Business Responsibility Report for the year 2021-2022

(Pursuant to Regulation 34(2) (f)) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L65921MH1991PLC059642	
2.	Name of the Company	Mahindra & Mahindra Financial Services Limited	
3.	Registered address	Gateway Building, Apollo Bunder, Mumbai - 400 001, Maharashtra, India.	
4.	Website	https://www.mahindrafinance.com	
5.	E-mail	investorhelpline_mmfsl@mahindra.com	
6.	Financial Year reported	1st April, 2021 to 31st March, 2022	
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	**Description of the main products/ services**	**NIC code for the product or service**
		Asset Financing	64990
8.	List three key products/services that the Company manufactures/provides (as in balance sheet):	1) Vehicle/Tractor Financing 2) Small and Medium-sized Enterprises (SME) Financing 3) Bill Discounting	
9.	Total number of locations where business activity is undertaken by the Company	**i. Number of International Locations (Provide details of major 5)**	**ii. Number of National Locations**
		The Company has presence in India & operates through its Joint Venture (JV) company Mahindra Finance USA LLC, in United States and through its subsidiary company Mahindra Ideal Finance Limited, in Sri Lanka.	1,384 offices as on 31st March, 2022
10.	Markets served by the Company – Local/State/National/ International/	The Company serves Local/State and National Level markets with focus on rural and semi-urban areas of India.	

Section B: Financial Details of the Company

1.	Paid up Capital (Rs.)	247.1 Crore (Issued, Subscribed and Paid-up Capital)
2.	Total Turnover (Rs.)	9718.80 Crore (Total Income)
3.	Total profit after taxes (Rs.)	988.8 Crore (PAT)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2%* *Of the CSR Obligation of Rs. 37.51 Crores (2% of the net profits of the Company) for FY 2022, the Company has spent Rs. 29.7 Crores (1.58%) by 31st March 2022 and remaining Rs. 7.8 Crores (0.42 %) has been transferred to unspent CSR account , which will be spent towards the Company's ongoing project "Swabhimaan" within the stipulated time as permitted under CSR Rules.
5.	List of activities in which expenditure in 4 above has been incurred.	Guided by UN's Sustainable Development Goals, we work on a range of thematic areas namely Education, Livelihoods, Health and Environment under our CSR programs. Swabhimaan" is our Flagship program under which we work for holistic development of the driver community to address the professional, financial and familial level challenges faced by the drivers and their families. Our approach is an integrated channeling of these thematic areas into Community to deliver socio economic change. In FY 2021-22, following interventions were carried out in collaboration with implementation partners.

Education & Livelihood (Skills Training):

Drivers Training for Freshers:
The objective is to promote technical driving skills amongst men and women (novice). The course consist of theory and practical training. This project facilitates issue of driving license to candidates completing the training, creating employment opportunities for unemployed youths.

During the project period, 1566 youth (70% male & 30% female) were trained for driving of Light Motor Vehicle (LMVs), Light Commercial Vehicles (LCVs) and E Auto Rikshaw from 3 states.

Auto- mechanic Training for women:
The main objective is to promote automotive skills amongst women to enhance their livelihoods. In the reporting period, the program trained 1,047 Women from 4 states.

Divyang Vikas Kendra:
As an effort to increase the inclusion of Persons with Disability (PWD), Mahindra Finance supports skilling and employability training of PWDs. We train them in sector skills namely retail, hospitality, and Information Technology Enabled Services. In FY 2022, we trained 250 candidates with disability from Vishakhapatnam enabling them to get gainful employment.

Mahindra Pride School (MPS):
This is livelihood training school which provides intensive training in Information technology, Retail and Hospitality to youth from socially & economically disadvantaged backgrounds and help them get suitable employment opportunities. We supported 650+ Youth (73% males & 27% females) in Pune & Chennai.

Mahindra Pride Classrooms (MPC):
MPC's provide online 40-120 hours of training to final year students covering English speaking, Life skills, Aptitude, Interview, Group Discussion and Digital Literacy. We supported more than 67,800 students (50% male & 50% female) from selected 9 states in India.

Women's Economic Empowerment through Regenerative Agriculture
9,420 women from Wardha district in Maharashtra were trained in organic regenerative agriculture methods to transform the soil on their land and earn profits throughout the year in addition to securing food and nutrition for their families.

Road Safety Training for existing Drivers:
Considering the risk of road accidents for drivers, we have initiated Road Safety training programs for the drivers. As research indicates most of the drivers have not taken formal driving training and hence are oblivious to the road safety techniques and measures. We trained 1320 drivers from 6 states during reporting period.

Financial Planning (Dhan Samvaad):
In order to instill a financial discipline amongst the drivers, we conducted Dhan Samvaad training on financial planning under which we trained them about the importance of savings, techniques of money management, various investment options, insurance etc. We have trained over 25,000 drivers from 4 states. This has helped drivers to increase their awareness level on digital banking and methods of savings.

