



18th June, 2026

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

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

NSE Symbol: SBFC

BSE Scrip Code: 543959

Sub: Business Responsibility and Sustainability Report for the financial year 2025-26

Dear Sir/Madam,

Pursuant to Regulations 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Business Responsibility and Sustainability Report for FY 2025-26, which forms an integral part of the Annual Report of the Company for FY 2025-26 of the Company.

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For **SBFC Finance Limited**



Narayan Barasia
Chief Financial Officer
Encl: As above

SBFC Finance Limited

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

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CIN No: L67190MH2008PLC178270

Directors' Report

(continued)

Annexure – XI

Business Responsibility and Sustainability Report

Section A: General Disclosures

I. Details of the listed Entity

1. Corporate Identity Number (CIN)	L67190MH2008PLC178270						
2. Name of the Listed Entity	SBFC Finance Limited						
3. Date of Incorporation	2008-01-25						
4. Registered office address	Unit No 103 1 st Floor C&B Square Sangam Complex Andheri Kurla Road Village Chakala Andheri East Mumbai 400059						
5. Corporate Address	Unit No 103 1 st Floor C&B Square Sangam Complex Andheri Kurla Road Village Chakala Andheri East Mumbai 400059						
6. E-mail address	companysecretary@sbfc.com						
7. Telephone No.	91-22-67875300						
8. Website	www.sbfc.com						
9. Financial year for which reporting is being done	April 1 st 2025 – March 31 st 2026						
10. Name of the Stock Exchange(s) where shares are listed	NSE, BSE						
11. Paid-up Capital (in INR)	1,106,414,229 shares of face value of ₹10 each amounting to ₹11,064,142,290 as of March 31, 2026.						
12. Name and contact details of the person who may be contacted in case of any queries on the BRSR report	<table border="1"> <tr> <td>Name of the contact person</td> <td>Shekhar Bhoral</td> </tr> <tr> <td>Contact number of the contact person</td> <td>+91-8894348622</td> </tr> <tr> <td>Email of the contact person</td> <td>shekhar.bhoral@sbfc.com</td> </tr> </table>	Name of the contact person	Shekhar Bhoral	Contact number of the contact person	+91-8894348622	Email of the contact person	shekhar.bhoral@sbfc.com
Name of the contact person	Shekhar Bhoral						
Contact number of the contact person	+91-8894348622						
Email of the contact person	shekhar.bhoral@sbfc.com						
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	Not Applicable						
15. Type of assurance obtained	Not Applicable						

II. Products/Services

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

Description of main activity	Description of business activity	% of Turnover of the entity
Other Credit Granting	SBFC Finance Limited is a non-banking financial company (NBFC) focused on providing loans to the underserved section of the society that includes entrepreneurs, small business owners self-employed individuals as well as salaried and working-class individuals.	100.0

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

Product/Service	NIC Code	% of total Turnover contributed
Other Credit Granting as a Non-Banking Financial Company, SBFC Finance Limited primarily offers fund based products, including secured MSME loan and loan against gold.	64920	91.3%

III. Operations

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

Location	Number of offices	Number of branches	Total
National	2	251	253
International	0	0	0

19. Markets served by the entity

i. Number of locations

Location	Number of plants
National (No. of States)	18 States and 2 Union Territory
International (No. of Countries)	0

ii. What is the contribution of exports as a percentage of the total turnover of the entity?

Not Applicable

iii. A brief on types of customers

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

IV. Employees

20. Details as at the end of Financial Year

i. Employees (including differently abled)

Particulars	Total (A)	Male		Female	
		No. (B)	% (B/A)	No. (C)	% (C/A)
Permanent (E)	3302	3003	90.94%	299	9.06%
Other than Permanent (F)	1842	1691	91.80%	151	8.20%
Total employees (E+F)	5144	4694	91.25%	450	8.75%

ii. Differently abled employees

Particulars	Total (A)	Male		Female	
		No. (B)	% (B/A)	No. (C)	% (C/A)
Permanent (D)*	3302	1	0.03%	0	0%
Other than permanent (E)	1842	0	0.00%	0	0%
Total employees(D + E)	5144	1	0.02%	0	0%

21. Participation/Inclusion/Representation of women

Location	Total (A)	No. of Female (B)	% (B/A) of Females
Board of Directors	9	1	11.1%
Key Management Personnel	4	1	25%

22. Turnover rate for permanent employees and workers

	FY 2025-2026		FY 2024-2025		FY 2023-2024	
	Permanent Employees	Permanent Workers	Permanent Employees	Permanent Workers	Permanent Employees	Permanent Workers
Male %	47.3	NA	54.8	0.0	44.3	NA
Female %	34.1	NA	43.9	0.0	43.1	NA
Total %	46.1	NA	53.9	0.0	44.2	NA

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(continued)

V. Holding, Subsidiary & Assoc. Companies (including joint ventures)

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

Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Entity indicated at col A, participate in the Business Responsibility initiatives of the listed entity?
SBFC Holdings Pte. Ltd.	Holding	52.35	Nil

VI. CSR Details

24. Enter details for Corporate Social Responsibility(CSR)

- i. Whether CSR is applicable as per section 135 of Companies Act, 2013 - Yes
 - ii. Turnover (In INR) 16,788.21 million
 - iii. Net worth (In INR) 37,251.52 million
- Disclosure Not Available

VII. Transparency and Disclosures Compliances

25. Complaints on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct.

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in place	Web-link for grievance redress policy	FY 2025-2026			FY 2024-2025		
			No. of complaints filed during current year	No. of complaints pending resolution at close in current year	Remark	No. of complaints filed during current year	No. of complaints pending resolution at close in current year	Remark
Communities	Yes		-	-	-	-	-	Not applicable
Shareholders	Yes		-	-	-	-	-	Not applicable
Investors	Yes	https://www.safc.com/cmsproject/mediaGallery/docs/Grievance%20Redressal%20Policy-1704795424.pdf?rm=1702233000	-	-	-	-	-	Not applicable
Employees and workers	Yes		-	-	-	-	-	Not applicable
Customers	Yes		405	-	-	218	1	Not applicable
Value Chain Partners	Yes		-	-	-	-	-	Not applicable

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

Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Sustainable Finance	0	Financing has an important role to play in enabling businesses and economies to transition to a sustainable economy. The MSME sector in India is one of the key drivers of the economy and significantly contributes to the country's GDP as well as employment. As a financial services company, we recognize that directing capital towards such enterprises presents a substantial opportunity for us to make a meaningful impact. We firmly believe that achieving financial success should be intricately linked with our contribution to the greater good of society.	-Being an NBFC, focusing on providing loans to businesses and individuals in the MSME sector that are underserved, we are addressing a major financing gap, thus, enables such businesses and entrepreneurs obtain loans to scale up their operations, improve efficiency or for other business expansion related purposes. Our efforts involve placing a heightened focus on providing loans to entrepreneurs and small businesses with a focus on sustainability and inclusive growth.	-Sustainable finance offers positive financial benefits to SBFC by enhancing risk management, improving access to capital, and driving long-term value creation through responsible and resilient business practices 1. Attracting Impact Investors: Sustainable finance initiatives often attract, impact investors and institutions focused on impactful investments. By aligning with sustainability goals, we may gain access to a new source of funding and partnerships with organizations that are keen on supporting socially responsible initiatives. 2. Risk Mitigation: Assessing and promoting sustainability in lending can help identify risks and opportunities more effectively. It can lead to better risk management by avoiding industries or projects with high risks, reducing the likelihood of loan defaults and losses 3. Improved Reputation: Incorporating sustainability into your business model can enhance your brand image and reputation. Customers, especially those from younger generations, are increasingly choosing businesses that align with their values, including environmental and social responsibility

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Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Climate Change	R	We recognize that climate change, poses a risk to our operations, our clients, and the broader economy.	We are committed to addressing climate change risks through proactive measures. We are primarily into mortgage loan and we have created policy around excluded activities. We exclude funding of loan in production of, or trade in, any product or activity deemed illegal under applicable local or national laws or regulations or subject to internationally agreed phase- outs or bans as defined in global conventions and agreements.	Financial Implications (Negative): We acknowledge that climate change related risks may have adverse financial implications for SBFC Finance Limited. These risks include the potential for increased loan defaults, reduced asset values, and losses on investments in sectors vulnerable to climate impacts, such as fossil fuels and agriculture.

Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Financial Inclusion and Capacity Building	O	MSMEs contribute significantly to India's growth story by making up a substantial portion of the country's GDP as well as employment. However, they do not have required access to formal credit or lending. As a result, financing becomes a major obstacle for such entrepreneurs and business owners as traditional banks do not provide financing tailored to their requirements. At SBFC, we aim to fill this gap by providing financing opportunities to business owners who are underserved and further unlocking India's growth story. We are also deeply associated with uplifting other marginalized groups of the society including women, rural and local borrowers, people in old age etc., ensuring overall inclusion.	As an NBFC engaged in providing loans to small businesses and entrepreneurs in the MSME sector, women, and other marginalized groups, our business model aligns with key principles of financial inclusion. Some of our current approaches to capture the opportunity include, <ol style="list-style-type: none"> Partnerships: Collaborating with government agencies, non- governmental organizations, and other stakeholders to promote financial inclusion and address challenges effectively. Through partnerships, we can leverage expertise, resources, and networks to scale our impact. Data and Analytics: Leveraging data and analytics to identify regions and communities that have limited access to financial services. This data-driven approach will enable us to prioritize our efforts and allocate resources where they are most needed. Ethical Selling and Responsible Marketing: Ensuring the highest quality of ethics during sale of our products. Through our training programs we ensure that all the product related terms and conditions are appropriately explained to the customer during the loan process. In case of grievances or complaints, the customer can raise their grievance to us through multiple channels at their disposal. 	Embracing financial inclusion and capacity building as an opportunity can lead to several positive financial implications: <ol style="list-style-type: none"> Market Expansion: Reaching previously underserved markets can expand our customer base and unlock new business opportunities. Customer Loyalty and Retention: Providing tailored financial solutions can foster customer loyalty and retention, enhancing long-term profitability. Reputation and Branding: Demonstrating our commitment to financial inclusion aligns with evolving consumer preferences and enhances our reputation as a socially responsible financial institution, attracting ethically minded customers and investors.

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Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Employee Health and Well-being	O	At SBFC, we recognize that the health and wellbeing of our employees are paramount to the success and sustainability of our organization. Emphasizing employee health and wellbeing presents a significant opportunity to create a positive and productive work environment while fostering a culture of care and support.	To prioritize employee health and well-being, we have developed a comprehensive approach that demonstrates our commitment to our most valuable asset - our employees: <ol style="list-style-type: none"> Health Benefits and Insurance: Providing robust health benefits and insurance coverage to ensure that our employees have access to quality medical care and support in times of need. Workplace Safety: Ensuring a safe and secure work environment by adhering to rigorous safety standards and promoting a culture of safety awareness among employees. Flexible Work Arrangements: Offering flexible work arrangements, such as remote work options or flexible hours, to accommodate the diverse needs and responsibilities of our employees. 	Financial Implications (Positive): Prioritizing employee health and wellbeing can lead to several positive financial implications <ol style="list-style-type: none"> Increased Productivity: Healthy and engaged employees tend to be more productive, resulting in improved operational efficiency and enhanced customer service. Reduced Absenteeism and Turnover: By investing in employee well-being, we can potentially reduce absenteeism and turnover, leading to cost savings associated with recruitment and training. Enhanced Employee Engagement: A focus on health and wellbeing fosters a positive work culture, leading to higher employee satisfaction and increased loyalty to the organization. Attracting Talent: Demonstrating our commitment to employee health and well-being makes us an attractive employer, helping us attract and retain top talent in the industry

Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Customer Experience	O	Customer experience is a significant opportunity to enhance our competitiveness and build lasting relationships with our clients. By delivering exceptional services and products, we can increase customer satisfaction, retention, and loyalty.	To maximize the opportunity of customer experience, we have adopted the following approach: Digital Innovation: Embracing digitalization and leveraging innovative technologies through our "PhyGital" model which uses technology and authentic in person service to create loans which support the ambitions of our customers. We engage directly with small business owners and work through loan applications together, in person, at the customer's pace. Grievance Redressal Mechanisms: We have a dedicated grievance redressal mechanism to promptly address customer related complaints and grievances through multiple channels. Each complaint is thoroughly reviewed, monitored, and resolved to achieve complete customer satisfaction. To bolster our support, a dedicated Grievance Redressal Officer is appointed and prominently displayed in all our branches. Continuous Improvement: Continuously reviewing and upgrading our processes and systems to stay ahead in the dynamic financial landscape and provide the best possible experience to our customers.	Financial Implications (Positive): Improving customer experience can lead to several positive financial implications, such as: Customer Loyalty: Satisfied customers are more likely to remain loyal and utilize a broader range of our services, increasing customer retention and lifetime value. Word-of-Mouth Referrals: Delighted customers are more inclined to refer friends and family to our services, expanding our customer base through word-of-mouth referrals. Competitive Advantage: By providing superior customer experience, we can differentiate ourselves from competitors and attract new customers seeking exceptional financial services

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Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Diversity and Inclusion	O	Diversity and inclusion are a tremendous opportunity for us to foster a culture of innovation, creativity, and equality within our organization. Embracing diversity can help us tap into a broader talent pool and enhance decision-making processes.	To leverage the opportunity of diversity and inclusion, we have implemented the following approach: <ol style="list-style-type: none"> Diverse Hiring Practices: Promoting a diverse and inclusive workforce by adopting fair and unbiased hiring practices that attract talent from various backgrounds. Inclusive Workplace: Creating an inclusive workplace where all employees feel valued, respected, and empowered to contribute their unique perspectives and ideas. Training and Development: Providing training and development opportunities that foster cultural awareness, sensitivity, and understanding among employees. Human Rights: Factoring in Human Rights considerations in our HR policies. Fair Wage: Compliant with minimum wage requirements to ensure that our employees are appropriately compensated. Grievance redressal mechanism: Implementing a mechanism for employees to report and seek resolution for their grievances. 	Financial Implications (Positive): Embracing diversity and inclusion can lead to several positive financial implications including: <ol style="list-style-type: none"> Increased Innovation: A diverse workforce brings together varied perspectives, driving innovation and creativity, which can lead to the development of innovative financial products and services. Enhanced Employee Productivity: Inclusive workplaces tend to have higher employee satisfaction and productivity, contributing to overall organizational efficiency and effectiveness. Talent Attraction and Retention: Demonstrating a commitment to diversity and inclusion can attract top talent and reduce employee turnover, resulting in cost savings associated with recruitment and training.

Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Data privacy and Cyber security	R	Data privacy and cybersecurity is a significant risk for us due to the potential financial and reputational consequences of data breaches. In the event of a security breach, sensitive customer information could be exposed, leading to regulatory fines, legal liabilities, loss of customer trust, and damage to the company's brand image. Ensuring robust data protection measures is essential to safeguard the interests of both the institution and its customers.	We have a well-defined framework and policy on cyber security and data privacy. This policy assures users that all personal information provided through the website is treated with the utmost confidentiality and is not shared with third parties in most circumstances, unless explicitly solicited and permitted by the user. In alignment with our commitment to providing safe and secure banking services, we have a defined cyber security and data privacy policy for client data protection. Our Phygital Model blends technology with human touch, allowing us to understand and underwrite credit for our valued customers effectively.	Financial Implications (Negative): Data privacy and cybersecurity risks can have several adverse financial implications for us at SBFC. Some of these implications include, but not limited to, <ol style="list-style-type: none"> Reputation Damage: A data breach or cybersecurity incident can severely impact our reputation, leading to a loss of customer trust and potential business opportunities Financial Losses: Cyberattacks may result in financial losses, such as regulatory fines, legal costs, and compensating affected customers for any damages incurred.

