

Annexure IV

Business Responsibility & Sustainability Report 2022-23

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity:

1.	Details of the listed entity:	: L65929TG2003PLC040648
2.	Name of the Listed Entity:	: Spandana Sphoorty Financial Limited
3.	Year of incorporation:	: 2003
4.	Registered office address:	: Galaxy, Wing B, 16 th Floor, Plot No.1, Sy No 83/1, Hyderabad Knowledge City,TSIIC, Raidurg Panmaktha, Hyderabad, Rangareddy, Telangana - 500081, India
5.	Corporate address:	: Galaxy, Wing B, 16 th Floor, Plot No.1, Sy No 83/1, Hyderabad Knowledge City,TSIIC, Raidurg Panmaktha, Hyderabad, Rangareddy, Telangana – 500081, India
6.	Email:	: secretarial@spandanasphoorty.com
7.	Telephone:	: 91-40-45474750
8.	Website:	: https://spandanasphoorty.com/
9.	Financial year for which reporting is being done:	: 2022-23
10.	Name of the Stock Exchange(s) where shares are listed:	: BSE Ltd., National Stock Exchange of India Ltd.
11.	Paid-up Capital:	: 709.83 (₹ Million)
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	: Mr. Amit Anand Chief Risk Officer Telephone number +91-40-45474750 e-mail id contact@spandanasphoorty.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	: Disclosures made in this report are on a standalone basis.

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Microfinance	Spandana Sphoorty Financial Ltd. is an NBFC-MFI in India which provides micro loans to women borrowers from low-income households for income generation activity. These small loans offered at affordable interest rates hitherto unbanked and underbanked population into the formal financial fold while also empowering women, primarily from rural India, to dream for a better life for themselves and their families. The loans become a catalyst in promoting entrepreneurship in remote rural India while improving livelihoods and uplifting entire communities.	99.95%

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

S. No.	Product/Service	NIC Code	% of total turnover contributed
1	Microfinance	64990	99.95%

III. Operations

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

Location	Number of plants	Number of offices	Total
National	1153	6	1159
International	0	0	0

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	18
International (No. of Countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity? Not Applicable

c. A brief on types of customers

We serve the low-income and underserved segments of the population in India, primarily in rural and semi-urban areas, providing micro loans to support income-generation activities that empower individuals and communities. Our borrowers under the Joint Liability Group (JLG) products are all women and they often lack access to traditional banking services. These small loans help women entrepreneurs dream of a better life for their families and themselves while giving a steady drift to help them soar higher in their entrepreneurial flight. Our loans have a one-to-two-year tenure and are provided for purposes like agriculture, handlooms & handicrafts, cattle rearing, cottage industries & micro entrepreneurial ventures like tailoring, grocery stores etc., education and healthcare.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	9674	9470	97.9	204	2.1
2.	Other than Permanent (E)	0	0		0	
3.	Total employee (D + E)	9674	9470	97.9	204	2.1
WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
3.	Total workers (F + G)	0	0	0	0	0

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	0	0	0	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
3.	Total differently abled workers (F + G)	0	0	0	0	0

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors*	12	3	25
Key Management Personnel*	3	0	0

* MD is counted in both BOD and KMPs.

20. Turnover rate for permanent employees and workers

	FY 23			FY 22			FY 21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	50.98	55.27	51.09	67.02	90.0	67.55	53.4%	72.6%	53.6%
Permanent Workers	Not Applicable								

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

21. (a) Names of holding / subsidiary / associate companies / joint ventures: Detail needed

S. No.	Name of the holding / Subsidiary/ associate companies/joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Caspian Financial Services Limited	Wholly owned Subsidiary Company	100%	Yes
2	Criss Financial Limited (formerly Criss Financial Holdings Ltd)	Subsidiary Company	99.85%	Yes

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)? Yes, in accordance with the Companies Act, 2013, the Company has committed 2% annually towards CSR initiatives.