Saksham Scholarship:
Under Saksham Scholarship program, we supported the children of drivers by providing them with scholarships from Grade 1 till Post Graduation. This helps the family to minimize financial burden to some extent. It also serves as enabler especially for pursuing higher education and fulfilling the aspirations of parents and their children. We supported 3200 students (driver's children) under our Saksham scholarships from 5 states.

Nanhi Kali:
The purpose of the project is to curtail the high dropout rate prevalent amongst schoolgirls in India and ensure that girls attend school with dignity and attain quality education. We supported education of 4,950 marginalized girls from two districts in Punjab.

Health:

Insurance:
This is a unique program wherein we provide the LMV and LCV drivers with free personal accident and medical insurance policy for the period of one year. The objective of this project is to provide safety net to drivers and their families and increase the awareness about importance of insurance cover. We have provided insurance to 17,800 drivers from 2 states.

Environment:
Mahindra Hariyali: The program is meant to increase green cover in the country by planting trees in multiple locations across India and supporting Environmental conservation & restoration projects. More than 42,000+ saplings have been planted across India with the participation of employees.

Disaster Management:

Covid 19 Care Interventions:
During the second wave of COVID-19 pandemic, Mahindra Finance directly and in collaboration with the local NGO partners implemented following interventions:

- Established three 50 bedded Covid Care Centre at Christ Hospital, Chandrapur, Maharashtra, Sadar Hospital, Chaibasa, Jharkhand and GMCH, Guhwati, Assam for treatment of COVID 19 symptoms of low & mild patients. Around 4,700 patients benefited from this intervention.
- Donated 10,000 PPE kits to the various Govt. Medical Colleges, PHC and District & Rural Hospitals.
- Donated 39 ambulances to District & Rural Hospitals, NGOs towards Covid Relief efforts.
- Supported 5 Healthcare Centres' with required medical equipment like Oxygen Concentrators, ICU Para Monitor etc, spread awareness about the vaccination drive in the targeted community.
- Administered 2.05 Lakhs Covid 19 jabs for tribal, rural, and hard-to-reach areas in Maharashtra in collaboration with NGO partner and State Govt of Maharashtra.

Relief and Rehabilitation:
In August 2021, Western Maharashtra was severely affected by incessant floods. This caused huge damage to social infrastructure. As a response to this calamity, we supported reconstruction and restoration of 4 government schools in Kolhapur & Sangali which included repairing of ramp, building, boundary wall and restoration of toilets, handwashing station and safe drinking water. Over 2,400 school children benefited from this intervention.

- Also, renovated 3 flood affected Primary Health Centres (PHC) in Chiplun & Sangli, Maharashtra to offer quality services to over 2 Lakh people.
- We distributed dry Ration Kits to the Flood-Affected families in Alappuzha, Kerala to 1,050 families.
- Distributed hygiene kits to the neediest families living in disaster-affected places in Uttarakhand with the support of local administration authorities beneficiating 1350 families.

Other Projects:

Employees Volunteering Initiatives:
We have always encouraged our employees to participate in various CSR Projects to drive positive changes amongst the community. During reporting period, over 16,400 employees (82%) contributed 1 lakh plus volunteering hours in various virtual & on initiatives undertaken by the company as below:

a) **Swachh Bharat:** We undertook initiatives to increase awareness on Swachh Bharat and to improve public health facilities.

b) **Samantar:** Our employees reached out to 700+ needy individuals from Orphanages, Old Aged Homes & centres for Differently Abled Homes.

Support to other NGOs:
In FY 2022 we supported 25 NGOs to support the cause aligned with schedule VII of section 135 of the Companies Act 2013.

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**

   Yes, the Company has six Subsidiary Companies as on 31st March, 2022.

   1) Mahindra Insurance Brokers Limited [MIBL]
   2) Mahindra Rural Housing Finance Limited [MRHFL]
   3) Mahindra Manulife Investment Management Private Limited [MMIMPL]
   4) Mahindra Manulife Trustee Private Limited
   5) Mahindra Finance CSR Foundation [Section 8 Company]
   6) Mahindra Ideal Finance Limited

2. **Do the Subsidiary Company/Companies participate in the Business Responsibility (BR) Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).**

   Yes, three Subsidiary Companies vis. Mahindra Insurance Brokers Limited (MIBL), Mahindra Rural Housing Finance Limited (MRHFL) and Mahindra Manulife Investment Management Private Limited (MMIMPL) participate in the Company's BR initiatives and details of the same have been included in the scope of Mahindra Financial Service Sector's (FSS) Sustainability Report. The FSS Sustainability Reports of last 9 years are available on the Company's website at - https://mahindrafinance.com/discover-mahindra-finance/sustainability.