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Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Economic Performance	O	For SBFC, strong economic performance opens doors to greater access to funding sources, enabling them to expand their lending capabilities and reach a wider customer base. It enhances ability to offer competitive interest rates and attractive financial products, further attracting potential borrowers and investors alike. Additionally, a solid financial track record builds trust and credibility in the eyes of regulatory authorities and customers, fostering long-term relationships and ensuring sustained profitability for the organization.	To leverage the opportunity of economic performance, we have developed the following approach: <ol style="list-style-type: none"> Financial Strength: We have the capital to grow with confidence and are backed by investors. Skilled workforce: We have a hand-picked team of people with diverse skills, relevant experience and a passion for customer service. Risk Management: We have implemented effective risk management practices to identify and mitigate potential financial risks that could impact our economic performance. Analytics: We optimize business processes and customer service using advanced data analysis. Innovation and Technology: We use smart technology to enhance efficiency and make the customer journey easier. Responsible Investments: Making responsible and sustainable investments that align with our values and contribute to long-term economic growth. 	Financial Implications (Positive): Maintaining strong economic performance can lead to several positive financial implications for us. Some of these key implications include, <ol style="list-style-type: none"> Investor Confidence: A strong financial performance can enhance investor confidence and attract new investors seeking profitable opportunities. Competitive Advantage: A robust economic performance positions us favorably among competitors and strengthens our position in the financial market. Capital Access: Improved economic performance enhances our ability to access capital for expansion and strategic investments.

Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Business Ethics and Governance	R&O	At SBFC, we recognize that having strong Business Ethics and Governance present significant opportunities for us to establish ourselves as responsible and trustworthy organization in the financial industry. This is particularly crucial considering the inherent risks associated with the financial sector, and the need to safeguard the interests of customers, investors, and stakeholders. The evolving financial regulatory landscape places greater emphasis on ethical conduct, transparent disclosures, customer protection, and responsible lending practices.	By adhering to strong ethical practices and adopting robust governance mechanisms, we seek to enhance our reputation in the market. Trust is a vital asset in the financial sector, and customers are more likely to engage with an organization that prioritizes ethics and governance. We have a strong Code of Conduct at place along with other policies to ensure that ethical practices are upheld at all times and throughout the hierarchy of our operational system. At SBFC, we have developed robust governance frameworks, ethical business practices, and proactive compliance management systems that position us to mitigate regulatory risks while capitalizing on emerging opportunities such as faster approvals, preferential partnerships, and enhanced investor confidence.	Financial Implications (Positive)- Ethical behaviour improves the reputation of the company, attracting more customers, thereby increasing revenue. It may also help to attract more investments and capital. Compliance with ethical standards reduces legal and regulatory expenses and also facilitate easier access to capital markets for further growth. Regulatory Sanctions (Negative): Failure to adhere to these ethical and governance standards exposes SBFC to regulatory sanctions, reputational damage, and financial penalties.
Risk Management	R&O	Risk Management presents a significant opportunity for SBFC since it helps us to enhance our stability, resilience, and sustainable growth. As we operate in an inherently risk-prone financial environment, effective risk management strategies help us minimize our losses, maintain regulatory compliance, and enhance investor confidence which in turn helps us in optimizing our capital allocations, thus maximizing returns on investments.	We have a highly comprehensive risk management strategy that helps us to navigate uncertainties and achieve long term success in our business. We have identified potential sources of risks specific to our business model, operations and industry and accordingly we have implemented risk mitigation strategies and controls to reduce the likelihood and impact of the identified risks. We have also established a robust system to continuously monitor risks and ensure the proper approach towards mitigation of the risks.	Financial Implications (Positive)- A comprehensive risk management strategy will positively impact our financial performance by reducing losses, enhancing profitability, optimizing capital allocation, improving creditworthiness, ensuring compliance, attracting investments, and fostering customer trust. Proactive management of risks reduces the likelihood and severity of financial losses and avoid potential expenses associated with managing and recovering from risk related incidents. It positions the company as a stable and reliable financial institution, supporting sustainable growth and success in the competitive financial industry.

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(continued)

Material issue identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Digitalization and Innovation	O	Digitalization and innovation present a remarkable opportunity for SBFC to revolutionize its lending operations. By leveraging advanced data analytics and AI driven processes, the organization can assess creditworthiness more accurately and tailor financial solutions that cater to the specific needs and ambitions of small business owners.	To leverage the opportunity of digitalization and innovation, we have embraced the following approach: <ol style="list-style-type: none"> Digital Transformation: Investing in digital technologies to streamline our processes, enhance efficiency, and provide more convenient services to our customers. Analytics: We optimize business processes and customer service using advanced data analysis. Innovation and Technology: We use smart technology to enhance efficiency and make the customer journey easier. PhyGital Model: It combines the efficiency and speed of technology with personalized, face-to face interactions, providing a unique customer experience. Customer-Centric Solutions: Prioritizing customer needs and preferences while developing digital solutions to create seamless and user-friendly experiences. 	Financial Implications (Positive): Some key positive financial implications include, <ol style="list-style-type: none"> Operational Efficiency: Digitalization streamlines operations, reduces costs, and improves efficiency, leading to potential cost savings and increased profitability. Competitive Edge: By adopting innovative technologies, we gain a competitive edge in the market, attracting tech-savvy customers and staying ahead of competitors. New Revenue Streams: Innovative financial products and services open up new revenue streams, expanding our business opportunities and revenue generation. Enhanced Customer Acquisition: Digital solutions that offer convenience and personalized experiences attract new customers and enhance customer acquisition rates.

Section Notes

28. Do you have any additional details or comments you would like to provide?

Disclosure Not Available

Section B: Management & Process Disclosures

I. Policy and management processes

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)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	<p>Our employee Code of Conduct is made accessible to all our employees through the company's intranet and thus it is not possible to provide a publicly available link.</p> <p>To access our Code of Conduct of Board of Directors and Senior Management available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Code%20of%20Conduct%20-%20Board%20and%20Senior%20Management-1679632545.pdf?rm=</p> <p>To access our privacy policy available on our website, please refer to the following link: https://www.sbfc.com/privacy-policy</p> <p>To access our Grievance Redressal Policy available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Grievance%20Redressal%20Policy-1704795424.pdf?rm=1702233000</p> <p>To access our CSR policy available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Corporate%20Social%20Responsibility%20Policy-1683527618.pdf?rm=</p> <p>To access our Corporate Governance Policy available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Corporate%20Governance%20Policy-1644468392.pdf?rm=1694197800</p> <p>To access our Nomination and Remuneration policy available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Nomination%20and%20Remuneration%20Policy-1644468634.pdf?rm=1694197800</p> <p>Our whistleblower policy available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Whistle%20Blower%20Policy-1667053329.pdf?rm=1694197800</p>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	N	Y	N	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, all the policies have been extended to all our stakeholders including our value chain partners, wherever applicable.								

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Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	SBFC adheres to Fair Practice Code guidelines issued by the Reserve Bank of India for Non-Banking Financial Companies (NBFCs) detailing standards for fair business and corporate practices while dealing with their customers. SBFC is ISO 27001:2022 certified.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>We are continuing to build on the identified focus areas in our ESG framework as mentioned below:</p> <ul style="list-style-type: none"> Inclusive Lending Goal: <ul style="list-style-type: none"> 50% of the proceeds of the disbursed Facility to be disbursed to Sub borrowers with household income levels of <=INR 28,000 (adjusted biannually with inflation) ("Low-Income"). 50% of the proceeds of the disbursed Facility to be disbursed to Sub borrowers where either 1) female is the main loan applicant or 2) the collateral is owned or co-owned by a female in cases where female is not the main loan applicant. Moreover, SBFC has taken accepted the 2x challenge wherein, Gender is a key consideration within SBFC and SBFC commits to allocating at least 50% of use of proceeds to women-led and owned SME. Gender Diversity in Workforce: Ensuring the women participation above 25% employees in the Head Office. Training and Capacity Building: Target 90% coverage in skill development program. CSR: Support education to under privileged students through infrastructure development under Shiksha Program, building skill under Gurukul program through Skill India and Preventing Health under Aarogya Program. ILO: Alignment of the policies with ILO Core Conventions ratified in India. Health and Safety Commitment: Ensure a safe and healthy work environment by implementing robust occupational health and safety standards and achieve 100% awareness on employee coverage in Human Rights Training. Data Privacy and Protection: Uphold the highest standards of data privacy and security by ensuring compliance under ISO 27001:2022. 								

