



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

A

SECTION GENERAL DISCLOSURES

I. Details of the listed entity:

- | | | | |
|----------|---|-----------|---|
| 1 | Corporate Identity Number (CIN) of the listed entity - L65993GJ2007PLC051028 | 10 | Name of the Stock Exchange(s) where shares are listed
National Stock Exchange (NSE) & Bombay Stock Exchange (BSE) |
| 2 | Name of the Listed Entity
HDB FINANCIAL SERVICES LIMITED (HDBFS) | 11 | Paid-up Capital
8,30,32,72,160 (consisting of 83,03,27,216 equity shares of ₹ 10/- each.) |
| 3 | Year of Incorporation
2007 | 12 | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report
Ms. Dipti Jayesh Khandelwal
Company Secretary & Head - Legal
+91 22 49116368
dipti.khandelwal@hdbfs.com
HDB House, Tukaram Sandam Marg, A-Subhash Road, Vile Parle (East), Mumbai – 400 057 |
| 4 | Registered Office Address
Radhika, 2nd Floor, Law Garden Road, Navrangpura, Ahmedabad, Gujarat, India, 380009 | 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).
Disclosures made in this report are on a standalone basis and pertain to the entire HDBFS premises across India. |
| 5 | Corporate Address
HDB House, Tukaram Sandam Marg, A-Subhash Road, Vile Parle (East), Mumbai – 400 057 | 14 | Name of assurance provider
SGS India Private Limited |
| 6 | E-mail
compliance@hdbfs.com | 15 | Type of assurance obtained
Reasonable assurance on BRSR Core KPIs and Limited Assurance for select non-core BRSR KPIs.
For further details, refer Reasonable Assurance Report and Limited Assurance Report issued by SGS India Private Limited |
| 7 | Telephone
+91 22 49116300 | | |
| 8 | Website
www.hdbfs.com | | |
| 9 | Financial Year for which reporting is done
April 01, 2025 to March 31, 2026 (FY 2025-26) | | |

II. Products/Services

16. Details of Business Activities (accounting for 90% of the turnover)

	Description of main activity	Description of Business Activity	% of Turnover
1	Non-banking Financial Services	Lending Business	93.36%
2	Non-banking Financial Services	BPO Services	6.64%

17. Products/Services sold by the entity

	Product/Service	NIC Code	% of Turnover contributed
1	Lending Business	64990	93.36%
2	BPO Services	62099	6.64%

III. Operations

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

National		International	
Plants	Not Applicable*	Plants	Not Applicable*
Offices	1,730 (Branches)	Offices	Nil
Total	1,730	Total	Nil

*The Company provides Non-Banking Financial Services and does not undertake any manufacturing activity

19 Market served by the entity:

a. Number of locations

26 States **5** Union Territories

National (No. of States)

International (No. of Countries): Nil

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

Given the nature of the non-banking business, this is not applicable.



c. A brief on type of customers

We are a well-diversified retail-focused lender, primarily catering to underserved and underbanked customers in low to middle-income households with minimal or no credit history. Our diversified product portfolio serves multiple credit needs of customers across three business verticals, as outlined below:

- **Enterprise Lending:** Customers for this vertical largely comprise of micro, small and medium enterprises (“MSMEs”), who borrow to meet their varied and evolving business needs.
- **Asset Finance:** Customers in this vertical largely comprise of MSME’s and individuals, who essentially borrow for purchasing new and used commercial vehicles, construction equipment and tractors, all of which are income-generating assets for them.
- **Consumer Finance:** This vertical primarily serves salaried/ self-employed individuals borrowing secured and unsecured loans for purchase of consumer durables, digital and lifestyle products, two-wheelers, automobiles and other unsecured personal loans.

IV. Employees

20. Details as of March 31, 2026

a. Employees and workers (including differently abled):

Sl. no	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No. (C)	% (C/A)
Employees						
1	Permanent (D)	88,162	67,505	76.57	20,657	23.43
2	Other than Permanent (E)	1	1	100.00	0	0
3	Total employees (D+E)	88,163	67,506	76.57	20,657	23.43
Workers*						
4	Permanent (F)	0	0	0	0	0
5	Other than Permanent (G)	0	0	0	0	0
6	Total workers (F+G)	0	0	0	0	0

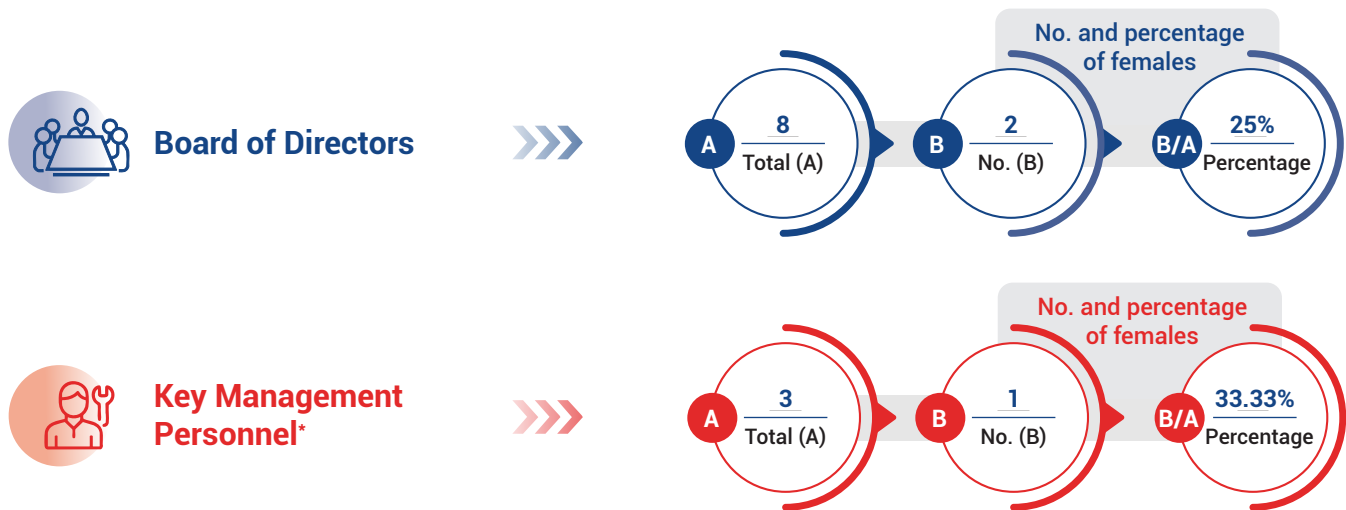
*All employees of the company are categorised as permanent or on contract basis. HDBFS does not employ any workers accordingly all worker-related KPI are not applicable and same has not been included in any of the prescribed tables in BRSR.

b. Differently abled employees and workers

Sl. no	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No. (C)	% (C/A)
Differently Abled Employees						
1	Permanent (D)	60	52	86.67	8	13.33
2	Other than Permanent (E)	0	0	0	0	0
3	Total differently abled employees (D + E)	60	52	86.67	8	13.33
Differently abled workers*						
4	Permanent (F)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5	Other than Permanent (G)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
6	Total workers (F + G)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

*The Company does not have any workers as defined in the guidance note issued by SEBI.

21 PARTICIPATION/INCLUSION/REPRESENTATION OF WOMEN (AS OF MARCH 31, 2026)



*KMPs are as defined under the provisions of section 203 of the Companies Act, 2013 and comprise of Managing Director & CEO, Chief Financial Officer and Company Secretary & Head Legal.

22. Turnover rate for permanent employees and workers

Particulars	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	43.94	16.01	59.95	48.73	15.85	64.57	58.15	24.36	82.52
Permanent Workers*	NA	NA	NA	NA	NA	NA	NA	NA	NA

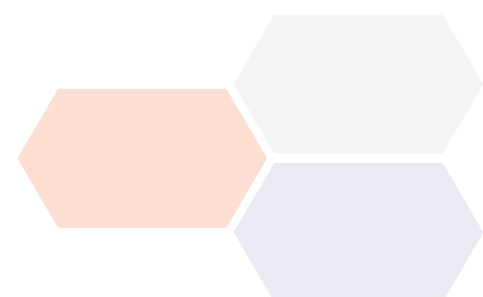
*The Company does not have any workers as defined in the guidance note issued by SEBI.

Note: Permanent employees include employees engaged in the BPO business. The industry generally experiences high attrition rates, particularly at the frontline staff level. To strengthen employee retention, we continuously undertake various initiatives and interventions, including employee engagement programmes, rewards and recognition (R&R) activities, induction programmes and periodic refresher trainings

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

23. (a) Names of holding/subsidiary/associate companies/joint ventures (As on March 31, 2026)

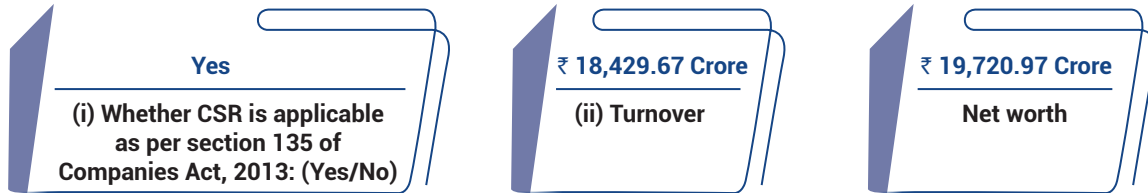
Sr. no	Name of the holding/subsidiary/ associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% of shares held in listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	HDFC Bank Limited	Holding Company	74.15	No








VI. CSR Details

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VII. Transparency and Disclosure Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
 Communities	Yes Any grievance can be communicated at: csr@hdbfs.com	0	0	-	0	0	-
 Investors (other than shareholders)	Yes Grievance redressal for investors is part of the terms of reference of the Stakeholders' Relationship Committee detailed in the Corporate Governance Report. E-mails for grievances/ investor related activities: investorcommunications@hdbfs.com	0	0	-	0	0	-
 Shareholders/ Debenture holders	Yes Grievance redressal for investors form part of the terms of reference of the Stakeholders' Relationship Committee. For equity shares: investor.helpdesk@in.mpms.mufg.com For Commercial Papers & Non-Convertible Securities: Email: rohan.jadhav@in.mpms.mufg.com , team.bonds@in.mpms.mufg.com compliance@hdbfs.com	976	0	-	0	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If Yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
 Employees and workers	Yes Employees have access to grievance redressal mechanisms available on Human Resource management System. This platform helps to raise their concerns in a secure and seamless manner for timely resolution of the same.	53	14	-	36	14	-
 Customers	Yes Customer support: https://www.hdbfs.com/customer-services/customer-support	24,316	792	Customer complaints: 1) Payment follow up 2) IVR Communication related 3) Closure Related	17,487	247	-
 Distributors (Value Chain Partners)	Yes Whistleblower policy Fair Practices code & Grievance Redressal Policy	0	0	-	0	0	-
 Other	Yes Whistleblower policy Fair Practices code & Grievance Redressal Policy	13	1	-	0	0	-