   Since the reporting year FY 2022, we have published consolidated Integrated Report to meet the requirements of both sustainability and annual report. The Integrated report includes information on all our subsidiaries.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

   Yes, the Company has developed a long-lasting relationship with Dealers of Original Equipment Manufacturers (OEMs). The Company has a Dealers Council and organises regular Dealer meets. As part of these engagement activities with dealers we highlight our business practices and process which are in line with the governing framework, and we also align with dealers on our core business focus i.e. enabling people to earn livelihood and creating positive social impact.

   On Suppliers front, the Company has service providers and vendors that provide services and products required for business operations. The Company has various sustainability focused programs that expand the reach of environmental and social responsibility to our suppliers. The Company also encourages and appreciates its suppliers who adopt sustainability focused practices and promote them. In 2019, the Company formulated 'Vendor & Supplier Code of Conduct'. It sets forth key social, environmental and governance standards that the Company expects its suppliers and vendors to follow.

   Since, the business reach is widespread across the country, the number of dealers and suppliers the Company engages and works with, is considerably high. Currently, the coverage of the dealers and suppliers covered under sustainability program is less than 30%.

Section D: BR Information

1. **Details of Director/Directors responsible for BR**

a) Details of the Director/Directors responsible for the implementation of the BR policy/policies

Director Identification Number (DIN)	Name	Designation
00220759	Mr. Ramesh Iyer	Vice-Chairman & Managing Director

b) Details of the BR Head

Sl. No.	Particulars	Details
1.	DIN Number (if applicable)	N.A.
2.	Name	Mr. Atul Joshi
3.	Designation	Chief – HR & Admin
4.	Telephone number	022 66526029
5.	e-mail id	JOSHI.ATUL@mahindra.com

2. **Principle-wise (as per NVGs) BR Policy/policies**

The Business Responsibility Policy ("BR Policy") addressing the following 9 principles as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs), duly approved by Board, is in place. This policy is operationalised and supported by various other policies, guidelines and manuals.

The 9 principles outlined in the National Voluntary Guidelines are as follows:

Particulars	Details
PRINCIPLE 1	Business should conduct and govern themselves with Ethics, Transparency and Accountability.
PRINCIPLE 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
PRINCIPLE 3	Businesses should promote the wellbeing of all employees.
PRINCIPLE 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
PRINCIPLE 5	Businesses should respect and promote human rights.
PRINCIPLE 6	Businesses should respect, protect and make efforts to restore the environment.
PRINCIPLE 7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
PRINCIPLE 8	Businesses should support inclusive growth and equitable development.
PRINCIPLE 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

a) Details of compliance (Reply in Y/N)

		Ethics, Transparency and Accountability	Product Life Cycle*	Employee Wellbeing Stakeholder Engagement	Stakeholder Engagement	Human Rights	Environment*	Public and Regulatory Policy	Inclusive Growth	Customers and Consumers
Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify?	Y	N.A.	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Y[1]	Y[1]	Y[1]	Y[1]	Y[1]	Y[1]	Y[1]	Y[1]	Y[1]

Sl. No.	Questions	P1 Ethics, Transparency and Accountability	P2 Product Life Cycle*	P3 Employee Wellbeing Stakeholder Engagement	P4 Stakeholder Engagement	P5 Human Rights	P6 Environment*	P7 Public and Regulatory Policy	P8 Inclusive Growth	P9 Customers and Consumers
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y2	Y2	Y2	Y2	Y2	Y2	Y2	Y2	Y2
8	Does the Company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	N.A.	Y	Y	Y	Y	N.A.	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y3	Y3	Y3	Y3	Y3	Y3	Y3	Y3	Y3

*Considering the nature of the Company's business, this principle has limited applicability to our service offering and financial products

Y– Yes, the Company has relevant policies and systems in place with respect to the principles as per the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibility of Business.

Y1– The Company's Business Responsibility Policy, The Code of Conduct for Directors, Code of Conduct for Senior Management and Employees, Fair Practices Code, Internal Guideline on Corporate Governance, Corporate Social Responsibility Policy, Sustainability Policy, Whistle Blower Policy, Anti Bribery Policy and Human Rights Policy. Below mention are the links for the policies developed by the Company.

- https://www.mahindrafinance.com/media/383968/mmfsl_businessresponsibilitypolicy_signed.pdf
- https://mahindrafinance.com/media/125149/coc_directors.pdf
- https://mahindrafinance.com/media/125158/code_for_independent_directors.pdf
- https://www.mahindrafinance.com/pdf/CorpGov_Mgmt_Emp.pdf
- https://mahindrafinance.com/investor-zone/fair-practice-code
- https://www.mahindrafinance.com/pdf/Internal_Guidelines_on_CG_MMFSL.PDF
- https://www.mahindrafinance.com/media/383958/csr-policy.pdf
- https://mahindrafinance.com/media/44959/sustainability_policy_fss_final.pdf
- https://www.mahindrafinance.com/media/392520/whistle-blower-policy-11032022.pdf
- https://www.mahindrafinance.com/media/125150/code-of-conduct-for-senior-management-employees.pdf
- https://www.mahindrafinance.com/media/384201/mmfsl-anti-bribery-and-anti-corruption-policy-28072021.pdf
- https://www.mahindrafinance.com/pdf/MMFSL_HumanRightsPolicy.pdf

Other Policies with respect to principles of NVG like, Policy for Disposal of IT Assets, Loan Credit Policy, Quality Policy, Insider Trading Code, Policy on Insider Trading Guideline for Disciplinary Actions etc. are uploaded on the Company's intranet portal for the information and implementation by internal stakeholders.