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>Our performance during the FY 2026 on identified focus areas in our ESG framework as mentioned below:</p> <ul style="list-style-type: none"> Inclusive Lending Goal: <ul style="list-style-type: none"> 50% of the proceeds of the disbursed facility to be disbursed to Sub borrowers with household income levels of <=INR 28,000 (adjusted biannually with inflation) ("Low-Income"). 95% of the proceeds of the disbursed facility to be disbursed to Sub borrowers where either 1) female is the main loan applicant or 2) the collateral is owned or co-owned by a female in cases where female is not the main loan applicant. Moreover, SBFC has accepted the 2x Challenge, wherein gender is a key consideration. SBFC commits to allocating at least 50% of the use of proceeds to women-led and women-owned SMEs. Gender Diversity in Workforce: Women make up 24% of the employees at the Head Office in FY 2026 Training and Capacity Building: 98% covered in skill development program. CSR: The total number of beneficiaries during FY 2025-26 includes 752 students under Siksha-Education, 547 apprentices under Gurukul-Skill Development, and 7544 beneficiaries under Aarogya- Health Care. There are also new programs which was launched this year like Vikas & Paryavaran- Development & Sustainability, which impacted around 1700 lives by providing 147 solar lights in the villages of Manipur Health and Safety Commitment: Ensure a safe and healthy work environment by implementing robust occupational health and safety standards and 100% employee covered under Human Rights Training. Data Privacy and Protection: Ensured the highest standards of data privacy and security by ensuring compliance under ISO 27001:2022 during FY 2026. 								

II. Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.

At SBFC, everything we do is rooted in a simple belief—that small businesses have the power to transform communities and drive meaningful economic growth. Our role is to support these businesses, especially those in underserved and underbanked regions, by bringing financial services closer to where they are needed the most.

Over the past year, we have continued to expand our reach into smaller towns and communities, ensuring that access to finance is not limited by geography. Alongside this, we have remained committed to giving back—whether through rebuilding schools in remote areas, partnering with NGOs, or supporting education and skill development initiatives for young people. These efforts reflect our belief that true progress goes beyond business growth.

We also recognise that our journey comes with its share of challenges. Working in the MSME space means addressing gaps in financial awareness, navigating diverse customer needs, and ensuring that growth is always responsible and sustainable. As we grow, it becomes equally important to strengthen how we integrate ESG principles into our everyday decisions across all our locations.

Looking ahead, our focus is clear. We aim to deepen our presence in underserved regions, use technology to make our services more accessible and transparent, and continue strengthening our governance and risk management practices. At the same time, we are working towards building stronger ESG measurement and reporting systems to better understand and improve our impact.

At SBFC, we are committed to growing responsibly—balancing performance with purpose. As we move forward, we remain focused on empowering entrepreneurs, supporting communities, and creating long-term value in a way that is both sustainable and meaningful.

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8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Board of Directors of the Company.

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on Sustainability related issues?

Yes

If yes, provide details

Yes, the CSR Committee, ESG Management Committee & Stakeholders Relationship Committee of the Board are responsible for making decisions on sustainability related issues

10. Details of Review of NGRBCs by the Company.

Subject for Review	Indicate whether the review was undertaken by Director/committee of the board/ any other committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	All the policies are reviewed by the Board members and others in senior management.									The reviews are done on an annual basis.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	SBFC strives to comply with all applicable statutory requirements. There have been no instances of non-compliance during the financial year.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency?

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

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

Not Applicable

Section C: Principle wise performance disclosure

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/Principles covered under the training and its impact	%age of persons in respective category covered by awareness programmes
Board of Directors	1	Training and awareness on departmental policies of the company, including those related to Human Resources, Compliance, Information Technology, and other functional areas	100%
Key Managerial Personnel	1	Training and awareness on departmental policies of the company, including those related to Human Resources, Compliance, Information Technology, and other functional areas.	100%
Employees other than BoD and KMPs	29	1) Parambh- Induction Program covers <ul style="list-style-type: none"> About Company, Our Leadership & Our Values Product Training Grooming & Uniform 2) Parambh- Induction Program covers <ul style="list-style-type: none"> About Company, Our Leadership & Our Values Product Training Grooming & Uniform 3) Mandatory Training: <ul style="list-style-type: none"> Cyber Security POSH Code of Conduct, KYC & AML Awareness BCP & DR 	100% of the eligible employees were covered by these training and awareness programs.

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Segment	Total number of training and awareness programmes held	Topics/Principles covered under the training and its impact	%age of persons in respective category covered by awareness programmes
	5)	Departmental Module <ul style="list-style-type: none"> ABM Incentive Structure CPA Modules IT Change and Release Management Linux Server Administrative Training Oracle Database Administration Time Management, Verbal & Written Communication. Team Management LAP Operation Training RCU – Learning & Knowledge series – Branch Credit Manager . Debt recovery agent module Phishing module ESG PII Awareness 	
	8)	Health & Safety Training <ul style="list-style-type: none"> First Aid Training 	
	9)	New Software and process launch. <ul style="list-style-type: none"> Kapture CRM Process DICE miFIN- LMS Sahayak (DSR Portal) 	

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

i. Monetary: Penalty/ Fine

NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred?
-	-	-	-	-

ii. Monetary: Settlement

NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred?
-	-	-	-	-

iii. Monetary: Compounding fee

NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred?
-	-	-	-	-

iv. Non-Monetary: Imprisonment

NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred?
-	-	-	-

v. Non-Monetary: Punishment

NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred?
-	-	-	-

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
-	-

4. Does the entity have an anti-corruption policy or anti-bribery policy?

Yes, our Company has a comprehensive Code of Conduct (CoC) applicable to all employees, which includes clear provisions on anti-bribery, anti-corruption, ethical conduct, and integrity. The CoC establishes expected standards of behaviour and guides employees to act with transparency, accountability, and confidentiality in all business dealings. The Code is accessible to all employees through the Company's intranet, and adherence to the same is monitored through established governance and disciplinary mechanisms.

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

	FY 2025-2026	FY 2024-2025
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

	FY 2025-2026		FY 2024-2025	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

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

Not applicable

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8. Number of days of accounts payables

	FY 2025-2026	FY 2024-2025
Number of days of accounts payables	0.40	0.71

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

i. Concentration of Purchases

Metrics	FY 2025-2026	FY 2024-2025
a. Purchases from trading houses as % of total purchases		
b. Number of trading houses where purchases are made from	Being a financial services company, these disclosures are not material to us.	
c. Purchases from top 10 trading houses as % of total purchases from trading houses		

ii. Concentration of Sales

Metrics	FY 2025-2026	FY 2024-2025
a. Sales to dealers / distributors as % of total sales		
b. Number of dealers / distributors to whom sales are made	Being a financial services company, these disclosures are not material to us.	
c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors		

iii. Share of RPTs in

Metrics	FY 2025-2026	FY 2024-2025
a. Purchases (Purchases with related parties / Total Purchases)	Nil	Nil
b. Sales (Sales to related parties / Total Sales)	Nil	Nil
c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
d. Investments (Investments in related parties / Total Investments made)	Nil	Nil

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year.

