in offices and fuel in employee commute and business travel. Both fuel and electricity generate direct and indirect greenhouse gas (GHG) emissions, including carbon dioxide and methane. Uncontrolled pollutants and emissions during operation and associated activities impose legal and environmental risks for the Company.	The Company prioritises sustainability and understands the need to reduce greenhouse gas emissions. In response to this challenge, the Company is dedicated to implementing eco-friendly policies, investing in clean energy, encouraging the use of energy-saving methods, and participating in carbon offsetting programs. These efforts are aimed at minimizing our environmental impact and fostering a more sustainable world.	Negative
2	Climate Change	Risk	Climate change events, including physical threats like flooding and wildfires and transitional challenges such as focus renewable energy policies, carbon taxes, etc have the potential to affect business operations. Therefore, provide an opportunity to evaluate and reduce these risks.	The Company's strategy to mitigate climate change related risk involves evaluating and controlling its operational environmental footprint, fostering investments in renewable energy, adopting practices that conserve energy, and participating in sustainable financial methods that bolster initiatives for climate adaptability. Additionally, the Company has revised its lending policy to prevent financing older vehicles that have a higher probability of contributing to atmospheric carbon emissions.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<p>This year, the Company has taken the following initiatives aimed at mitigating climate change related risks:</p> <ol style="list-style-type: none"> 1. Measure and report Scope 3 Emissions, 2. Adopt a vendor Code of Conduct incorporating ESG parameters. 	
3	Customer Support and Satisfaction	Risk	<p>In the Non-Banking Financial Company (NBFC) industry, achieving customer satisfaction is crucial. A negative customer experience can threaten the ongoing operations of the business, whereas a positive one can lead to increased earnings and a stronger brand image.</p>	<p>To reduce the likelihood of customer discontent, the Company prioritises direct communication, tailored services, swift problem-solving, and ongoing feedback gathering. The Company also allocates resources to strong systems for handling complaints, training for its staff, and adherence to regulatory standards, all aimed at preserving customer contentment and trust.</p>	Negative
4	Financial Inclusion	Opportunity	<p>Financial inclusion is a central concern for the Company. It contributes to narrowing the economic disparity, elevating the quality of life, and enhancing the availability of credit, thereby stimulating economic advancement and progress. Focusing on Financial Inclusions aids the Company by opening up new market segments, expanding their clientele, and fostering financial education and stability.</p>		Positive
5	Responsible Financing	Opportunity	<p>Responsible financing is important for the Company as it upholds financial steadiness, safeguards borrower rights, and boosts the Company's standing. It also fortifies trust in the financial framework, curtails default risks, and fosters the NBFC's enduring expansion. Moreover, ethical lending methods can draw further investments and bolster the nation's economic progress.</p>	<p>The Company's strategy for ensuring responsible financing includes comprehensive vetting of borrowers and their collateral, compliance with regulatory norms, robust internal governance, application of risk evaluation frameworks, advancement of financial education, and the cultivation of openness and responsibility in every financial dealing.</p>	Positive

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Data Security and Privacy	Risk	The Company understands the high importance of ensuring data security and privacy. The NBFC industry holds large amounts of sensitive data. Safeguarding customer data is of highest priority for the Company.	The Company has established safeguards against data security and privacy threats, which include strong authorization protocols, data encryption for confidential information, frequent security evaluations, and training programs for employees on proper data management procedures.	Negative
7	Employee Wellbeing	Risk	Prioritizing the welfare of employees can enhance their morale and positively affect their work. Focusing on employee wellbeing also results in diminished expenses associated with recruitment.	The Company is committed to ensure employee well-being and productivity by conducting consistent health examinations, fostering a balanced approach to work and personal life, providing access to mental health resources, offering stress management education, and maintaining a secure and welcoming workplace.	Negative
8	Diversity and Inclusion	Opportunity	A high rate of diversity and inclusion within a Company indicates that employees feel a strong sense of equity and belonging. Enhancing these aspects aids in backing underrepresented groups, which in turn contributes to the development of a positive community-oriented brand image for the Company.		Positive
9	Corporate Governance	Risk	Companies are evaluated on their handling of critical governance matters such as ownership structure, executive compensation, financial reporting, ethical conduct, and openness in taxation. This area of assessment focuses on how a Company's governance and ethical practices impact its shareholders and the broader investment community.	To mitigate corporate governance issues, the Company focuses on establishing stringent internal regulations, performing frequent audits, adhering to legal standards, cultivating an environment of openness and responsibility, and emphasizing effective risk management strategies to protect the interests of the stakeholders.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10	Business Ethics	Risk	Key to business ethics are the management and resolution of issues like fraud, executive wrongdoing, corruption, money laundering, and breaches of competition law. Violations of ethical standards may result in law enforcement scrutiny, substantial penalties, settlement expenses, and reputational harm.	The Company upholds ethical standards through a detailed risk mitigation strategy. The Company regularly organizes training to encourage ethical conduct among team, applies rigorous adherence to regulations, sets up solid internal governance, and performs extensive vetting of clients. This strategy is key to maintaining good standing and earning the confidence of the stakeholders.	Negative
11	Regulatory Compliance	Risk	Adhering to regulatory compliance is essential for companies, as it ensures their operations align with the laws and ethical guidelines established by regulatory bodies and industry norms. Non-compliance can lead to severe repercussions, both financially and in terms of reputation, such as penalties, lawsuits, and erosion of brand credibility and consumer confidence.	The Company ensures compliance with all relevant legal and regulatory standards, keeps accurate records, carries out routine internal reviews, offers employee training, and interacts with regulatory bodies to remain informed about changing regulations.	Negative
12	Fraud Risk Management	Risk	As a NBFC, it is critical to prioritize the control of fraud risks. Fraudulent activities can result in substantial monetary damage and tarnish the Company's reputation, which in turn can erode the trust and confidence of customers.	The Company adopts a comprehensive strategy to minimise fraud risks. Through consistent internal evaluations, solidifying governance procedures, utilizing anti-fraud technologies, fostering integrity among staff, and delivering continuous education to the workforce, the Company focuses on preemptive actions to ensure stakeholder trust and safety.	Negative
13	Innovation	Opportunity	As a NBFC, embracing digital and business innovation is vital. It facilitates improved operational efficiency, cost reduction, betterment of customer service, and broadening of market access. The integration of digital solutions is also key for NBFCs to remain competitive and adapt to the evolving needs of consumers in the rapidly advancing tech-centric financial sector.		Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles, Core Elements and also describes the structures, policies and processes aligned to nine principles of business responsibility. These briefly are as follows:

Sr. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1. a	Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b	Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c	Web Link of the Policies, if available	<p>P1 to P9: https://cdn.shriramfinance.in/sfl-kalam/files/2023-08/2. Business%20Responsibility%20Policy.pdf</p> <p>P1:</p> <ol style="list-style-type: none"> https://cdn.shriramfinance.in/sfl-kalam/files/2024-05/Code-of-Conduct-for-Board-of-Directors-and-Senior-Management-Personnel.pdf?VersionId=2ABENRnbZZ29CJaAf119nf4WCQ5p6Cef https://cdn.shriramfinance.in/sfl-kalam/files/2023-08/Whistle-Blower-Policy-Vigil-Mechanism-Policy_0.pdf https://cdn.shriramfinance.in/sfl-kalam/files/2023-08/10. Policy%20on%20Board%20Diversity%20_0.pdf <p>P3:</p> <ol style="list-style-type: none"> https://cdn.shriramfinance.in/sfl-kalam/files/2023-08/Equal-Opportunity-Policy_0.pdf https://cdn.shriramfinance.in/sfl-kalam/files/2023-08/SHRIRAM%20TRANSPORT%20FINANCE%20COMPANY%20LTD%20-%202011.Remuneration%20Policy.pdf <p>P4 to P8: https://cdn.shriramfinance.in/sfl-kalam/files/2023-08/4. Corporate%20Social%20Responsibility%20Policy%20_0.pdf</p>								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
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) adopted by your entity and mapped to each principle.	-	-	-	-	-	-	-	-	ISO/IEC 27001 :2013
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	As part of its sustainability journey, the Company has prioritised the enhancement of its ESG performance year on year. SFL has endeavoured to solidify its ESG reporting further by prioritizing areas of carbon neutrality, sustainable finance, financial inclusion, digital innovation, diversity and inclusion and stronger governance mechanisms. In the current Financial Year, the Company has decided to set specific targets on each of the mentioned priority areas.								



Sr. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<p>The Company has taken great strides in the current Financial Year in its sustainability performance. SFL has expanded its GHG emissions data capturing and reporting to include five categories of Scope 3 emissions namely, across all 3,082 branches and offices :</p> <ul style="list-style-type: none"> Category 1-Purchased Goods and Services Category 2-Capital Goods Category 5 -Waste Generated in Operations Category 6 -Business Travel Category 7 -Employee Commute <p>Further, the Company has initiated the process of including its value chain partners into its ESG ambit. This year, the Company has adopted a Value Chain Code of Conduct, defining the ESG related roles and responsibilities of its value chain partners. This is aimed at facilitating greater transparency and responsibility in all operations of the Company.</p> <p>The Company has improved the process of BRSR data collection and tracking. The internal system of the Company has been improved to include data required by the BRSR report ensuring minimum errors and increased transparency, accuracy and traceability of data.</p>								
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)	<p>Dear stakeholders,</p> <p>I take immense pleasure in presenting the BRSR report for Shriram Finance Limited (SFL). As a leading retail NBFC, we are proud to contribute to and make positive impacts in the environment, economy, and social fronts. Thanks to the relentless efforts of our experienced management teams, employees, and investments in cutting-edge technologies. It fills our hearts with pride to witness the transformation of our customers’ dreams into reality through our credit solutions.</p> <p>Sustainable finance and reducing the unwanted impact resulting from our operations have always been key priorities for us. Carrying forward our principles of protecting and nurturing the environment, we have adopted environmentally conscious policies, promoted energy-efficient practices, and engaged in carbon offset initiatives. We prioritize providing credit to vehicles running on alternate fuels to aid this process. Moreover, our stringent policies prohibit financing of older vehicles that have a higher likelihood of emitting carbon emissions into the atmosphere. Additionally, principles of resource conservation and waste minimization are widely embraced at all our facilities.</p> <p>At SFL, we truly believe that our shared future is defined through social welfare programs and collaborative community spirit. Therefore, we have taken the onus of running educational programs, undertaking healthcare initiatives, and promoting skill development to leverage employment opportunities for rural communities. As a socially responsible corporate citizen, we have extended primary and secondary education scholarships to 61,378 underprivileged children across the length and breadth of the country. We strongly believe that accessing the best quality healthcare services is everyone’s right, and to ensure this, we have established 15 Mobile Medical Units (MMUs) for the trucker community, impacting 1,62,711 lives. Additionally, as a part of our employment generation initiative, we have upskilled 21,904 drivers, half of whom belong to vulnerable and marginalized communities, ensuring they earn their livelihood in a sustainable manner.</p> <p>Our stringent corporate governance policies ensure openness in decision-making processes, alignment with ethical standards, and compliance with laws and regulations. We are committed to providing maximum benefits to our stakeholders and employees, which can be determined from our comprehensive life, health, and accidental insurance schemes. Additionally, we conduct various training workshops periodically to open new doors and opportunities for our employees.</p>								

Sr. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9																
	<p>Lastly, I want to inform all directly or indirectly associated with us that ESG principles are the bedrock of our policies. Our environmentally inclined strategies and practices will create new financial opportunities and contribute positively to society and the environment. We will continue introducing capabilities and partnerships to further our position as a profitable and sustainable leader in the financing industry.</p> <p>Thank you for your continued support and partnership. Sincerely, Mr. Y. S. Chakravarti Managing Director and CEO Shriram Finance Limited</p>																									
8	<p>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). Mr. Y. S. Chakravarti, Managing Director & CEO, is responsible for the implementation and oversight of the Business Responsibility policy. Mr. S. Sunder, Joint Managing Director, is the Business Responsibility Head of the Company.</p>																									
	<p>Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If Yes please provide details</p>									Yes																
9	<p>The primary role of Environmental, Social and Governance Committee (“ESG Committee”) is to assist the Board in fulfilling its oversight role regarding ESG matters crucial to the Company’s operations. This involves identifying key ESG matters, aiding the Board on the relevant ESG issues, as well as exercising oversight in shaping the Company’s Sustainability and ESG strategy. Following is the composition of the ESG Committee:</p> <table border="1"> <thead> <tr> <th>Name of the Committee member</th> <th>Designation of the Committee member</th> </tr> </thead> <tbody> <tr> <td>Mr. Jugal Kishore Mohapatra</td> <td>Chairman, Independent Director</td> </tr> <tr> <td>Mrs. Maya Sinha</td> <td>Member, Independent Director</td> </tr> <tr> <td>Mr. S. Ravindran</td> <td>Member, Independent Director</td> </tr> <tr> <td>Mr. Umesh G. Revankar</td> <td>Member, Executive Vice Chairman</td> </tr> <tr> <td>Mr. Y. S. Chakravarti</td> <td>Member, Managing Director & CEO</td> </tr> <tr> <td>Mr. Parag Sharma</td> <td>Member, Joint Managing Director & CFO</td> </tr> <tr> <td>Mr. S. Sunder</td> <td>Member, Joint Managing Director</td> </tr> </tbody> </table>	Name of the Committee member	Designation of the Committee member	Mr. Jugal Kishore Mohapatra	Chairman, Independent Director	Mrs. Maya Sinha	Member, Independent Director	Mr. S. Ravindran	Member, Independent Director	Mr. Umesh G. Revankar	Member, Executive Vice Chairman	Mr. Y. S. Chakravarti	Member, Managing Director & CEO	Mr. Parag Sharma	Member, Joint Managing Director & CFO	Mr. S. Sunder	Member, Joint Managing Director									
Name of the Committee member	Designation of the Committee member																									
Mr. Jugal Kishore Mohapatra	Chairman, Independent Director																									
Mrs. Maya Sinha	Member, Independent Director																									
Mr. S. Ravindran	Member, Independent Director																									
Mr. Umesh G. Revankar	Member, Executive Vice Chairman																									
Mr. Y. S. Chakravarti	Member, Managing Director & CEO																									
Mr. Parag Sharma	Member, Joint Managing Director & CFO																									
Mr. S. Sunder	Member, Joint Managing Director																									