Y2 – Communication of Business Responsibility Policy and other Policies with respect to principles of NVG has been shared and circulated to relevant stakeholders.

Y3 – While the Company has not carried out independent audit of the policies; there is a limited assurance by an independent third party (assurance provider) for the Company's Integrated Report. The execution of the policies is through processes and systems, which are regularly reviewed and considered for improvements.

(b) If answer to the question at serial number 1 (in table of 2.a) against any principle, is 'No', please explain why: (Tick up to 2 options)

Not Applicable

3. Governance related to BR

1. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

3-6 months

2. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

In FY 2021-2022, we published our Second Integrated Report – "Ready to Grow" in line with our mission "To transform lives across rural & semi-urban India and drive positive change in the communities post pandemic period".

The report is externally assured by KPMG for GRI Content Index.

You may also access the report here: https://www.mahindrafinance.com/investor-zone/

Section E: Principle-wise performance

Principle No.	Description	Reference to the Company's Policies	Website links to access the policies
P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability	1. Codes of Conduct for Directors, Senior Management and employees; 2. Whistle Blower Policy; 3. Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information; 4. Policy for Determination of Materiality of Disclosures; 5. Dividend Distribution Policy; 6. Code of Conduct for Prevention of Insider Trading in securities of Mahindra & Mahindra Financial Services Ltd. 7. Policy for Dealing with Suppliers and Vendors; 8. Policy on Human Rights	Policies at points 1 to 8 except Policy at point no. 6 are uploaded on the website of the Company and can be accessed at the weblink: https://mahindrafinance.com/
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	1. Sustainability Policy; 2. Codes of Conduct for Senior Management and employees; 3. Policy for Dealing with Suppliers and Vendors;	Policies at points 1 to 3 are uploaded on the website of the Company and can be accessed at the weblink: https://mahindrafinance.com/
P3	Businesses should promote the well-being of all employees	1. Codes of Conduct for Senior Management and employees; 2. Whistle Blower Policy; 3. Human Rights Policy; 4. Birth & Beyond Policy (for women employees throughout the maternity continuum);	Policies at points 1 to 4 are uploaded on the website of the Company and can be accessed at the weblink: https://mahindrafinance.com/
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised	1. Corporate Social Responsibility Policy; 2. Sustainability Policy; 3. Policy on Business Responsibility.	Policies at points 1 to 3 are uploaded on the website of the Company and can be accessed at the weblink: https://mahindrafinance.com/
P5	Businesses should respect and promote human rights	1. Codes of Conduct for Senior Management and employees; 2. Policy on Human Rights 3. Policy for Dealing with Suppliers and Vendors;	Policies at points 1 to 3 are uploaded on the website of the Company and can be accessed at the weblink: https://mahindrafinance.com/
P6	Business should respect, protect, and make efforts to restore the environment	1. Sustainability Policy; 2. Corporate Social Responsibility Policy; 3. Policy for dealing with Suppliers and Vendors.	Policies at points 1 to 3 are uploaded on the website of the Company and can be accessed at the weblink: https://mahindrafinance.com/
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	1. Business Responsibility Policy	BRR Policy extract.pdf (mahindrafinance.com)
P8	Businesses should support inclusive growth and equitable development	1. Corporate Social Responsibility Policy 2. Policy on Human Rights	Policies at point 1 and 2 are uploaded on the intranet and the website of the Company and can be accessed at the weblink: https://mahindrafinance.com/
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	1. Fair Practice code	https://mahindrafinance.com/investor-zone/fair-practice-code

Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs / Others?**

   The Company has a Code of Conduct to deter noncompliance and to promote ethical practices. The Code is for everybody working for or on behalf of the Company, whether as an employee or otherwise. The Board has adopted two detailed sets of code of conduct, one for Board of Directors and other for Senior Management and Employees. The Code of Conduct for Senior Management and Employees forms an integral part of the induction of new employees.

   We have also developed an Anti-bribery and Anti-corruption (ABAC) Policy. The basic tenets of anti-bribery and anti-corruption are postulated in the MMFSL Code of Conduct.

   We also have a detailed set of Codes for our vendors, the vendor and supplier code of conduct provides us a vision to drive ethical and sustainable relations with our vendors and suppliers.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

   During the reporting year, 8 complaints were received from the Shareholders, all of which were attended to/resolved till date.

   The Company also received 3 complaints from its Debenture holders and 11 complaints from Fixed Deposit holders and all the complaints stand resolved at the end of the financial year.