Total number of awareness programmes held	Topics / Principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
-	-	-

2. Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board?

Yes. The company has a separate Code of Conduct for the Board of Directors and the Senior Management which provides all the members of the Board and the Senior Management shall conduct their activities and fulfil their fiduciary obligations, on behalf of the Company, with honesty, integrity and fairness and in the best interest of the Company. They are prohibited from engaging in any activity that interferes with their performance or responsibilities or otherwise is in conflict with or prejudicial to the company. In addition to the above, SBFC Finance Limited's CoC covers potential areas where conflict of interest may be countered. It also provides specific guidelines on avoiding and dealing with possible conflicts of interest and the requirement to disclose potential conflicts of interest by employees. The Code of Conduct for BOD and Senior Management can be accessed from this link:

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

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

Essential Indicators

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

	FY 2025-2026	FY 2024-2025	Details of improvements in environmental and social impacts
R&D	0	0	Not Applicable since we are financial institution
Capex	₹35.21 million	₹24.86 million	Our investments in technology and software licenses are central to building a robust, digital-first operating model that enhances both social and environmental outcomes. From a social perspective, these investments enable faster loan processing and improved turnaround times, enhancing access to timely credit—especially for underserved and small business segments. Advanced data management and analytics capabilities also allow us to better understand customer needs, improve service quality, and deliver a more seamless and inclusive customer experience. From an environmental standpoint, our increasing reliance on digital systems reduces dependency on paper-based processes and physical documentation, thereby lowering resource consumption and improving operational efficiency. Overall, these technology investments support scalable, efficient, and responsible business practices, while contributing to enhanced customer satisfaction, financial inclusion, and reduced environmental footprint.

2. Does the entity have procedures in place for sustainable sourcing?

Yes, we have formulated a Sustainable Procurement Policy to ensure that the limited procurement we undertake is further aligned with sustainable sourcing practices. However, given the nature of our business, which predominantly deals with financial instruments rather than tangible raw materials, the concept of sustainable sourcing, typically associated with physical goods, is not directly applicable to our operations

What percentage of inputs were sourced sustainably?

100% of the sourcing is governed through our sustainable procurement policy

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life

The company is in the business of providing loans. Hence, we do not have a physical product

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).

Not Applicable, given the nature of business of SBFC

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Leadership Indicators

1. Has the Company conducted Life Cycle Assessments (LCA) for its products /services?

Not Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

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

Essential Indicators

1. Details of measures for the well-being of employees and workers.

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	3003	3003	100%	3003	100%	0	0%	3003	100%	0	0%
Female	299	299	100%	299	100%	299	100%	0	0%	0	0%
Total	3302	3302	100%	3302	100%	299	9%	3003	91%	0	0%
Other than Permanent employees											
Male	1691	1691	100%	1643	97%	0	0	1691	100%	0	0%
Female	151	151	100%	110	73%	151	100%	0	0	0	0%
Total	1842	1842	100%	1753	95%	151	100%	1691	100%	0	0%

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)
Not Applicable											

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

	FY 2025-2026	FY 2024-2025
iii. Cost incurred on wellbeing measures as a % of total revenue of the company	0.14	0.16

2. Details of retirement benefits.

Benefits	FY 2025-2026			FY 2024-2025		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
PF	100.0	-	Yes	100.0	0.0	Yes
Gratuity	100.0	-	Yes	100.0	0.0	Yes
ESI	8.6	-	Yes	13.2	0.0	Yes

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

Yes, the Company is committed to creating an inclusive and accessible workplace for all employees, including those who are differently abled. Our offices and premises are designed, wherever feasible, in line with the requirements of the Rights of Persons with Disabilities Act, 2016, with necessary measures taken to reduce physical barriers and improve accessibility.

We also recognise that accessibility goes beyond infrastructure. We currently have a differently abled employee as part of our workforce, and we take conscious steps to ensure they feel supported, comfortable, and fully included in the workplace.

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While we continue to improve our facilities, our focus remains on building an environment where every individual feels valued, respected, and empowered to contribute meaningfully.

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

Yes, the Company is committed to providing equal opportunity to all employees and applicants, in line with the principles of the Rights of Persons with Disabilities Act, 2016. This commitment is embedded in our Code of Conduct, which is accessible to all employees through the Company's intranet.

At SBFC, we foster a workplace that is inclusive and free from discrimination. We ensure fair and respectful treatment of all individuals, regardless of race, caste, religion, gender, age, nationality, sexual orientation, disability, or any other background. All employment decisions are guided by merit, performance, and business needs.

We strongly believe that talent and capability are what truly matter. Our approach is simple—if an individual has the skills and the drive to contribute, SBFC is a place where they are welcomed and given the opportunity to grow.

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

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	88%	-	-
Female	100%	67%	-	-
Total	100%	76%	-	-

6. Mechanism to receive and redress grievances

i. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker?

Employees can raise grievances through formal channels, including email communication with the HR team. The HR function is responsible for ensuring timely review, investigation, and resolution of all employee-related concerns. The mechanism is designed to enable employees to report issues confidentially and, where applicable, anonymously, without fear of retaliation. All grievances are handled with due sensitivity, and investigations are treated as strictly confidential.

ii. If yes, give details of the mechanism in brief.

Employees can share grievances to the respective HR team members through email communication wherein the grievances are addressed and concluded. The HR team is responsible for timely redressal of employee related grievances. The mechanism ensures that they can report and address their concerns confidentially and anonymously, without facing any reprisals or adverse consequences. All investigations conducted by SBFC are treated as confidential matters.

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

i. Total Permanent Employees

Category	FY 2025-2026			FY 2024-2025		
	Total employees (A)	No. of employees who are part of association(s) or Union (B)	% (B / A)	Total employees (C)	No. of employees who are part of association(s) or Union (D)	% (D / C)
Male	3003	0	0%	2387	0	0
Female	299	0	0%	241	0	0
Total	3302	0	0%	2628	0	0

8. Details of training given to employees and workers.

i. Employees - FY 2025-2026

Category	FY 2025-2026					FY 2024-2025				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No.(E)	%(E/D)	No.(F)	%(F/D)
Male	4646	4646	100%	4571	98%	3982	3982	100	3888	97.64
Female	409	409	100%	390	95%	367	367	100	343	93.46
Total	5055	5055	100%	4961	98%	4349	4349	100	4231	97.29

9. Details of performance and career development reviews of employees

i. Employees

Category	FY 2025-2026			FY 2024-2025		
	Total (A)	No. (B)	% (B/A)	Total (D)	No. (E)	% (E/D)
Male	1858	1858	100%	1,959	1,959	100%
Female	203	203	100%	222	222	100%
Total	2061	2061	100%	2181	2181	100%

10. Health and safety management system.

i. Whether an occupational health and safety management system has been implemented by the entity?

The Company is committed to maintaining a safe and healthy workplace, supported by adequate safety infrastructure across all premises, including proper ventilation, hygiene and sanitation standards, clearly marked emergency exits, and availability of first aid facilities. During the last financial year, the Company conducted regular health and safety trainings, fire drills, and first aid awareness sessions to strengthen employee preparedness. Reflecting the effectiveness of these measures, the Company recorded zero accidents and zero injuries across its operations. Building on this performance, the Company is further strengthening its safety framework through the phased implementation of a structured Occupational Health and Safety Management System (OHSMS) to enhance monitoring, standardisation, and continuous improvement.

ii. 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 is committed to providing a safe and healthy workplace free from work-related hazards and risks. It undertakes proactive measures to safeguard the physical and mental well-being of employees, ensuring compliance with all applicable safety requirements. Regular inspections and monitoring mechanisms are implemented to identify and mitigate potential risks, thereby fostering a secure and supportive work environment.

iii. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks

Not Applicable as there are no workers in our organisation.

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

Yes, the Company provides comprehensive health coverage to its employees through Group Health Insurance, ESIC, and Accidental Insurance policies. In addition, employees have access to online medical consultations and wellness initiatives, including expert sessions on preventive healthcare topics such as heart health and women's health.

