

Satin Creditcare Network Limited

ESG FACTBOOK

As on March 31, 2025

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About Satin Creditcare Network Limited

Satin Creditcare Network Limited (the “**Company**” or “**SCNL**”) is an NBFC-MFI in India dedicated to empowering underserved communities through financial inclusion. It offers microfinance loans and has transitioned from individual lending to the Joint Liability Group (JLG) model for collateral-free credit, while expanding into secured asset classes and leveraging technology for scalability. Committed to responsible lending and socio-economic upliftment, SCNL continues to enhance financial access and improve livelihoods across India.

About the ESG Factbook

The Environmental, Social, and Governance (ESG) Factbook provides additional relevant information and material ESG disclosures beyond those included in our Annual Report for the financial year 2024–25.

Reporting Boundary

The ESG Factbook primarily covers SCNL’s standalone operations unless otherwise specified, and all monetary values are presented in Indian Rupees (₹).

GOVERNANCE

Transparency & Reporting

The data presented pertains exclusively to SCNL’s standalone operations, which contributed 91.34% of Satin Group’s total revenue in FY 2024–25.

Annual Report Reference: [Link](#), Title: Standalone Financial Statements, page no 112(PDF), 221(Annual Report); Consolidated Financial Statements, page no 161(PDF), 319(Annual Report*).

*Note: References to page numbers in the Annual Report will be annotated as "AR" followed by the page number throughout the report.

Corporate Governance

Board Independence

As on March 31, 2025, the Board of Directors comprised six members, including four Independent Directors, one of whom is a woman, ensuring a balanced mix of Independent and Non-Independent Directors. This structure promotes governance independence and a clear separation from management functions. In opinion of the Board of Directors, the Independent Directors appointed are the person of integrity, expertise and experience (including the proficiency) and fulfils requisite conditions as per applicable laws and are independent of the management of the Company.

Annual Report Reference: [Link](#), [Declaration by independent directors Link](#) Title: Board Independence, page no 27(PDF), 51(AR), Title: Statement on Declaration “Certificate of Independence” page no 52 (PDF), 100 (AR)

Board Type – One-tier system

The Company’s Board follows one-tier system with six (6) board members as on March 31, 2025. The Board is chaired by Dr. Harvinder Pal Singh, Promoter, Chairman & Managing Director. The composition of the Board of Directors is in compliance with Section 149 of the Companies Act, 2013, the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board maintains an optimum mix of Non-Executive Directors and Independent Directors, including one-woman Independent Director, thereby ensuring adherence to statutory requirements and governance best practices.

	Number of members
Executive directors	1
Independent directors	4
Other non-executive directors	1
Total board size	6

Annual Report Reference: [Link](#), Title: Composition and category of the Board of Directors, page no 91(PDF), 178(AR)

Non-Executive Chairperson/ Lead Director

The Board is chaired by Dr. Harvinder Pal Singh, who serves as the Chairman cum Managing Director as well as an executive director of the Company.

Board Accountability

Average Board Meeting Attendance

The Company holds at least four scheduled Board meetings annually to ensure statutory compliance. In accordance with the Companies Act, SEBI LODR Regulations, RBI Master Directions, and other applicable laws, detailed agenda notes are circulated at least seven days in advance, unless a shorter notice is required. Directors may participate through audio/video conferencing as permitted under Section 173(2) of the Act. To enhance digitization and security, the Company uses Board PAC Software, a paperless solution for secure access to agenda documents. As part of good governance, minutes of wholly owned subsidiaries are placed before the Board, and compliance reports are reviewed periodically. During FY 2024-25, the Board had an average attendance of 95.38%.

Annual Report Reference: [Link](#), Title: Board Meetings & Attendance, page no 91(PDF), 179(AR)

Shareholder approval required for changes in bylaw

Every member of the Company has the right to vote on resolutions in proportion to their shareholding in the paid-up equity capital. As stated in SCNL's Memorandum and Articles of Association and pursuant to applicable provisions of the Companies Act, any amendment to the Articles (bylaws) requires shareholder approval. Such approval can be obtained at a General Meeting or through postal ballot, including electronic voting, as permitted under law. A resolution passed by the requisite majority via postal ballot or e-voting is deemed to have been duly passed at a General Meeting.

Articles of Association Reference: [Link](#), Title: Votes of Members, page no 47(PDF), 21(AOA)

Board Mandates

Name of the Directors	Category of Directorship in the Company	Category of Directorship	Number of directorships in other public companies (excluding the Company) #
Dr. Harvinder Pal Singh	Chairman cum Managing Director	Non-Executive & Non - Independent Director	3
Mr. Satvinder Singh	Non-Executive & Non-Independent Director	-	-
Mr. Anil Kumar Kalra	Non-Executive and Independent Director	Non-Executive & Non - Independent Director	1
Mr. Anil Kaul	Non-Executive & Independent Director	Non-Executive & Non - Independent Director	3
Mr. Joydeep Datta Gupta	Non-Executive & Independent Director	-	-
Ms. Jyoti Davar Vij	Non-Executive & Independent Director	Non-Executive & Non - Independent Director	1

Annual Report Reference: [Link](#), Title: Board of Directors, page no 91(PDF), 179(AR)

Note: # Excludes directorship(s) held in foreign companies & private limited companies and companies under Section 8 of the Act, Partnership Firms, LLP, HUF, Sole Proprietorships and Association of Individuals (Trust, Society etc).

CEO succession plan is in place

The Company ensures leadership continuity through a strong team of Key Managerial Personnel (KMP) and Senior Management Personnel (SMP). This team has an average vintage of over 10 years across critical functions such as operations, technology, and risk management. They work closely with the CEO and possess the experience and capability to manage the organization effectively in the event of leadership transition, thereby supporting business stability and resilience.

Board Performance Review:

In compliance with SEBI LODR Regulations and the provisions of the Companies Act, the Company has a Board-approved framework for performance evaluation of Directors, covering the Board, its Committees, the Chairperson, and individual Directors. Evaluations were conducted through detailed questionnaires assessing aspects such as duties, responsibilities, information flow, meeting participation, independent judgment, and understanding of the business. The Board and its Committees were evaluated by all Directors and the Nomination and Remuneration Committee, while

Independent Directors were assessed by the Board excluding the Director being evaluated. The Chairman cum Managing Director and Non-Executive Directors were evaluated by Independent Directors. Results were discussed in meetings of the Board, the Nomination and Remuneration Committee, and Independent Directors, with all participants expressing satisfaction with governance standards, Board performance, and effectiveness.

Annual Report Reference: [Link](#), Title: Performance evaluation of the Board, its Committees and individual Director, page no 93(PDF), 183(AR)

Director's Liability:

The Company's Memorandum and Articles of Association provides an indemnity to Directors, Managers, Auditors, Trustees, and Officers for all bona fide costs, charges, losses, damages, and expenses incurred in the course of performing their duties on behalf of the Company. This includes reimbursement for reasonable expenses related to legal proceedings or arbitration undertaken in good faith while executing their responsibilities. However, this indemnity is strictly subject to the provisions of the Companies Act, 2013 and excludes any costs, losses, or damages arising from wilful default, fraud, gross negligence, or misconduct.

Articles of Association Reference: [Link](#), Title: Indemnity, page no 70(PDF), 43(AOA)

Board Member Election

In accordance with the Memorandum and Articles of Association and applicable laws, one-third of the Directors liable to retire by rotation shall retire at each Annual General Meeting, or if their number is not three or a multiple of three, then the number nearest thereto shall retire. The Directors to retire are those who have been longest in office since their last election, and if two or more Directors were appointed on the same day, their retirement shall be determined by mutual agreement or by draw of lots. Directors appointed to fill a casual vacancy are deemed to have been in office since the date the original Director was last elected. Mr. H. P. Singh serves as a non-retiring Promoter Director on the Board. As per the Nomination and Remuneration Policy, the appointment or re-appointment of a Managing Director or Whole-time Director is for a term not exceeding five years at a time or such other period as permitted under applicable laws. Independent Directors hold office for up to five consecutive years and may be re-appointed upon passing a special resolution. However, no Independent Director can serve more than two consecutive terms, and after completing two terms, they may be re-appointed only after a three-year cooling-off period during which they are not associated with the Company in any capacity, directly or indirectly.

Reference: [Link](#), Title: Rotation of Directors, page no 52(PDF), 26(AOA); [NRC Policy](#) page no11(PDF)

Board Average Tenure

Director Name	Position on the Board	Appointment Date	Tenure (In years)
Dr. Harvinder Pal Singh	Promoter, Chairman cum Managing Director	16-Oct-90	34.5
Mr. Satvinder Singh	Promoter, Non-Executive & Non-Independent Director	16-Oct-90	34.5
Mr. Anil Kumar Kalra	Non-Executive and Independent Director	08-Dec-15	09.30
Mr. Anil Kaul	Non-Executive and Independent Director	15-Jan-24	01.20
Mr. Joydeep Datta Gupta	Non-Executive & Independent Director	24-Jun-24	0.80
Ms. Jyoti Davar Vij	Non-Executive and Independent Director	31-Jul-24	0.70
		Average	13.50

Annual Report Reference: [Link](#), Title: Corporate Governance, page no 91(PDF), 179(AR)

Board Industry Experience

According to GICS Level 1, SCNL falls under Financials sector. The board members with relevant work experience in the Company's sector are:

Position	Names	Previous Work Experience
Chairman cum Managing Director	Dr. Harvinder Pal Singh	Dr. Singh brings extensive industry expertise through his active participation in leading forums. He serves as a member of the Banking and Financial Institution Committee at FICCI, contributing to policy and sectoral

Position	Names	Previous Work Experience
		development. As former Chair of Sa-Dhan, he played a pivotal role in advancing the microfinance sector during his two-year tenure. Additionally, as Trade Commissioner for the Indian ASEAN Trade Council, Dr. Singh oversees initiatives to strengthen trade and economic cooperation between India and ASEAN nations.
Promoter, Non-Executive & Non-Independent Director	Mr. Satvinder Singh	Mr Satvinder Singh holds extensive consumer marketing and finance experience and has developed new methods of credit appraisal and marketing for SCNL as Company Director. Associated with the SCNL since its inception in 1990, Mr Singh also acted as Managing Director between September 1995 and February 2011.
Non-Executive and Independent Director	Mr. Anil Kumar Kalra	Mr. Anil Kumar Kalra is an Independent Director with 35 years of banking and financial experience, including 5 years as CEO/SVP at a leading NBFC in London and India. His expertise spans Banking, Financial Services, Investment Banking, and Infrastructure Financing. He has held Senior Vice President roles at a notable NBFC, offering services such as asset financing, debt syndication, corporate advisory, and merchant banking. He also served as CEO at a Financial Services Company in London.
Non-Executive and Independent Director	Mr. Anil Kaul	Mr Anil Kaul is former Managing Director, TATA Capital Housing Finance Ltd. He brings with him rich experience of working in Banking and Finance industries for more than three decades. He worked with ICICI Group for more than two decades including the Rural & Inclusive Banking Group, Future Capital Holdings Ltd., Bank Muscat SAOG, Standard Chartered Bank India and Citibank N.A. India
Non-Executive and Independent Director	Mr Joydeep Datta Gupta	Mr Joydeep Datta Gupta is a former Partner of Deloitte India and a Board Member of Deloitte Asia Pacific. A Chartered Accountant by profession, he has over thirty years of experience across two major professional services firms. He has also held senior leadership positions at Deloitte India.
Non-Executive and Independent Director	Mrs. Jyoti Davar Vij	Ms. Jyoti Davar Vij, a business economist with nearly three decades of experience, currently oversees FICCI's operations and industry outreach. She works closely with government officials, multilateral organizations, and industry leaders on policy and business issues, contributing to initiatives that enhance ease of doing business and competitiveness. Ms. Vij has served on government committees, managed projects with global institutions, and supports investment promotion activities.