   During the reporting year 19,050 customer complaints were received while 763 were pending at the beginning of the year. Out of the total 19,813 customer complaints, 19,634 are redressed during the year and 179 are pending. Out of total customer complaints 99% are satisfactorily resolved and 1 % are pending for resolution at the end of the year.

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.**

   At the outset, Mahindra & Mahindra Financial Services Ltd and its subsidiary companies felt a strong sense of stakeholder responsibility and our Inclusive business model is anchored in our vision to help accelerate sustainable development for all. For close to three decades, we have played a critical role in bringing the economically underprivileged sections of society to India's financial lifeline and drive positive change. Our businesses focus on the key necessities of people and enable them to earn livelihood through financial products offered by Mahindra & Mahindra Financial Services Limited (MMFSL). We help people build their homes through Mahindra Rural Housing Finance Ltd (MRHFL's) affordable home loan services, secure their life & assets by insurance solutions of Mahindra Insurance Broker Ltd (MIBL) and provide investment options by Mahindra Manulife Investment Management Private Limited (MMIMPL).

   During 2021-22, we financed 6,849 electric vehicles with a total financing value of Rs. 108.90 crore.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   The Company operates in financial services sector; therefore, this aspect doesn't relate to the nature of the business. However, the Company extensively monitors its energy consumption, GHG emissions and waste generation as a part of its sustainability roadmap. For FY 2021-22 the Company recycled more than 39 tons of E-waste through registered Recyclers. During the year, the Company sent 5683.54 kg. of paper waste for responsible disposal and recycling and in turn received 21084.93 Swachh Bharat Points which was redeemed in exchange for environmentally friendly 900 cloth bags from the vendor partner.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

   The Company's major suppliers are small scale vendors and service providers. The Company's nature of business is such that sustainable sourcing is not material.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   One of the important factors while selecting suppliers of the Company is proximity to locations where it operates. Since the Company has a pan-India presence and operates across various locations in rural India, it is important to build strong partnerships with the local suppliers within India. In the last reporting year, 100% of Company's supplies were met through local vendors and service providers. The same is also covered as one of the sustainability performance indicators in Company's previous Integrated Report available at the web-link: https://www.mahindrafinance.com/media/384163/mmfslannualreport2021

   As a part of Company's continued engagement with local suppliers and through its emphasis on factors like quality, delivery time, etc., service levels of the suppliers have improved. Also, the Company encourages its suppliers to adopt sustainable practices and also appreciates and recognises the good practices followed by them.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)**

   Yes, the Company has mechanism to recycle wastes produced during its business operations which majorly comprises of e-waste, UPS batteries and stationery waste (like paper, Cardboard & plastics). The Company disposes the hazardous waste materials (e-waste) through authorised agencies as per the applicable laws pertaining to E-Waste. 100% of hazardous waste from all major locations for the previous year is disposed of responsibly.

   The disclose on total waste generation is provided in our Integrated Report https://www.mahindrafinance.com/media/384163/mmfslannualreport2021.pdf

Principle 3

1. **Please indicate the Total number of employees**

	No. of employees
Permanent employees	19,998

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis**

	No. of employees
Contractual employees	4,429

3. **Please indicate the Number of permanent women employees**

   698

4. **Please indicate the Number of permanent employees with disabilities**

   47

5. **Do you have an employee association that is recognised by management?**

   The Company does not have recognised Employee Associations / Labour unions.

6. **What percentage of your permanent employees is members of this recognised employee association?**

   This aspect is not applicable as employees in the Company are not members of any recognised association.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as at the end of the financial year
1.	Child labour/forced labour/involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

   The Company's talent management team conducts various learning and development programs each year to nurture talent amongst the employees. The average training hours amounts to 11.1 hours man-days per person in FY 2022.

   Percentage of employees covered as a part of different safety & skill up-gradation training in the last year are shared below:

• Permanent Employees	19,363*
• Permanent Women Employees	720*
• Casual/Temporary/Contractual Employees	2,300*
• Employees with Disabilities	Not available

*This also includes employees who have resigned, however received training in the reporting year.

   On safety aspect we provided training to 3,428 employees and total training hours was 2,292 hours. We also have Ziman app for our women employees, field staff and accountants / cashiers. Ziman app is an emergency support service, the application is used by employees to trigger SOS in case of any emergencies.

Principle 4

1. **Has the Company mapped its internal and external stakeholders? Yes/No**

   Yes, the Company has mapped its internal and external stakeholders.

   Details of company's stakeholder engagement process can be referred in previous year Integrated Report available at link: mahindrafinance.com/media/384163/mmfslannualreport2021.pdf

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

   Yes, the Company has identified such stakeholders.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**

   At Mahindra & Mahindra Financial Services Limited, we sincerely believe that the actions of the organisation and its community are highly inter-dependent. Both on its own and as part of the Mahindra Group, through constant and collaborative interactions with our external stakeholders, we strive to become an asset in the communities where we operate.