26. Overview of the entity's material responsible business conduct issues

Various material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity for the Company's business are as indicated below:







Opportunity

Risk





Negative





Positive

Sr. no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
1	Financial Inclusion		NBFCs have played a crucial role in extending financial inclusion, bridging the gap between financial institutions and the diverse needs of India's growing population. They now hold a material share in MSME Loans, Auto Loans, Housing Loans and Gold Loans. NBFCs have thus demonstrated their capacity to compete with larger institutions for customer retention, whilst complementing them in expanding the financial landscape through the country. NBFCs have achieved this through their reach and by adopting digitalisation to increase customer acquisition and engagement while enhancing operational efficiency and asset quality.	As a prominent NBFC, HDBFS is positioned to support MSMEs, retail and underserved populations. With more than 70% of our branches located in Tier IV towns and rural areas, we are committed to reaching customers in rural parts of India that traditional banks often miss. The Company's deep understanding of customers' diverse financial needs, vast reach and fast turnaround times enable us to cater to unique borrowing needs effectively. HDBFS strives to enhance service delivery and customer experience by embracing digital transformation and technological capabilities. The Company's mobile apps and online platforms provide seamless credit access promoting financial inclusion. It also ensures prudent lending and asset quality focus by strengthening risk management. The Company is also committed in supporting economic development through accessible financial solutions. HDBFS's customer-centric approach, technological advancements and strong risk management practices make it a reliable partner for individuals, businesses and communities.	
2.	Privacy and Data Protection		NBFCs have leveraged digitalisation to offer faster, more efficient loan options, particularly to the underserved MSME sector. This digital transformation is a gamechanger and NBFCs are increasingly using super apps to reach and partner with customers, creating superior customer experience. Technology, data and analytics are poised to play an even greater role across the NBFC value chain, impacting credit assessment, collections, fraud management and cyber security.	The Company is ISO 27001:2022 certified company. The Company uses technology to enhance customer experience, increase productivity and manage risks effectively. The Company continuously improves its processes and controls to mitigate cyber threats, employing a Cyber Resilience Framework and a cutting-edge Security Operations Centre. Its strong technology and cybersecurity architecture include Disaster Recovery and Business Continuity Plans and access control mechanisms, all regularly monitored through third-party assurance. To maintain readiness, all employees receive annual cybersecurity and compliance training and periodic simulation exercises to stay informed about evolving cybersecurity trends. This proactive approach enables the Company to continually strengthen its cybersecurity resilience.	



Sr. no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
3	Community relations		In addition to bridging the financial inclusion gap in Indian lending sector, NBFCs can also play a crucial role in empowering various section of communities through their CSR initiatives. This will not only open economic opportunities for the underserved communities, but also contribute to national growth by leveraging untapped talent.	<p>Implementing community development programmes that align with the Company's core values.</p> <p>The thematic areas of our CSR projects include</p> <ol style="list-style-type: none"> 1. Health & Hygiene 2. Literacy & Livelihood Enhancement 3. Environmental Sustainability 4. Rural Development 	
4.	Climate change		Climate change can have an impact on the operations of the company through physical risk arising from natural events like floods, earthquake, heat waves as well as transition risk like regulatory changes and new climate-aligned policies. However, proactive strategy to mitigate climate change effects can lead to innovation, efficiency and market differentiation. It opens opportunities for climate focused products and financing solutions, better credit assessment which can lead to potential reduction of NPA	The Company places emphasis on sustainability and recognises the importance of increasing effect of climate change. The Company is committed to adopting energy efficient technologies to try and reduce the carbon emissions that contribute to climate change.	
5	Customer Experience and Satisfaction		In the lending business, poor customer experience is a major risk because unsatisfied customers will quickly switch to a competitor, leading to lost revenue and damaged reputation. However, providing a smooth, personal experience is a huge opportunity to stand out; by offering clear advice and quick solutions that actually fit a customer's life, an NBFC can turn a one-time borrower into a loyal, long-term partner. Ultimately, treating customers well is a strategic way to protect the business and keep it growing in a competitive market.	The Company is transforming how it serve its customers by putting their real-life needs at the heart of everything it does. By combining honest, fair advice with high-speed digital tools and easy-to-use technology, we ensure that every interaction is smooth, transparent and personalised. The Company don't just stop at delivering a service; It empower its teams with the right training and use constant feedback to sharpen our performance. The goal is to move beyond simple transactions to build a faster, smarter and more reliable financial partnership that consistently earns our customers' trust.	



Sr. no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
6.	Talent Attraction and Retention		<p>In the NBFC sector, talent attraction and retention are critical because the business relies entirely on the expertise and relationships of its people rather than physical products. Since an NBFC's success depends on accurate risk assessment and high-touch customer service, losing skilled employees leads to a loss of vital institutional knowledge and can weaken the performance of the company. By prioritising a stable, future-ready workforce, an NBFC ensures it can navigate complex regulations and adopt new financial technologies faster than its competitors. Ultimately, retaining top talent is a strategic necessity that reduces hiring costs, protects customer trust and builds the long-term resilience needed to thrive in a crowded financial market.</p>	<p>The Company's commitment to employee practices centres on building a versatile, future-ready workforce through continuous development and a supportive culture. By leveraging annual feedback surveys to reduce stress and enhance purpose, the Company maintain a positive work environment where diversity and inclusion are prioritised alongside comprehensive benefits like parental leave and medical care. We further drive long-term retention by encouraging internal mobility and aligning performance management with clear career progression, ensuring our employees' personal growth is directly linked to organisational success. This holistic focus on "human capital" not only attracts top talent but creates an agile team capable of navigating the complex and evolving landscape of the financial sector</p>	
7	Diversity & Inclusion		<p>By bringing together employees with diverse backgrounds and perspectives, the company can make more balanced risk assessments and spark creative solutions that a uniform team might miss. This inclusive culture doesn't just attract a wider pool of top talent; it also builds a reputation for fairness and empathy, which is essential for gaining the trust of a broad, multicultural customer base. Ultimately, a diverse workforce makes an NBFC more adaptable and better equipped to grow in a rapidly changing economy.</p>	<p>Being an equal opportunity employer, we ensure that our hiring and promotion processes remain fair and unbiased for everyone. As part of our focus on diversity, we have welcomed several employees with disabilities and have maintained a women's representation ratio of over 20%. To keep building an inclusive workplace, we regularly review our recruitment and talent management strategies while providing safe spaces for open dialogue. By combining this direct feedback with the insights from our annual employee survey, we can better understand our team's needs and ensure that every individual has a respectful environment and an equal opportunity to grow with us.</p>	

Sr. no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
8.	Decarbonisation Strategy		Decarbonisation strategy is a fundamental component of long-term operational resilience and risk management. By establishing a clear framework to reduce internal emissions, a company can effectively mitigate exposure to rising energy costs and potential carbon-related regulatory shifts, ensuring more predictable overheads. Beyond direct cost management, maintaining a credible decarbonisation strategy is increasingly essential for accessing global capital markets, as investors and credit rating agencies now weigh a firm's environmental footprint when determining its risk profile and cost of funding. This strategic alignment with global sustainability standards also enhances corporate reputation, signaling to stakeholders that the organisation is prepared for the transition to a low-carbon economy. Ultimately, a decarbonisation strategy provides a structured approach to improving resource efficiency and ensuring the business remains compliant and competitive in an evolving regulatory landscape.	We have achieved IGBC Gold certification for our Head Office, marking a key milestone in our decarbonisation strategy. Our decarbonisation efforts include gradually transitioning from DG sets to cleaner inverters, LED lighting across all premises and replacing legacy cooling units with 5-star ACs using ozone-friendly refrigerants. By standardising temperatures at 24°C and fostering a culture of responsible natural resource use among employees, we are systematically reducing our operational footprint. To stay ahead of emerging risks, we regularly review and adjust our climate strategies, which has enabled us to drive significant impact by financing over 1800+ EVs in the reporting year. These measures reflect our commitment to integrating environmental efficiency into our daily operations and portfolio and moving towards low-carbon future	
9.	Corporate governance		Corporate governance and ethics are the foundational pillars of an NBFC, ensuring the trust and stability required to manage capital responsibly within a highly regulated environment. A robust governance framework is essential for managing systemic risks and maintaining the compliance necessary to protect the organisation from reputational damage and legal penalties. By prioritising transparency and ethical conduct, we secure investor confidence and more favourable access to capital markets. Ultimately, strong governance ensures we remain a resilient and reliable financial intermediary, safeguarding the long-term interests of our customers and shareholders alike.	We are deeply committed to maintaining the highest standards of governance and ethics, going beyond simple compliance to ensure our operations are always transparent and fair. By establishing a clear Board and Committee structure aligned with our long-term interests, we have built a culture that prioritises integrity at every level. We enforce this through strict policies, such as our Code of Conduct and a zero-tolerance approach to bribery and corruption. To keep these standards high, we conduct mandatory training for all internal stakeholders and provide effective whistleblower and grievance mechanisms for safe, honest feedback. Ultimately, these processes ensure that we operate as a responsible and reliable institution that our stakeholders can trust.	



Sr. no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
10	Risk Management		Risk management is a vital topic for an NBFC because our business is built on the careful balance of lending and borrowing money. Since we face constant uncertainties like the possibility of borrowers not paying back or sudden changes in market interest rates, having a strong plan in place is essential to keep the company stable. By identifying these threats early and having clear rules for how we lend, we protect the money entrusted to us by our investors and banks. This careful approach doesn't just keep us compliant with the law; it builds the trust and financial strength we need to grow steadily, even when the economy gets tough.	Our risk management strategy is built on a proactive and comprehensive framework designed to safeguard stakeholder interests and ensure long-term stability. We conduct stress testing and scenario analysis, to anticipate potential disruptions while diversifying our asset allocation. By setting strict credit limits and managing interest rate exposure, we maintain a resilient loan portfolio supported by robust internal controls and regular audits. We maintain a zero-tolerance policy towards any kind of fraud activities and actively promote a culture of integrity through continuous employee training.	



B

SECTION

MANAGEMENT AND PROCESS DISCLOSURES

Disclosure questions	P1 Ethics, Transparency & Accountability	P2 Product Responsibility	P3 Employee Wellbeing	P4 Stakeholder Engagement	P5 Human Rights	P6 Environment	P7 Public and Regulatory Policy	P8 Inclusive Growth and Equitable Development	P9 Consumer Responsibility
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	All the policies have been developed based on best practices or as per regulatory requirements and have been hosted on the website of the Company. Cyber Security Policy is available to the internal stakeholders.								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	No	No	No	Yes	Yes	No	No	No
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	ISO 27001:2022 - Information security management systems ISO 22301:2019 - Business continuity management systems We have achieved IGBC Gold certification for our corporate Office.								