Annual Report Reference: [Link](#), Title: Board of Director, page no 29, 30(PDF), 55 - 57(AR)

CEO Compensation - Success Metrics

The Company has established predefined corporate performance indicators that are directly linked to the variable compensation of its Chairman cum Managing Director (CMD). In line with the recommendations of the Nomination and Remuneration Committee and the Board of Directors, and pursuant to applicable laws, the Members approved at the 34th Annual General Meeting held on August 9, 2024, a revision in the CMD's remuneration from INR 9.99 lakhs per month to INR 26.80 lakhs per month, excluding a variable pay component of 20% of basic salary. This variable pay is contingent upon the Company's performance and subject to approval by the Committee and the Board. Under the leadership of Dr. Harvinder Pal Singh, the Company delivered a robust performance amidst industry-wide challenges, achieving growth in Assets Under Management (AUM), maintaining healthy asset quality, controlling credit costs, improving operational efficiencies, and sustaining profitability throughout the year. These indicators reflect the Company's commitment to aligning executive remuneration with financial and operational outcomes, ensuring accountability and long-term value creation.

Annual Report Reference: [Link](#), Title: Notice, Item no. 6, page no 204(PDF), 405(AR)

CEO Compensation - Long-Term Performance Alignment

The Chairman & Managing Director (CMD) has a variable pay component in his salary, which is not in the form of stock options or shares. The performance evaluation period for variable pay is annual (1 year). The Company also has a clawback provision, as outlined in the NRC policy, requiring repayment of variable pay (net of taxes) in case of specific events, with invocation possible up to six months from the grant date. Time vesting aligns with the annual performance evaluation cycle.

As Mr. Harvinder Pal Singh does not own any shares of the Company, short-term deferral of bonus in the form of shares or stock options is not applicable. However, the variable bonus is determined by the Nomination and Remuneration Committee (NRC) based on Company performance, including growth in Assets Under Management (AUM), maintaining healthy asset quality, controlling credit costs, improving operational efficiencies, and sustaining profitability throughout the year. This bonus is deferred until the fourth quarter. In FY 2025, the NRC and Board approved variable pay of 20% of basic salary for Dr. Harvinder Pal Singh, effective April 1, 2024, until September 30, 2025, based on Company performance. The longest performance period applied to evaluate variable compensation is one financial year.

NRC Reference: [Link](#), Title: Variable Pay, page no 14(PDF)

Management Ownership

Director Name	Position on the Board	Number of equity shares held in the Company as of 31 st March 2025
Dr. Harvinder Pal Singh	Chairman cum Managing Director	0

MGT-7 Reference: [Link](#), Title: Details of directors and Key managerial personnel as on the closure of financial year, page no 14(PDF), 14(MGT-7)

Note*: As a good governance practice, Satin only has Dr. HP Singh, the Chairman cum Managing Director, who is also the only executive director of the Company.

Average across other executive committee members owning shares:

Closing Price as on 28th March 2025

NSE: INR 142.98

BSE: INR 143.40

Director Name	Position in the Company	Share Price as on 28 th March 2025 (INR)	Number of shares held	Amount of shares held as on 31 st March 2025	Salary	Ratio Multiple
Manoj Agrawal	CFO	142.98	400	57,192	10,077,570	0.01
Average						0.01

MGT-7 Reference: [Link](#), Title: Details of directors and Key managerial personnel as on the closure of financial year, page no 14,19(PDF), 14,19(MGT-7)

Government Ownership

No governmental institutions own more than 5% of the total voting rights.

Shareholder Category	No. of Shareholders	No. of Shares	No. of Shares held in Dematerialized form	Shareholding as % of Total Share Capital
Central Government/ State Government(s)	0	0	0	0

MGT-7 Reference: [Link](#), Title: Public/Other than promoters, page no 11-12(PDF), 11-12(MGT-7)

Family Ownership

Mr. Satvinder Singh, Promoter and Non-Executive, Non-Independent Director, is the brother of Dr. Harvinder Pal Singh, Promoter and Chairman cum Managing Director of the Company. He is not related to any other Director or Key Managerial Personnel of the Company.

Sr.No.	Promoter Name	No. of Shares	Shareholding as % of Total Share Capital
	Total	3,99,60,753	36.18
1	Ms Anureet HP Singh	7,27,474	0.66
2	Mr Harbans Singh (deceased)	4,06,402	0.37
3	Mr Satvinder Singh	3,85,703	0.35

Sr.No.	Promoter Name	No. of Shares	Shareholding as % of Total Share Capital
4	Ms Neeti Singh	2,04,092	0.19
5	Trishashna Holdings & Investments Private Limited	3,79,14,820	34.32
6	Wisteria Holdings & Investments Private Limited	3,22,262	0.29

Annual Report Reference: [Link](#), Title: Shareholdings of Promoters, page no 181(PDF), 359(AR)

CEO-to-Employee Pay Ratio

CEO Compensation	Total CEO Compensation
Dr. Harvinder Pal Singh	47,850,800*
Employee Compensation	
Median annual compensation of all employees, except the Chief Executive Officer (or any equivalent position):	2,34,000
The ratio between the total annual compensation of the CEO and the mean or median employee compensation:	204.5:1

*Note: INR 4,14,18,800+ Variable pay INR 64,32,000 = INR 47,850,800/-

Annual Report Reference: [Link](#), Title: Report of the Board of Directors, page no 99(PDF), 195(AR); Median Annual Remuneration of Employees for the FY 2024-25 (in INR) , page no 58(PDF), 112(AR)

ESG Governance Oversight

Yes, the Company has a formal governance structure in place to oversee ESG and sustainability issues. The Board has constituted a dedicated CSR and ESG Committee, which as on March 31, 2025, comprises of four Directors, including two Non-Executive & Independent Directors, one Promoter Executive Director, and one Promoter Non-Executive & Non-Independent Director. The Committee is chaired by Dr. Harvinder Pal Singh, Promoter and Executive Director, while the Company Secretary and Chief Compliance Officer acts as Secretary to the Committee. Additionally, the Company has appointed Ms. Aditi Singh as the designated CSR Nodal Officer to ensure effective implementation of ESG and CSR initiatives. This dual-level oversight structure—at both Board and executive levels—demonstrates the Company's commitment to integrating ESG considerations into its governance framework. Details of the Committee and its responsibilities are disclosed in the Annual Report and on the Company's official website under the Corporate Governance section.

Annual Report Reference: [Link](#), Title: Corporate Social Responsibility and ESG Committee, page no 96 - 97(PDF), 189 - 190(AR)

Materiality Analysis

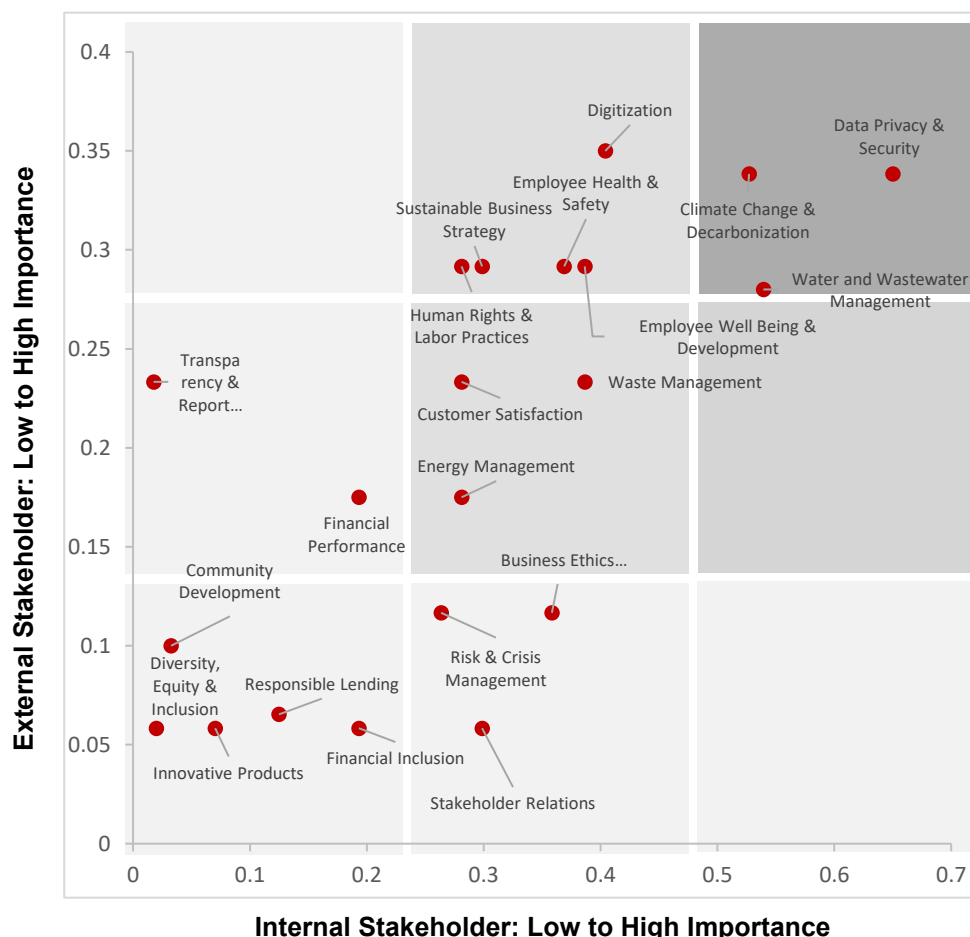
Aligned with our strategic focus on sustainability, SCNL conducted its maiden Materiality Assessment during FY 2024–25 by engaging an external consultant. This comprehensive exercise helped us understand 21 key material topics through a structured four-phase methodology. While foundational pillars such as ethical business conduct, financial inclusion, customer-centricity, responsible lending, transparency, and community upliftment continue to define our ethos as a responsible NBFC-MFI and a publicly listed entity with a strong governance legacy, the assessment also brought to light emerging themes that warrant focused strategic attention.

Among these, three topics Data Privacy & Security, Water and Wastewater Management, and Climate Change and Decarbonization—have emerged as top priorities. These reflect not only the shifting expectations of our stakeholders but also the broader environmental and regulatory context, including the Reserve Bank of India's increasing emphasis on data stewardship and sustainable practices. These themes will serve as critical anchors in shaping our future ESG roadmap.



To ensure relevance and rigor, we benchmarked our approach against leading global standards such as the Sustainability Accounting Standards Board (SASB), MSCI ESG Industry Materiality Map, and the Dow Jones Sustainability Index Corporate Sustainability Assessment (DJSI CSA). We engaged a wide spectrum of internal and external stakeholders—ranging from employees and investors to lenders, vendors, and NGO partners—through surveys and interviews to gather meaningful insights.