10 Details of Review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
a. Performance against above policies and follow up action	ESG Committee								
b. Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Managing Director and CEO								
Subject for Review	Frequency (Annually / Half yearly /Quarterly/ Any other-please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
a. Performance against above policies and follow up action	Annually								
b. Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Quarterly								
11 Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No).	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes



Subject for Review	Frequency (Annually / Half yearly / Quarterly/ Any other-please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
If yes, provide name of the agency.	Vinod Kothari Consultants Private Limited								
12 If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

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.

(This principle focuses on the importance of ethical conduct and transparency in business operations. Companies should follow ethical business practices and adhere to high standards of integrity. They should also be transparent about their activities, operations, and financial reporting, as well as be accountable for their actions)

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors (BoD)	8	<ol style="list-style-type: none"> Detailed presentation which includes micro and macroeconomic factors impacting the industry in general Discussion on Global economy, foreign bankers view on Indian economy, banking industry, financial environment, anticipation of future borrowing/lending rates. Significant changes in regulatory environment. Functioning of various Committees of the Board and business and operations of the Company, risk management, IT strategies, internal control system etc. Redressal of customers and investors complaints, risk management framework, quarterly and financial results through the Board/Committee meetings Updates on BRSR Matters related to ESG and Sustainability Report Discussion on various Employee benefit plans, operational procedures, regulatory requirements and impact on the Company’s financials 	100%

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Key Managerial Personnel (KMP)	12	<ol style="list-style-type: none"> 1. Detailed presentation which includes micro and macroeconomic factors impacting the industry in general 2. Discussion on Global economy, foreign bankers view on Indian economy, banking industry, financial environment, anticipation of future borrowing/lending rates. 3. Significant changes in regulatory environment. 4. Functioning of various Committees of the Board and business and operations of the Company, risk management, IT strategies, internal control system etc. 5. Redressal of customers and investors complaints, risk management framework, quarterly and financial results through the Board/Committee meetings 6. Updates on BRSR 7. Matters related to ESG and Sustainability Report 8. Discussion on various Employee benefit plans, operational procedures, regulatory requirements and impact on the Company's financials 9. Discussion on Social Finance Framework 10. Training on compliances under the Company's Prohibition of Insider Trading Code 11. Discussion on new avenues for raising funds 12. Updates on CSR Reporting 	100%
Employees other than BoD and KMPs	1,840	<ol style="list-style-type: none"> 1. Induction Programme for Management Trainees 2. Induction Training for Commercial Vehicle Channel Level II 3. Induction Training for New Employees. 4. Induction Training Programme for Commercial Staff 5. Product Training 6. Branch Managers Training 7. Branch Team Leaders Training Program 8. Business Loan Training 9. Collection Mangers Training Programme 10. Gold Loan Training Programme 11. MSME Training Programme 12. Refresher Need Based Training 13. Refresher Programme for Branch Managers 14. Refresher Programme for Commercial Staff 15. Refresher Programme for Field Staff 16. Refresher Training Legal 17. Two Wheeler Training Programme 	100%
Workers	NA	NA	NA



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					
Particular	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

Non-Monetary					
Particular	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment					Nil
Punishment					

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

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA*	NA*

*There were no cases where appeal/revision was preferred in the reporting period.

4. Does the entity have anti-corruption or anti-bribery policy? (Yes/ No)

Yes

If Yes, provide details in brief

The Company is committed to upholding the highest standards of integrity and fairness in all our business dealings. We strictly prohibit any form of abusive, corrupt, or anti-competitive practices, ensuring our operations promote a healthy, ethical, and competitive business environment. This commitment is integral to our corporate values and is enforced through the Business Responsibility Policy.

The Company places immense emphasis on Integrity and Ethical conduct in all its business affairs and conduct of its employees across all the levels. Accordingly, employees are expected to strictly comply with and adhere to the Company's Code of Conduct Policy. The Company is committed to comply with all relevant anticorruption legislations such as Prevention of Corruption Act, 1988 and Prevention of Money Laundering Act, 2002, as amended from time to time.

If Yes, Provide a web link to the policy, if available -Web link anti-corruption or anti bribery policy is place

<https://cdn.shriramfinance.in/uploads/investor/pdf/Whistle-Blower-Policy-Vigil-Mechanism-Policy.pdf>

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

Particular	FY 2023-24	FY 2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

Case Details	FY 2023-24		FY 2022-23	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

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.	NA*
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*There were no such cases in the reporting period.

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

Particular	FY 2023-24	FY 2022-23
Number of days of accounts payables	44.48	68.15

9. Open-ness 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:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	0	0
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0	0
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0	0
	b. Sales (Sales to related parties / Total Sales)	0	0
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d. Investments (Investments in related parties/ Total investments made)	0.12%	0.05%

Leadership Indicators**1. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No)**

Yes

If Yes, provide details of the same.

The Company secures an annual declaration from its Directors and Senior Management Personnel to confirm adherence to its Code of Conduct, which applies to both the Board of Directors and Senior Management Personnel. Additionally, the Company routinely performs internal audits to verify compliance.



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

(This principle highlights the importance of sustainable and safe production practices. Companies should strive to minimize the environmental impact of their activities and ensure that their products and services are safe for consumers and the environment.)

Essential Indicator

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

Sr. No.	Particular	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
1	R&D	0	0	NA*
2	Capex	0	0	NA*

*The Company has not invested in R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts.

2.	a.	Does the entity have procedures in place for sustainable sourcing? (Yes/No)	No
	b.	If yes, what percentage of inputs were sourced sustainably?	0%
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)	NA*
	(b)	E-waste	NA*
	(c)	Hazardous waste	NA*
	(d)	other waste	NA*

*This is not relevant to SFL operations as the Company is primarily engaged in the business of financing commercial vehicles, passenger vehicles, construction equipment, farm equipment, micro, small and medium enterprises, two-wheelers, gold and personal loans and does not manufacture any products.