   Transforming lives of the rural population has been the primary focus of all corporate social responsibility initiatives undertaken by the company. The endeavour is to empower the rural communities and help them unleash their potential. Apart from this the Company works with persons with disabilities, small and marginalised women farmers, and other community and other vulnerable & hard to reach groups to enhance their skills and in-turn enhance livelihood opportunities. The company has identified Healthcare, Education & Livelihood and Environment as key CSR thrust areas. This year we have launched flagship program for the welfare of one of the major stakeholders – driver community in India.

   The details of the programs can be found under the CSR section of Company's Integrated Report. https://www.mahindrafinance.com/media/384163/mmfslannualreport2021.pdf

Principle 5

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   The Human Rights Policy Statement of the Company applies to all employees and is expected to be reciprocated by other stakeholders including partners, suppliers, vendors and contractors, as Company's commitment to Human Rights.

   The company introduced a mandatory e-learning module on human rights on the internal learning platforms. This unique 40-minute module elaborates on human rights and the importance of respecting them for business development. It also talks about the relevance of human rights in the context of Mahindra Finance. It has been especially customised for our employees and linked to our policies. A quiz and assessment, helps gauge the impact on learners.

   In this reporting year we have initiated a Human Rights assessment for our 16 offices based on framework in line with SA 8000 requirements and United Nations Environment Program (UNEP) for Financial Institutions.

   Link for Human Rights Policy

   https://www.mahindrafinance.com/pdf/MMFSL_HumanRightsPolicy.pdf

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   None with respect to Human Rights. Elements of Human Rights get covered in various policies and practices at the Company. Complaints pertaining to employee wellbeing that covers different aspects of Human Rights is disclosed in Point No. 7 of Principle 3 above.

Principle 6

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others**

   Yes, the Company's policy related to environmental protection as applicable for Financial Services Industry covers different sets of stakeholders. The e-waste Management Policy & the 'Vendor & Supplier Code of Conduct' which are important to the Company have coverage and applicability to its business partners involved in the process. In addition to this, Company has also devised Sustainability Policy and Guidelines which also covers Company's subsidiary companies and all stakeholder engaged in business process as applicable.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Climate Change outcomes are consequential to the company's business, as our loan recovery schemes are structured around crop harvest pattern. Hence Climate change is a major factor for our customer profile consisting mainly Farmers, Traders, Local Transport operators, Small Business Owners and Daily Earners.

   The issue of climate change has been to the fore since the UN Paris Agreement in 2015 and the company is determined to reduce our environmental footprint and lead the way forward. To manage its environmental footprint and reduce it, the company is tracking data on parameters like electricity, paper, fuel & water consumption across all locations. Performance in terms of absolute and specific GHG emissions is also calculated.

   - In 2019, the Company became the 1st and only Financial Company in India to be committed towards call to action for Science Based Targets. The Science Based Targets initiative (SBTi) requires companies to publicly commit to setting carbon emission reduction targets that are in line with climate science. In 2020, the Company's preliminary validation for carbon reduction target setting was complete.
   - The Company ranked 29th amongst Top 100 Indian companies for Sustainability & CSR under Responsible Business Rankings 2021 by Futurescape.
   - The Company has been listed in the renowned FTSE4Good Emerging Markets Index for the third consecutive time in FY 2021. FTSE4Good is an equity index series that is designed to facilitate investment in companies that meet globally recognised corporate responsibility standards. It is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.
   - The Company's approach has been to make its environmental disclosure transparent, and accordingly, it has been reporting disclosures and reports on its performance through the Carbon Disclosure Project (CDP) India since FY 2011-12. In FY 2022, the Company attained CDP Performance Band: B- meaning that the company is at 'Management' band this year.
   - The Company under Mahindra Hariyali project planted more than 42,000+ saplings across India in this year. It is an initiative to improve green cover and protect biodiversity in the country.
   - Mr. Anand Mahindra, Chairman Mahindra Group, at Davos 2018 reaffirmed his pledge to Climate change mitigation by committing all Mahindra Group companies to setting Science based targets which aim to limit global temperature rise to 1.5-2 degrees. He also announced all Mahindra Group companies to become Carbon neutral by 2040. Aligning to Mr. Mahindra's commitment, the Company has developed its Carbon Neutrality Roadmap 2040.
   - Since 2015, the Company has been releasing Quarterly Sustainability Newsletter "Beyond Profit" to communicate Sustainability & CSR Highlights internally across Financial Services Sector. The senior management's message and inputs are also captured in Newsletter. In FY 2022 following themes have been covered: Human Rights, Renewable Energy, Water Conservation and Green House Effect.
   - Through 'I Am Responsible Initiative' the company encourages employees to make Sustainability personal and to make a social contribution through our monthly calendar activities. We take it upon ourselves as an organisation to make sure each of our employees become part of it to bring a positive change in society. This initiative is driven in alignment with Sustainability Calendar which is designed with 17 UN Sustainable Development Goals as an overarching framework.