The feedback was carefully analyzed to capture stakeholder perspectives, and our senior leadership team reviewed these findings to prioritize issues across short-, medium-, and long-term horizons. This Materiality Map now acts as a strategic compass, guiding SCNL's sustainability roadmap and reinforcing our commitment to responsible growth. We intend to review our materiality topics once every two years. The key topics identified during our materiality assessment and subsequently approved by senior management have been summarized and presented in the form of a materiality matrix, as shown below:



Material Issues for Enterprise Value Creation

Material Issue 1	
Material Risk or Opportunity	Data Privacy & Security
Business Case	SCNL's increasing dependence on digital platforms heightens its vulnerability to cybersecurity threats. A data breach could expose sensitive customer information, leading to regulatory penalties, legal liabilities, loss of trust, and reputational harm. Recognizing these risks, SCNL treats data privacy and security as a strategic priority, backed by strong protection protocols to safeguard institutional integrity and client interests. In today's data-driven economy, privacy-first NBFCs not only build lasting customer trust but also unlock opportunities for global expansion.
Business Impact	Risk
Business Strategy	<ul style="list-style-type: none"> Strengthened IT Infrastructure: SCNL has significantly enhanced its IT backbone and expanded its information security team to proactively monitor and address cybersecurity threats on an ongoing basis. Comprehensive Cybersecurity & Privacy Framework: A robust framework

Material Issue 1

Business Strategy	<p>governs all digital operations, featuring encryption, strict access controls, data masking techniques (ensuring even employees cannot access unmasked data), and regular audits to maintain protection and compliance.</p> <ul style="list-style-type: none"> • Data Privacy Commitment: SCNL's Data Privacy Policy ensures that all personal information shared via its website is treated with strict confidentiality and is not disclosed to third parties unless explicitly consented to by the user. • Industry Standards Compliance: The company adheres to the best global practices, as demonstrated by its ISO 27001:2022 certification, underscoring its commitment to information security and operational excellence. • Host-Based Integration: SCNL collaborates seamlessly with partners, banks, and other stakeholders through secure host-based integrations, ensuring data integrity and secure transactions. • Vulnerability Assessments: Regular vulnerability assessments are conducted in partnership with external experts to identify and mitigate potential risks. <p>We maintain a robust Information Security Management System (ISMS) to safeguard sensitive customer data.</p>
Progress	SCNL has recorded 0 incidents of data breaches in FY 2025. The target for FY 2025 was 0
Target/Metric	0
Target Year	FY2026

Material Issue 2

Material Risk or Opportunity	Human Rights
Business Case	SCNL recognizes that respecting and promoting human rights is critical for maintaining stakeholder trust, regulatory compliance, and sustainable business growth. Ensuring fair treatment, non-discrimination, and safe working conditions reduces reputational and operational risks.
Business Impact	Risk
Business Strategy	<ul style="list-style-type: none"> • Adopted a Human Rights Policy aligned with UN Guiding Principles on Business and Human Rights, International Labor Organization standards, and Indian laws. • Key commitments include: <ul style="list-style-type: none"> ○ Equal opportunity and non-discrimination ○ Accessibility for people with disabilities ○ Prevention of harassment ○ Prohibition of child and forced labor ○ Freedom of association and fair wages ○ Data privacy and anti-corruption measures • Established grievance redressal mechanisms and regular policy reviews. • Conducted Human Rights Assessment in FY 2025 and have a mitigation and remediation plan in place.
Progress	• 100% of the employees provided Human Rights related training in FY 2025
Target/Metric	• 100%
Target Year	FY 2026

Material Issue 3

Material Risk or Opportunity	Digitization
Business Case	Digitization is a strategic priority for SCNL to enhance operational efficiency, reduce costs, and improve customer experience. Moving to a fully digital ecosystem supports faster loan processing, minimizes errors, and strengthens compliance. It also reduces environmental impact by eliminating paper usage and supports financial inclusion by enabling seamless transactions for rural customers.
Business Impact	Opportunity
Business Strategy	<ul style="list-style-type: none"> • Migrated from legacy BIJLI system to proprietary ERP for real-time operations and scalability. • Centralized architecture with auto-refresh dashboards and tablet-based field transactions.

Material Issue 3

Business Strategy	<ul style="list-style-type: none"> Upgraded to Oracle DB and SSD-based infrastructure for speed and reliability. Implemented Digital KYC, enhanced mobile app for field operations. Strengthened cybersecurity with multi-layered protection: firewalls, IDPS, EDR, SOC/SIEM, DLP, and encryption.
Progress	Achieved: <ul style="list-style-type: none"> 17% Cashless Collections 100% Paperless operations 100% Cashless Disbursements
Target/Metric	<ul style="list-style-type: none"> 20% Cashless Collections Maintain 100% Paperless operations Maintain 100% Cashless Disbursements
Target Year	FY 2026

Material Issues for External Stakeholders

Impact 1

Material Issues for External Stakeholders	Digitization
Cause of the impact	Operations
External stakeholders	Consumers
Topic relevance on external stakeholders	Digitization enhances accessibility and convenience. Paperless disbursements reduce turnaround time and eliminate cumbersome documentation, ensuring faster credit delivery. SCNL has implemented Digital Loan Origination and Disbursement, streamlining the entire process to make it secure, efficient, and user-friendly, especially for rural and semi-urban borrowers. This digital transformation not only empowers customers with quicker access to finance but also promotes financial inclusion
Output metrics	100% cashless disbursement
Impact valuation	Number of customers on-boarded digitally
Impact metric	SCNL has implemented Digital Loan Origination and Disbursement through their loan app wherein they have signed up 2,00,000 users

Impact 2

Material Issues for External Stakeholders	Water and Wastewater Management
Cause of the impact	Product
External stakeholders	Consumers
Topic relevance on external stakeholders	SCNL offers WASH (Water, Sanitation, and Hygiene) loans with small ticket sizes ranging from ₹10,000 to ₹35,000 and flexible tenures of 12 to 24 months. These loans are designed to enhance accessibility and affordability, enabling customers to easily finance essential infrastructure improvements and gain better access to basic hygiene and sanitation facilities
Output metrics	INR 32 Crores – Assets under Management for WASH Loans
Impact valuation	Number of women borrowers benefitting from WASH Loans
Impact metric	28,494 WASH Loan accounts. Also, SCNL has been awarded for the 'Best Innovative Financial Accessibility Model for WASH' at the 7th ISC-FICCI Sanitation Awards.

Risk & Crisis Management

At SCNL, we assess risk considering where we operate, who we serve, and how we grow. Our approach strikes a balance between operational flexibility and disciplined oversight, especially as we operate in regions marked by income instability, climate vulnerabilities, and regulatory complexities. We identify risks through continuous monitoring at both the field and enterprise levels, guided by a structured governance framework and regular reviews by the Board. This framework allows us to proactively recognize potential challenges, calibrate our decisions as needed, and strengthen the long-term resilience of our portfolio and overall business operations.

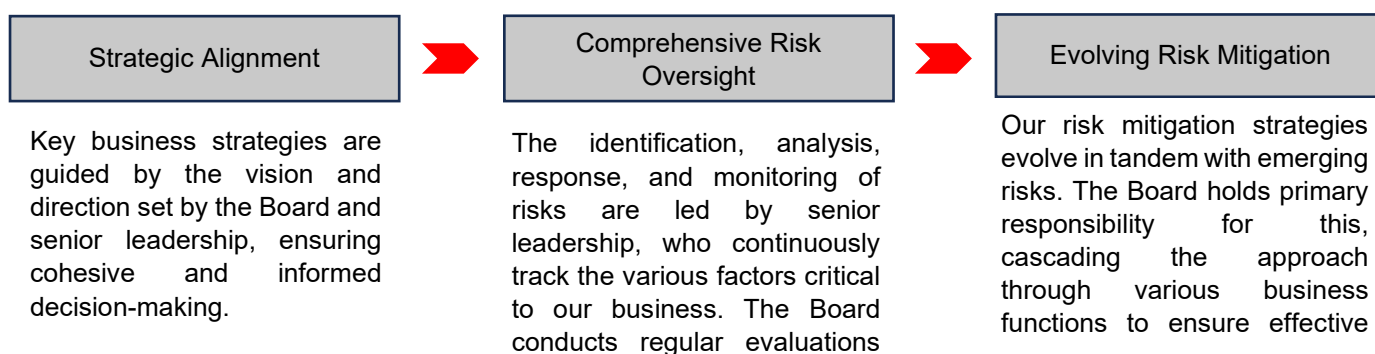
Risk Governance

A dedicated Risk Management Committee, led by our Independent Directors, plays a key role in creating, implementing, and overseeing the Company's risk management plan. The Committee ensures that our risk management strategies align with our strategic goals and supports ongoing monitoring and evaluation of these efforts. Our approach is based on the three lines of defence principle, providing a strong and effective framework for managing and reducing risks.

First Line: Diverse Business and Support Functions

Our business and support functions including operations, finance, IT, HR, and administration, play a crucial role in supporting the Risk Management Team's continuous monitoring of risks. By providing timely data, operational insights, and frontline feedback, these teams enable the Risk Management Team to identify, assess, and address risks effectively. Their collaboration ensures that risk exposure remains within the thresholds set by the Board while facilitating the seamless delivery of financial services across our extensive field network in rural and semi-urban India.

Second Line: Risk and Compliance Function



Our risk and compliance function maintains portfolio quality and regulatory compliance across all lending activities. By leveraging credit bureau data, established policy frameworks, and robust monitoring systems, the team ensures prudent underwriting and minimizes exposure to credit and operational risks. Meanwhile, the Asset Liability Management Committee (ALCO) committee plays a crucial role in managing fund mismatches, overseeing daily liquidity to meet operational needs, and securing funds for maturing liabilities. Together, these functions work cohesively to safeguard the organization's financial health and stability.

Third Line: Audit Function

The Audit Committee, endorsed by the Board, plays a pivotal role in strengthening SCNL's governance framework. It provides additional oversight by rigorously scrutinizing financial risks and internal controls, ensuring robust risk management across the organization. Complementing this, the Internal Audit Function at SCNL delivers critical assurance through regular reviews of branch operations, loan disbursement practices, and adherence to internal protocols. Through systematic audits and field inspections, it promotes transparency, reinforces governance, and safeguards alignment with SCNL's mission of responsible lending.

Risk Management Processes

To ensure effective risk management, we have implemented a comprehensive risk management framework, illustrated below.

Risk Review

	Identified Risk	Description	Description of process to determine the risk appetite for identified risks	Mitigating Actions
1	Credit Risk	We may face financial risks if a borrower defaults on their contractual obligations	The Company has a board approved risk appetite framework which defines quantitative & qualitative limits for key risk categories including credit and liquidity risks.	We mitigate this risk through robust, technology-supported underwriting mechanisms. Our established protocols for credit approvals ensure a thorough assessment process. Vigilant monitoring post-disbursal helps

	Identified Risk	Description	Description of process to determine the risk appetite for identified risks	Mitigating Actions
			For credit risk the appetite is determined through analysis of historical portfolio performance. Based on this, the measurable thresholds are NNPA and concentration limits which are approved by Risk Management Committee and the board.	us proactively address potential issues. Risk management guidelines issued by the RBI and SROs serve as a guiding framework for developing and implementing our risk systems.
2	Liquidity Risk	Our inability to consistently maintain a sufficient liquidity buffer to meet immediate obligations, such as debt repayments and committed loan disbursements, due to specific reasons might impact our financial position.	For Liquidity risk, the appetite is determined based on the assessment of cash flow projection, ALM gaps and stress testing under various scenarios. Quantitative thresholds are set for key indicators such as Liquidity Coverage Ratio (LCR), cumulative negative mismatches. These limits are approved by Risk Management Committee and the board	We have implemented comprehensive Asset Liability Management (ALM) and Liquidity Risk Management policies. Our Liquidity Risk Management policy includes a framework for monitoring liquidity positions on a weekly or monthly basis. We are committed to maintaining robust liquidity and capital adequacy levels. Our guiding principle ensures the availability of funds to address upcoming liabilities, support business expansion, and provide a buffer against financial strains.