(iii) Turnover (in ₹ million): 13,945

(iii) Net worth (in ₹ million): 30,432

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 23			FY 22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities		0	0		0	0	
Investors (other than shareholders)	https://spandanasphoorty.com/investors.php	0	0		0	0	
Shareholders	https://spandanasphoorty.com/investors.php	0	0		0	0	
Employees and workers	bss@spandanasphoorty.com (Branch Support Service)	2976	377	377 tickets closed during 1st Quarter of FY 2023-24	6382	460	460 tickets closed during 1st Quarter of FY 2022-23.
Customers	https://spandanasphoorty.com/customer-support.php	3283	53	53 complaints resolved during 1st Quarter of FY 2023-24	1905	306	306 complaints resolved during 1st Quarter of FY 2022-23
Value Chain Partners		0	0		0	0	
Others		0	0		0	0	

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

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk/ opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change & environmental sustainability	Opportunity	Embracing sustainable solutions and conducting awareness sessions to educate individuals about their carbon footprint may conserve natural resources and yield cost savings. Additionally, the organization may extend support to critical social issues such as education promotion. One of the ways in which Spandana may contribute to improving livelihoods is through promotion of Solar energy. Small solar appliances like solar lights, cook stoves etc., empower women by providing clean and reliable and non-pollutive appliances. It may enhance their lives through improved lighting, communication, and connectivity.	NA	Positive: Spandana has the potential to contribute significantly to sustainability by financing green initiatives, promoting sustainable business practices, conducting impact assessments, providing sustainability-focused financial education, and fostering collaboration with relevant stakeholders.
2	Financial literacy	Opportunity	Financial literacy is crucial as it enables informed decision-making, responsible borrowing, business development, economic empowerment, risk management, and stronger client-provider relationships. It equips clients with the knowledge to manage their finances effectively, make informed investment choices, and avoid over-indebtedness. Financially literate clients can develop essential financial management skills, run businesses more efficiently, and work towards long-term success. They understand the importance of saving, investing, and building assets, leading to economic stability and improved livelihoods. Financial literacy helps clients assess and manage financial risks, protecting them from fraudulent practices and predatory lending. Moreover, it fosters better communication, trust, and satisfaction between microfinancing companies and clients. In summary, financial literacy is vital for microfinancing companies as it empowers clients, promotes responsible practices, and strengthens the overall microfinance ecosystem.	NA	Positive: <ul style="list-style-type: none"> - The company actively engages in social initiatives, gaining valuable insights into the realities faced by the broader community. - By offering financial literacy programs, the company supports and empowers marginalized individuals. - The company contributes to inclusive wealth creation, benefiting a wide range of people predominantly from the bottom of the societal pyramid.
3	Community & social impact	Opportunity	Spandana has steadfastly embraced its commitment to upholding Corporate Social Responsibility (CSR) principles since its inception. Primary focus has been recognizing and aiding individuals and communities who are vulnerable, disadvantaged, or marginalized. By undertaking diverse CSR initiatives, the company strives to conceive and execute projects that actively contribute to the betterment of these underprivileged and marginalized sections of society. In pursuit of our mission to be one of the most significant microfinance service providers in the country by offering a range of financial and non-financial products and services to low-income households and individuals to improve their quality of life, we constantly endeavor to deliver quality services at the doorstep of our clients by maintaining highest levels of transparency and integrity. In the process we strive to be a responsive corporate citizen in the community we serve. It is therefore a conscious strategy to design and implement various programs that leave a lasting impact on the society.	NA	Positive: Our unwavering commitment lies in effecting meaningful change in the lives of the marginalized and vulnerable, with supporting CSR initiatives serving as another strong pillar of this endeavor. Through active engagement in these endeavors, our objective is to generate a positive influence and contribute to the advancement of society's well-being.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://spandanasphoorty.com/policies.php								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)*	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/ standards** (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company acknowledges its role in creating a positive impact by focusing on investor awareness and corporate social responsibility. It promotes an inclusive workplace, hires based on merit, aims to reduce its carbon footprint, and prioritizes upskilling for employee development in line with changing business needs. We are currently engaged in developing our required objectives, obligations, or assessment methodology for all policies. We are also in due process to establish protocols to monitor the utilization of resources such as water, paper, and electricity consumption. The Company continuously takes measures to align its processes and controls with the principles of sustainable business practices.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company actively monitors and assesses the implementation of its action plan to ensure strict compliance with established norms. We meticulously track and record key parameters within our policies as part of a continuous learning and development process, with the objective of continually improving and enhancing our policies.								