4.	a.	Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No)	No*
	b.	If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?	NA*
	c.	If not, provide steps taken to address the same	NA*

* This is not applicable to SFL, the Company is primarily engaged in the business of financing and does not manufacture any physical products.

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

(This principle emphasizes the importance of employee well-being. Companies should provide safe and healthy working conditions, fair wages, and opportunities for career development to all employees in their value chains, including suppliers, contractors, and temporary workers.)

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	65,560	65,560	100%	65,560	100%	0	0	0	0%	0	0%
Female	9,085	9,085	100%	9,085	100%	9,085	100%	0	0%	0	0%
Total	74,645	74,645	100%	74,645	100%	9,085*	100%	0	0%	0	0%

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)
Other than permanent employees											
Male	NA**										
Female											
Total											

*Maternity leave benefit has been extended to all female employees of the Company.

**There are no employees in the 'other than permanent' category.

1. b. Details of measures for the well-being of workers:

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 workers											
Male	NA*										
Female											
Total											
Other than permanent workers											
Male	NA*										
Female											
Total											

* The Company does not have any staff in the 'Workers' category.

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

	FY 2023-24	FY 2022-23
Cost incurred on well- being measures as a % of total revenue of the Company	0.20%	0.15%

The figures for FY 2023-24 and FY 2022-23 include the premium paid towards health insurance, term life insurance and personal accidental insurance, death compensation and staff welfare expenses.

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

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers**	Deducted and deposited with the authority (Y/N/NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers**	Deducted and deposited with the authority (Y/N/NA)
PF	100%	NA	Yes	100%	0	Yes
Gratuity	100%	NA	Yes	100%	0	Yes
ESI*	62%	NA	Yes	63%	0	Yes
Others – please specify	0	0	0	0	0	0

*ESI is given to 100% of eligible personnel.

** The Company has no staff in the "Worker" category.



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?

Yes

If not, whether any steps are being taken by the entity in this regard.

SFL supports its differently abled staff completely. Our premises/offices are accessible to differently abled employees wherever they are employed.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

Yes

If so, provide a web-link to the policy.

<https://cdn.shriramfinance.in/uploads/investor/pdf/Equal-Opportunity-Policy.pdf>

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	NA	NA	NA	NA
Female	92.7%	78.41%	NA	NA
Total	92.7%	78.41%	NA	NA

* The Company has no staff in the “Workers” category.

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

Category	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	NA*	
Other than Permanent Workers	NA*	
Permanent Employees	Yes	The Human Resources Management System (HRMS) Portal is open to all employees for the submission of their concerns. It is overseen by the HR Head of the Company, who ensures strict privacy when handling complaints or grievances. The HR Head of the Company is committed to addressing and resolving all matters promptly.
Other than Permanent Employees	NA**	

* The Company has no staff in the “Worker” category.

** The Company has no staff in the ‘Other than permanent’ category.

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

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent employees						
Male	65,560	0	0%	57,276	0	0%
Female	9,085	0	0%	6,776	0	0%
Total Permanent Workers						
Male	NA*					
Female	NA*					

* The Company has no staff in the “Permanent Workers” category.

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Male	65,560	62,193	94.86%	62,193	94.86%	57,276	23,935	41.79%	23,935	41.79%
Female	9,085	8,425	92.74%	8,425	92.74%	6,776	2,648	39.08%	2,648	39.08%
Total	74,645	70,618	94.61%	70,618	94.61%	64,052	26,583	41.50%	26,583	41.50%
Workers										
Male	NA*									
Female	NA*									
Total	NA*									

* The Company has no staff in the “Workers” category.

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

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	65,560	52,593	80.22%	57,276	22,709	39.65%
Female	9,085	6,669	73.41%	6,776	2,513	37.09%
Total	74,645	59,262	79.39%	64,052	25,222	39.38%
Workers						
Male	NA*					
Female	NA*					
Total	NA*					

* The Company has no staff in the “Workers” category.



10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No)	Yes
If Yes, the Coverage such systems?	
The Company acknowledges that there are no occupational health and safety hazards associated with its business operations. However, the well-being of its employees remains a top priority. We ensure the availability of a first aid kit at all our business locations. We also advise our employees to use helmets while riding through various training programs.	
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	
The Company has an employee review process, through which the Company identifies any concerns of its workforce including work related hazards. The identified hazards are duly conveyed to the management and appropriate action is taken as necessary. Additionally, all business locations of the Company have fire extinguishers and fire drills are conducted at regular intervals.	
c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks? (Yes/ No)	NA*
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	No

* The Company has no staff in the “Workers” category.

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

Safety Incident/Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	NA**	NA**
Total recordable work-related injuries	Employees	0	0
	Workers	NA**	NA**
No. of fatalities	Employees	0	0
	Workers	NA**	NA**
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	NA**	NA**

*Including in the contract workforce

**The Company does not have any staff in the ‘Workers’ category.

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

The Company prioritizes the health and safety of its workforce and their family members. SFL offers health insurance (including family members), term life insurance and personal accidental cover to all its employees.

The field staff are regularly advised to ensure maximum safety while on road. Periodic reminders via SMS and email are sent to educate employees on personal safety practices. Fire extinguishers are placed at all branches and offices and fire safety drills are conducted periodically.

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

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessment for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

Each branch is regularly visited by senior officials and internal auditors of the Company. As part of the visit, the working conditions and health and safety practices are observed and checked.

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.

NA*

*There were no incidents during the reporting period.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees (Y/N)	Yes
(B) Workers (Y/N)	NA*

* The Company has no staff in the “Workers” category.

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

The Company diligently ensures that all statutory payment challans from the previous month are appended to the current month’s invoices for our regular vendors. This practice is part of our commitment to maintaining transparent and compliant financial transactions.

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 are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Particular	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers*	NA	NA	NA	NA

*The Company does not have any staff in the ‘Workers’ category.

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)

Yes

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

(This principle highlights the importance of stakeholder engagement. Companies should consider the interests and perspectives of all stakeholders, including shareholders, employees, customers, suppliers, and the communities in which they operate. They should also be responsive to stakeholder concerns and feedback.)

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company prioritizes stakeholder identification as a critical element in the success of its operations. The process begins with an in-depth analysis of Company operations to accurately identify key stakeholders, including employees, customers, investors, shareholders, suppliers, vendors, government bodies, and regulatory authorities. Furthermore, SFL recognizes the significance of local communities where it operates, considering them vital stakeholders in its engagement strategies. By understanding the needs and concerns of these groups, the Company proactively meets their expectations, mitigate risks, and foster sustainable relationships essential to its ongoing success. SFL’s commitment to continuous stakeholder engagement ensures that it remains informed, adaptive, and responsive to their evolving needs.