Risk Exposure

The Company has implemented a structured risk management framework with defined review cycles across key risk areas. Key Risk Indicators (KRIs) are monitored monthly and presented to the Risk Management Committee, with an annual comprehensive review across all departments to assess emerging trends and control effectiveness. Customer risk categorization is reviewed half-yearly in line with RBI's KYC Master Direction. Liquidity risk is managed through bi-annual stress testing under base, best, and worst-case scenarios, incorporating both idiosyncratic and market-wide factors, along with monthly reviews of Liquidity Coverage Ratio (LCR) and Asset-Liability Management (ALM) to maintain adequate buffers. Credit portfolio quality is assessed through quarterly concentration limit reviews, monthly transition matrix analysis, and weekly monitoring of collection efficiency to identify potential risks. Outsourcing risk is addressed through a half-yearly review of all active material outsourcing arrangements to evaluate performance, compliance, and mitigation effectiveness. Additionally, the Internal Capital Adequacy Assessment Process (ICAAP) is conducted annually, incorporating stress testing and risk appetite alignment to ensure sufficient capital buffers under normal and stressed conditions. An Internal Risk Assessment (IRA) is also performed annually in accordance with RBI's Guidance Note on ML/TF, evaluating inherent and residual risks to strengthen governance and validate control effectiveness.

Risk Management Process Audit

To further strengthen its risk posture, SCNL conducts regular risk audits, stress testing, and early warning analytics, providing real-time insights for prompt corrective actions. Through its comprehensive risk management strategy, SCNL aims to safeguard asset quality, ensure financial resilience, and deliver enduring value to stakeholders. In line with this commitment, the Company has conducted audits of its risk management processes, including both internal and external audits within the last two years, ensuring compliance and effectiveness of the framework.

Risk Culture

The Company has strategies in place to promote an effective risk culture throughout the organization. Regular risk management education is provided to all non-executive directors through annual presentations of the Enterprise Risk Management (ERM) policy by the Risk Management Committee (RMC) to the Board. Focused training on risk management principles is conducted for every employee during induction. Risk criteria including E&S risks is integrated

into the development of products and services through an internal risk assessment process that evaluates geographic locations using a risk severity tool to determine capital risk, followed by mitigation plans such as natural disaster insurance and geographic expansion policies.

Emerging Risks

Topic 1 Generative Artificial Intelligence	
Risk Category: Technology	
Description	Generative Artificial Intelligence (AI) technologies, such as large language models and deepfake generators, are rapidly advancing and becoming more accessible. While these tools offer significant opportunities for innovation, they also pose novel risks related to misinformation, identity fraud, automated scams, and manipulation of financial information. For SCNL, which operates in a largely underserved and digitally emerging customer base, generative AI could be exploited by malicious actors to compromise client identities, fabricate loan documents, or generate sophisticated phishing attacks targeting both customers and employees.
Impact	<ul style="list-style-type: none"> • Customers being misled by deepfake loan offers leading to loss of trust • Reputational damage if fraudulent content spreads under SCNL's name • Operational disruption if AI-generated misinformation affects repayment behaviour or customer confidence. • Failure to detect and prevent AI-enabled fraud might lead to compliance penalties and loss of licensing.
Mitigation	<ul style="list-style-type: none"> • Maintains a diverse operational network across 29 states to reduce the impact of adverse climatic conditions in any specific region, ensuring business continuity and diversification of risk. • Use multi-factor authentication, biometric verification, and cross-channel validation to reduce risk of fake identity approval. • Run regular training programs to educate staff and clients about the risks of AI-generated scams and phishing tactics. • Run regular training programs to educate staff and clients about the risks of AI-generated scams and phishing tactics. • Deploy advanced AI-based tools that can identify unusual patterns indicative of generative AI fraud (e.g., deepfake voice or document verification systems).

Topic 2 Digital Security Risk	
Risk Category: Technology	
Description	Rapid digital transformation and increasing reliance on online platforms expose the organization to cyber threats, including data breaches, ransomware attacks, and operational disruptions. The evolving cybersecurity landscape poses challenges in safeguarding sensitive customer and financial data.
Impact	<ul style="list-style-type: none"> • Potential financial losses due to fraud or system downtime • Reputational damage and loss of customer trust • Regulatory penalties for non-compliance with data protection laws
Mitigation	<ul style="list-style-type: none"> • Implementation of advanced cybersecurity measures, including firewalls, encryption, and multi-factor authentication • Maintain an ISO 27001:2022-certified Information Security Management System (ISMS) to safeguard sensitive customer data and ensure adherence to global best practices. • Deployment of a Centralized Shared Services Centre (CSS) to enhance vigilance and accuracy in customer onboarding, including verification of loan applications and KYC documents • Use of e-KYC, e-signature technology (IRIS), AI-based cameras, geo-location capture, and an in-house Face Recognition System (FRS) to authenticate individuals during disbursement transactions • This integrated approach ensures authenticity, filters adverse profiles, and strengthens operational security

Business Ethics

Breaches for FY2025

Type of Breach	Number of breaches
Corruption or Bribery	0
Discrimination or Harassment	1

Type of Breach	Number of breaches
Conflict of Interest	0
Money Laundering/Insider Trading	0
Customer Privacy Data	0
Cybersecurity/Information Security	0

Annual Report Reference: [Link](#), Title: BRSR Principle 5 Q6, page no 83(PDF), 163(AR), Principle 1 Q5, page no 75(PDF), 146(AR), Principle 9 Q3, page no 90(PDF), 176(AR)

Policy Influence

Contributions & Other Spending

	FY 2021 - 22	FY 2022 - 23	FY 2023 - 24	FY 2024 - 25
Lobbying, interest representation or similar	N.A.	N.A.	N.A.	N.A.
Local, regional or national political campaigns / organizations / candidates	N.A.	N.A.	N.A.	N.A.
Trade associations or tax-exempt groups (e.g. think tanks)	N.A.	N.A.	N.A.	85,05,000
Other (e.g. spending related to ballot measures or referendums)	N.A.	N.A.	N.A.	N.A.
Total contributions and other spending	N.A.	N.A.	N.A.	N.A.

Largest Contributions & Expenditures

SCNL has not made any contributions to or expenditures to political campaigns or organizations, lobbying, tax-exempt entities, or other groups whose role is to influence political campaigns or public policy and legislation in FY 2024-25.

Other Large Expenditures

Name of organization, candidate or topic	Type of organization	Fees Paid in INR in FY 2024-25
Sa-Dhan	Trade association, annual membership fees and research collaboration	15,30,000
Micro Finance Institutions Network	Trade association, annual membership fees and research collaboration	60,00,000
ASSOCHAM	Trade association, annual membership fees and research collaboration	0
FIDC	Trade association, annual membership fees and research collaboration	1,00,000
Association Of Microfinance Institutions (WB)	Trade association, annual membership fees and research collaboration	3,25,000
Micro Finance Association Of Uttar Pradesh (UPMA)	Trade association, annual membership fees and research collaboration	3,50,000
Association Of Karnataka Microfinance	Trade association, annual membership fees and research collaboration	0
OSAFIIT	Trade association, annual membership fees and research collaboration	2,00,000
Total		85,05,000

Tax Strategy

Tax Reporting

Names of all the resident entities	The Company operates in India (Single tax jurisdiction)
Primary activities	NBFC-MFI
Number of employees	1,518,900,000
Revenue	23,767,625,000
Profit (Loss) before tax	2,329,793,000
Income tax accrued (current year)	164,170,000
Income tax paid	742,578,000

Annual Report Reference: [Link](#), Title: Standalone Financial Statements, page no 112(PDF), 221(Annual Report);

Effective Tax Rate

Financial Reporting	FY 2023 - 24	FY 2024 - 25
Earnings before Tax - INR	5,658,495,000	2,329,793,000
Reported Taxes – INR	1,430,054,000	164,170,000
Cumulative acceptable adjustments* (see below)	(4654.09)	0
Effective Tax Rate (in %)	25.27	7.05
Cash Taxes Paid - INR	606,806,000	742,578,000
Cash Tax Rate (in %)	10.72	31.87

Annual Report Reference: [Link](#), Title: Standalone Financial Statements, page no 112(PDF), 221(Annual Report);

Reason	Tax Impact FY 2023 - 24	Tax Impact FY 2024 - 25	Explanation
Group-wide net operating losses (in FY2024 or FY2025)			
Single jurisdiction tax code (maximum 10% sales abroad and domestic corporate income tax rate below the posted industry group average)		(823.40)	Tax deductions allowed
Non-recurring (one time) operating losses in own operations	-	-	
Net operating losses from prior periods and/or acquired companies	-	(645.00)	Tax credit of earlier years
Timing - Major issues outside of the two-year period reported (including accounting adjustments for prior reporting periods due to major tax policy changes)	-	(3,186.09)	Reduction in tax rates for capital gains during the year

Information Security

IT Security/ Cybersecurity Governance

The Company has implemented governance mechanisms to oversee information security in compliance with the RBI's Master Direction Information Technology Framework for NBFC Sector.

An IT Strategy Committee, chaired by Mr. Joydeep Datta Gupta (Non-Executive & Independent Director), provides board-level oversight and includes six members comprising directors and senior officials. The Company maintains a dedicated Information Security Committee and a Risk Management Committee with clear responsibility for cybersecurity.

All board members possess an information security background, ensuring informed decision-making.

Executive-level accountability is established through key leadership roles: the Chief Information Security Officer (CISO), Mr. Ashok Rawat; the Chief Information Officer (CIO), Mr. Sunil Yadav; and the Chief Risk Officer (CRO), Mr. Vikas

Wadhera. These structures ensure compliance with regulatory requirements and alignment with global best practices for information security.

Annual Report Reference: [Link](#), Title: IT Strategy Committee, page no 99(PDF), 194(AR); Skills/expertise/competence of the Board of Directors page no 92(PDF), 181(AR)

Information Security and Data Privacy Policy

SCNL is committed to the continuous improvement of its information security and Data Privacy systems. This commitment ensures that the confidentiality, integrity, and availability of its critical and sensitive assets are maintained through systematic identification, evaluation, and mitigation of risks and are applicable to entire operations. The Company implements and continually enhances its Information Security Management System (ISMS) to adapt to emerging threats, regulatory requirements, and business needs.

To safeguard data integrity and protection, we enforce robust controls, including secure data classification, industry-standard encryption, and secure storage practices. The collection, processing, and transmission of sensitive and personal data—including Aadhaar-related information—are carried out in compliance with applicable statutory frameworks and regulations. Specialized protective measures such as Hardware Security Modules (HSM) and certified encryption algorithms are deployed to ensure maximum security.

Monitoring and proactive threat response form a core pillar of our security program. We maintain structured logging and monitoring policies to detect unauthorized activities promptly. Information security incidents and weaknesses are managed through established incident management processes that enable rapid identification, assessment, communication, and remediation, minimizing any impact on business continuity. The Company has implemented robust cybersecurity protocols, including encryption, access controls, and regular security assessments, to prevent unauthorized access and data breaches.

Recognizing the critical role of human factors in security, we assign clear responsibilities for information security across our workforce. Employees, contractors, and third-party users are made aware of their roles through training, awareness programs, and documented adherence to security policies. Our Human Resource Security Policy ensures alignment of security roles with company policies, including effective management of role changes and exit procedures.