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

Safety Incident/Number	FY 2025-2026		FY 2024-2025	
	Total (A)	% (B/A)	Total (D)	% (E/D)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	0	0	0	0
Total recordable work-related injuries	0	0	0	0
No. of fatalities	0	0	0	0
High consequence work related injury or ill-health (excluding fatalities)	0	0	0	0

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

The Company complies with all applicable regulations and laws governing workplace health and safety. To further strengthen its safety framework, employees are encouraged to raise concerns or grievances related to health and safety through formal channels, including email communication with the HR team, as well as direct verbal reporting to the concerned HR representatives across offices and branches.

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

	FY 2025-2026			FY 2024-2025		
	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	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year

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

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

Not applicable as no such assessments were conducted.

Leadership Indicators

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

Employees	Yes
Workers	-

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

Compliance with statutory requirements is verified prior to the release of payments for workforce deployed through labour contractors. Relevant documentation and evidence of adherence to applicable laws are reviewed to ensure regulatory compliance.

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

	FY 2025-2026		FY 2024-2025	
	Employees	Workers	Employees	Workers
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	-	-	-	-

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?

NIL

5. Details on assessment of value chain partners.

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

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

The Company complies with all applicable regulations and laws governing workplace health and safety. To continuously improve safety standards, employees are encouraged to report health and safety concerns through formal channels, including email communication with the HR team.

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

Essential Indicators

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

SBFC follows a structured and governance-driven approach to identify its key stakeholder groups. The process involves internal deliberations with the Board of Directors and senior management to evaluate stakeholders based on their influence on the organization and the extent to which they are impacted by SBFC's operations.

This assessment is guided by parameters such as regulatory requirements, business dependencies, risk exposure, and the potential impact of stakeholder engagement on long-term value creation. Inputs are also derived from ongoing business interactions, customer feedback mechanisms, and industry practices.

Through this multi-layered evaluation, SBFC has identified its key stakeholder groups as Shareholders and Investors, Customers, Government and Regulators, Employees, Value Chain Partners, and the Communities in which it operates.

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 & Marginalised Group	Channels of communication	Details of Other Channels of communication	Frequency of engagement	Details of Other Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholder and Investor	Yes	E-mail	-	Quarterly	-	To inform about the performance, major developments and other relevant updates regarding the Company and its subsidiaries.
Customer	Yes	Website	-	Others	Need basis	Servicing throughout the lifecycle of the customer and addressing queries / grievances that the customer may have.
Government and Regulators	No	E-mail	-	Others	Need basis	To adhere to the guidelines issues by the regulator and take feedback on questions, if any. Provide opinion on draft policies rolled out before getting implemented.
Employees	No	E-mail	-	Others	Need basis	To record and address employee grievances that may arise as a result of our operations. To collect inputs, feedback, and communicate regarding implemented policies and other relevant initiatives related to our operations.
Value Chain partners	No	SMS	-	Others	Need basis	To communicate and update regarding key changes related to our business operations and to communicate or inform contractual requirements.
Community	Yes	Newspaper	-	Others	Need basis	To promote social welfare activities for inclusive growth, fair and equitable development, and well-being of society through our business functioning.

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(continued)

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.

We carried out a materiality assessment to better understand the issues that matter most to our stakeholders and that have a meaningful impact on society, the environment, and our business. The outcomes of this exercise have been shared with the Board, ensuring alignment at the highest level.

We are now working on translating these insights into actionable management strategies, so that stakeholder feedback is meaningfully integrated into key business decisions. This approach helps us continuously improve and create long-term value for all our stakeholders.

2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics?

Yes. Stakeholder consultation is an integral part of how we identify and manage our environmental and social priorities.

We undertook a comprehensive materiality assessment to understand the key environmental, social, and economic issues that matter most to our stakeholders and have a significant impact on our business. This exercise reflects our commitment to continuously strengthening our processes and aligning them with stakeholder expectations.

The insights gathered have been actively used to shape our policies and business practices. Based on stakeholder feedback, we have initiated the development and enhancement of key policies and management approaches to address priority areas.

For instance, our Environmental, Social, and Governance (ESG) Policy has been strengthened to clearly articulate our commitments towards responsible environmental practices, social well-being, strong governance, and meaningful stakeholder engagement. It serves as a guiding framework for decision-making, enabling us to operate with transparency, accountability, and a focus on long-term sustainable value creation.

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

We are committed to actively engaging with vulnerable and marginalized stakeholder groups and ensuring their concerns are heard and addressed in a timely and effective manner.

To support this, we have established a formal, multi-channel grievance redressal mechanism that enables customers to raise concerns easily. This includes accessible touchpoints for customers as well as a dedicated channel on our website for community members to share feedback or grievances.

Beyond grievance handling, we also engage with customers to better understand their experiences and needs. For instance, we have undertaken initiatives to gather and showcase customer testimonials, providing valuable insights into how our services impact their lives.

We are particularly focused on financial inclusion and empowerment. Notably, in over 95% of our loan agreements, women are involved either as primary applicants or co-applicants, reflecting our efforts to support greater participation of women in financial decision-making.

The feedback and insights gathered through these engagements are used to continuously improve our services, strengthen trust, and ensure that we are responsive to the needs of all stakeholder groups, especially those who may be more vulnerable.

Principle 5: Businesses should respect and promote Human Rights

Essential Indicators

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

i. Employees

Category	FY 2025-2026			FY 2024-2025		
	Total (A)	No. of employees covered (B)	% (B / A)	Total (C)	No. of employees covered (D)	% (D / C)
Permanent	3302	3302	100%	2628	2628	100%
Other than permanent	1753	1753	100%	1721	1721	100%
Total Employees	5055	5055	100%	4349	4349	100%

2. Details of minimum wages paid to employees and workers

Category	FY 2025-2026				FY 2024-2025					
	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	3302	0	0.00%	3302	100%	2628	0	0%	2628	100%
Other than permanent	1842	0	0.00%	1842	100%	1721	9	0.52%	1712	99.48%
Total employees	5144	0	0.00%	5144	100%	4349	9	0.21%	4340	99.79%

3. Details of remuneration/salary/wages

i. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages (in INR)	Number	Median remuneration/ salary/ wages (in INR)
Board of Directors (BoD)	4	₹18,00,000	1	₹19,00,000
Key Managerial Personnel	3	₹3,50,00,000	1	₹50,40,005
Employees other than BoD and KMP	4691	₹3,60,000	449	₹3,24,012

*As on March 31, 2026, the total number of Directors of the Company is 9, out of which 4 are Independent Directors, 3 are Non-Executive Non-Independent Directors, 2 are Executive Directors. The details of the remuneration paid to only Independent Directors have been considered, including Mr. Rajesh Agrawal, who ceased to be a Director w.e.f. November 12, 2025, but has been considered in the calculation of median remuneration.