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	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other- Please Specify)	Frequency of engagement (Annually, Half-yearly, Quarterly, others- Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Email, SMS, Newspaper, Website	Quarterly	To share updates of the Company and to call for meetings
Investors	No	Email, Newspaper, Website, Investor meetings and presentations	Monthly	To share updates of the Company like business strategy and performance, market outlook, etc.
Vulnerable Customers	Yes	Email, SMS, Newspaper, Website, Chatbot, Whatsapp, Shriram One App	As required	To share new offerings, intimate about interest rate changes, redressal of complaints and CSR activities.
Other Customers	No	Email, SMS, Newspaper, Website, Chatbot, Whatsapp, Shriram One App	As required	To share new offerings, intimate about interest rate changes and redressal of complaints
Employees	No	Email, Website and engagement events	As required	To share updates of the Company, health and safety related information, learning and development, employee benefits and work related updates
Government and Regulators	No	Email, Documents	As required	To update on various compliances, financial performance and to seek approvals
Value Chain Partners	No	Email	As required	To further strengthen the business relationship and update about the Company
CSR Community	Yes	In-person, Community meetings	During and after the project implementation	To gather feedback and understand needs and engage them in the projects

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company is committed to maintaining open communication and providing stakeholders with relevant information regarding decisions that affect them, while also safeguarding sensitive business strategies and data. For SFL, stakeholder interaction is an ongoing activity led by the Company's senior management. The ESG Committee receives regular updates on the outcomes of these interactions to provide its advice or feedback on related issues.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No).

Yes

If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Continuous engagement with stakeholders is pivotal in aligning with their expectations, thereby enhancing the Company's capability to better serve its stakeholders. This ongoing interaction ensures that we are responsive to their needs and can effectively address their concerns.

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

Through its Corporate Social Responsibility (CSR) policy, the Company has launched multiple initiatives aimed at benefiting various societal segments, particularly focusing on the marginalized, vulnerable, and underprivileged groups. Notably, truck drivers are offered an upskilling training program designed to enhance their professional skills and increase their earning potential. Upon successful completion of this program, participants undergo an online assessment and receive a Level 4 certificate from the Logistics Sector Skill Council (LSC), accredited by Skill India.

PRINCIPLE 5 Businesses should respect and promote human rights.

(This principle focuses on the importance of human rights. Companies should respect and promote human rights, including the rights to freedom of expression, association, and privacy. They should also prevent and address human rights violations in their operations and value chains.)

Essential Indicators

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

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	74,645	70,618	94.60%	64,052	26,583	41.50%
Other than permanent	0	0	0%	0	0	0%
Total Employees	74,645	70,618	94.60%	64,052	26,583	41.50%
Workers						
Permanent						NA*
Other than permanent						
Total Workers						

*The Company has no staff in the "Workers" category.

2. Details of minimum wages paid to employees and workers

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	65,560	3,218	4.91%	62,342	95.09%	57,276	2,395	4.18%	54,881	95.82%
Female	9,085	1,243	13.68%	7,842	86.32%	6,776	914	13.49%	5,862	86.51%
Total	74,645	4,461	5.98%	70,184	94.02%	64,052	3,309	5.17%	60,743	94.83%



Category	FY 2023-24				FY 2022-23					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Other than Permanent										
Male	NA*									
Female										
Total										
Workers										
Permanent										
Male	NA**									
Female										
Total										
Other than Permanent										
Male	NA**									
Female										
Total										

*The Company does not have any employees in the 'Other than permanent' category.

**The Company does not have any staff in the 'Workers' category.

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

Particular	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (Rs.)	Number	Median remuneration/ salary/ wages of respective category (Rs.)
Board of Directors (BoD)*	9	37,85,000	1	37,15,000
Key Managerial Personnel (KMP) **	4	97,28,856	0	0
Employees other than BoD and KMP	65,553	3,28,056	9,085	2,58,988
Workers	NA***			

*The remuneration of Board of Directors includes the remuneration paid to Executive Directors and the commission and sitting fees paid to Independent Directors for attending the Board and Committee meetings.

**Excluding 3 KMP already covered under Board of Directors.

*** The Company has no staff in the "Workers" category.

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

Particulars	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	8.88%	7.75%

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

Yes

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

SFL has established state-wise Internal Complaints Committees (ICC) in accordance with Section 4(1) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. Each ICC comprises a presiding member, three additional members, and one external member. Complaints can be submitted via email to the presiding officer. The ICC is committed to addressing grievances promptly and appropriately, ensuring resolution within 30 days of receiving a complaint.

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

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	6	2	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

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

Particulars	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	6	0
Complaints on POSH as a % of female employees / workers	0.07%	0
Complaints on POSH upheld	1	0

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

The Company has established a state-specific internal complaints committee to handle issues related to the Prevention of Sexual Harassment (POSH). All other employee concerns are managed via an employee portal, overseen directly by the Company's Head of HR, ensuring the confidentiality of the complainant's identity throughout the process.

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

Yes

10. Assessments for the year:

Name of the Assessment	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	0%

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

NA*

*There were no such cases.

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

Though the number of human rights complaints is not significant to the total employee base, the Company has taken POSH trainings as priority and made mandatory in every kind of training conducted for the employees to ensure that no such incidents are repeated. The Company prioritises the safety of all staff members and hence has made POSH awareness mandatory.



2. 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?

We are committed to fully adhering to the Persons with Disabilities Act 2016 by continuously upgrading our facilities to ensure they are accessible to everyone, including individuals with disabilities.

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

(This principle emphasizes the importance of environmental stewardship. Companies should minimize their impact on the environment, conserve natural resources, and promote environmental sustainability. They should also take steps to restore and rehabilitate degraded ecosystems.)

Essential Indicators

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

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D)	1,01,662.56	86,108.73
Total fuel consumption (E)	64,202.49	53,823.47*
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	1,65,865.05	1,39,932.20
Total energy consumed (A+B+C+D+E+F)	1,65,865.05	1,39,932.20
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.000000473	0.000000469
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.000000131	0.000000136
Energy intensity in terms of physical output	NA	NA
Energy intensity per employee	2.2220	2.1846

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? Yes

If yes, name of the external agency. M/s. Pijush Gupta & Co.

*In the current FY, the Company has revised the data collection methodology. Hence the fuel data for FY 2022-23 has been updated based on the revised methodology.

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? (Yes/No) Not Applicable

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.