Furthermore, we extend our security requirements to third parties, such as suppliers, through formal agreements that specify security expectations and controls. These measures mitigate risks associated with supplier access to organizational assets and ensure compliance with agreed security standards and service delivery requirements.

This comprehensive approach to information security governance integrates risk management, compliance, and accountability, supporting our objective to safeguard information assets, uphold customer trust, and meet regulatory obligations.

Information Security and Privacy Management Programs

SCNL continues to modernize its infrastructure through sustained investments in technology, ensuring complete computerization across operations, including accounting and MIS functions. Advanced information security controls such as firewalls, intrusion prevention systems, and endpoint security software have been deployed to safeguard digital assets from cyber threats and unauthorized access. The successful implementation of cloud-based systems has enhanced scalability, reliability, and secure data management. In recognition of its stringent security standards, SCNL achieved ISO 27001:2022 certification following a rigorous two-stage audit process by Intercert, with annual surveillance audits conducted to maintain certification. The Company's information security management program includes business continuity plans to ensure critical operations during disruptions, biannual vulnerability assessments, and semi-annual internal audits of IT infrastructure and security systems. External audits are performed annually, and employees undergo annual security awareness training, including escalation procedures for reporting incidents or vulnerabilities. During the last financial year, SCNL reported zero security breaches, underscoring its commitment to confidentiality, integrity, and availability of data. Additionally, the Centralized Shared Services Center (CSS) strengthens risk management by verifying loan applications and KYC documents, ensuring compliance and reducing adverse customer selection. Continued investment in IT systems, backup mechanisms, and cybersecurity controls supports improved decision-making, operational efficiency, and customer service, reinforcing SCNL's focus on governance, internal controls, and sustainable growth.

Annual Report Reference: [Link](#), Title: Internal Control and Adequacy , page no 67(PDF), 130(AR)

Sustainable Finance

Sector Activities

As per DJSI classification, SCNL's business operations align with commercial banking (consumer) activities that operates primarily in the microfinance sector. Its entire lending portfolio consists of microfinance loans extended to women borrowers in rural and semi-urban areas. These loans are designed to support income-generating activities, improve access to water and sanitation, and enhance overall livelihood. This approach directly aligns with several Sustainable Development Goals (SDGs), including poverty reduction, gender equality, and clean water and sanitation. According to the Investor Presentation, 86.5% of SCNL's Assets Under Management (AUM) is in microfinance loans (standalone SCNL). SCNL has adopted a Social Financing Framework that is aligned with international standards such as the ICMA Social Bond Principles. This framework ensures that the company's financing activities contribute to measurable social impact and sustainability objectives.

Investor Presentation Reference: [Link](#), Title: Microfinance Solutions , page no 36(PDF), 11(PDF), 18(AR)

Sustainable Financing Products & Services

The Company offers sustainable financing products and/or services to consumers

Product Category Description	Monetary Value FY 2024 - 25
Sustainable loans and mortgages ²	32,41,16,184
Total consumer finance value ¹	1,11,03,29,41,063
Percentage of sustainable value over total	0.29%

Note: ¹Income Generating Loan (IGL): 110,58,10,57,461; WASH (Sustainable loans): 32,41,16,184; Product Financing:12,77,67,418

²Sustainable products comprise WASH loans and solar solutions.

³In FY 2024–25, the Company distributed 35,740 induction cooktops and 29,586 solar torches, promoting clean energy and improved household efficiency.

ENVIRONMENT

Energy

	Unit	FY 2021 - 22	FY 2022 - 23	FY 2023 - 24	FY 2024 - 25
Total non-renewable energy consumption	MWh	549.08	632.35	523.29	543.39
Total renewable energy consumption	MWh	-	-	99.62	94.65
Data coverage (as % of denominator)	percentage of:				

Annual Report Reference: [Link](#), Title: BRSR Principle 6 , page no 84(PDF), 165(AR);

Waste & Pollutants

	Unit	FY 2021 - 22	FY 2022 - 23	FY 2023 - 24	FY 2024 - 25
Total waste recycled/reused	metric tonnes	-	-	-	-
Total waste disposed	metric tonnes	16.81	15.35	12.42	21.81
- Waste landfilled	metric tonnes	-	-	-	-
- Waste incinerated with energy recovery	metric tonnes	-	-	-	-
- Waste incinerated without energy recovery	metric tonnes	-	-	-	-
- Waste otherwise disposed, please specify:	metric tonnes	-	-	-	-
- Waste with unknown disposal method	metric tonnes	-	-	-	-
Data coverage (as % of denominator)	metric tonnes				

Annual Report Reference: [Link](#), Title: BRSR Principle 6 , page no 86(PDF), 168(AR);

Water

	Unit	FY 2021 - 22	FY 2022 - 23	FY 2023 - 24	FY 2024 - 25
A. Water withdrawal (excluding saltwater)	Million cubic meters	0.003852	0.004775	0.004685	0.005247
B. Water discharge (excluding saltwater)	Million cubic meters	-	-	-	-
Total net freshwater consumption (A-B)	Million cubic meters	0.003852	0.004775	0.004685	0.005247
Data coverage	percentage of:				

Annual Report Reference: [Link](#), Title: BRSR Principle 6 , page no 85(PDF), 166(AR);

Climate Strategy

Direct Greenhouse Gas Emissions (Scope 1)

	Unit	FY 2021 - 22	FY 2022 - 23	FY 2023 - 24	FY 2024 - 25
Total direct GHG emissions (Scope 1)	metric tonnes CO2 equivalents	-	-	225.12	72.76
Data coverage	percentage of:			100	100

Annual Report Reference: [Link](#), Title: BRSR Principle 6 , page no 85(PDF), 167(AR);

Direct Greenhouse Gas Emissions (Scope 2)

IGHG (Scope 2)	Unit	FY 2021 - 22	FY 2022 - 23	FY 2023 - 24	FY 2024 - 25
Location-based	metric tonnes CO2 equivalents	-	-	3,490.82	3,036.86
Data coverage	percentage of:			100	100

Annual Report Reference: [Link](#), Title: BRSR Principle 6 , page no 85(PDF), 167(AR);

Direct Greenhouse Gas Emissions (Scope 3)

IGHG (Scope 3)	Unit	FY 2021 - 22	FY 2022 - 23	FY 2023 - 24	FY 2024 - 25
Location-based	metric tonnes CO2 equivalents	-	-	4,591.03	4,476.59
Data coverage	percentage of:				

Annual Report Reference: [Link](#), Title: BRSR Principle 6 , page no 87(PDF), 170(AR);

Scope 3 includes other indirect emissions across purchased goods and services, capital goods, fuel- and energy-related activities, waste disposal, business travel, and employee commute.

	Scope 3 Category	Emissions in the reporting year (metric tonnes CO2e)	Emissions calculation methodology and exclusions
1	Purchased goods and services	1245.067063	Spend based methodology
2	Capital goods	216.8097828	Spend based methodology
3	Fuel-and-energy-related-activities (not included in Scope 1 or 2)	616.9665582	Hybrid methodology
4	Waste generated in operations	0.139828225	Average data
5	Business travel	2386.876125	Hybrid - Distance/Spend (Flight, rail, road, hotel) and Spend Based
6	Employee commuting	10.72878096	Distance and Extrapolation

Climate Governance

SCNL's Board of Directors and executive management carry oversight and management responsibility for climate-related issues. Board oversight is exercised through the CSR and ESG Committee, which has clear responsibility for climate-related matters, and climate issues are included on the Board's agenda at least annually. At the management level, responsibility lies with a designated position—Aditi Singh, Chief Nodal Officer—who oversees climate-related initiatives. This structure ensures that climate considerations are integrated into governance and operational decision-making.

TCFD Disclosure

Governance

The Board oversees climate-related risks and opportunities through its the Risk Management Committee (RMC and ERMC), with ESG-related aspects supported by the ESG and CSR Committee, complimented by the designated CSR Nodal Officer, Ms. Aditi Singh, who ensures effective implementation of ESG and CSR initiatives. This governance structure reflects the Company's commitment to integrating climate considerations into strategic decision-making.

At the management level, SCNL conducts climate risk assessments across its operations in 27 states, addressing potential impacts of climatic variations on business continuity. Environmental and regulatory factors are incorporated into credit risk evaluations to promote responsible lending. During branch setup and expansion, SCNL evaluates region-specific regulatory risks, considering municipal, state, and national compliance requirements. Additionally, SCNL assesses environmental risks such as extreme rainfall before establishing a branch.

Strategy

SCNL has identified climate-related risks and opportunities across short, medium, and long-term horizons. In the short term, technological risks include challenges in demographic readiness and skill gaps for adopting new technologies, while market risks stem from sudden shifts in demand, such as the growing need for WASH (Water, Sanitation, and Hygiene) loans in certain regions. Reputational risks, such as language barriers and cultural reciprocation, also require immediate attention to maintain trust. Over the medium term, transition risks emerge from implementing environmentally sustainable innovations and adapting to evolving demographic trends, while reputational risks focus on strengthening community connections and meeting rising sustainability expectations. In the long term, SCNL anticipates large-scale technological transformation toward green solutions, structural market changes driven by climate adaptation, and the need for sustained ESG commitments to uphold brand credibility and stakeholder confidence. These risks are managed through well-defined Standard Operating Procedures (SOPs) and continuous stakeholder engagement.

Climate-related risks and opportunities have a significant influence on SCNL's business strategy and financial planning. Technological and transition risks drive investments in digital platforms support environmentally sustainable innovations. Market risks, such as the growing demand for WASH loans and other climate-resilient products, shape product diversification strategies and operational expansion plans. Reputational risks reinforce the need for strong community engagement and cultural alignment, ensuring trust and brand credibility. These factors are integrated into credit risk evaluations, office location decisions, and compliance frameworks to mitigate exposure and maintain resilience. Financial planning incorporates these considerations through resource allocation for technology upgrades, regulatory compliance, and ESG initiatives, ensuring long-term profitability and alignment with stakeholder expectations.

Risk Management

The Company has embedded the processes for identifying, assessing, and managing climate-related risks within its enterprise risk management (ERM) framework. Climate risk considerations are integrated into the Company's broader risk governance structure, ensuring they are evaluated alongside other strategic, operational, and financial risks.

These processes for identifying, assessing, and managing climate-related risks are fully integrated into SCNL's overall risk management framework. Climate considerations are embedded in credit risk models, strategic planning, and compliance protocols, ensuring alignment with the Company's governance structure and long-term sustainability objectives. This integration enables SCNL to proactively mitigate risks while capitalizing on opportunities in green finance and climate-conscious lending.

Climate Risk Management

SCNL undertakes climate risk assessments across its operations in 27 states, focusing on managing the potential impacts of climatic variations across diverse regions. Environmental and regulatory factors are carefully integrated into credit risk evaluations to ensure responsible lending decisions. While setting up offices and expanding operations, SCNL assesses current regulatory risks specific to each geographic region, considering municipal, state, and national compliance requirements. The company also monitors emerging regulations and legal developments at all levels, evaluating their implications for both products and services, including sustainability-linked financial offerings.

Beyond regulatory considerations, SCNL actively tracks a wide range of climate-related risks. Technological risks include challenges related to demographic readiness and skill gaps in adopting new technologies, as well as transition risks associated with shifting toward environmentally sustainable innovations. Market risks are influenced by demographic demand patterns and situational needs, such as the growing requirement for WASH (Water, Sanitation, and Hygiene) loans in certain regions. These risks are managed through well-defined Standard Operating Procedures (SOPs) and continuous stakeholder engagement. Reputational risks are also carefully monitored, encompassing factors such as language barriers, cultural reciprocity, and the need to strengthen community connections to maintain trust and reinforce SCNL's commitment to sustainability.