#The core business area of the Company is to provide financial services and hence this principle has limited applicability. The Company, however, complies with all applicable regulations in respect of its operations.

* All policies approved by the Board and signed by the official who oversees the implementation of such policies.

** All policies have been formulated in accordance with the applicable laws and regulations and after considering the best practices adopted by the industry.

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

Serving our communities and customers over the past years has taught us that growth and development that is sustainable will result in wider societal good. The Company is dedicated to promoting financial literacy, financial inclusion and adhering to UN Sustainable development goals, which are integrated into its business principles. We recognize that sustainability is a key driver of long-term success. Therefore, we are committed to implementing practices that reduce our environmental impact, promote social welfare, and maintain high standards of governance. Employee wellbeing, inclusive growth, ethics & transparency are core values that run through our organization. Effective governance standards play a pivotal role in fostering sustainable practices and ensuring the creation of long-term value. The Board of Directors, Committee of the Board and MD&CEO assesses the BR performance of the Company Annually.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURES

Principle 1: Business should conduct and govern themselves with ethics transparency and accountability



Essential Indicators

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

Segment	Total number of Training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	5	Business Responsibility & Sustainability Reporting, Regulatory updates of RBI Master Directions & Circulars on NBFCs, Risk management, Business strategy, Financial reporting, Companies Act planning for IT Systems, update on internal ombudsman, Regulatory updates of Companies Act, 2013 & SEBI Listing Regulations	100
Key Managerial Personnel	5		100
Employees other than BoD and KMPs	146	Code of Conduct, POSH and Client Protection Principles, Fair practices	71.89
Workers		N/A	

The company, through various programs, is required to familiarize its independent directors with the Company, their roles, rights, responsibilities, nature of the industry in which the company operates, business model of the company, risk management of the company, important changes in the regulatory framework having impact on the company, presentation on information technology framework / systems of the company etc.,

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine		RBI, SEBI	3.6 million	Penalty / fines paid for delay in submission / furnishing / intimation of information to stock exchanges. (Under purview of SEBI)	No
			23.3 million	RBI imposed monetary penalty for non-compliance with certain provisions of 'Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016	
Settlement				Nil	
Compounding fee				Nil	

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

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

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

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

The Company is committed to conducting business by following the highest ethical standards. Employees are expected to conduct business strictly adhering to all applicable laws as per the Company Code of Conduct. This is also imbibed in the company's operations manual and regular trainings that are provided to employees. The Company conducts its business in adherence to all statutory and regulatory requirements. The Code of Conduct for Directors and Senior Management of the Company has been posted at the Company's website. Additionally, the company has Vigil/Whistleblowing mechanism to help report any instances of corruption or bribery that take place within the organization. These guidelines also extend to the subsidiaries.

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

Particulars	FY 23	FY 22
Directors	0	0
KMPs	0	0
Employees	0	0

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

Particulars	FY 23	FY 22
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	0
Number of complaints received in relation to issues of Conflict of interest of the KMPs	0	0

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

Not Applicable

Leadership Indicators

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

Total number of awareness Topics / principles held covered under the partners covered	% of value chain program (by value of business done with such partners) under the awareness program
Not Applicable	

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

Yes, the company has a Code of Conduct policy for Board and KMPs. According to the policy "The Board Members and Senior Management Personnel of the Company shall not involve in taking any decision on a subject matter in which a conflict of interest arises or which in his/her opinion is likely to arise and shall make disclosures to the competent authority relating to all material financial and commercial transactions".