Disclosure questions	P1 Ethics, Transparency & Accountability	P2 Product Responsibility	P3 Employee Wellbeing	P4 Stakeholder Engagement	P5 Human Rights	P6 Environment	P7 Public and Regulatory Policy	P8 Inclusive Growth and Equitable Development	P9 Consumer Responsibility
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<ul style="list-style-type: none"> Implement new policies in line with BRSR requirements to strengthen ESG governance and publish them on corporate website To install LED lights and 5-star rating Air Conditioners (AC) in all new premises. Ensure 100% safe and environmentally safe disposal of E-waste Conduct air emission testing (NOx, SOx, PM) in 10 locations as per requirement of BRSR. Provide health and safety training to all employees Conduct employee engagement survey Ensure first aid kits across all premises Provide Data privacy and data protection training to all the employees To attain ISO 45001 for corporate office by FY2028 Intend to replace 1000 legacy Air Conditioners (AC) with 5-star rating Air Conditioners (AC) by FY2028 								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<ul style="list-style-type: none"> Introduced policies necessary in line with BRSR requirements. The policies are also available on the Company website. All new premises have LED lights and 5-star rating Air Conditioners (AC) 100% E-waste has been processed through a CPCB-certified recycler. Determined the air emission results for NOx, SOx, PM for the premises as per requirements of BRSR All employees were trained on health and safety measures. Successfully conducted employee engagement survey covering all employees. First aid kits made available across all the premises All employees were trained on data privacy and data protection 								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)-	<p>I am proud to present our voluntary inaugural Business Responsibility and Sustainability Report. This is supported by both reasonable and limited assurance by external authority to ensure the highest level of transparency and trust in our ESG disclosures. We have ensured a Board-level oversight through a dedicated CSR & ESG committee.</p> <p>Through our lending services, we support our customers and the wider economy. In FY 2025-26, we financed over 1,800 electric vehicles, directly contributing to cleaner air and lower emissions. We also supported more than 1.6 Lakhs MSMEs and channelled 14% of our loan book to women borrowers, advancing local entrepreneurship and women's economic empowerment.</p> <p>Within our operations, we are systematically reducing our footprint. Our corporate office has earned IGBC Gold certification, we have transitioned to 100% FSC-certified paper and we have replaced 140 DG sets with inverters. Supporting this is a motivated workforce whose well-being, professional growth and safety remain our continued priority.</p> <p>Beyond our business, our CSR initiatives have touched over 1.5 Lakhs lives, revived more than 400 water bodies to strengthen community water security and concentrated outreach across 19 aspirational districts to ensure our efforts drive measurable, lasting change.</p> <p>ISO 27001 and ISO 22301 certifications affirm the rigour of our cybersecurity and business continuity frameworks, reflecting our commitment to the highest standards of trust and sustainable business operations.</p> <p>Through responsible lending, we aspire to empower the diverse aspirations of every Indian, building a legacy of trust rooted in integrity, governance and care for both people and planet.</p>								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>Mr. Ramesh G.</p> <p>Managing Director & Chief Executive Officer</p> <p>DIN: 05291597</p>								

Disclosure questions	P1 Ethics, Transparency & Accountability	P2 Product Responsibility	P3 Employee Wellbeing	P4 Stakeholder Engagement	P5 Human Rights	P6 Environment	P7 Public and Regulatory Policy	P8 Inclusive Growth and Equitable Development	P9 Consumer Responsibility
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	We have a sub-committee of Board, CSR & ESG Committee which guides us in ESG matters stemming from our operations, monitoring our framework, strategy and disclosures. We aim to integrate regulatory principles on Social, Environmental, Governance and Economic responsibilities into our activities, ensuring compliance and assessing performance.								

Principle wise policies

P1 – Ethics, Transparency & Accountability

P2 – Product Responsibility

P3 – Employee Wellbeing

P4 – Stakeholder Engagement

P5 – Human Rights

P6 – Environment

P7 – Public and Regulatory Policy

P8 – Inclusive Growth and Equitable Development

P9 – Consumer Responsibility

- [Code of conduct for Board of Directors and Senior Management Personnel](#)
 - [Code of Conduct Philosophy](#)
 - [Whistleblower Policy](#)
 - [Corporate Governance Code](#)
 - [Anti Bribery Anti-Corruption Policy](#)
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- [Fair Practice Code and Grievance Redressal Policy](#)
-
- [Code of Conduct Philosophy](#)
 - [Whistleblower Policy](#)
 - [Prevention and redressal of Sexual harassment policy](#)
 - [Human Rights Statement](#)
 - [Occupational Health, Safety and wellbeing policy](#)
-
- [Fair Practices Code and Grievance Redressal Policy](#)
 - [Code of conduct for Board of Directors and Senior Management Personnel](#)
 - [Whistleblower Policy](#)
 - [Dividend Distribution Policy](#)
 - [Corporate Social Responsibility Policy](#)
-
- [Human Rights Statement](#)
 - [Prevention and Redressal of Sexual Harassment at Workplace Policy](#)
 - [Code of Conduct Philosophy](#)
-
- [Environmental, Social and Governance Policy framework](#)
 - [Environmental Policy](#)
-
- [Code of conduct for Board of Directors and Senior Management Personnel](#)
 - [Code of Conduct Philosophy](#)
-
- [Corporate Social Responsibility Policy](#)
 - [Environmental, Social and Governance Policy framework](#)
 - [Code of Conduct Philosophy](#)
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- [Privacy Policy](#)
 - [Cyber Security Policy \(Internal\)](#)
 - [Code of Conduct Philosophy](#)
 - [Customer Rights policy](#)

Note: Policies not published on the Company's website are considered internal documents and are not accessible to the public.



10. Details of Review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/Any other Committee									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	The CSR & ESG Committee (Committee of the Board) convenes three times a year, while the Board undertakes an annual review of the policies.																	
Compliance with statutory requirements of relevance to the principles and, rectification of any non-compliances	The Company complies with all applicable regulations.																	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	Refer Note below								

Note*: Working of all policies of HDBFS are evaluated internally.

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									



C

SECTION

PRINCIPLE-WISE PERFORMANCE DISCLOSURE


1

PRINCIPLE



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	% Of persons in respective category covered by the awareness programmes
 <p>Board of Directors</p>	<p>12</p>	<ul style="list-style-type: none"> • A strategy meeting of the Board was held to discuss various matters, including prospects and strategic planning. • Discussion on Code of Conduct for Directors and SMPs, Business Strategies, Opportunities, emerging trends, & Company's performance, Information security and Cyber Security awareness was conducted in various board meetings. • Independent Directors were briefed on Artificial Intelligence and its strategic role in enhancing NBFC growth. • The Independent Directors of the Company attended two days "CAFRAL Program on roles and responsibilities of Directors in Key Committees of Banks, NBFCs & FIs". • The Independent Directors of the Company attended a Programme on Master Class on Board Governance, organised jointly by IMD Global Board Center, Switzerland and Excellence Enablers, India • A session on "Information Security – Cyber Security and Business Responsibility and Sustainability Reporting Awareness" was arranged by the Company for Independent Directors. <p>An Independent Director attended a certification programme on "IT & Cyber Security" arranged for NBFC Board Members by the IDRBT (Institute for Development and Research in Banking Technology).</p>	<p>100%</p>



Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% Of persons in respective category covered by the awareness programmes
 Key Managerial Personnel	11	Trainings are conducted through external and internal programmes. Training topics include: <ul style="list-style-type: none"> • POSH (Prevention of Sexual Harassment) • Security First • AML KYC & FPC • Compliance • Insider Trading 	100%
 Employees other than BOD & KMPs	11	<ul style="list-style-type: none"> • Code of Conduct and HDBFS Values • Data Privacy and Data Protection, Operational Risk • Customer Service and Grievance • Health and Safety at Work 	99.07%*

*As of March 31, 2026, certain newly recruited employees would be in the process of completing trainings. Specific timelines are prescribed for employees to complete specified trainings.

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.

Monetary

Type	NGRBC principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In `)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/fine	1	RBI	4,20,000	The company failed to comply with KYC directions of RBI,2016-when it failed to obtain a Permanent Account Number (PAN) or equivalent e-document thereof or form No.60 in loan accounts disbursed during 2023-24	No
Settlement				Nil	
Compounding fee				Nil	

Non-Monetary

Type	NGRBC principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)	
Imprisonment				NIL	
Punishment				NIL	

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
	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

Yes. The Policy applies to all persons working for or on behalf of the Company, including the third parties with whom the Company engages.

Weblink: [Anti-Bribery and Anti-Corruption Policy](#)

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



*The Company does not have any workers as defined in the guidance note issued by SEBI

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

Particulars	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	-	NIL	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	-	NIL	-

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

Not Applicable

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

	FY 2025-26	FY 2024-25
Number of days of accounts payables	1.02	0.78



9. Open-ness of business

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

Parameter		FY 2025-26	FY 2024-25
Concentration of purchases	a. Purchases from trading houses as % of total purchases	Not Applicable	Not Applicable
	b. Number of trading houses where purchases are made from	Not Applicable	Not Applicable
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Not Applicable	Not Applicable
Concentration of sales	a. Sales to dealers/distributors as % of total sales	Not Applicable	Not Applicable
	b. Number of dealers/distributors to whom sales are made	Not Applicable	Not Applicable
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	Not Applicable	Not Applicable
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases) (Rs. In INR Crore)	4.29%	4.43%
	b. Sales (Sales to related parties/Total Sales) (Rs. In INR)	7.17%	7.95%
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	Not Applicable	Not Applicable
	d. Investments (Investments in related parties/ Total Investments made)	Not Applicable	Not Applicable

Leadership Indicators



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

HDBFS strives to influence its value chain partners to participate in responsible and sustainable awareness and training programmes, tailored to business requirements.

The Company engages and trains its direct selling agents, focusing on adherence to the Company's Code of Conduct and equipping them with information about its products and services to better serve customers. All the DSAs are informed about key aspects such as confidentiality and data privacy, code of conduct, along with do's and don'ts.

HDBFS is now an ISO 27001:2022 certified organisation. We have adopted zero trust framework to ensure that cyber-security is ingrained in our technologies, people and processes. To inculcate it in our culture, we continuously communicate and create awareness on areas of Cyber Security and Digital security, Phishing attacks, Deep Fakes etc., for our employees and contractual staff by sending monthly emails and using screen savers to educate about the threats and precautions to be taken. We try to educate our customers through blogs and newsletters to stay vigilant regarding cybersecurity.

Vendors are made aware about ESG requirements and are required to adhere and abide by the ESG-related clauses in the agreement and conduct their business in a responsible manner.

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

Yes, the Company has formulated and adopted Code of Conduct for Board of Directors and Senior Management ("The Code") and Code of Conduct Philosophy in accordance with SEBI Listing Regulations. As per the Code, Directors and Senior Management must refrain from any association or activity that could potentially put their personal interests at conflict with the Company's business. Directors and Senior Management must inform the Board of any circumstances that might appear to be a conflict of interest. The Company receives an annual declaration from its Board members on the code of conduct and ethics for Directors and Senior Management. As and when any director is appointed/ re-appointed, the Company carries out a due diligence exercise which inter alia examines the possibility of conflict of interest. Further, at the time of empanelment of material vendors, the Company obtained conflict of interest declaration from the material vendors.