Physical climate risks are thoughtfully integrated into our comprehensive risk management framework, reinforcing a comprehensive and forward-looking approach to climate resilience.

Currently, SCNL's climate risk assessment covers its own operations and adopts a long-term perspective exceeding five years, ensuring strategic preparedness for future climate-related challenges.

SOCIAL

Labour Practices

Labor Practices Commitment

We ensure that all employees, including field and support staff, receive compensation above statutory minimum wages and aligned with local living wage standards. Pay structures are regularly benchmarked to remain competitive and fair nationwide, supported by a transparent, grade-linked framework that guarantees equal pay for equal work regardless of gender. Our work culture promotes work-life balance, discouraging overtime except in exceptional business-critical situations, and compliance with labor laws on working hours is monitored through our HRMS system. Field staff benefit from digital tools that reduce administrative burden, while all employees are entitled to paid annual leave, with leave encashment available as per policy. We encourage employees to take leave to support health and well-being. The Company does not engage in mass terminations; in rare cases of structural changes, we prioritize internal redeployment, reskilling, and transparent communication. All exits follow fair notice periods and legal compliance, ensuring dignity and support for impacted individuals. This policy applies across all verticals, and regular audits and reviews are conducted to ensure adherence.

Labor Practices Programs

We are committed to fair and equitable compensation, ensuring wages exceed statutory minimums and align with cost-of-living benchmarks nationwide. Our policies emphasize a healthy work-life balance through HRMS-based attendance tracking, defined work-hour norms, and cultural reinforcement, while overtime is minimized and managed responsibly without additional pay under our operational model. We uphold a meritocratic, non-discriminatory culture that guarantees equal pay for equal work, with transparent monitoring and communication to maintain accountability. Beyond statutory social security benefits (EPF, ESIC, Gratuity, LWF, PT), we offer comprehensive internal programs such as Satin Sahyog (emergency financial assistance), Satin Sammaan (parental facilitation), group insurance coverage, grievance redressal through Atoot Bandhan, and menstrual leave under Satin Ease. Recognizing the importance of annual paid leave for well-being, we enforce mandatory leave policies, monitor usage via HRMS, and foster a culture where time-off is valued. To prepare for evolving business landscapes, our HR strategy prioritizes workforce readiness through induction, refresher, corrective, technical and soft skills training, alongside programs on environmental and social policies, ensuring continuous reskilling and upskilling for future growth.

Workforce Breakdown: Gender

Diversity Indicator	Percentage (0 - 100 %) *
Share of women in total workforce (as % of total workforce)	4.03%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	6.42%
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	6.42%
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	10%
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	7.81%
Share of women in STEM-related positions (as % of total STEM positions)	0.91%

*as on March 31, 2025,

Workforce Breakdown: Race/Ethnicity or Nationality

Breakdown	Share in total workforce	Share in all management positions, including junior, middle and senior management
	(as % of total workforce)	(as % of total management workforce)
South Asian	100%	100%

Gender Pay Indicators

Employee Level	Average Women Salary	Average Men Salary
Executive level (base salary only) (₹)	421,400	463,077
Executive level (base salary + other cash incentives) (₹)	521,400	546,543
Management level (base salary only) (₹)	100,879	88,301
Management level (base salary + other cash incentives) (₹)	106,360	121,595
Non-management level (base salary only) (₹)	25,476	24,914

Indicator	Difference between men and women employees (%)
Mean Gender Pay Gap	-9.81%
Median Gender Pay Gap	-2%

Note: The methodology used to determine the gender pay gap is, (Average Male Salary - Average Female Salary) / Average Male Salary

Freedom of Association

% of employees represented by an independent trade union or covered by collective bargaining agreements

The Company does not have any employee trade union and not engaged or involved in any collective bargaining agreement, although it allows all employees to exercise the lawful right to 'freedom of association'.

Human Rights

Human rights are the basic rights and freedoms every individual is entitled to, such as fairness, equality, and dignity. Respecting human rights is vital for businesses to build trust, protect their reputation, and ensure long-term success. For NBFCs, conducting human rights assessments is essential to ensure responsible lending, fair treatment of employees, and ethical business practices. This helps mitigate legal and reputational risks, build stakeholder trust, and drive sustainable growth in the financial sector.

Human Rights Due Diligence (HRDD) Process

Our Human Rights Due Diligence (HRDD) process at SCNL is carefully structured to align with the UN Guiding Principles on Business and Human Rights (UNGPs) and is fully embedded within our comprehensive Environmental, Social, and Governance (ESG) framework. The key objective of this process is to proactively identify, prevent, mitigate, and address human rights risks throughout SCNL's operations. This includes a detailed assessment of our own operations¹ and high-level evaluation of our supply chain, with particular focus on human rights risks related to SCNL's tier-1 suppliers and contractors. Our risk identification process will also cover new business partnerships, ensuring continuous due diligence FY 2027 onwards. Currently, SCNL is not involved in any mergers or joint ventures, allowing us to concentrate our efforts on strengthening internal governance.

To uphold compliance with international human rights standards, we have conducted a comprehensive HRDD assessment, supported by an external expert. This review specifically examined SCNL's operations, considering impacts on our employees, third-party workers, women, children, persons with disabilities, and indigenous communities. Our approach remains ongoing and systematic, consistently monitoring and addressing potential human rights risks across our entire value chain.

Understanding of Existing Governance and Policy Framework

We commenced our review by conducting a comprehensive analysis of our current Human Resources (HR) management structure to understand how it supports and enforces human rights principles within the organization. This included a detailed examination of our existing human rights policies and procedures, focusing on critical issues such as the prevention of child labor, forced labor, discrimination, harassment, freedom of association and collective bargaining in the workplace. Our goal was to ensure that these policies are not only robust but effectively implemented across all levels of the company.

¹ Human Rights Assessment is a standalone and no subsidiaries of SCNL have been included in

In parallel, we undertook a thorough evaluation of our internal Environmental, Social, and Governance (ESG) procedures to verify their alignment with the UN Guiding Principles on Business and Human Rights (UNGPs). This step was essential to ensure that our ESG framework adequately integrates human rights considerations and reflects best practices in responsible business conduct.

Furthermore, we assessed the company's overall status concerning key human rights issues, identifying any gaps or areas requiring improvement. This assessment included a review of compliance with relevant laws and regulations, as well as verification that all necessary statutory permits and certifications related to human rights and labor standards were in place and up to date. Through this comprehensive process, we aimed to strengthen our commitment to protecting human rights throughout our operations and supply chain.

Document Review

We carefully analysed relevant project documents (past three years – FY 2023, 2024 & 2025) related to human rights and social performance through the Virtual Data Room (VDR). The objective was to assess the effectiveness of our existing human rights practices and management systems across all sites. This included reviewing statutory records to ensure compliance with regulatory requirements.

Salience Assessment

At SCNL, we conducted a high-level salience assessment to identify and prioritize the most significant human rights risks related to our operations. This involved mapping risks based on their scale, scope, and our ability to remediate them. The assessment focused on key issues common in NBFC sector, including employee rights and well-being, privacy & data protection, discrimination, access to remedies, environmental and social impacts, regulatory and reputational risks, occupational health and safety, supply chain integrity, and modern slavery. After the assessment, we held discussions with internal management to align on the findings, ensuring a focused & collaborative approach to addressing key human rights risks and reinforcing SCNL's commitment to ethical and responsible business practices across our operations and value chain.

Stakeholder Consultation

A key element of our Human Rights Due Diligence (HRDD) process at SCNL involved actively engaging with a broad range of stakeholders to gain a comprehensive understanding of human rights challenges and how these are managed within the organization. These consultations aimed to identify and address critical concerns such as child labor, discrimination, harassment, unfair labor practices, and potential regulatory non-compliance.

The stakeholder consultations at SCNL covered key human rights topics and gathered insights from both internal stakeholders (permanent and non-permanent employees) and external stakeholders (vendors, contractors, and primary supply chain partners). The main areas discussed included awareness and understanding of human rights policies, compliance with regulatory requirements, employee rights and wellness, discrimination, forced labor, child labor, grievance mechanisms, occupational health and safety, supply chain management, and stakeholder engagement.

SCNL's stakeholder consultation engaged internal employees and external vendors to assess awareness and management of human rights issues. Internal stakeholders showed strong familiarity with human rights policies and grievance mechanisms, while external stakeholders are less aware but are being engaged through ongoing communication. Discussions covered key areas such as employee wellness, non-discrimination, forced labor, child labor, regulatory compliance, and occupational health and safety. No major human rights violations were reported.

SCNL ensures compliance with labor laws and integrates ESG clauses in vendor agreements, though a formal Supplier Code of Conduct is still in development. Stakeholder engagement plans and human rights KPIs, including workplace safety and grievance trends, support continuous monitoring and improvement. Overall, the consultation confirmed SCNL's commitment to upholding human rights and identified opportunities to strengthen communication and enforcement across the value chain.

Identification of Human Rights Issues and Risk Categorization

Criteria for risk rating: The UNGP has outlined the specific criteria for assessing the severity of human rights impact, the adverse impacts of business activities specific to human rights have been classified based on the following suggested two-level risk criteria:

- a. Vulnerability – this defines the vulnerable class of the receptor such as women, children, differently abled persons, indigenous stakeholders, own/third-party employees.
- b. Severity of the issue – this will be further assessed on 3 sub-criteria,
 - Likelihood – short term and long term
 - Scale – at business operations or limited to project level
 - Order/Scope of impact – direct or indirect impact

Severity of the issue	Vulnerability		
	Low	Medium	High
Low	Minor	Minor	Moderate
Medium	Minor	Moderate	High
High	Moderate	High	Critical

Assessment of Sector Specific Issues

Sr. No	Human Rights identified Issue	Rationale	Risk
1.	Employee Rights and Wellness	<ul style="list-style-type: none"> Financial sector has a 'high' social factor (number of employees and field agents) which increases the exposure of human rights issues. Also, there's an inherent exposure to risks related to regulatory non-compliances and improper execution of Company's existing system procedures which may result into reputational damage and disruption of operations. Thus, as per the matrix both vulnerability & severity of the issue will be 'High' which make it a 'Critical' issue for the sector. 	Critical
2.	Forced Labor and Human Trafficking	<ul style="list-style-type: none"> Forced Labor and Human Trafficking in the financial sector may not be as immediately obvious, but they can still manifest in several concerning ways. This issue can be heightened considering the severity and exposure of vulnerable groups (women, children, physically disabled & indigenous people), third-party vendors, through funding exploitative businesses, employment practices (overtime & exposure to low-wage worker), financial for at risk industries, there's a high stake on reputational damage and non-compliances of regulatory requirements which may result to 'High' risk. 	High
3	Discrimination and Inequality	<ul style="list-style-type: none"> This may impact adversely in absence of procedural systems and also trigger non compliances to applicable regulatory requirements (such as POSH, Minimum Wages Act). The severity of the issue and exposure to vulnerable groups may result to 'High' risk. 	High
4	Child Labor	<ul style="list-style-type: none"> In a financial sector, this issue can be heightened considering the severity and exposure of vulnerable groups (women, children, physically disabled & indigenous people). However, it will have an indirect impact as the boundary is limited to third party vendors and not on own business. Also, there's an inherent exposure to risks related to regulatory non-compliances and improper execution of Company's existing system procedures which may result into reputational damage and disruption of operations. Thus, as per the matrix both vulnerability & severity of the issue will be 'Low' which make it a 'Minor' issue for the sector. 	Minor
5	Lack of Access to Remedies	<ul style="list-style-type: none"> This is a 'must' requirement for the core of justice and fair business practices. Absence of adequate internal & external system procedure may result in dissatisfaction and social unrest thus placing it as a 'High' risk based on the criteria matrix. 	High