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



Essential Indicators

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

Particulars	FY 23	FY 22	Details of improvements in environmental and social impacts
R&D	NA	NA	NA
Capex	₹ 29.8 million	₹ 79.2 million	IT Capex

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
Yes.
- b. If yes, what percentage of inputs were sourced sustainably?
All our sourcing needs at branches, except for laptops and desktops, are met through local businesses and suppliers. We endeavour to promote sourcing from small and local businesses wherever possible.
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
Not Applicable.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.
Not applicable

Leadership Indicators

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

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

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

Name of product/service	Description of risk/concern	Action taken
N/A		

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

Benefits	FY2023 Current Financial Year		FY2022 Previous Financial Year	
	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	Yes	100	Yes
Gratuity	100	Yes	100	Yes
ESI	100	Yes	100	Yes
Others				

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

Yes. The company is aware of the needs of differently abled employees and makes efforts, where possible, to ensure that the premises are easily accessible to such employees. We ensure that the office premises that we lease are convenient for all employees to use. In certain locations separate restrooms are provisioned to accommodate the special needs of wheelchair users. The organization is committed to respecting human rights, creating inclusive environment & safe work conditions, and conducting its business ethically.

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

Yes, it is covered under the Code of Conduct. The code serves as a comprehensive framework aimed at promoting the empowerment of individuals within the workplace. We also have an "Equal Employment and Non-discrimination Policy". We uphold the value of diversity and maintain a discrimination-free environment. No differentiation or prejudice based on characteristics such as race, gender, religion, disability, age, sexual orientation, gender identity, gender expression, caring responsibilities, marital or civil partnership status, or any other protected class as defined by applicable laws is tolerated. Moreover, the company firmly believes in fostering an inclusive work culture and providing equal opportunities to all its employees.

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Female	100	100	N/A	N/A
Total	100	100	N/A	N/A
Other waste	100	100	N/A	N/A

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

Gender	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	N/A
Other than Permanent Workers	N/A
Permanent Employees	Yes, the company has Vigil Mechanism/Whistle Blower Policy for this purpose
Other than Permanent Employees	No

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

Gender	FY 23			FY 22		
	Total employees / workers in respective category (A)	No. of employees/ Workers in respective category, who are part of association (s)/ Union (B)	% (B / A)	Total employees/ workers in respective category (A)	No. of employees/ Workers in respective category, who are part of association (s)/ Union (B)	% (B / A)
Total Permanent employees		0			0	
Male		0			0	
Female		0			0	
Total Permanent Workers		N/A			N/A	
Female						
Male						

8. Details of training given to employees and workers:

We give paramount importance to our employees' safety and wellbeing. All employees at Spandana are provided with the necessary resources that help them in discharging their duties. The training programs are designed in a way that necessary skills are imparted while the employees also understand the importance of taking right precautions while performing their duties.

To enhance the learning experience and make it more interactive, we have introduced a new LMS that will include a variety of training modules covering a wide range of topics – including topics like health and safety, equal opportunities, human rights, client data protection, etc.,

Category	Total (A)	FY 23				Total (D)	FY 22			
		On Health and safety measures		On Skill upgradation			On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	9,470	6,738	71.1%	4,121	43.5%	8,108	0	0	3,496	43.1%
Female	204	36	17.6%	80	39.2%	271	0	0	159	58.7%
Total	9,674	6,774	70.0%	4,201	43.4%	8,379	0	0	3,655	43.6%
Workers										
Male										
Female										
Total										

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

Gender	FY 23			FY 22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	9,470	8,454	89.3	8,108	3085	38.0
Female	204	199	97.5	271	76	28.0
Total	9,674	8,653	89.4	8,379	3,161	37.7
Workers						
Male						
Female						
Total						

10. Health and safety management system:

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

The Company's operations are inherently designed to minimize health and safety risks for its employees. Nonetheless, the company acknowledges the significance of prioritizing the well-being of its workforce. We have taken proactive measures such as maintaining fully stocked fire extinguishers, installing smoke detectors, and implementing fire alarm systems at our major offices. Furthermore, we ensure that our employees are well-informed about assembly points, and we prominently display floor plans and emergency contact information throughout our offices. To foster a secure and ethical work environment, we have also established policies addressing Sexual Harassment and Whistleblower protections.

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

While the type of our business does not typically pose significant occupational health and safety risks, we remain committed to providing a safe and secure environment for our employees and customers. However, in light of the COVID-19 pandemic, the Company took precautions in the office premises. To mitigate these risks, necessary precautions were taken, such as sanitizing all office premises, restricting movements in common areas, and avoiding large gatherings, work from home as required. The Company also complied with all government directives, issued travel and health advisories to its employees, to ensure the safety of employees and business continuity.