Weblink: [Code of Conduct for Board of Directors and Senior Management](#)



2 PRINCIPLE

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.

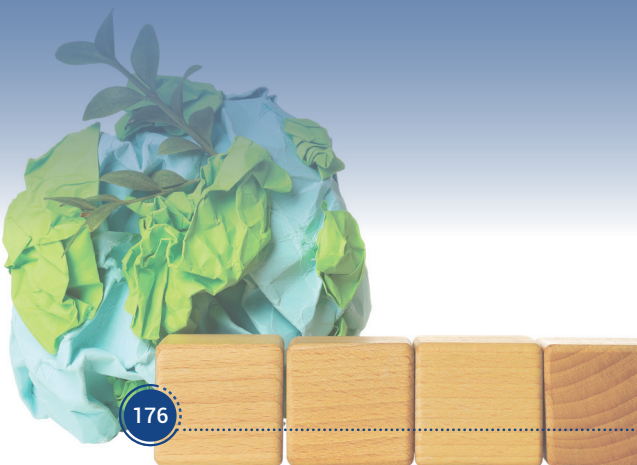
Particulars	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D	Not Applicable	Not Applicable	-
Capex	0.67%	0.21%	Lighting Sensor, Inverter, Air conditioner - 5 Star, CPCB IV compliant DG sets

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

HDBFS is involved in providing financial products & services and does not manufacture any tangible goods. However, we acknowledge the importance of collaborating closely with our vendors and service providers to enhance efficiency, minimise waste and mitigate our environmental impacts. We constantly endeavour to prioritise the procurement of eco-friendly, locally sourced and energy-efficient products/services. We continue to use FSC-certified papers in our operations. For procurement of any electronic devices, HDBFS intends that energy efficiency standards are considered during the purchase of electronic equipment such as computers, laptops, lighting devices, ACs, amongst others.

2. b. If yes, what percentage of inputs were sourced sustainably?

HDBFS is involved in providing financial services and does not undertake significant raw material sourcing. We procure 100% of the A4-size FSC-certified papers in our operations.





3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) Other waste

HDBFS is a Non-banking Financial Company ("NBFC") and provides financial services. We do not manufacture any tangible product that needs to be safely reclaimed for reusing, recycling and disposing at the end of life.

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

HDBFS is a NBFC and provides financial services. Hence, the Extended Producer Responsibility (EPR) is not applicable given the nature of our business.

Leadership Indicators

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

NIC Code	Name of Product/ Service	% of total Turnover Contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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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).

Nil

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.

Particulars	FY 2025-26			FY 2024-25		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste (in metric tonnes)						
Hazardous waste						
Other waste						

Not Applicable

Given the nature of the business, HDBFS does not engage in offering physical products and hence this is Not applicable

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not Applicable

3 PRINCIPLE

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

Essential Indicators

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

Category	Total (A)	Health Insurance* (B)		Accident Insurance (C)		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	67,505	25,139	37.24	67,505	100	0	0	53,385	79.08	0	0
Female	20,657	3,612	17.48	20,657	100	20,657	100	0	0	0	0
Total	88,162	28,751	32.61	88,162	100	20,657	23.43	53,385	60.55	0	0
Other than Permanent Employees##											
Male	1	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	1	0	0	0	0	0	0	0	0	0	0

* Health insurance coverage is under Mediclaim/ESIC

Benefits provided in compliance with the provisions of the Maternity Benefit Act

Other than permanent employees' are not on the rolls of the Company and are contractual employees.

HDBFS supports the mental well-being of its employees and assists the employees facing personal or work-related challenges. Stress management and emotional well-being sessions are also conducted periodically. Continuous communication is ensured to create awareness about the importance of nutrition, exercise, mindfulness and overall well-being of all the employees. HDBFS recently conducted health checkup camp for its employees to promote a healthy lifestyle among employees.

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

Category	Total (A)	Health Insurance* (B)		Accident Insurance (C)		Maternity Benefits#		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	%(F/A)
Permanent workers											
Male	Not Applicable										
Female											
Other											
Total											



Category	Total (A)	Health Insurance* (B)		Accident Insurance (C)		Maternity Benefits#		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	%(F/A)

Other than permanent workers											
Male	Not Applicable										
Female	Not Applicable										
Other	Not Applicable										
Total	Not Applicable										

*The Company does not have any workers as defined in the guidance note issued by SEBI.

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

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Cost incurred on well- being measures as a % of total revenue of the company	0.14%	0.16%

2. Details of retirement benefits for current and previous financial year

FY 2025-26				FY 2024-25		
No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/NOT APPLICABLE)			No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/NOT APPLICABLE)	
99.74%	Yes		PF	99.42%	Yes	
FY 2025-26				FY 2024-25		
No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/NOT APPLICABLE)			No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/NOT APPLICABLE)	
99.74%	Yes		Gratuity	99.42%	Yes	
FY 2025-26				FY 2024-25		
No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/NOT APPLICABLE)			No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/NOT APPLICABLE)	
68.61%	Yes		ESI	68.37%	Yes	

Note: The above represents benefits provided to all the employees who are eligible/have opted for the said retirement benefits.

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.

Necessary arrangements have been made to provide access to differently abled employees, as per the requirements of the Rights of Persons with Disabilities Act, 2016. The corporate office has been designed for wheelchair access has ramps catering to the requirements of people with special needs.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

HDBFS is an equal opportunity employer and same is practiced as part of its employment policy and practices. Equal opportunity and non-discrimination principles are enshrined in our [Code of Conduct Philosophy](#) document.



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

Benefits	Permanent Employees		Permanent Workers*	
	Return to Work rate in %	Retention rate in %	Return to Work rate in %	Retention rate in %
Male	99.59	66.34	Not Applicable	Not Applicable
Female	65.78	42.09	Not Applicable	Not Applicable
Total	84.61	60.42	Not Applicable	Not Applicable

*The Company does not have any workers as defined in the guidance note issued by SEBI.

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

Particulars	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers*	Not Applicable
Other than Permanent Workers*	Not Applicable
Permanent Employees	There is an Employee Grievance Redressal Policy in place to address employee grievances. We have a dedicated Human Resources Management System (HRMS) platform, which is accessible to all employees for submitting their concerns or grievances. The HR Team is responsible for addressing employee grievances and ensures strict confidentiality in handling each case in a timely and effective manner.
Other than Permanent Employees	

*The Company does not have any workers as defined in the guidance note issued by SEBI.

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

Category	FY 2025-26			FY 2024-25		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees						
Male						
Female						
Total Permanent Workers						
Male						
Female						

Not Applicable

*The Company does not have any workers as defined in the guidance note issued by SEBI.

HDBFS does not have any employee trade unions: however, we respect and uphold all employees' lawful right to freedom of associations

8 Details of training given to employee and workers:

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and Safety Measures		On skill upgradation		Total (D)	On Health and Safety Measures		On skill upgradation	
		No. (B)*	% (B/A)	No. (C)*	% (C/A)		No. (E)*	% (E/D)	No. (F)*	% (F/D)
Employees										
Male	67,505	66,607	98.67%	25,926	38.40%	69,186	8,070	11.66%	39,912	57.69%
Female	20,657	20,213	97.85%	4,249	20.56%	20,757	6,865	33.07%	9,437	45.46%
Total	88,162	86,820	98.47%	30,175	34.22	89,943	14,935	16.60%	49,349	54.86%
Workers*										
Male										
Female										
Total										

Not Applicable

*The Company does not have any workers as defined in the guidance note issued by SEBI.

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

HDBFS has in place a structured and comprehensive performance management system designed to ensure strategic alignment, objective goal setting, continuous feedback and employee development.

Performance reviews are conducted bi-annually, comprising (i) Mid-year review & (ii) Annual performance appraisal.

The annual appraisal is conducted at the end of the financial year. All eligible employees are required to complete their self-assessment based on their Key Result Areas and submit the same through the designated system. This is followed by a structured performance review discussion between the appraiser and the appraisee, during which performance outcomes, competencies and developmental needs are evaluated and documented.

In addition to the annual appraisal, mid-year reviews are conducted to assess progress, provide feedback and enable course correction where required.

The company also supports employee growth through its Talent Management and Succession Planning initiatives offering various opportunities to its employees for capability building, knowledge enhancement & skill development.

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)*	% (B/A)	Total (C)	No. (D)*	% (D/C)
Employees						
Male	67,505	27,493	40.73	69,186	25,776	37.26
Female	20,657	6,159	29.82	20,757	8,174	39.38
Total	88,162	33,652	38.17	89,943	33,950	37.75
Workers*						
Male	Not Applicable					
Female						
Total						

*The Company does not have any workers as defined in the guidance note issued by SEBI. The frontline staff are covered under a performance incentive scheme and receive feedback on their performance through continual reviews and dialogue. The numbers reported above do not include the frontline staff and employees who are not eligible for performance review during the reporting year.

Our annual performance review process will take place in the month of May. Employees who have joined after October 31, 2025 are not eligible for performance and career development review.

10. Health and Safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

HDBFS has a dedicated Health, Safety & Employee Well-being Policy to ensure the health and safety of all employees. Regular fire drills are conducted to educate employees on “How to use fire extinguishers” and prepare them for quick response in case of any emergency. The Company undertakes regular sanitisation activities to promote healthy and hygienic workplace. A thorough assessment of all the physical infrastructure is conducted periodically. Furthermore, measures such as periodic maintenance of air conditioners and ergonomic office furniture are also taken up. All employees have to undergo training on health, fire and road safety annually. Fire and safety audits are conducted on a Pan-India basis. All the premises have access to first aid kits and are equipped with fire extinguishers.

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

As reported above, the Company has undertaken multiple initiatives towards health and safety management. Regular checks by security personnel deployed, CCTV surveillance and mock drills further ensure identification of work-related hazards. All the large offices have dedicated fire marshals to report work related hazards and initiate necessary action to mitigate any identified hazards. Additionally, all the employees have access to our Human Resource Management System portal, where they can report any risk related to their work environment.

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

Not Applicable.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes.

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

Safety incident/number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	NIL
	Workers*	Not Applicable	Not Applicable
Total recordable work-related injuries	Employees	NIL	NIL
	Workers*	Not Applicable	Not Applicable
No. of fatalities	Employees	NIL	NIL
	Workers*	Not Applicable	Not Applicable
High consequences for worker ill health or ill-health (excluding fatalities)	Employees	NIL	NIL
	Workers*	Not Applicable	Not Applicable

*The Company does not have any workers as defined in the guidance note issued by SEBI.