Sr. No	Human Rights identified Issue	Rationale	Risk
6	Regulatory and Reputational Risks	<ul style="list-style-type: none"> This issue can be heightened considering the severity and exposure of vulnerable groups (women, children, physically disabled & indigenous people) if no restrictive/remedial actions taken. Even if remedial action can be taken there's a high stake of reputation damage and non-compliances of regulatory requirements may result to 'Critical' 	Critical
7	Rights of Vulnerable Populations	<ul style="list-style-type: none"> This is a 'must' requirement for the core of justice and fair practices. This issue can be heightened due to non-compliances and improper execution of Company's existing system procedures which may result into reputational damage and disruption of operations, considering the severity and exposure of vulnerable groups (women, children, physically disabled & indigenous people). 	High
8	Privacy & Data Protection	<ul style="list-style-type: none"> Financial sector has a 'high' traction of personal and sensitive data of individuals which increases the risk of violation and data breaches. As per the matrix both vulnerability & severity of the issue will be 'High' which make it a 'Critical' issue for the sector. This will have direct impact on the life of individuals and any regulatory or system non compliances may bear an adverse impact on the business operations 	Critical
9	Supply Chain Concerns	<ul style="list-style-type: none"> This has a vital role in running of the business operations and hence any risks or non-compliance will bear a consequence. However, considering the nature of business and spread of supply chain the impact will be limited. Severity and vulnerability of the issue will be medium thus placing it as a 'Moderate' risk. 	Moderate

Gap Assessment

A gap analysis was conducted at organization level to compare our current practices against relevant regulatory frameworks, such as laws on wages, social security regulations, and welfare and working conditions. We also compared our practices with international standards, including the UN Global Compact Principles, and human rights safeguard frameworks like the National Guidelines on Responsible Business Conduct. This analysis allowed us to evaluate our compliance status and identify areas that require improvement. Based on the findings, we have outlined recommendations to address any gap.

Mitigation & Remediation

After identifying key gaps, we have established a robust and comprehensive framework to proactively identify, mitigate, and continuously monitor human rights risks across our operations. This enhanced process is designed not only to address existing challenges but also to anticipate and prevent potential issues, thereby driving ongoing improvements in our performance against the Human Rights Index.

Central to our commitment to sustainability and ethical business conduct, this approach ensures that human rights considerations are deeply embedded in our decision-making and operational practices, reinforcing our dedication to responsible and transparent governance.

Identification of Risks and Development of Mitigation Plans at SCNL

At SCNL, the initial step in managing human rights risks is a thorough identification of potential issues across our operations and supply chains, overseen by the Human Resource Head. This includes detailed risk mapping and analysis to identify vulnerabilities such as labor rights violations, discrimination, unfair lending practices, data privacy concerns, and regulatory non-compliance.

For each identified risk, we create a targeted mitigation plan with clear steps, timelines, and responsibilities. Actions may include strengthening agreements, enhancing training, improving grievance mechanisms, and increasing

monitoring. This approach embeds human rights into SCNL's operations, reinforcing our commitment to ethical and sustainable business practices.

Implementation & Tracking by Internal Teams

Once mitigation plans are established at SCNL, the respective internal teams take ownership of addressing the specific risks within their areas. These teams develop customized strategies to implement the mitigation actions effectively. Oversight of the execution lies with the CSR and ESG Committee, which ensures consistency and effectiveness while offering support and guidance throughout the process.

Key Mitigation Measures

SCNL is committed to strengthening its human rights framework through a series of strategic actions. We are committed to strengthening our human rights framework through a series of proactive measures. We will communicate our Human Rights Policy and commitments to all stakeholders and disclose them on our official website to ensure transparency. We will develop key performance indicators (KPIs) related to human rights regulatory compliance and track these metrics regularly to monitor progress and identify areas for improvement. We will conduct human rights due diligence for identified issues, including tracking remediation actions and regulatory compliance. We will also specify penalties for non-compliance with contractual terms, which may include fines, remediation actions, and termination of contracts related to human rights violations. To maintain ongoing compliance, we will conduct regular human rights audits of suppliers and contractors and provide training programs to ensure they understand and adhere to our expectations. Additionally, we will establish mechanisms for suppliers to provide feedback on our supply chain processes and suggest improvements specific to human rights. These actions collectively reinforce our commitment to ethical, responsible, and sustainable business practices.

To sum up, SCNL is dedicated to proactively managing and preventing human rights risks associated with non-compliance. Following the insights gained from our recent human rights assessment, we have implemented a comprehensive mitigation plan to address identified gaps. Key actions include revising vendor and partner contracts to incorporate specific human rights clauses and developing a sector-specific Non-Discrimination and Equal Opportunity Policy. We regularly review and update our policies and processes to ensure ongoing alignment with evolving regulatory requirements and internal governance standards. To date, no human rights grievances or violations have been reported within our operations. In FY2026-27, we will conduct a follow-up Human Rights Due Diligence to evaluate the effectiveness of our mitigation measures and strengthen our commitment to responsible business practices.

Human Capital Management

Training & Development Inputs

Types of trainings conducted are Induction, Collection, Compliance (POSH, AML), Leadership, People Management & Soft Skills, Digital, Audit, Refresher, Environmental & Social (POSH), Health & Safety.

Average hours per FTE of training and development	Average amount spent per FTE on training and development (INR)
8 hours	3,333

Annual Report Reference: [Link](#), Title: Creating Value. Empowering Success, page no 21(PDF), 39(AR)

Data Breakdown:

Age Group

Age Group	Percentage of FTE attended (%)
18 – 30 yrs	72.80
31 – 40 yrs	24.40
40+ yrs	2.80

Gender

Male	Female
96%	4%

Management level

Management Level	Male	Female
Junior Management	14154	583
Middle Management	379	26
Senior Management	44	3

Employee Development Programs

Our organization provides both structured and informal coaching and mentorship programs to support employee growth, leadership development, and role-based learning, facilitated by internal trainers and experienced leaders. We actively encourage knowledge-sharing and collaboration through multiple channels, including emails, WhatsApp groups, MS Teams, video conferencing, classroom sessions, field visits, and informal discussions. These platforms enable peer learning, strengthen internal networks, and promote a culture of continuous development and collaboration.

Leadership Development

SCNL places a strong emphasis on building future leaders through its Leadership Development Program, designed specifically for junior and mid-level management. This initiative equips employees with essential managerial skills, strategic thinking capabilities, and decision-making proficiency to prepare them for higher responsibilities. Branch Managers receive promotional training that covers leadership, behavioral, and soft skills, alongside functional training, followed by assessments and on-the-job support. These efforts ensure employees are well-prepared for career progression and organizational success.

Cultural Education

As part of the induction process, SCNL provides comprehensive Cultural Education to new employees. This includes training on organizational fundamentals, microfinance insights, policies, products, and processes, alongside skill development sessions. Employees also receive awareness training on critical policies such as POSH (Prevention of Sexual Harassment), ESG principles, anti-money laundering, anti-corruption, and anti-bribery policies. By embedding these elements during induction, SCNL ensures that employees start their journey with a strong understanding of compliance, ethics, and organizational values.

Digital Transition Programs

Recognizing the importance of technology in today's business landscape, SCNL has implemented comprehensive Digital Transition Programs. These include a digital learning platform (LMS), mobile-based training through SATIN Learn, TAB-based training, and the Customer Service App (CSA) for field operations. These initiatives enable employees to adapt to digital tools seamlessly, enhance productivity, and stay future-ready in an evolving digital ecosystem.

Name & Description of the program	Rent Agreement Module The Rent Agreement Module is a centralized digital system designed to streamline and automate the management of rent agreements across our network. With operations spanning 27 States and Union Territories, 1400+ branches, and a strong presence in Tier-1 and Tier-2 regions, manual computation of rent values and GHG emissions was highly prone to human error. The module was developed to automate rent calculations, invoicing, tracking, alerts, and compliance, while consolidating all tenant and property data onto a single platform.
Business benefits of the program	<ul style="list-style-type: none">• Centralizes all tenant, property, and rent-related information.• Automates rent calculations, invoicing, and reminder generation.• Ensures transparent tracking of payments, arrears, escalations, and renewals.• Strengthens compliance through automated application of legal and financial rules.• Enhance operational efficiency by reducing dependence on manual processes.• Offers better control with approval workflows and role-

Quantitative impact of business benefits (monetary or non-monetary)

- based access.
- Provides actionable insights through dashboards, reporting, and analytics.
- Turnaround Time (TAT): Reduced from 15 days to 3–4 days post-implementation.
- Process Accuracy:
 - Previous year: 20 iterations required for rent calculation and validation.
 - Current year: Achieved accuracy in a single iteration, with a minimal margin of error

Hiring

	FY 2021 - 22	FY 2022 - 23	FY 2023 - 24	FY 2024 - 25
Total number of new employee hires	4,768	3,588	8,434	12,367
Average hiring cost/ FTE	2,660	2550	2213	1915
Currency:	INR	INR	INR	INR

Note: All the employees that were hired during the reporting period are of Indian nationality and belong to South Asian ethnicity.

While we track recruitment sources for our hiring processes, due to the nature of our operations involving large-scale bulk hiring, the specific metric for the percentage of open positions filled by internal candidates is not currently available.

All the employees that were hired during the reporting period are of Indian nationality and belong to South Asian ethnicity.

Data Breakdown:

	FY 2021 - 22	FY 2022 - 23	FY 2023 - 24	FY 2024 - 25
Total number of new employee hires				
Age group				
<30	3284	2434	6519	9407
30 – 50	1472	1141	1910	2953
>50	12	13	5	7
Gender				
Male	4620	3469	8105	11866
Female	148	119	329	501
Management level				
Junior	4690	3536	8307	12283
Middle	70	41	123	77
Senior/Top Management	8	11	4	7

Employee Turnover Rate

	FY 2021 - 22	FY 2022 - 23	FY 2023 - 24	FY 2024 - 25
Total employee turnover rate	43.50%	51.10%	61.10%	64.30%
Voluntary employee turnover rate	34.20%	37.40%	32.10%	34.40%
Data coverage (as % of all FTEs globally)	100%	100%	100%	100%

Data Breakdown:

Turnover	FY 2021 - 22	FY 2022 - 23	FY 2023 - 24	FY 2024 - 25
Total employee turnover rate				
Age group				
<30	39.0%	48.3%	63.3%	66.3%

Turnover	FY 2021 - 22	FY 2022 - 23	FY 2023 - 24	FY 2024 - 25
30-50	53.4%	56.4%	57.1%	60.6%
>50	26.7%	70.4%	62.7%	32.7%
Gender				
Male	43.6%	51.0%	60.6%	64.7%
Female	41.6%	55.0%	78.1%	55.9%
Management level				
Junior	44.0%	51.7%	61.8%	65.8%
Middle	29.5%	38.4%	46.3%	20.1%
Senior/Top Management	44.4%	22.0%	14.3%	22.7%

Long-Term Incentives for Employees

The type of long-term incentive program and the type of employees below the senior management level the program applies to	Our long-term incentives for employees below the senior management level are on average paid out after	Please report the percentage of your workforce below senior management level (max. two levels from the CEO) that this program applies to
Type of long-term incentive program: 1. Stock Options Eligible employees: 1. All Permanent employee of the Company and the subsidiaries who has been working in India or outside India	3 years	Yes, SMP and KMPs - 100%

Employee Support Programs

SCNL prioritizes employee well-being through regular wellness check-ins, mental health awareness seminars, and periodic stress management workshops, complemented by yoga sessions organized on alternate days to promote holistic wellness. To encourage fitness and team spirit, the organization hosts sports events such as the Satin Premier League and conducts periodic health screening camps. Flexible working hours are available for eligible employees based on role and nature of work, and work-from-home arrangements are permitted with departmental approval, particularly during exceptional circumstances like the COVID-19 pandemic, though part-time or reduced-hour options are not formally institutionalized.