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

Not Applicable.

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

All of our employees are covered under health insurance, group life insurance and accidental insurance.

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

Safety Incident/Number	Category	FY 23	FY 22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	N/A	N/A
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

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

Due to the nature of the business, the risks associated with occupational health and safety are limited. However, the Company has a policy in place for employee health and safety. Regular internal communication and training sessions are conducted on safety measures, including fire safety and evacuation procedures. Regular equipment checks are done to mitigate any wear and tear due to continued use, e.g.: Air Conditioners, UPS. The Company has a provision of a medical practitioner who offers online medical consultations.

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

	FY 23			FY 22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0		0	0	
Health & Safety	0	0		0	0	

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	The Company periodically reviews and assesses the effectiveness of health and safety practices, working conditions of its offices by its internal team.
Working Conditions	

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

Although this is not directly applicable to us due to the nature of our business, the response is covered in point number 12. There have been no safety-related incidents reported during the past year, and the company's periodic review of its health and safety practices did not reveal any significant concerns.

Leadership Indicators

1. Do the entity extend any

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).
Yes. In the event of death of employee, compensation is provided as all the permanent employees are covered by Group life insurance policy. Additionally, the Company prioritizes settling gratuity benefits.
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.
Not Applicable.
- Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total No. of affected employees / workers		No. of employees / workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Employees				
Workers			0	

- Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)
Yes, training provided in the Company is a proactive, planned and continuous process and an integral part of Human Resource development. The aim is to create and enhance the competencies of the employees, ensuring optimal performance in the ever-changing business scenario. Hence, the Company is committed to providing its employees with opportunities to develop their domain-specific knowledge, skills, and leadership abilities through various training programs.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Although the company works in financial sector, we expect our partners to comply with government policies related to health and safety & working condition.
Working Conditions	

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

Not applicable due to the reason stated in point number 5.

Principle 4: Business should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.



Essential Indicators

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

We understand how important a comprehensive stakeholder identification process is - considering both the level of influence stakeholders exert on the business and the reciprocal impact of the business on them. The organization has plans in-motion to conduct focused group discussions with senior management to initially recognize key stakeholders. The next steps would be to undertake impact assessment and categorizing stakeholders into significant groups. We also have a dedicated Stakeholders' Relationship Committee, emphasizing their commitment to effectively manage and nurture relationships with stakeholders.

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

Stakeholder groups	Whether identified as vulnerable & marginalised (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, others)	Frequency of engagement (Annually/Half yearly/ Quarterly/ others- please specify)	Purpose and scope of engagement including key topics raised during such engagements
Employees	No	Email, Internal meetings, SMS, Internal memos, Phone	As and when required	<ul style="list-style-type: none"> Evaluating employee performance and offering incentives, Providing opportunities for professional growth and skill enhancement, Implementing measures to promote employee health and safety Feedback and suggestions Employee rewards and recognitions Updates on company's performance and future plans
Customers	No	SMS, Website, Phone, Center Meetings, Branches		<ul style="list-style-type: none"> Distribution of products Providing excellent customer service throughout the entire customer journey Ensuring continuous awareness of product features, advantages, and potential drawbacks Address customer queries and complaints Promoting financial literacy

Stakeholder groups	Whether identified as vulnerable & marginalised (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, others)	Frequency of engagement (Annually/Half yearly/ Quarterly/ others- please specify)	Purpose and scope of engagement including key topics raised during such engagements
CSR Partners	No	Email, SMS, Phone, Meetings	As and when required	<ul style="list-style-type: none"> • Community development initiatives • Environment preservation • Volunteering activities in local communities
Beneficiaries of CSR initiatives	Yes	Meetings, Phone, Site visits		
Investors & Analysts	No	Meetings, Calls, Website, Newspaper, Email		<ul style="list-style-type: none"> • Updating on business performance and outlook, • Timely update of financial results, • Industry developments, • Addressing key issues & concerns • Updates on key changes in regulatory and operational environment
Lenders, Media, Rating agencies and other business partners	No	Meetings, Calls, Website, Newspaper, Email		<ul style="list-style-type: none"> • Updating on business performance and outlook, • Timely update of financial results, • Industry developments, • Addressing key issues & concerns • Updates on key changes in regulatory and operational environment
Government Departments, Regulatory bodies, SROs & Industry associations	No	Meetings, Calls, Website, Newspaper, Email		<ul style="list-style-type: none"> • Compliance with all applicable laws and communication of required updates • Implementation of Governance frameworks & assistance in inspections • Payment of all applicable taxes • Updating on business performance and outlook, • Timely update of financial results, • Addressing key issues & concerns