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

The Company accords high priority to enable safe and secure work environment. The Company strives to ensure a safe environment and hence takes the following measures in ensuring the highest safety standards:

- Portable fire extinguishers of the required type and capacity are installed at appropriate places and are examined at regular intervals internally.
- On-site emergency plans are prepared; periodic fire safety drills, evacuation programmes and audits are conducted as per regulatory requirements.
- Wherever required, fire marshals are appointed in larger offices to ensure the safety of people in the event of fire.
- Dissemination of relevant information to employees relating to general safety and usage of all the office appliances safely.
- Electrical appliances and equipment used by the Company comply with ISI, BIS, IEC and other relevant industry standards.
- HDBFS has annual maintenance contracts pertaining to various aspects of the safety of its premises. related to fire safety.
- First aid boxes are made available in all offices.
- The Company undertakes regular sanitisation activities to promote healthy and hygienic workplace
- A thorough assessment of all the physical infrastructure is conducted periodically.
- Periodic maintenance of air conditioners, ergonomic office furniture is also undertaken. Furthermore, measures such as periodic maintenance of air conditioners (AC), ergonomic office furniture are also taken up.
- Stress management and emotional well-being sessions are also conducted periodically.
- Continuous communication is ensured throughout the year, to create awareness about the importance of nutrition, exercise, mindfulness and overall well-being of all the employees.

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

Type	FY 2025-26			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	NIL	Nil	-	NIL	Nil	-
Health & safety	NIL	Nil	-	NIL	Nil	-

14. Assessments for the year

Working conditions

Health and safety practices

HDBFS strives to provide all its employees with a safe, hygienic and conducive work environment. Our administration team monitors the fire extinguishers on an annual basis and replaces the unfit equipment. The branches are regularly visited by senior management teams and they periodically assess the working conditions and the health and safety practices across the premises.

**% of your plants and offices that were assessed
(by entity or statutory authorities or third parties)**

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.

There were no corrective actions taken for FY26. HDBFS has been compliant with the local and state level regulations and ensures safety and hygiene protocols. Necessary safety practices are being followed by employees, customers and other visitors on company premises.

Leadership Indicators

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

Employees - Yes, HDBFS extends financial support and compensatory package in the event of death of an employee. This includes, inter alia, coverage under Group Term Life insurance with defined sum assured. In addition, to support the family of the deceased employee, the Company may offer employment opportunities to an immediate family member, subject to meeting prescribed eligibility criteria.

Workers - The Company does not have any workforce identified as 'workers' category.

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

HDBFS mandates comprehensive compliance with all applicable legal and regulatory requirements through vendor agreements. Vendors are responsible for the accurate deduction and timely remittance of all relevant taxes and statutory dues arising from transactions within the scope of their services. Additionally, HDBFS expects its value chain partners, including service providers, to uphold all applicable statutory obligations. Such compliance is within the legal agreements executed between HDBFS and its value chain partner.



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

Category	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	NIL – There were no work-related incidents			
Workers*	Not Applicable			

*The Company does not have any workers as defined in the guidance note issued by SEBI.

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

Yes. The Company has defined terms of retirement for employees. The Company invests in ongoing learning and capability building initiatives that enable employees to stay relevant to the evolving business trends. These initiatives support employees in sustaining their employability upon retirement/termination.

5 Details on assessment of value chain partners:

Type	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
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.

Not Applicable



4 PRINCIPLE

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.
 The Company believes healthy stakeholder relationships are key to long-term value creation. Any individual or group of individuals or institution that contributes to the Company's value chain or is impacted by its operations is identified as a key stakeholder. The Company follows a structured and inclusive approach to identify its key stakeholder groups, ensuring alignment with its business objectives and sustainability priorities.

2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Key Stakeholder	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other*	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	<ul style="list-style-type: none"> Online and postal communications, Customer satisfaction surveys, Customer feedback, Regular interaction with customers 	Continuous engagement	Servicing throughout the lifecycle of the customer and address queries /grievances that the customer may have.
Employees	No	<ul style="list-style-type: none"> Emails, written communication and newsletters Employee engagements and Cultural events Training and performance management system Employee Town Hall 	Continuous and Periodic	Information consultation with respect to work culture, employee experience, employee wellness, safety and learning & development.
Vendors	No	<ul style="list-style-type: none"> Project based interactions Personal meetings Audits and Performance review 	Continuous Engagement with all material vendors.	Information consultation with respect to partnerships, quality standards, governance, ethical practices and performance monitoring.
Regulatory bodies	No	<ul style="list-style-type: none"> Formal dialogue Face to face meetings Forums Regulatory filings 	Continuous engagement	Information consultation with respect to regulatory compliance mandates and contribution to the formulation of relevant policy frameworks.
Investors	No	<ul style="list-style-type: none"> Annual Report Shareholder Meetings Stock Exchange Intimations Emails 	Quarterly, Annual	Information consultation with respect to investor expectations, company's economic performance, responsible business conduct and regulatory compliance.



Key Stakeholder	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other*	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Communities	Yes, based on demographics	<ul style="list-style-type: none"> CSR Activities Interactions with NGO partners 	Continuous Engagement, Annual performance review	Information consultation with respect to our thematic CSR areas – promotion of healthcare & hygiene, literacy and livelihood enhancement, environmental stability and appropriate resource allocation and management.

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.**

Stakeholder engagement is a continual process in driving positive change and creating long-term value for all stakeholders. Active engagement on economic, environmental and social matters is conducted with the relevant stakeholder groups – customers, employees, shareholders, investors, regulators, vendors and communities – on an ongoing basis. These engagements take place through multiple channels such as town halls, training sessions, social media platforms, customer satisfaction surveys, stakeholder engagement exercises and materiality assessment. These forums provide valuable insights that help identify key issues, evaluate business practices, mitigate risks and enhance the company impact across the ecosystem. Outcomes of these engagements and feedback from customers are discussed at Customer Service Review Committee of the Board. Stakeholders Relationship Committee addresses and resolves grievances of its security holders, including issues related to non-receipt of dividends or annual reports. Overall, it aims to safeguard the interests of shareholders, debenture holders and other security holders.

Further, the Company also has a Board-level Corporate Social Responsibility and ESG Committee for formulating and recommending the Company's ESG and CSR strategy and policies, aligned with Schedule VII of the Companies Act, 2013 and updating them as needed. It monitors the implementation and performance of ESG and CSR initiatives through a transparent mechanism, reviews ongoing projects, recommends CSR expenditure and ensures compliance with all applicable legal and regulatory ESG requirements.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes/No). If so, provide details of instances as to how the input received from stakeholders on these topics were incorporated into policies and activities of the entity.**

We have undertaken an internal materiality assessment to identify key ESG topics relevant to our business. This process involved evaluating the significance of ESG topics from the perspective of our management and leveraging those insights to prioritise issues that are most material to us.

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

HDBFS is committed to addressing the needs of vulnerable and marginalised stakeholder groups through both its financial inclusion strategy and community development initiatives. 80% of our branches are located outside the 20 largest cities in India with 71% branches located in Tier 4+ and smaller towns. The Company continues to implement well-structured programmes and interventions aimed at improving the well-being of marginalised communities and contributing to their development. The Company recognises its responsibility towards the vulnerable/marginalised stakeholder groups and strives to address the concerns related to enhancing livelihood opportunities, ensuring water security, access to safe sanitation and clean drinking water and affordable healthcare. During the year, the Company was able to positively impact lives of nearly 1.5 Lakhs individuals through a wide range of interventions implemented under the Company's CSR mandate.

5

PRINCIPLE

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 Company:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	88,162	87,402	99.13	89,943	88,801	98.73
Other than permanent	1	Nil	Nil	1	Nil	Nil
Total employees	88,163	87,402	99.13	89,944	88,801	98.73
Workers*						
Permanent	Not Applicable					
Other than permanent	Not Applicable					
Total workers	Not Applicable					

*The Company does not have any workers as defined in the guidance note issued by SEBI.

Human Rights training to employees is essential for fostering a respectful, inclusive and legally compliant workplace. Our Human Rights Statement draws from the Company's Corporate Governance Policy, Code of Conduct and Policy on Prevention and Redressal of Sexual Harassment at Workplace. Awareness would thus be through the various training programmes conducted on these policies.

2. Details of minimum wages paid to employees and workers:

Category	FY 2025-26					FY 2024-25				
	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)
Permanent Employees										
Male	67,505	10,081	14.93	57,424	85.07	69,186	8,886	12.85	60,300	87.15
Female	20,657	5,156	24.96	15,501	75.04	20,757	2,997	14.44	17,760	85.56
Other than Permanent Employees										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-



Category	FY 2025-26				FY 2024-25					
	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)
Permanent Workers*										
Male										
Female										
Other than Permanent Workers*										
Male										
Female										

*The Company does not have any workers as defined in the guidance note issued by SEBI.

3 a. Details of remuneration/salary

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹)	Number	Median remuneration/ salary/ wages of respective category (₹)
Board of Directors (BoD)#	6	43,13,500	2	41,50,000
Key Managerial Personnel (KMP)	2	3,77,00,000	1	Not Applicable
Employees other than BoD and KMP	67,503	2,20,000	20,656	2,10,000
Workers*	Not Applicable	Not Applicable	Not Applicable	Not Applicable

*The Company does not have any workers as defined in the guidance note issued by SEBI.

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

	FY 2025-26	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	17.69%	17.65%	17.13%

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

Yes. HDBFS has established formal mechanisms to address human rights related concerns. An Internal Committee (IC) committee is constituted in accordance with the applicable provisions of POSH Act to address complaints of sexual harassment at workplace. In addition, a Disciplinary committee is responsible for addressing violations of Human Rights.







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

HDBFS has established formal mechanisms for redressal of grievances related to human rights.

Employees can report concerns through multiple channels, including the Helpdesk module on the internal Employee Self-Service platform. The company's Whistle Blower policy provides additional mechanism for stakeholders/ employees to report concerns related to integrity, unethical practices and other violations.

Complaints related to sexual harassment at workplace are addressed through an Internal Committee constituted in accordance with the applicable provisions of the POSH Act.

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

		Filed during the year	Pending resolution at the end of year	Remarks
 <p>Sexual harassment</p>	FY 2025-26	40	14	-
	FY 2024-25	36	14	As of April 04, 2025
	FY 2023-24	39	7	-
 <p>Discrimination at Workplace</p>	FY 2025-26	Nil	Nil	-
	FY 2024-25	-	-	-
	FY 2023-24	-	-	-
 <p>Child Labour</p>	FY 2025-26	Nil	Nil	-
	FY 2024-25	-	-	-
	FY 2023-24	-	-	-
 <p>Forced Labour/ Involuntary Labour</p>	FY 2025-26	Nil	Nil	-
	FY 2024-25	-	-	-
	FY 2023-24	-	-	-
 <p>Wages</p>	FY 2025-26	Nil	Nil	-
	FY 2024-25	-	-	-
	FY 2023-24	-	-	-
 <p>Other Human Rights Related Issues</p>	FY 2025-26	Nil	Nil	-
	FY 2024-25	-	-	-
	FY 2023-24	-	-	-



7 Complaints filed under the sexual harassment of women at workplace (Prevention, Prohibition and redressal) Act 2013 in the following format.