   Also, the Company has undertaken various environmental initiatives that reduce emission of GHG gases in atmosphere which contribute to the phenomena of global warming and climate change. Details of all the initiatives are available in the 'Natural Capital ' section of the Company's Integrated report:

   An indicative list of various projects implemented in this regard is appended below:

   On Energy Conservation:

   1) Energy audits at 5 Regional offices for identification of opportunity for energy conservation
   2) Use of LED Lights in place of CFL at offices
   3) Installation of higher efficiency Air Conditioners (3 star and above) and Blade Servers
   4) Quality improvement initiatives with actions focused on energy conservation

   In the FY 2022 the initiatives taken were as under

   On Water Saving:

   Installation of Aerators in taps of offices.

   On Waste Reduction:

   1) Use of technology and digitisation of processes to make them paperless
   2) Reusing and recycling of wastes
   3) Segregation of dry & wet waste
   4) Usage of compostable bags for garbage disposal

3. **Does the Company identify and assess potential environmental risks? Y/N**

   Yes, the Company has a mechanism to identify and assess potential environmental risks pertinent to its business operations. In FY 2022, the Company has enhanced its existing Risk Register by including applicable Climate change risks. Following steps were undertaken to carry out the integration:

   - Review the existing risk register
   - Identification of financial sector specific climate change risks.
   - Classification of the risks
   - Integration of new climate change risks into risk register

   Risks ranging in the category of current regulation like new emission norms, Electric vehicle entry to risks such as 'Risk to Commitment' example; Non-conformance with carbon sink procedures have been included.

   Our detailed approach to climate risk can be referred in our Integrated Report
   https://www.mahindrafinance.com/media/384163/mmfslannualreport2021.pdf

4. **Does the Company have any project related to Clean Development Mechanism (CDM)? If Yes, whether any environmental compliance report is filed?**

   As the nature of Company's business is service oriented; feasibility of undertaking a CDM project is very limited. The Company has not undertaken any project related to Clean Development Mechanism (CDM).

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   Yes, Company has undertaken initiatives on energy efficiency and renewable energy.

   The Company has taken multiple initiatives on AC replacements, Solar Installation, LED and Brushless Direct Current Motor (BLDC) fans installation. The cumulative savings is around 250000+ kwh from all these projects

Sr. No.	Projects	No. of branch	No. of Asset	Unit of measure-ment	Saving (in kWh)
1.	AC replacement	24	137	TR	15,133
2.	Solar panel installation	27	27	KVA	85,280
3.	LED replacement	884	10,598	Number	1,50,048
4.	BLDC fan installation	15	75	Number	2,730
				Total	**2,53,191**

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   The Company, being a non-banking financial company doesn't fall under the purview of CPCB/SPCB. However, the Company monitors various aspects like energy consumption, water consumption, paper consumption, wastes generated and GHG emissions (details available in the Integrated Report at – https://www.mahindrafinance.com/media/384163/mmfslannualreport2021.pdf

   The Company with its various initiatives is constantly in pursuit to reduce its carbon footprint and waste generated.

7. **Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   There has been no show cause / legal notice received.

Principle 7

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with**

   Yes, we are member of several industry associations that share our common goals, and we routinely work together to advance public policies of interest to us and the financial services industry.

Name of the Industry Association/ Institution	Type of Association/ Position Held
Finance Industry Development Council (FIDC)	Chairman of FIDC
Federation of Indian Chambers of Commerce and Industry (FICCI)	Member of the NBFC Taskforce
Confederation of Indian Industry (CII)	Co-Chairman of National committee on Financial Inclusion & Digitisation
Bombay Chamber of Commerce and Industry	Member of Banking & Finance Committee
IITB-Washington University	Member of the Board of Advisors
IMC Chamber of Commerce & Industry	Co-Chairman of NBFC Committee
Assocham	Chairman of National Council on Non-Banking Finance Services & Infrastructure Finance

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   Yes, the Company's Senior Management has suggested improvement in governance and administration processes, policy assistance and advocacy to government and industry bodies on automobile and financial services sector through various industry association and forums.

Principle 8

1. **Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   The Company's corporate social responsibility (CSR) initiatives are aligned to the mission of transforming rural lives and driving a positive change in the communities.

   "Swabhimaan" Company's flagship CSR program is launched for holistic development of the driver community to address the professional, financial, and familial level challenges faced by the drivers and their families. Further we continued our support with People with Disability to earn their livelihood through skill-oriented training program.

   Reaffirming our commitment to the cause of education, we continued to support to Nanhi Kali Program which has benefitted underprivileged girl children from socially and economically marginalized families living in urban, rural, and tribal parts of India. To promote inclusive growth of socially and economically disadvantaged youth, we continued to support Mahindra Pride School which skilled youth. Further, Mahindra Pride Classrooms supported an additional 40-120 hours of training to final year students covering English Speaking, Life Skills, Aptitude, Interview, Group Discussion and Digital Literacy through Polytechnics and Arts & Science Colleges in 6 States.