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

Parameter	FY 2023-24*	FY 2022-23**
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	8,62,426.21	7,40,037.83
(iv) Seawater / desalinated water	0	0
(v) Others	0	0

Parameter	FY 2023-24*	FY 2022-23**
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	8,62,426.21	7,40,037.83
Total volume of water consumption (in kilolitres)	8,62,426.21	7,40,037.83
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.00000246	0.00000248
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.000000680	0.000000718
Water intensity in terms of physical output	NA***	NA
Water intensity per employee	11.5537	11.5540

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) Yes

If yes, name of the external agency.

M/s. Pijush Gupta & Co.

*The water consumption has been calculated on the basis of per employee water consumption including drinking water and municipal water.

The calculation of municipal water has been conducted on the basis of the water units consumed as per the municipal water bill of one large branch office. Based on that, an average per employee per year consumption for the Company has been calculated.

The calculation of drinking water has been done on an actual basis.

**The Company has recalculated previous year's water consumption based on the revised methodology used in FY 2023-24.

***The nature of our business activities is such that there is no physical output.

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties	8,62,426.21*	7,40,037.83*
No treatment	8,62,426.21*	7,40,037.83*
With treatment – please specify level of treatment	0	0
(v) Others	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	8,62,426.21	7,40,037.83



Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) Yes

If yes, name of the external agency. M/s. Pijush Gupta & Co.

*The Total value for water consumed reported in Question 3 above has been taken as water discharged, assuming 100% water consumed as water discharged.

5. Has the entity implemented a mechanism for Zero Liquid Discharge?

No

If yes, provide details of its coverage and implementation.

NA

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

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	NA*	0	0
SOx	NA	0	0
Particulate matter (PM)	NA	0	0
Persistent organic pollutants (POP)	NA	0	0
Volatile organic compounds (VOC)	NA	0	0
Hazardous air pollutants (HAP)	NA	0	0
Others – please specify	NA	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) Not Applicable

If yes, name of the external agency.

*The nature of our business activities is such that there are no air emissions.

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

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	3,963.44	3,319.53*
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	20,219.56	19,374.46
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		0.0000000691	0.0000000761
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		0.0000000191	0.0000000220
Total Scope 1 and Scope 2 emission intensity in terms of physical output		NA	NA
Total Scope 1 and Scope 2 emission intensity per employee		0.3239	0.3543

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) Yes

If yes, name of the external agency. M/s. Pijush Gupta & Co.

*In the current FY, the Company has revised the data collection methodology. Hence, the Scope 1 data for FY 2022-23 has been updated based on the new methodology.

8. Does the entity have any project related to reducing Green House Gas emission? (Yes/ No)

No

If Yes, then provide details.

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

Parameter	FY 2023-24	FY 2022-23*
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.67	0.36
E-waste (B)	18.78	16.80
Bio-medical waste (C)	0.00	0.00
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	48.04	47.14
Radioactive waste (F)	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)	0.00	0.00
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	434.78	51.98
(H.1) Paper	340.65**	36.21**
(H.2) Cardboard	92.65	13.63
(H.3) Metal	1.48	2.14
Total (A+B + C + D + E + F + G + H)	502.27	116.28
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.00000000143	0.000000000390
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.00000000040	0.000000000113
Waste intensity in terms of physical output	NA	NA
Waste intensity per employee	0.00673	0.00181

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY 2023-24	FY 2022-23*
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	502.27	116.28
Total	502.27	116.28



For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY 2023-24	FY 2022-23*
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) Yes

If yes, name of the external agency. M/s. Pijush Gupta & Co.

*In the current FY, the Company has revised the data collection methodology. Hence the waste data for FY 2022-23 has been updated based on the revised methodology.

**The paper shredding activity is undertaken based on the availability of the old records for disposal based on the Company's policy. The Company undertakes shredding if the records or scrap is available for disposal. There was minimal paper shredding activity conducted in FY 2022-23.

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

Due to the nature of our business, we do not produce any dangerous or toxic substances. Our operations are structured to be environmentally responsible, ensuring that we avoid creating any materials that could be harmful to health or the environment.

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

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N)	If no, the reasons thereof and corrective action taken, if any.
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NA*

*The Company has no operations/offices in/around ecologically sensitive areas.

12. Details of Environmental Impact Assessments (EIA) 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
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NA*

*The Company has not conducted EIA during the reporting period.

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 thereunder (Yes / No).

Yes

If not, provide details of all such non-compliances, in the following format:

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
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The Company is in compliant with all applicable laws.

Leadership Indicators

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

Parameter	Unit	FY 2023-24	FY 2022-23*
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	TCO ₂ e	66,430.81	NA
Total Scope 3 emissions per rupee of turnover		0.000000190	NA
Total Scope 3 emission intensity per employee		0.8899	NA

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.

- Employee commute emission includes emission calculation of 74,645 employees. The Company collected daily employee data for 13,622 employees on an actual basis and extrapolated for the entire workforce.
- EPA's GHG Emission Factors Hub, DEFRA conversion factors, CEA's CDM - CO₂ Baseline Database User Guide Version 19 has been used for the purpose of GHG Emissions calculations.

*The Company has conducted Scope 3 emissions calculations in FY 2023-24 for the first time.

2. Does the entity have a business continuity and disaster management plan? (Yes/No)

Yes

Give details in 100 words/ web link.

The Company had framed a business continuity plan to avoid any disruption of critical services. During the reporting year, there were no disruptions of critical services of the Company. The Company is prepared to invoke business continuity plan as and when the likely disruptive events, their probability and impact on business operations are envisaged.

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

(This principle highlights the importance of responsible advocacy. Companies should engage in policy advocacy in a responsible and transparent manner, and avoid engaging in activities that could undermine the public interest or the democratic process.)

Essential Indicators

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

10



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

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1.	Finance Industry Development Council (FIDC)	National
2.	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
3.	Federation of Indian Hire Purchase Associations (FIHPA)	National
4.	Confederation of Indian Industry (CII)	National
5.	Indian Chamber of Commerce (ICC)	National
6.	Indian Construction Equipment Manufacturers' Association (ICEMA)	National
7.	Society of Indian Automobile Manufacturers (SIAM)	National
8.	Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
9.	All India Transporters Welfare Association (AITWA)	National
10.	All India Motor Transport Congress (AIMTC)	National

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.

Name of authority	Brief of the case	Corrective action taken
NA*		

*There were no cases of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development.

(This principle emphasizes the importance of promoting inclusive and equitable economic development. Companies should create economic opportunities for all, including disadvantaged and marginalized groups. They should also contribute to the development of local communities and support social and economic empowerment.)

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
-	-	-	-	-	-

The Social Impact Assessment is being carried out for the ongoing CSR projects for the Financial Year 2023-24.

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

Sr. 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 INR)
NA*	NA*	NA*	NA*	NA*	NA*	NA*

*No such projects were undertaken by the Company.

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

Step 1: Our implementing partners attend to beneficiaries' grievances at their operational level as a primary course of action.