	FY 2025-26	FY 2024-25
	Filed during the year	Filed during the year
Total complaints reported under sexual harassment of women at workplace (POSH)	40	36
Complaints on POSH as a % of female employees/workers*	0.19	0.17
Complaints on POSH upheld	14	11

*The Company does not have any workers as defined in the guidance note issued by SEBI.

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

The concerns on discrimination and harassment are dealt with the highest level of confidentiality. The Company conducts trainings and sensitises the employees to raise awareness on what constitutes sexual harassment and how it can be reported. All complaints are handled discreetly, with the Internal (POSH IC) Committee ensuring a fair and thorough investigation of cases of sexual harassment of women at the workplace while maintaining strict confidentiality. Further, the Whistle Blower policy reinforces commitment to confidentiality by safeguarding the complainant's identity and protecting them from any adverse consequences.

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

Yes, the HDBFS Code of Conduct requires all employees to treat fellow employees with Dignity and Respect.

10. Assessments for the year

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%*
Forced Labour/ Involuntary Labour	
Sexual Harassment	
Discrimination at workplace	
Wages	

*The Company maintains 100% compliance across all offices through zero-tolerance toward child labour, forced labour, discrimination and sexual harassment, strictly adhering to all Indian labour laws and statutory wage regulations. To ensure the integrity of these standards, we mandate the verification of Aadhar cards for every candidate prior to hiring to rigorously validate age and identity.



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

There have been no concerns in the above areas during the year of review and hence no corrective actions were required.

Leadership Indicators

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

No grievances /complaints necessitated modification/introduction of business process. HDBFS has a Grievance redressal platform on Human Resource Management System for effective resolution of grievances raised. The Company has prioritised POSH (Prevention of Sexual Harassment) training. It has made POSH awareness a mandatory component of all employee training programmes to prevent recurrence of such incidents. All employees undergo training on Code of Conduct of the company. Ensuring the safety and well-being of all staff members remains a top priority for the Company.

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

HDBFS has a robust mechanism to track human rights related queries and grievances raised by the employees. All complaints raised are tracked and considered for timely resolution on Employee Grievance platform available on Human Resource Management System.

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?

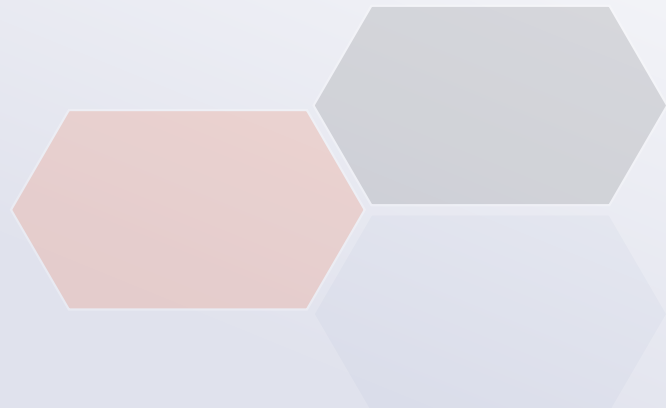
HDBFS aims to ensure that its physical infrastructure adheres to the accessibility standards as prescribed by the Act. HDBFS also aims to revamp its existing buildings as and when required, to ensure compliance with the Act. Access to the building is facilitated through executive elevators and in large offices, the Company has installed ramp facility wherever feasible.

4. Details on assessment of value chain partners:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	None
Discrimination at Workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Other Human Rights Related Issues	

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





6

PRINCIPLE

Businesses should respect and make efforts to protect and restore the environment

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

Parameter	Units	FY 2025-26	FY 2024-25
Total electricity consumption (A)	-	-	-
Energy fuel consumption (B)	-	-	-
Energy consumption through other sources (C)	-	-	-
Total energy consumed from renewable sources (A+B+C)	-	-	-
Total electricity consumption (D)	GJ	1,15,662.37	1,06,023.22
Total fuel consumption (E)	GJ	7,223.33	7,389.76
Energy consumption through other sources (F)	-	-	-
Total energy consumed from non – renewable sources (D+E+F)	GJ	1,22,885.71	1,13,412.97
Total energy consumed (A+B+C+D+E+F)	GJ	1,22,885.71	1,13,412.97
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations)	GJ /Revenue (₹ in Crore)	6.67	6.96
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted For PPP)	GJ /Revenue (US\$ in Crore)	135.62	141.52
Energy intensity in terms of physical output	-	Not Applicable	Not Applicable
Energy intensity (optional)*	GJ/FTE	1.39	1.26

*FTE considers permanent employees

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for FY 2025-26 by International Monetary Fund for India which is 20.34.

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

Yes, an independent reasonable assurance has been carried out by SGS India Private Limited for the indicators in the table above.

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

Not Applicable

3 Provide details of the following disclosures related to water:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)*		
(i) Surface water	Nil	Nil
(ii) Groundwater	Nil	Nil
(iii) Third party water	2,74,687.64	2,80,242.18
(iv) Seawater/desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	2,74,687.64	2,80,242.18
Total volume of water consumption (in kilolitres)	54,937.53	56,048.44
Water intensity per rupee of turnover (Total water consumption/ Revenue from operations) (Kilolitre per Crore)	2.98	3.43
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Water Consumption/Revenue from Operations adjusted for PPP) (kilolitre per PPP adjusted US\$ in Crore)	60.63	69.94
Water intensity in terms of physical output	Not Applicable	Not Applicable
Water intensity (optional) – (kilolitre Per Full time Employee)	0.62	0.62

* The water consumption at our offices is primarily only for commercial office usage and HDBFS does not have any industrial processes requiring significant water withdrawal.

Note: Water withdrawn is estimated based on the document by the Central Ground Water Authority (CGWA), which specifies that an office employee consumes 45 litres per day per head. This amount is recorded as water withdrawn from third party source.

Water discharged is considered as 80% of the water withdrawn from source based on Central Pollution Control Board (CPCB) database report dated December 24, 2009. Therefore, it is assumed that of the total water withdrawal, only 20% is consumed.

FTE considers permanent employees

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for FY2025-26 by International Monetary Fund for India which is 20.34.

4 Provide the following details related for water discharge:

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)*		
(i) To surface water	Nil	Nil
No treatment	Nil	Nil
With treatment – please specify level of treatment	Nil	Nil
(ii) To groundwater	Nil	Nil
No treatment	Nil	Nil
With treatment – please specify level of treatment	Nil	Nil
(iii) To seawater	Nil	Nil
No treatment	Nil	Nil
With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third-parties	Nil	Nil
No treatment	2,19,750.11	2,24,193.74
With treatment – please specify level of treatment	Nil	Nil
(v) Others	Nil	Nil
No treatment	Nil	Nil
With treatment – please specify level of treatment	Nil	Nil
Total water discharged (in kilolitres)	2,19,750.11	2,24,193.74

* The water consumption at our offices is primarily only for commercial office usage. The domestic sewage water generated is discharged through municipal sewage connections.



Note: Water discharged is considered as 80% of the water withdrawn from source based on CPCB database report dated December 24, 2009 and reported as water sent to third parties.

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

Yes, an independent reasonable assurance has been carried out by SGS India Private Limited for the FY 2025-26 indicators in the table above.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company does not produce any industrial wastewater. All its facilities are either connected to municipal wastewater collection networks or rely on wastewater treatment systems managed by the respective facility owners. Consequently, any wastewater generated from the Company's operations is discharged into these third-party systems, where it is treated in accordance with the applicable standards and processes established by the municipal authorities or facility owners.

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

Parameter	Unit	FY 2025-26	FY 2024-25
NOx	Metric Tonnes	8.90	9.18
SOx	Metric Tonnes	0.59	0.60
Particulate matter (PM)	Metric Tonnes	0.63	0.64
Persistent organic pollutants (POP)	Metric Tonnes	-	-
Volatile organic compounds (VOC)	Metric Tonnes	-	-
Hazardous air pollutants (HAP)	Metric Tonnes	-	-
Others-please specify	Metric Tonnes	-	-

Note: The Company's business operations do not result in significant air emissions. However, we have undertaken the estimation and disclosure of air emissions as part of reporting and compliance requirements. The NOx, SOx, PM emissions provided above are attributed to diesel consumption in DG sets within our operational boundary. These emissions have been calculated using site specific data and emission factors published by USEPA.

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

Parameter	Units	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	498.42	502.19
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	22,811.19	21,410.80
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO ₂ e /Revenue (₹ in Crore)	1.26	1.34
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)	Metric tonnes of CO ₂ e /Revenue (US\$ in Crore)	25.73	27.34
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	Not Applicable	Not Applicable
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity*	Metric tonnes of CO ₂ equivalent per FTE	0.26	0.24

*FTE considers permanent employees

Scope 1 emissions include emissions from company-owned vehicles and company-owned diesel gensets

Scope 2 emissions include emissions from electricity consumption

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for FY 2025-26 by International Monetary Fund for India which is 20.34.

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

Yes, an independent reasonable assurance has been carried out by SGS India Private Limited for the indicators in the table above.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

- We have replaced DG sets with Inverters at select locations. This helps to eliminate use of diesel fuel and reduce carbon emissions.
- We use R-32/R-410 refrigerant gases in all air conditioners that are less harmful for the environment.
- We have installed light sensors on pilot basis at few large premises to ensure optimum use of electricity in our operations.
- All our offices are installed with LED lights that use less electricity for illumination
- We have achieved IGBC Gold certification for our Head Office, marking a key milestone in our decarbonisation journey.

9. Provide details related to waste management by the entity

Parameter	FY 2025-26	FY 2024- 25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	Not Applicable	Not Applicable
E-waste (B)	13.26	8.23
Bio-medical waste (C)	Not Applicable	Not Applicable
Construction and demolition waste (D)	Not Applicable	Not Applicable
Battery waste (E)	24.93	46.93
Radioactive waste (F)	Not Applicable	Not Applicable
Other Hazardous waste. Please specify, if any. (G)	Not Applicable	Not Applicable
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	Not Applicable	Not Applicable
Total (A+B+C+D+E+F+G+H)	38.19	55.16
Waste intensity per rupee of turnover (Total waste generated /Revenue from operations) (Metric tonnes/Revenue (₹ in Crore))	0.0021	0.0034
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP) (Metric tonnes/Revenue (US\$ in Crore))	0.0422	0.0688
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity* (kg/FTE)	0.433	0.613
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	Not Applicable	Not Applicable
(ii) Re-used	Not Applicable	Not Applicable
(iii) Other recovery operations	24.93	46.93
Total	24.93	46.93
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Not Applicable	Not Applicable
(ii) Landfilling	Not Applicable	Not Applicable
(iii) Other disposal operations#	13.26	8.23
Total	13.26	8.23

*FTE considers permanent employees



#E-waste is disposed through CPCB authorised recyclers

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for FY 2025-26 by International Monetary Fund for India which is 20.34.