Family-friendly benefits include creche facilities at the corporate office, dedicated breastfeeding and lactation spaces in the creche facilities. Female employees are eligible for 26 weeks of paid maternity leave as per the Maternity Benefit (Amendment) Act, 2017, while male employees are eligible for five days of paid paternity leave. Additionally, employees may use earned or sick leave to care for immediate family members under medical duress, with flexibility based on managerial discretion.

Type of Performance Appraisal

At Satin Creditcare Network Limited (SCNL), the formal appraisal cycle is conducted annually on a Financial Year (FY) basis. Employee performance is evaluated through a structured and transparent framework aligned with business objectives and measurable outcomes.

The process begins with employees submitting their Key Result Areas (KRAs), which are reviewed and approved by the L1 manager. Once KRAs are finalized, employees submit their Key Performance Indicators (KPIs), followed by sequential approvals from L1, L2, and the respective Head of Department (HOD). Each stage ensures accuracy, alignment with functional priorities, and fairness in goal setting.

SCNL follows a bell curve-based performance distribution, ensuring objective evaluation across teams. After the review cycle, employees are assigned performance ratings, corresponding salary revisions are determined, and appraisal letters are generated and uploaded in the system for employee access.

This comprehensive, multi-level review process ensures a consistent, merit-driven, and audit-ready performance management system across the organization.

Trend of Employee Wellbeing

Core Focus	Unit	FY 2021 - 22	FY 2022 - 23	FY 2023 - 24	FY 2024 - 25
Employee Satisfaction	% of employees with top level of engagement, satisfaction	92	96	91	ongoing
Data coverage	% of employees who responded to the survey	26.96	27.89	25.20	ongoing

Occupational Health & Safety

Occupational Health & Safety Programs

Yes, SCNL has an Occupational Health & Safety (OHS) Program in place, along with a standalone Workplace Health and Safety Policy. Our commitments to health, safety, and employee well-being are further detailed in the ESG Policy, available on the Company's website. In addition, we have a Workers' Accommodation Policy, which forms an integral part of our Benefits and Entitlements Policy.

OHS risk and hazard assessments

At SCNL, ensuring the health, safety, and well-being of our employees is of utmost importance. In alignment with our Occupational Health and Safety (OHS) commitments, we carry out structured and periodic risk and hazard assessments across all our operational locations be it corporate office or field sites.

Risk and Hazard Identification Practices-

We conduct regular branch and employee accommodation audits, covering approximately 65% of our branches each quarter. These audits are based on 47 predefined checkpoints, covering both essential facilities and hygiene factors. Branches that score poorly are reassessed within the same quarter, and top 5 observations from each cycle are escalated to the Audit Committee for action. Since January 1, 2025, hygiene factor audits have been integrated, with findings immediately shared with the concerned branches. Each audit closure is targeted within 45 days.

Field-Level Risk Controls-

Our field employees are protected by strict safety protocols. They are not permitted to travel if their two-wheelers are unfit or if they are not wearing a helmet. To enhance emergency response, field staff are provided with contact numbers of all committee members. We maintain gender-sensitive infrastructure with separate branches for male and female staff.

Health and Well-being Initiatives-

SCNL conducts regular fire drills (twice in a year as per compliance) and organizes health check-ups, including medical, eye, and dental camps. Yoga sessions are also conducted on alternate days helping employees manage stress and maintain physical fitness. We also engage employees through internal social media platforms to raise awareness about workplace safety, hygiene, and wellness practices.

Employee Welfare Measures-

We offer ESIC coverage for employees earning below ₹21,000 and mediclaim facilities for those above this threshold. SCNL also extends support for funeral expenses, reinforcing our commitment to holistic employee welfare.

Accommodation Risk Assessment-

Our Workers' Accommodation Policy (Chapter 14 of the Benefits and Entitlements Policy) mandates that accommodation risks are assessed using a customized matrix, forming part of the regular branch audit. The risk scoring is based on Essential Facilities and Hygiene Factors, and the weightage is reviewed every two quarters based on

reported findings. These proactive and structured measures not only ensure regulatory compliance but also create a safer and more resilient workplace for all SCNL employees.

In addition to the above, SCNL conducts mandatory POSH (Prevention of Sexual Harassment) training programs for all employees—both men and women—to foster a culture of respect, inclusivity, and zero tolerance towards workplace harassment.

Prioritization and integration of action plans

We do not set quantified targets; however, we prioritize health and safety through consistent and proactive actions. The Company is committed towards health and safety of its employees and has undertaken various awareness programmes on safety protocols by conducting periodic trainings on fire safety and evacuation drills, internal communication and alerts are sent out to employees, etc.

The Company provides advisory to manage occupational safety risks for field personnel who frequently travel long distances to engage with customers. This is achieved through regular training sessions and email updates on road safety. These training sessions aim to raise awareness about occupational health and safety.

We strongly pay emphasis on both, the physical and mental well-being of its employees and have organized various workshops and discussions with well-being experts and medical practitioners. At the workplace, training programmes on the safety of women employees is mandatory for all employees.

Additionally, we have installed fire extinguishers in all the branches of SCNL to ensure the safety of our employees in case of fire emergency.

Integration of actions to prepare for and respond to emergency situations

In addition to conducting fire drills, and in alignment with our focus on employee safety and health, we have established an emergency ambulance service at the workplace to ensure immediate medical attention in case of any health emergencies.

Evaluation of progress in reducing/preventing health issues/risks against targets

We do not measure progress against fixed targets; however, we regularly evaluate our efforts to reduce and prevent health-related risks through various initiatives and reporting mechanisms. Fatality incidents, if any, are reported monthly to monitor and respond to critical events. Our Satin Sahyog policy serves as a framework to ensure timely support and intervention in case of employee health emergencies. SCNL also prioritizes employee well-being by offering comprehensive health insurance coverage, which includes hospitalization, outpatient services, specialist consultations, and preventive health check-ups. In addition, we provide mental health support through access to counselling services and wellness programs. We are also fully compliant with HIV awareness and prevention training, with 100% employee self-declaration, reinforcing our commitment to a holistic and preventive approach to employee health and safety. Reinforcing our commitment to a holistic and preventive approach to employee health and safety.

Internal inspections

The Company is committed to maintaining a safe, hygienic, and humane workplace that upholds the dignity of every employee. Periodic internal audits are conducted at the head office to assess various aspects of health and safety. In addition, branch audits are carried out to evaluate risks associated with employee accommodations, using defined matrices that are regularly reviewed and monitored.

Procedures to investigate work-related injuries, ill health, diseases and incidents

SCNL follows a structured process for managing workplace incidents:

- Reporting:
All incidents—including injuries, near-misses, and hazards—must be promptly reported to supervisors and the HR team.
- First Aid & Treatment:
Immediate medical assistance and first aid are provided to affected employees.
- Investigation:
Each incident is thoroughly investigated to identify root causes and prevent recurrence through corrective actions
- Monitoring & Oversight:

Incident data is monitored by the National Manager – ESG and HR, and findings are reported semi-annually to the Executive Committee.

OHS training

SCNL conducts regular training sessions on fire safety, first aid, and both physical and mental well-being. Employees receive detailed briefings during onboarding, supplemented by periodic refresher courses. In addition, the Company has conducted HIV awareness training with 100% employee self-declaration. To further promote holistic wellness, yoga sessions are organized on alternate days.

OHS criteria introduced in procurement and contractual requirements

SCNL's procurement practices ensures fair and impartial assessment of all potential vendors and suppliers, ensuring access to environmentally friendly and energy efficient products and encouraging local sourcing wherever possible. All suppliers are expected to adhere to relevant laws, regulations and industry standards within their operating regions. SCNL mandates that supplier complies with recognized ESG principles including respect for human rights, prohibition of forced labor and adherence to local employment and labour laws. Furthermore, the company requires supplier to conduct their business with integrity, following anti-corruption and anti-bribery laws and complying with all national and international trade regulations and antitrust laws.

Absentee Rate

Absentee rate	Unit	FY 2021 - 22	FY 2022 - 23	FY 2023 - 24	FY 2024 - 25
Employees	% of total days scheduled	7.70%	6.50%	7%	7.20%
Data coverage (as % of employees, operations or revenues)	percentage of: employees	100%	100%	100%	100%

Financial Inclusion

Financial Inclusion Products & Services

SCNL serves marginalized individuals in rural and semi-urban areas, with a strong focus on women-led enterprises. By offering accessible, collateral-free microloans and essential financial services, the company empowers women to build sustainable livelihoods. Through initiatives like WASH loans, SCNL improves sanitation facilities, directly benefiting women and their families while enhancing overall community health.

Products & Services	Number of clients reached	Number of transactions/contracts
Loans	33.05 Lakhs	33.05 Lakhs
Water, Sanitation And Hygiene (WASH) Loan	28,494	28,494

Financial Inclusion - Non-Financial Support

Non-Financial Support	Targeted Clients	Quantitative social impact
Enriching The Growth Of Students At GNA University (Technical Assistance)	Target Client: Other underserved groups, Extended support to underprivileged students and infrastructure enhancement at GNA University.	~2,500 students
Financial Literacy Workshops with MFIN And Sa-Dhan (Financial or Digital literacy training)	Target Client: Individuals in rural or hard-to-reach areas These workshops aimed to educate our clients on responsible financial planning, saving and investing.	2,640

Non-Financial Support	Targeted Clients	Quantitative social impact
Flood Relief Camps	Target Client: Other underserved groups Supported our clients affected by the floods in Assam, Gujarat, Bihar, West Bengal, and Maharashtra by distributing rations and other relief supplies, ensuring they have the resources needed to rebuild and recover	21,562
Health Camps	These camps provided free health checkups and medicines to our clients, supporting those affected by floods in areas with limited healthcare access.	4,400

Customer Relations

Customer Satisfaction Measurement:

Satisfaction measurement	Unit (please select the unit of measurement)	FY 2021 - 22	FY 2022 - 23	FY 2023 - 24	FY 2024 - 25
Satisfaction measurement	Satisfaction measurement methodology:	-	-	89%	86%
Data coverage:	percentage of:	-	-	100%	100%

Annexure I

Indicative Gap Assessment Conducted:

Category	Actions Required	Status	Alignment Level
Equal opportunities	At the time of recruitment, during course of employment, and at the time of separation, without any discrimination	It was observed that SCNL has developed Diversity Equity and Inclusion Policy. Further, as part of their HR Manual & ESG Policy, SCNL maintained each employee records such as resume, interview assessment sheets, acknowledged engagement letter with salary break-up.	Aligned

Human Rights Assessment

Category	A. % of total assessed in last three years	B. % of total assessed (column A) where risks have been identified	C. % of risk (column B) with mitigation actions taken
Own operations	100	53.85	42.85
Contractors and Tier I suppliers	100	38.46	60