Step 2: In the event that these grievances remain unresolved, beneficiaries are advised to escalate the matter to the Corporate Social Responsibility (CSR) department within our organization, or to visit the nearest branch of the Company.

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

Particular	FY 2023-24	FY 2022-23*
Directly sourced from MSMEs/ small producers	19%	9%
Directly from within India	22%	10%

*During FY 2023-24, the Company has conducted identification of producers for FY 2022-23 as well. Based on the calculation FY 2022-23 numbers have been updated.

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

Particular	FY 2023-24	FY 2022-23
Rural	39.47%	37.52%
Semi-urban	36.05%	35.53%
Urban	22.03%	23.36%
Metropolitan	2.44%	3.59%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban/metropolitan)

Leadership Indicators

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

Sr. No.	State	Aspirational District	Amount spent (In INR)
1.	Chhattisgarh	Korba	2,11,53,152
2.	Andhra Pradesh	Vishakhapatnam	37,72,377
3.	Jharkhand	Ranchi	37,72,377

2. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Preventive Health Care	1,62,711	51%
2.	Education Support to School	4,536	100%
3.	Primary & Secondary education scholarship	61,378	100%
4.	Upskilling Driver training program	21,904	50.47%
5.	Two Wheeler Mechanic training program	875	82.85%
6.	Preservation of Arts & Culture	50	0%
7.	Education & Skilling	344	100%



PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.

(This principle highlights the importance of responsible consumer engagement. Companies should provide safe, high-quality products and services, and ensure that they are marketed and sold ethically and responsibly. They should also be transparent about their products and services, and provide consumers with the information they need to make informed choices.)

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

General nature of complaints:

Complaints/requests from customers are generally in the nature of:

- 1) Non –Receipt of Deposit/Debenture Certificate
- 2) Interest amount not credited in Bank Account
- 3) Investor name not properly printed in the Certificate
- 4) Change of address not incorporated in the Certificate
- 5) Dividend amount not received
- 6) Maturity amount not received
- 7) Statement of Account not received,
- 8) NOC not received
- 9) Complaints of any other nature.

Complaints received from customers with regard to their grievances/concerns against the agents/intermediaries appointed by the Company for outsourcing of its financial services, shall also be addressed under the Grievances Redressal Mechanism as enumerated below. The Company shall have an oversight on the services provided by the Direct Selling Agent (DSA) / Revenue Sharing Party /(RSP) relating to redressal of customer grievances.

Customer Service Management System (CSMS)

CSMS addresses the complaints and requests raised by the customers through various channels. The Call centre/Branch/Head Office/Website/Shriram SuperApp captures all the issues raised by the customers in CSMS for further action.

The complaints can be raised through the following modes:

- 1. Customers can raise complaints/requests by calling to the Call Centre/Branch/Head Office/Registered Office
- 2. Customers can raise complaints/requests by sending e-mail to the designated Customer Care/Grievance mail IDs
- 3. Customers can raise complaints/requests through the Company’s official website/Super App.

Process review:

All the issues/requests raised by customers through various modes such as Call centre/Branch/Company’s website/emails/ letters etc., are first entered into CSMS and addressed and resolved by the respective regions and consequently closed in the CSMS. In case of delay in redressal of complaint by the region, the following escalation matrix shall be followed:

Escalation Matrix:

The system auto-escalates the complaint as shown below:

Level of Escalation	Escalation to
Level 1	Regional Team Leader/Regional Business Head
Level 2	Zonal Team Leader/ Zonal Business Head
Level 3	Commercial Heads
Level 4	Grievance Redressal officer

The contact details of the Grievance Redressal Officer of the Company are given below: -

The Grievance Redressal Officer
 Shriram Finance Limited
 144, Santhome High Road, Chennai-600004
 Tamil Nadu, India
 Contact no. 044-24642733
 Email: grievance@shriramfinance.in



The Company shall be responding to the customer within a maximum period of 30 days from the date of receipt of the complaint. If the customer has not received any response within 30 days or if the customer is not satisfied with the response, then he/she may raise a complaint with the Reserve Bank of India either through RBI CMS Portal or RBI Contact Centre as given below:-

RBI CMS Portal: <https://cms.rbi.org.in>
 RBI Contact Centre Contact no.:14448
 RBI Postal Address:Reserve Bank of India
 Centralised Receipt and Processing Centre,
 4th Floor, Sector 17,
 Chandigarh – 160017

The complaints received from RBI and other authorities are sent to the Nodal Officers for resolution and providing response to RBI. The Principal Nodal Officer shall submit the report on the status of the complaints on quarterly basis to the Board of Directors.

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

Particular	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA*
Safe and responsible usage	100%
Recycling and/or safe disposal	NA*

*This is not relevant to SFL operations as the Company is primarily engaged in the business of financing commercial vehicles, passenger vehicles, construction equipment, farm equipment, micro, small and medium enterprises, two-wheelers, gold and personal loans and does not manufacture any products.

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

Particular	FY 2023-24		Remark	FY 2022-23		Remark
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other	16,553	462	The pending complaints were duly resolved as on the date of the report.	10,490	136	The pending complaints were duly resolved.

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

Particular	Number	Reason for recall
Voluntary recalls	0	NA*
Forced recalls	0	NA*

*This is not relevant to SFL operations as the Company is primarily engaged in the business of financing commercial vehicles, passenger vehicles, construction equipment, farm equipment, micro, small and medium enterprises, two-wheelers, gold and personal loans and does not manufacture any products.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)

Yes

If available, provide a web link of the policy

<https://www.shriramfinance.in/privacy-policy>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

NA*

*There were no corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

7. Provide the following information relating to data breaches

a. Number of instances of data breaches along-with impact	0
b. Percentage of data breaches involving personally identifiable information of customers	0
c. Impact, if any, of the data breaches	NA*

*There were no cases of data breaches.

Leadership Indicator

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

<https://www.shriramfinance.in/fixed-deposit>

<https://www.shriramfinance.in/fixed-investment-plan>

<https://www.shriramfinance.in/commercial-vehicle-loan>

<https://www.shriramfinance.in/two-wheeler-loan>

<https://www.shriramfinance.in/gold-loan>

<https://www.shriramfinance.in/personal-loan>

<https://www.shriramfinance.in/working-capital-loan>

<https://www.shriramfinance.in/business-loan>

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

All details regarding the Company's products are accessible on our website. Customers can also inquire about these products using the chatbots on our site. Additionally, customers have the option to invest in the Company's fixed deposits and make loan repayments online. Our Fair Practice Code, which has been approved by the Board, is published on our website and displayed at all branches. Moreover, the Company offers a range of digital channels, including social media and web portals, for customers to communicate any issues they may have.

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

The Company uses SMS, Email, WhatsApp, and calling to inform customers about any disruptions in services.