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

Yes, an independent reasonable assurance has been carried out by SGS India Private Limited for the indicators in the table above.

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.

The Company does not use any hazardous or toxic chemicals in its operations. The key category of waste is the e-waste generated through used IT assets. The Company has empanelled a CPCB authorised vendor to collect and safely dispose all e-waste in an environmentally responsible manner.



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.

Sr. no.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
Not Applicable			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project.	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
Not Applicable					

13 Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.

S. No	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
The company complies with all the applicable laws. There are no instances of any non-compliance with respect to above regulations.				

Leadership Indicators

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

Given the nature of our business this is not relevant. All branches of the company are located in commercial/residential areas.

2. Please provide details of total Scope 3 emissions and its intensity.

Parameter*	Unit	FY 2025-26	FY 2024- 25
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)	Metric tonnes of CO ₂ equivalent	15,549.59	3,901.68
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO ₂ e /Revenue (₹ in Crore)	0.84	0.24
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity (Total Scope 3 emission/Full Time Employee)	Metric tonnes of CO ₂ equivalent/FTE	0.18	0.04

Note: For FY 2024-25, we calculated category 3: Fuel & Energy related activities not included in Scope 2, category 5: Waste generated in operations. For FY 2025-26, we have calculated category 6: Business travel in addition category 3 & 5 and hence the total scope 3 emissions have increased in current reporting year. We aim to further expand the coverage of Scope 3 emissions in the next reporting year.

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

Yes, an independent reasonable assurance has been carried out by SGS India Private Limited for the indicators in the table above.

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

Given the nature of our business, we do not have any direct impact on biodiversity. All our branches are located in residential/ commercial areas.

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, please provide details of the same as well as outcome of such initiatives:

In FY 2025-26, the Company undertook energy efficiency measures for replacing conventional lighting with LED fixtures and upgrading 3 Star to 5 Star air conditioners, resulting in measurable reduction in grid electricity consumption. The Company has also replaced DG sets with invertors at few locations as a part of its efforts towards decarbonisation and resource efficiency. We have achieved IGBC Gold certification for our Head Office, marking a key milestone in our decarbonisation journey.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, HDBFS is an ISO 22301:2019 certified organisation. The Company has a Business Continuity Policy and an IT Business Continuity & Disaster Recovery Policy that outline the procedures and strategies to ensure business continuity and recovery from major incidents or disasters with minimal disruption. The business continuity and disaster recovery activities include regular testing of business continuity plans in collaboration with relevant departments and functions. Effective planning and continuous testing enable us to maintain core business operations at an acceptable level even in the event of a crisis scenario. Our business continuity programme is well designed to align with regulatory guidelines and is subject to comprehensive reviews and audits. Both policies are published on the Company’s intranet.



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?

No significant impacts have been identified from value chain partners. The company expects all its value chain partners to adhere to the relevant environmental laws applicable to them.

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

We have not assessed value chain partners for environmental impacts in the reporting year. However, we encourage our value chain partners to conduct their business operations by implementing environment friendly practices.

8. How many Green Credits have been generated or procured:

- i. **By the listed entity:** None
- ii. **By the top ten (in terms of value of purchases and sales respectively) value chain partners:** Not assessed.



7 PRINCIPLE

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

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/associations.**
Number of affiliations – 2
- b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:**

Name of the trade and industry chambers/associations

Reach of trade and industry chambers/ associations (state/national)

1. **Confederation of Indian Industry (CII)**

National

2. **Finance Industry Development Council (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
There have been no cases of anti-competitive conduct by the company.		

Leadership Indicators

- 1 **Details of public policy positions advocated by the entity:**

Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (annually/half yearly/quarterly/others – please specify)	Web link, if available
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HDBFS has not engaged in policy advocacy. The Company, however, does participate in external meetings pertaining to the industry forums and may provide feedback/ recommendations on emerging regulations and other relevant issues



8

PRINCIPLE**Businesses should promote inclusive growth and equitable development****Essential Indicators**

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

Name and brief details of project*	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable					

As per the BRSR, this section pertains to Social Impact Assessment in compliance with Right to Fair Compensation & Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. Given the nature of our business, this is not Applicable.

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

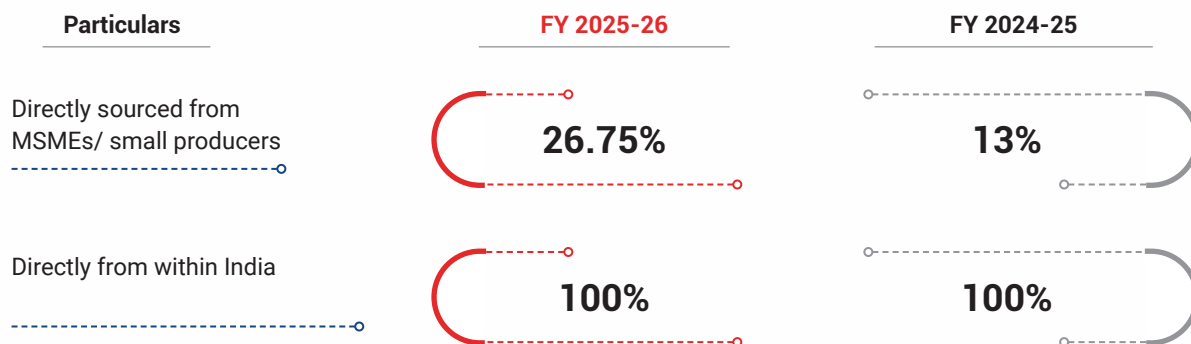
Sl. no	Name of project for which R&R is ongoing	Corrective action taken	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In `)
Not Applicable							

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

The Company has various mechanisms to receive and redress grievances of various stakeholders. Regarding CSR-related matters, the local community or associated stakeholders can share their queries, complaints or grievances tocsr@hdbfs.com. A team of designated officials shall examine the matter to suitably redress the grievances received. The email ID is displayed on Company's website - <https://www.hdbfs.com/corporate-social-responsibility>



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



An independent reasonable assurance has been carried out by SGS India Private Limited on the FY 2025-26 indicators in the table above.

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

Location	FY 2025-26	FY 2024-25
Rural	0.04%	0.04%
Semi-urban	0.79%	0.76%
Urban	24.50%	24.38%
Metropolitan	74.67%	74.82%

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

An independent reasonable assurance has been carried out by SGS India Private Limited on the FY 2025-26 indicators in the table above.

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
NA	

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 ₹)
Gujarat	Dahod	0.34
Madhya Pradesh	Chattarpur	1.69
Chhattisgarh	Korba	0.85
Jharkhand	Ranchi	0.48
	Bokaro	1.03
	Hazaribagh	0.52
	Dumka	1.87
Maharashtra	Nandurbar	0.93
Rajasthan	Sirohi	0.77
Uttar Pradesh	Bahraich	0.01
Karnataka	Raichur	0.01
Tamil Nadu	Ramanathapuram	2.20
	Virudhunagar	0.21
Bihar	Gaya	0.06
	Muzzafarpur	0.04
	Purnia	0.03
Odisha	Kandhamal	0.01
	Dhenkanal	0.03



3.(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No) –

While we do not have preferential policy, our procurement process is designed to be inclusive and transparent to all. We evaluate suppliers based on merit and value, ensuring that businesses from all backgrounds—including those from marginalised or underrepresented groups—have an equal opportunity to compete for our contracts.

(b) From which marginalised /vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

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

Sl. no	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/ No)	Benefit shared (Yes/No)	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
NA		

6. Details of beneficiaries of CSR Projects

CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalised groups*
1. Healthcare	1,48,708	93%
2. Livelihood	7,125	94%
3. Environment	11,314	41%
4. Education	15,120	49%
5. Rural Development	5,648	96%

9 PRINCIPLE

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.

The Company has well-established mechanisms to receive and respond to consumer complaints and feedback. Customers may contact the Branch/Call Centre/Customer Service Team/Mobile App/Digital Platform. The complaints and feedback are recorded in the CRM module and response is provided to the customers within the prescribed timelines. The Company realises that quick and effective handling of complaints as well as prompt corrective & preventive actions to improve processes, are essential to provide excellent service to all segments of customers. All complaints are dealt promptly to ensure the customers receive the best of services that the Company offers. The details of the Customer Service and Customer Support can be found here: <https://www.hdbfs.com/customer-services/customer-support>.



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

Particulars

Environmental and social parameters relevant to the product

Safe and responsible usage

Recycling and/or safe disposal

As a percentage to total turnover

Our lending operations are built on a foundation of transparency and integrity. We ensure all product disclosures are comprehensive, empowering our clients to make well-informed financial decisions without any hidden terms

3 Number of consumer complaints in respect of the following:

	FY 2025-26			FY 2024-25		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	89	5	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive trade practices	-	-	-	-	-	-
Unfair trade practices	-	-	-	-	-	-
Other*	24,316	792	-	17,487	247	-

* Other include ccustomer complaints. Three major types of complaints are: 1) Payment follow up 2) IVR Communication related 3) Closure Related

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

	Number	Reasons for recall
Voluntary recalls		We are a well-diversified NBFC providing financial services. We do not manufacture any products that needs to be recalled voluntarily
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. HDBFS has achieved ISO/IEC 27001:2022 certification for our Information Security Management System (ISMS). This global standard validates that we have established, implemented, maintained and continually improved a robust system for managing the security of our sensitive information assets. We have policies on information security and cyber security approved by the Board. We have established policies related to structured approach/ mechanism for identifying, responding and resolving incidents in an organisation and to minimise the adverse impact of disruptions, ensuring a swift recovery thereby enhancing overall resilience for business operations/information technology and security posture. These policies safeguard all information assets, including intellectual property and information systems, from loss, unauthorised use, improper alteration and damage.

The Company continuously improves its processes and controls to mitigate cyber threats, employing a Cyber Resilience Framework with a cutting-edge Security Operations Centre. ("TRINETRA" - IT Command Centre). This centralised hub is designed to act as our nerve centre for ensuring vigilance, resilience and operational excellence thereby strengthening our organisation's technology operations and cyber security posture. We also undergo external audit every year to independently assess the cybersecurity practices.

All employees receive annual cybersecurity training and periodic simulation exercises to stay informed about evolving cybersecurity trends. This proactive approach along with the presence of a Board-level Information Technology Strategy Committee, ensures that the Company has put in place processes for assessing and managing IT and cybersecurity risks, which enables the Company to continually strengthen its cybersecurity resilience.