^Remuneration paid to Executive Directors and Key Managerial Personnel, is covered under median remuneration to Key Managerial Personnel.

ii. Gross wages paid to females

	FY 2025-2026	FY 2024-2025
Gross wages paid to females as % of total wages	6.40	6.11

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

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

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

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

Particulars	FY 2025-2026			FY 2024-2025		
	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	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

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

	FY 2025-2026	FY 2024-2025
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

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

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

9. Do human rights requirements form part of your business agreements and contracts?

Yes

10. Assessment for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	
Discrimination at workplace	
Child Labour	Nil
Forced Labour/Involuntary Labour	
Wages	

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

Not Applicable

Leadership Indicators

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

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

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

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

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

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

4. Details on assessment of value chain partners

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

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

Not Applicable

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

Essential Indicators

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

Parameter	FY 2025-2026	FY 2024-2025 [@]
From Renewable Sources:	0	0
Total electricity consumption (in GJ) (A)	0	0
Total fuel consumption (in GJ) (B)	0	0
Energy consumption through other sources (in GJ) (C)	0	0
Total Energy Consumed from Renewable Sources (in GJ) (A+B+C)	0	0
From Non-Renewable Sources:	0	0
Total electricity consumption (in GJ) (D)	15277.19	14918.78
Total fuel consumption (in GJ) (E)	0	0
Energy consumption through other sources (in GJ) (F)	-	-
Total Energy Consumed from Non-Renewable Sources (in GJ) (D+E+F)	15277.19	14918.78
Total Energy Consumed (in GJ) (A+B+C+D+E+F)	15277.19	14918.78
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (gj/Mn.INR)	0.91	1.14
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (GJ/Mn.INR)	18.51	22.95
Energy Intensity in terms of Physical Output**	0.19	0.27
Energy Intensity (Per employee) # (Total energy consumed / Total Permanent employees in the organization)	4.63	5.68

* We have calculated energy intensity in terms of per rupee of turnover adjusted for PPP. We have divided by Total Revenue from operations for FY 2026 (20.64) and FY 2025(20.26) by Purchasing Power Parity (Total, National currency units/US dollar) obtained from OECD database: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC>

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

Energy Intensity per employee is calculated by dividing total energy consumed divided by the total employees were employed during the reporting periods FY 2026 and FY 2025 respectively. The total number of employees only include permanent employees as no other than permanent employees were reported during the reporting periods.

@ The values for FY 2024-25 have been restated to reflect a change in methodology, and this approach has been consistently applied across water and emissions data as well.

iv. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency

No

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?

Not Applicable

3. Water related information.

i. Provide details of the following disclosures related to water (Water withdrawal by source (in kilolitres))

Parameter	FY 2025-2026	FY 2024-2025
Surface water (A)	0	0
Groundwater (B)	0	0
Third party water (C)	2664	2652
Seawater / desalinated water (D)	0	0
Others (E)	0	0
Total volume of water withdrawal (in kilolitres) (A + B + C + D + E)	2664	2652
Total volume of water consumption (in kilolitres)	2664	2652
Water intensity per rupee of turnover (Total water consumption / Revenue from operations) (kl/Mn.INR)	0.16	0.2
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) (kl/Mn.\$)	3.23	4.08
Water intensity in terms of physical output (kl/ Mn.INR.)	0.03	0.05
Water intensity (optional) - the relevant metric may be selected by the entity (kl/No. of Total permanent employees)	0.81	1.01

ii. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No

4. Provide the following details related to water discharged.

i. Water discharge by destination and level of treatment (in kilolitres)

Parameter	FY 2025-2026		FY 2024-2025	
	Level of treatment	Value	Level of treatment	Value
To Surface water (A)				
- Surface water with no treatment				
- Surface water with treatment				
To Groundwater (B)				
- Groundwater with no treatment				
- Groundwater with treatment				
To Seawater (C)				
- Seawater with no treatment				
- Seawater with treatment				
				Not Applicable
Sent to third-parties (D)				
- Sent to third-parties with no treatment				
- Sent to third-parties with treatment				
Others (E)				
- Others with no treatment				
- Others with treatment				
Total water discharged (in kilolitres)				

ii. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

Disclosure Not Available

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

Not Applicable

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6. Air emissions

- i. Whether air emissions (other than GHG emissions) by the entity is applicable to the company?

Disclosure Not Available

- ii. Please provide details of air emissions (other than GHG emissions) by the entity.

Parameter	Unit	FY 2025-2026	FY 2024-2025
Nox			
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)		Not applicable	
Volatile organic compounds (VOC)			
Hazardous air Pollutants (HAP)			

- iii. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No

7. Greenhouse gas emissions.

- i. Whether greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity is applicable to the company?

Yes

- ii. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity

Parameter	Unit	FY 2025-2026	FY 2024-2025
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)	tCO ₂ e	0	0
Total scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	3013	2942
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO ₂ e / Mn.INR.	0.18	0.23
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)	tCO ₂ e / Mn.\$	3.65	4.53
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO ₂ e / Mn.INR.	0.04	0.05
Total Scope 1 and Scope 2 emission intensity (optional)-the relevant metric may be selected by the entity	tCO ₂ e / No: of Total permanent employees	0.91	1.12

- iii. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No

8. Does the entity have any project related to reducing Green House Gas emission?

The organization has undertaken targeted initiatives to enhance energy efficiency across its operations, particularly in newly established branches. This includes the adoption of LED lighting systems, which offer significantly lower energy consumption compared to conventional lighting solutions. Additionally, improvements in operational efficiency have contributed to an overall reduction in energy usage. The deployment of high-efficiency HVAC systems has further strengthened these efforts by optimizing energy consumption for climate control across facilities. Collectively, these measures have resulted in a measurable decrease in energy intensity, while supporting the organization's commitment to sustainable operations and environmental responsibility.

9. Provide details related to waste management by the entity

- i. Total Waste generated (in metric tonnes)

Parameter	FY 2025-2026	FY 2024-2025
Plastic waste (A)	1.9	1.92
E-waste (B)	0.47	0.77
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste (G)	-	-
Other non-hazardous waste generated (H)	3.7	3.41
Total (A + B + C + D + E + F + G + H)	6.07	6.1
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.00036	0.00047
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.0074	0.009
Waste intensity in terms of physical output	0.000075	0.00011
Waste intensity (optional) - the relevant metric may be selected by the entity	0.0018	0.0023

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

Category of waste	FY 2025-2026	FY 2024-2025
Recycled	6.07	6.10
Re-used	-	-
Other recovery operations	-	-
Total	-	-

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

Category of waste	FY 2025-2026	FY 2024-2025
Incineration	-	-
Landfilling	-	-
Other disposal operations	-	-
Total	-	-

- iv. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No

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.

SBFC Finance Limited operates in the financial services sector and does not generate hazardous waste or use toxic chemicals, as it does not manufacture or handle physical products. The Company is conscious of its environmental responsibility and has been actively reducing waste through increased use of digital communication and documentation, which has helped minimise paper usage over time. To manage electronic waste responsibly, SBFC has put in place an e-waste policy and partnered with a certified disposal vendor to ensure safe and compliant handling of e-waste. In addition, small but meaningful steps—such as replacing single-use plastic bottles with reusable glass bottles across offices—have contributed to reducing plastic waste.

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.

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Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? If no, the reasons thereof and corrective action taken, if any.	if no, the reasons thereof and corrective action taken, if any.		
Not Applicable					
12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year					
Name and Brief of the project	EIA Notification no	Date	Whether conducted by independent external agency?	Results communicated in public domain?	Relevant web link
Not Applicable					
13. Applicable environmental law/ regulations/ guidelines in India.					
i. 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, we are compliant with all the applicable environmental law/ regulations/ guidelines in India					
ii. If not, provide details of all such non-compliances					
Specify the law / regulation / guidelines which was not complied with	Provide details of non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any		
-	-	-	-		

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres)

- i. For each facility / plant located in areas of water stress.
Disclosure Not Available
- ii. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?
Disclosure Not Available

2. Total Scope 3 emissions

- i. Whether total Scope 3 emissions & its intensity is applicable to the company?
Disclosure Not Available
- ii. Please provide details of total Scope 3 emissions & its intensity.

Parameter	Unit	FY 2025-2026	FY 2024-2025
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	-	-
Total Scope 3 emissions per rupee of turnover	tCO ₂ e / Rs.	0	0
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity	-	-	-

- iii. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?
Disclosure Not Available

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Disclosure Not Available

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated.