Independent Practitioners’ Reasonable Assurance Report on the sustainability disclosures in the Business Responsibility and Sustainability Report (“BRSR”) of Shriram Finance Limited (the ‘Company’) for the period from April 01, 2023 to March 31, 2024.

**To
The Board of Directors
of Shriram Finance Limited**

We have performed a Reasonable Assurance engagement for Shriram Finance Limited (erstwhile Shriram Transport Finance Limited) (“the Company”) (Corporate Identity Number L65191TN1979PLC007874) vide our engagement letter dated April 26, 2024, in respect of the Identified Sustainability Information listed below in accordance with the criteria stated in paragraph 3 below. This Sustainability Information is included in the Company’s Business Responsibility and Sustainability Report (the “BRSR”) incorporated in the Company’s Annual Report for the year ended March 31, 2024.

Identified Sustainability Information (ISI)

Our scope of Reasonable Assurance consists of the Identified Sustainability Information listed in the Annexure I to our report.

Our Reasonable Assurance engagement was with respect to the year ended March 31, 2024 information only unless otherwise stated and we have not performed any procedures with respect to earlier periods or any other elements included in the BRSR and, therefore, do not express any conclusion thereon.

Criteria

In accordance with the explanation given to us and to the best of our information and belief the company has used the criteria to prepare the Identified Sustainability Information as envisaged in the following below:

- Regulation 34(2)(f) of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements), Regulations, 2015 (the “SEBI LODR”) as amended;
- BRSR reporting guidelines (Annexure II) as per SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, and incorporated Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023;
- SEBI Circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023, and clarifications thereto issued by SEBI.

Management’s Responsibility

The Company’s management is responsible for selecting or establishing suitable criteria for preparing the Sustainability Information, taking into account applicable laws and regulations, if any, related to reporting on the Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal controls relevant to the preparation of the Reports and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between companies. Measurement of certain indicators, some of which are estimates, is subject to substantial inherent measurement uncertainty, including, water credit and carbon sequestration. Obtaining sufficient appropriate evidence to support our opinion does not reduce the uncertainty in the amounts and metrics.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India (the “ICAI”) and the SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/ 2023/122 dated July 12, 2023, and its clarifications thereto and have the required competencies and experience to conduct this assurance engagement.



Our firm applies Standard on Quality Control (SQC) 1, Quality Control for firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our Responsibility

Our responsibility is to express a Reasonable Assurance conclusion on the Identified Sustainability Information listed in Annexure I based on the procedures we have performed and evidence we have obtained. We conducted our engagement in accordance with the Standard on Sustainability Assurance Engagements (SSAE) 3000, “Assurance Engagements on Sustainability Information”, and Standard on Assurance Engagements (SAE) 3410 Assurance Engagements on Greenhouse Gas Statements (together the “Standards”), both issued by the Sustainability Reporting Standards Board (the “SRSB”) of the ICAI.

These Standards requires that we plan and perform our engagement to obtain Reasonable Assurance about whether the Identified Sustainability Information are prepared, in all material respects, in accordance with the Criteria. A Reasonable Assurance engagement involves assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records.

As part of Reasonable Assurance engagement in accordance with the Standards, we exercised professional judgment and maintained professional skepticism throughout the engagement.

We performed the following procedures among others:

- Reviewed the Identified Sustainable Information (ISI) under Annexure I- BRSR Core, The format of BRSR Core issued by SEBI Circular dated 12th July 2023 is used as a basis of reasonable level of assurance.
- Evaluation of the design and implementation of key systems, processes and controls for collecting, managing and reporting the BRSR Core indicators.
- Assessment of operational control and reporting boundaries.
- Seek extensive evidence across all relevant areas, ensuring a detailed examination of BRSR Core indicators. Engaged directly with internal stakeholders to gather insights and corroborative evidence for each disclosed indicator.
- Interviews with selected senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.
- Conduct a comprehensive examination of key material aspects within the BRSR Core framework supporting adherence to the assurance based on applicable principles plus specified data and information.

Exclusions

Our assurance scope excludes the following and therefore we will not express a conclusion on the same:

- Operations of the Company other than those mentioned in the Scope para of the Engagement letter
- Aspects of the BRSR and the data/information (qualitative or quantitative) other than the ISI.
- Data and information outside the defined reporting period i.e., from April 01, 2023 to March 31, 2024.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Company.

Reasonable Assurance opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Sustainability Information listed in Annexure I and presented in the BRSR for the year ended March 31, 2024 are not prepared, in all material respects, in accordance with the Criteria as stated in paragraph 3 above.

Restriction on use

Our Reasonable Assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely, to assist the Company in reporting on Company's sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our Reasonable Assurance report should not be used for any other purpose or by any person other than the addressees of our report. We neither accept nor assume any duty of care or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration Number:309015E

Sangeeta Gupta
Partner
Membership No: 064225
UDIN:24064225BKFQQB7440

Date: 1st July, 2024
Place: Gurugram
Encl: Annexure I



Annexure I – BRSR Core
Identified Sustainability Information subject to Reasonable Assurance
 (Sebi Circular No: SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023)

Sr. No.	BRSR Core Indicator	Description of Indicator
1	Section C – Principle 6 – E1	Details of total energy consumption (in Joules or multiples)
2	Section C – Principle 6 – E1	Details of total energy intensity
3	Section C – Principle 6 – E3	Provide details of water withdrawal by source
4	Section C – Principle 6 – E4	Provide details of water discharged
5	Section C – Principle 6 – E3	Provide details of water consumption
6	Section C – Principle 6 – E7	Provide details of greenhouse gas emissions (Scope 1)
7	Section C – Principle 6 – E7	Provide details of greenhouse gas emissions (Scope 2)
8	Section C – Principle 6 – E7	Provide details of greenhouse gas emissions (Scope 1 and Scope 2) intensity
9	Section C – Principle 6 – E9	Provide details related to waste generated by category of waste
10	Section C – Principle 6 – E9	Provide details related to waste recovered through recycling, re-using or other recovery operations
11	Section C – Principle 6 – E9	Provide details related to waste disposed by nature of disposal method
12	Section C – Principle 3 – E11	Details of safety related incidents including lost time injury frequency rate, recordable work-related injuries, no. of fatalities
13	Section C – Principle 9 – E7	Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events
14	Section C – Principle 5 – E7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, including complaints reported, complaints as a % of female employees, and complaints upheld
15	Section C – Principle 1 – E9	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties
16	Section C – Principle 1 – E8	Number of days of accounts payable
17	Section C – Principle 8 – E5	Job creation in smaller towns
18	Section C – Principle 3 – E1(c)	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the Company
19	Section C – Principle 5 – E3(b)	Gross wages paid to females as % of wages paid
20	Section C – Principle 8 – E4	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India