   Initiated women empowerment through Regenerative Agriculture initiative to train women in organic regenerative agriculture methods to transform the soil on their land and earn profits throughout the year in addition to securing food and nutrition for their families.

   We continued to provide health care support to curb the COVID 19 pandemic by establishing Covid Care Centers, distributing PPE kits, along with ambulance and medical equipment support in hospitals, public health centers and community health centers, restoration of schools and Public Health centres. In addition to this we have supported 2,00,000 plus individuals from remote parts of our country to get the COVID 19 Vaccination.

   Further the unique Employee Social Options Platform (ESOP) provides employees online and offline volunteering opportunities enabling them to participate actively in the Company's CSR initiatives.

   Kindly refer the Annual Report on CSR activities in the Company's Annual Report available at the web-link: https://mahindrafinance.com/investor-zone/financial-information#Financialresults.

   Kindly refer to the Social Capital Section in the Company's last Sustainability Report on the available at web-link: https://www.mahindrafinance.com/media/383685/mahindra-finance-sustainability-report-2019-20.pdf

   Details are also available on the Company's website:

   CSR Section: https://mahindrafinance.com/rise-for-good/csr-overview

   Sustainability Section: https://mahindrafinance.com/discover-mahindra-finance/sustainability

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?**

   Our flagship program "Swabhimaan" is implemented through credible NGO partners.

   We ensure that the NGOs selected can execute the programs efficiently. The Company has a robust due diligence process for NGO selection.

   Apart from that, other initiatives are directly implemented through employee volunteering.

   Details on these aspects can be found in the CSR section of the Company's Annual Report and Sustainability Report.

   Please refer Annual Report on CSR activities available at the web-link: https://mahindrafinance.com/investor-zone/financial-information#Financialresults.

   Details can also be accessed on your Company's website at:

   CSR Section: https://mahindrafinance.com/rise-for-good/csr-overview

   Sustainability Section: https://mahindrafinance.com/discover-mahindra-finance/sustainability

3. **Have you done any impact assessment of your initiative?**

   As per Companies (CSR Policy) Amendment Rules, 2021, Impact assessment would be carried out in respect of CSR projects having outlays of Rupees one crore or more, and which have been completed not less than one year before undertaking the impact study. The Impact assessment has been done by an independent agency.

   For certain CSR interventions, the performance is measured using an online technology platform which captures real-time data about the progress of the project and assists in taking decisions on project continuation, modification, or discontinuation.

4. **What is your Company's direct contribution to community development projects- Amount in Rs, and the details of the projects undertaken?**

   The company has launched "Swabhimaan" Flagship Program for Driver community in FY 2020-21. This is multiyear ongoing program focusing on empowerment and generation of livelihood for the driver communities. This is one of the major community development programs for the company.

   Under education and livelihood, Mahindra Finance has supported education of youth, developed skills of women, youth, and people with disability in driving, auto mechanic, IT skills, Retail Management, provided scholarship to driver's children etc.

   Through the project in healthcare, we created awareness about Swachh Bharat amongst the community through employees volunteering. Also distributed Ration kits to provide nutritious food to needy people in the time of pandemic.

   In the area of environment, the Company planted more than 42,100 saplings in a move to prevent the ill-effects of deforestation.

   The Company contributed Rs. 29.71 crores majorly in areas of Education & livelihood, Health and Environment which are Company's CSR focus areas and another Rs. 7.86 crores have been carried forward in Unspent CSR account for ongoing project which will be utilized within the prescribed timeline.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   The aspect of sustainability is one of the crucial factors in choosing implementing partners for our CSR interventions. We ensure that the progress of the interventions is monitored consistently. We have monthly follow-up call and interaction with the implementing agencies, site visits to monitor progress and smooth completion of the project.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   Customer complaints are treated very seriously in the organisation. During the reporting year 19,050 customer complaints were received while 763 were pending at the beginning of the year. Out of the total 19,813 customer complaints, 19,634 are redressed during the year and 179 are pending. Out of total customer complaints 99% are satisfactorily resolved and 1 % are pending for resolution at the end of the year.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

   The Company is not into manufacturing of products and hence the aspects pertaining to product labelling or packaging are not applicable. However, the Company's website www.mahindrafinance.com provides exhaustive information regarding the financial products & services.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of Financial Year. If so, provide the details thereof.**

   No such cases registered against the Company.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   We are into vehicle loans, the details of the vehicle loans in the form of a brochure is available at each branch. we carry out Real time NPS (net promoter score) with our customers both at the onboarding stage and the exit stage, this is an end-to-end digital survey, carried out in 11 vernacular languages. The scores can be viewed on real time basis. Action planning is carried out basis a monthly report which has all details at business and geography levels.