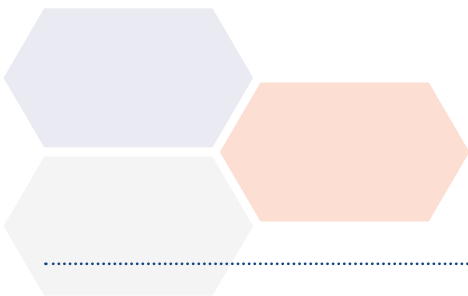
The Privacy Policy of the Company ensures that the data is handled responsibly and with due consideration for security and privacy. The Privacy Policy is hosted on the website of the Company and can be found here: <https://www.hdbfs.com/policies>

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.

There were no incidents or issues related to advertising, cyber security, re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/ services. We have implemented robust processes to address the issues related to the delivery of essential services by investing in comprehensive training courses for the frontline sales team and distribution partners. The monthly reviews of major customer complaints and in-depth root cause analysis of customer complaints are some of the corrective steps taken to avoid any re-occurrence of similar instances.

7. Information relating to data breaches:

- a. **Number of instances of data breaches-** There were no instances of data breaches in the reporting year.
- b. **Percentage of data breaches involving personally identifiable information of customer-** NIL
- c. **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)

Information about HDBFS products and services is available on the website. The website has separate weblinks for products and services providing the key features and key benefits. The details of the products can be found here: <https://www.hdbfs.com/products>

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

All the customers are provided with adequate information about the products or services available for them. Key terms and conditions are provided transparently in the loan agreements. Additionally, we continuously create awareness on responsible borrowing practices among the customers through newsletters, blogs, social media. HDBFS also conducts customer service week across all branches to create awareness amongst walk-in customers on HDBFS products and services. The details can be found here: <https://www.hdbfs.com/customer-services/customer-awareness-week>.

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

HDBFS is ISO 22301:2019 Business Continuity Management certified organisation. This ensures the reliability and seamless continuity of operations. It is designed to align with regulatory guidelines and undergoes thorough reviews and audits.

We have three centralised processing units (CPU) in Chennai, Noida and Hyderabad which ensures business continuity of essential services to customers. We have implemented the Business Continuity Policy (BCP) wherein critical processes and other enablers have been identified and appropriate recovery plans have been put in place for such critical processes to ensure timely recovery of the Company’s critical operations and services in the event of a crisis.

BCP Framework ensures continuity of critical processes to extend essential services to the customers. We have carried out tests for critical operations and found critical processes are in place in order to address any eventuality which affects customers’ essential services. Any material business disruption impacting customer service is duly informed to the customers through appropriate channels like calls/SMS/website/Mobile App, E-mails.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, we conduct a regular Customer Satisfaction Survey (CSAT) to measure customer satisfaction. CSAT Survey collects feedback via SMS from the customers on every loan disbursed, enabling the Company to analyse the customer feedback and identify improvement areas. The CSAT Survey contributes significantly to measuring the customer satisfaction levels and making strategic decisions about innovations and improvements. Monthly Dashboard on CSAT Survey scores is published with all Business Heads and Senior Management Team for further review on improvement areas and initiatives.





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INDEPENDENT ASSURANCE STATEMENT

Independent Assurance Statement to HDB Financial Services Limited on its BRSR Report for FY 2024-2025 and FY 2025-26.

The Board of Directors,

HDB Financial Services Limited,
HDB House, Tukaram Sandam Marg, A - Subhash Rd,
Navpada, Vile Parle East, Mumbai, Maharashtra, 400057.

Nature of the Assurance

SGS India Private Limited (hereinafter referred to as 'SGS India') was engaged by HDB Financial Services Limited (the 'Company' or 'HDBFS') to conduct an independent assurance of the Company's Business Responsibility and Sustainability Reporting (BRSR) (the 'Report') for the reporting period of April 1, 2024, to March 31, 2025 and April 1, 2025, to March 31, 2026. SGS India has conducted a Reasonable level of Assurance for the BRSR core indicators and a Limited level of assurance for the remaining BRSR parameters, including essential and leadership indicators and all disclosures made thereunder. This assurance engagement was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410.

Reporting Framework

The Report has been prepared following

1. Master Circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities (Circular No. HO/49/14/14(7)2025-CFD-POD2/1/3762/2026), dated 30 January 2026 circular (BRSR Core Framework for Assurance).
2. Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard

Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all HDB Financial Services Limited internal and external Stakeholders.

Responsibilities

The information in the report and its presentation is the responsibility of the Company's management. SGS India has not been involved in the preparation of any of the material included in the report.

Our responsibility is to express an opinion on the text, data, and statements within the defined scope of assurance, aiming to inform the management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific scope. The Statement shall not be used for interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope.

Assurance Standard

SGS has conducted a Reasonable level of Assurance for BRSR core parameters under 9 ESG Attributes, and a Limited level of assurance for the remaining BRSR parameters, including all essential indicators as specified under BRSR standards and amendments made as of the date. This engagement was performed in accordance with the International Standard on Assurance Engagement (ISAE) 3000 (revised) and ISAE 3410 (Assurance Engagements other than Audits or Reviews of Historical Financial



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Information).

Our evidence-gathering procedures were designed to obtain a 'Reasonable' level of assurance, which is a high level of assurance in accordance with ISAE 3000(revised) standard, but is not absolute certainty. It involves obtaining sufficient appropriate evidence to support the conclusion that the information presented in the report is fairly stated and is free from material misstatements.

Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing, and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social, and ethical auditing and training; and environmental, social, and sustainability report assurance. SGS India affirms our independence from HDB Financial Services Limited, being free from bias and conflicts of interest with the organization, its subsidiaries, and stakeholders.

The assurance team was assembled based on their knowledge, experience, and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification, and GHG Validation Lead Auditors, and experience on the SRA Assurance.

Scope of Assurance

The assurance process involved assessing the quality, accuracy, and reliability of BRSR Core and Non-Core Indicators, including all KPI's within the report for the period of April 1, 2024, to March 31, 2025 and April 1, 2025, to March 31, 2026. The reporting scope and boundaries include HDB Financial Services Limited, offices spread across India.

Assurance Methodology

The assurance comprised a combination of desktop review, interaction with the key personnel engaged in the process of developing the report, on-site visits, and remote verification of data. Specifically, SGS India undertook the following activities:

- Assessment of the suitability of the applicable criteria in terms of their comprehensiveness, reliability, and accuracy.
- Interaction with key personnel responsible for collecting, consolidating, and calculating the BRSR core and non-core indicators, and assessing the internal control mechanisms in place to ensure data quality.
- Application of analytical procedures and verification of documents on a sample basis for the compilation and reporting of the KPIs.
- Assessing the aggregation process of data at the Head Office level.
- Critical review of the report regarding the plausibility and consistency of qualitative and quantitative information related to the KPIs.

Limitations

SGS India did not come across any limitation to the agreed scope of the assurance engagement. SGS India verified data on a sample basis; the responsibility for the authenticity of the data entirely lies with the Company. The assurance scope excluded forward-looking statements, product- or service-related information, external information sources, and expert opinions. SGS India has not been involved in the evaluation or assessment of any financial data/performance of the company. Our opinion on financial indicators is based on the third-party financial reports audited by the Company. SGS India does not take any responsibility for the financial data reported in the audited financial reports of the Company.

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope.
- Data reviews outside the operational sites as mentioned in the reporting boundary.
- Validation of any data and information other than those presented in "Findings and Conclusions."
- The assurance engagement considers an uncertainty of $\pm 5\%$ based on the materiality threshold for Assumption/estimation/measurement errors and omissions.
- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.



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- Mapping of the Report with reporting frameworks other than those mentioned in the Reporting Criteria above.

Findings and Conclusions


BRSR Core Indicators:

Based on the procedures we have performed and the evidence we have obtained, we are satisfied that the information presented by the Company in its report, on the Core Indicators (Annexure A), is complete, accurate, reliable, has been fairly stated in all material respects, and is prepared in line with the BRSR requirements.

BRSR Non-Core Indicators:

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the data reported (Annexure B) in the BRSR report are not prepared, in all material respects, in accordance with the reporting criteria.

For and on behalf of SGS India Private Limited

 <p>Kalpesh Thombare Technical Reviewer National Manager – ESG & Sustainability Services, SGS India. 14th May 2026.</p>	 <p>Chirag Bafna Lead Verifier Senior Technical Associate – ESG & Sustainability Services, SGS India Team Member – Dhvani Jain. (Technical Associate) 14th May 2026.</p>
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Annexure A

The BRSR Core indicators that were subject to verification under this assurance engagement are detailed below:

Sr.No.	BRSR Core Attribute	BRSR Core Indicator
1	Greenhouse gas (GHG) footprint	≈ Total scope 1 emissions ≈ Total scope 2 emissions ≈ GHG emission intensity (scope 1 +2)
2	Water footprint	≈ Total water consumption ≈ Water consumption intensity ≈ Water discharge by destination and levels of treatment
3	Energy footprint	≈ Total energy consumed ≈ % of energy consumed from renewable sources ≈ Energy intensity
4	Embracing circularity	≈ Plastic waste ≈ E-waste ≈ Bio medical waste ≈ Construction and demolition waste ≈ Battery waste ≈ Radioactive waste ≈ Other hazardous waste ≈ Other non-hazardous waste ≈ Total waste generated ≈ Waste intensity ≈ Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations. ≈ For each category of waste generated, the total waste disposed of by the nature of the disposal method
5	Employee well-being and safety	≈ Spending on measures towards the well-being of employees as a % of the total revenue of the Company ≈ Details of safety-related incidents for employees
6	Enabling gender diversity in business	≈ Gross wages paid to females as % of wages paid. ≈ Complaints on POSH
7	Enabling inclusive development	≈ Input material sourced from MSMES/ small producers as % of total purchases. ≈ Job creation in smaller towns: Wages paid to people employed in smaller towns as % of total wage cost
8	Fairness in engaging with customers and suppliers	≈ Instances involving loss/breach of data of customers as a percentage of total data breaches or cybersecurity events. ≈ Number of days of accounts payable
9	Openness of business	≈ Concentration of purchases & sales done with trading houses, dealers, and related parties ≈ Loans and advances & investments with related parties



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Annexure B

The BRSR (Core and Non-Core) indicators that were subject to verification under this assurance engagement are detailed below:

Section C	Limited Assurance - Essential and Leadership (Non-Core) Indicators	Reasonable Assurance - Core Indicators
Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and Accountable.	1,2,3,4,5,6,7	8,9
Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.	1,2,3,4,5	-
Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.	1,2,3,4,5,6,7,8,9,10,12,13,14,15	1(C),11
Principle 4: Businesses should respect the interests of and be responsive to all their stakeholders.	1,2,3	-
Principle 5: Businesses should respect and promote human rights.	1,2,3,4,5,6,8,9,10,11	3 (b),7
Principle 6: Businesses should respect and make efforts to protect and restore the environment.	1,2,3,4,5,6,8,10,11,12,13	1,3,4,7,9
Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.	1,2	-
Principle 8: Businesses should promote inclusive growth and equitable development.	1,2,3,4,5,6	4,5
Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner	1,2,3,4,5,6	7