Initiative Undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Corrective action taken, if any
Energy efficiency improvements across branches	Adoption of LED lighting in new branches, deployment of energy-efficient HVAC systems, and continuous improvement in operational efficiency to optimise energy use across facilities.	Reduction in overall energy consumption and improved energy efficiency across operations.	No specific corrective actions required; initiatives are part of ongoing efficiency improvements.
Digitalisation to reduce paper waste	Increased use of digital communication and documentation to minimise paper usage across operations.	Significant reduction in paper consumption and associated waste generation.	Continuous monitoring and enhancement of digital adoption practices.
E-waste management	Implementation of an e-waste policy and partnership with a certified e-waste disposal vendor to ensure safe and compliant disposal of electronic waste.	Environmentally responsible handling and disposal of e-waste in compliance with regulations.	Periodic review of vendor compliance and internal processes.
Reduction of plastic waste	Replacement of single-use plastic bottles with reusable glass bottles across office locations.	Reduction in plastic waste generation and promotion of sustainable alternatives.	Ongoing efforts to identify and eliminate other sources of single-use plastics.

5. Does the entity have a business continuity and disaster management plan?

Yes, the Company has a formal and well-defined Business Continuity Policy in place to ensure operational resilience and continuity in the event of disruptions.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Disclosure Not Available

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

Disclosure Not Available

8. Green Credits

Disclosure Not Available

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

Essential Indicators

1. Trade and industry chambers / associations

i. Number of affiliations with trade and industry chambers / associations

1

ii. 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
1	FIDC	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
Nil	Nil	Nil

Leadership Indicators

1. Details of public policy positions advocated by the entity.

Public policy advocated	Method resorted for such advocacy	Frequency of Review by Board	Whether information available in public domain?	Web Link, if available
Nil	Nil	Nil	Nil	Nil

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

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

Name and brief details of the project	SIA notification no.	Date of notification	Whether conducted by independent external agency	Results communicated in public domain	Relevant Web link
Not Applicable					

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

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAF)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
Not Applicable					

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

We have established a dedicated channel to receive and address concerns from the wider community. Members of the community can easily reach out to us through a publicly available email address and phone number to share any grievances or feedback.

We are committed to responding to all such concerns in a timely and responsible manner. Notably, during the reporting period, we did not receive any complaints from the community, indicating the effectiveness of our engagement practices and our efforts to operate responsibly within the communities we serve.

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

	FY 2025-2026	FY 2024-2025
Directly sourced from MSMEs/ small producers	Not Applicable	Not Applicable
Sourced directly from within the district and neighbouring districts	Not Applicable	Not Applicable

Since the company is a NBFC, they is no purchase of materials from suppliers, hence this is not applicable.

We have started to report this parameter from FY2025-26

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

	FY 2025-2026	FY 2024-2025
Urban	61%	59%
Metropolitan	39%	41%

Leadership Indicators

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

Details of negative social impact identified	Corrective action taken
Not Applicable	

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

State	Aspirational District	Amount spent (in INR)
Not Applicable		

3. Preferential procurement policy.

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- i. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?

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

- ii. From which marginalized /vulnerable groups do you procure?

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

- iii. What percentage of total procurement (by value) does it constitute?

Disclosure Not Available

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

Intellectual Property based on traditional knowledge	Owned/ Acquired	Benefit shared	Basis of calculating benefit share
			Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
		Not Applicable

6. Details of beneficiaries of CSR Projects.

CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Shiksha (Education):		
Supporting Little Angel's School for specially abled children through NGO partners Human Development Centre	14	100%
Shiksha (Education):		
Infrastructure Development School with our NGO Partner Yuva Unstoppable:		
1) Shri Swaminarayan Vidyalaya, Manipura,		
- School Bus-Shri Swaminarayan Vidyalaya, Manipura, Viramgam, Ahmedabad.		
- School Buses		
- Solar Light	738	100%
2) Suryanagar High School, Waghadi, Dist. Palghar, Maharashtra		
- 8 Smart Class rooms		
3) Government Upper Primary School Tankariya Sirohi, Rajasthan		
- Construction of 4 smart classrooms		
- Separate washroom facilities for boys and girls, including 2 WCs and 3 urinals		
- Mid-Day Meal (MDM) shed for safe meal consumption.		
Aarogya(Health):		
1) Mobile Ophthalmic Unit project- Kolhapur, Maharashtra		
2) Mental Health Counselling services for School Children, Mumbai		
3) Cardiac Ambulance vehicle donation to Smt. Nandamuri Basava Taraka Ramarao Memorial Cancer Foundation, Hyderabad	7544	100%
4) Treatment cost support for 10 economically weaker patients diagnosed with lymphoma or leukaemia through Tata Memorial Centre.		
Vikas & Paryavaran (Development & Environment):		
147 Solar Light in village Manipura, Viramgam, Gujarat	1700	100%
Sanskriti (Music, Art & Culture):		
Project Barkha Ritu Festival (For support mission to propagate and nature Indian classical music)	NA	NA
Gurukul (Skill):		
National Apprentice Promotion Scheme (NAPS)	547	41%

Directors' Report / Annexure – XI / Business Responsibility and Sustainability Report

(continued)

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

Essential Indicators

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

SBFC has established a robust Vigil Mechanism that enables employees to report concerns in a safe and confidential manner through multiple channels, including an independent third-party platform. The Whistle Blower Policy provides adequate safeguards against retaliation, and awareness of these mechanisms is regularly communicated across the organization.

We place strong emphasis on customer trust and have implemented a structured grievance redressal mechanism to address concerns related to business practices, lending, credit management, and recovery. Customers can reach us through multiple channels, including toll-free numbers and dedicated email IDs, with a Grievance Redressal Officer accessible across all branches and a defined escalation matrix, including the RBI Ombudsman.

During the reporting period, we received approximately 405 customer complaints, all of which were resolved, maintaining a 100% resolution rate. We systematically track and analyse grievances to identify root causes and drive continuous improvements in service delivery and customer experience. Customer satisfaction is essential for continuous improvement and delivering exceptional experiences. We actively encourage and appreciate feedback to shape our offerings and ensure customer satisfaction remains our top priority.

For more information, please refer to the Customer Testimonial section of our website through this link: <https://www.sbfc.com/customer-testimonials>

For more information, please visit our Grievance Redressal Policy available on our website through this link:

<https://www.sbfc.com/cmsproject/mediaGallery/docs/Grievance%20Redressal%20Policy-1704795424.pdf?rm=1702233000>

Our whistleblower policy is also available on our website:

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

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

	Percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	Not Applicable
Recycling and/or safe disposal	Not Applicable

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

Particulars	FY 2025-2026			FY 2024-2025		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	405	-	-	218	1	-

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

	Number	Reasons for recall
Voluntary recalls	-	Not Applicable
Forced recalls	-	Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy?

SBFC Finance Limited has a well-defined framework for cybersecurity and data privacy, supported by a comprehensive Privacy

Policy available on our website (<https://www.sbfc.com/privacy-policy>). We are committed to safeguarding personal information and ensuring that all data shared with us is handled with the highest level of confidentiality. Information is not disclosed to third parties except where explicitly permitted by the user or required by law.

Our approach is backed by strong systems, controls, and continuous monitoring to ensure data security and a seamless user experience. As a result of these measures, we reported zero data breaches and received no complaints related to data privacy during the reporting period, reflecting the effectiveness of our policies and infrastructure.

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.

Not Applicable

7. Provide the following information relating to data breaches

i. Number of instances of data breaches along-with impact	0
ii. Percentage of data breaches involving personally identifiable information of customers	0
iii. Impact, if any, of the data breaches	Not Applicable

Leadership Indicators

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

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

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

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

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

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

4. Entity display product information

i. Does the entity display product information on the product over and above what is mandated as per local laws?

Yes, all information related to the loan is available on our website. As per the relevant regulation we also communicate all relevant information during the loan sanction process to the customer. Moreover, a welcome kit containing all the relevant details related to loans is sent to the customer. Yes, we have taken customer testimonials to gather feedback related to our product and services and further make improvements and enhancements to it

ii. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?

Yes, we have taken customer testimonials to gather feedback related to our product and services and further make improvements and enhancements to it. For more information, please refer to the Customer Testimonial section of our website through this link: <https://www.sbfc.com/customer-testimonials>