Leadership Indicators

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

The company emphasizes continuous and proactive interaction with its stakeholders to transparently communicate its strategies and achievements. Enabling frequent communication between the board, various stakeholders and community members on social matters has been instrumental in reinforcing our dedication to social responsibility. The Company also has an already existing Stakeholders' Relationship Committee to help with such matters. Audit Committee and the Board are apprised about the outcomes of the interactions and outputs from the resulting activities and have oversight over the ESG Policy.

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

Yes. Our initiatives are intentionally designed to create a positive impact on the lives of underprivileged communities and on the environment. We have an already existing CSR Committee which has been approved by the board.

We analyze customer complaints/interactions to improve our services. This analysis not only identifies the underlying causes but also presents an opportunity for service enhancement. Stakeholder interactions and insights from consultants and experts help us understand and meet expectations. The company has in place an ESG policy, which will be updated to cover the reporting requirement and ownership of BRSR as per SEBI's circular No. SEBI/HO/CFD/CMD2/CIR/2021/562 dated 10.05.2021. The company also intends to do a materiality assessment of key ESG related risks in consultation with its relevant stakeholders. Additionally, the Company acknowledges that it is in a learning phase regarding various evolving aspects, making stakeholder interactions crucial. To gain a deeper understanding of stakeholder expectations, the Company actively seeks engagement with consultants and experts in the field. These interactions prove valuable in aligning the Company's practices with stakeholder expectations and driving continuous improvement. Our business model involves regular client interactions through our empowered field force, who engage with clients regularly across all districts where we have presence. Through our loan products and client-centric approach, we endeavor to strengthen the socio-economic wellbeing of low-income households by providing financing on a sustainable basis in order to improve livelihoods.

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

The Company is engaged in providing financial services to low-income households in rural India for their lifecycle needs. In addition, the Company conducts financial literacy programs, skill development programs and vocational training programs for low-income households. At Spandana, we have developed an in-depth understanding of the borrowing requirements of the low-income client segment. Our business model involves regular client interactions through our field force, who engage with clients regularly across all districts where we have presence. Through our loan products and client-centric approach, we endeavor to strengthen the socio-economic wellbeing of low-income households by providing finance that is sustainable for the borrowers and helps improve livelihoods. We have initiated tailoring training centers for rural women and girls. These centers offer a comprehensive 90-day skill development program in tailoring along with Financial and Digital literacy module. We have trained 2,300 women across 44 tailoring centers in FY 2022-23. As a result of Spandana's efforts, 549 women have secured job placements, while 1,308 women have successfully become self-employed. In addition, we have also provided financial and digital literacy training to more than 50,000 women during the year. We constantly endeavor to deliver quality services to our clients and remunerative returns to our Investors by maintaining highest levels of transparency and integrity. In the process we strive to be a responsive corporate citizen in the community we serve. It is therefore a conscious strategy to design and implement various programs making a lasting impact on the society.

Principle 5: Business should respect and promote human rights.



Essential Indicators

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

Category	FY 23			FY_22		
	(A) Total	(B) (Number of employees)	% (B/A)	(C) Total	(D) (Number of employees)	% (D/C)
Employees						
Permanent	9,674	4,201	43.4%	8,379	3,655	43.6%
Other than permanent						
Total	9,674	4,201	43.4%	8,379	3,655	43.6%
Workers						
Permanent	NA			NA		
Other than permanent	NA			NA		
Total	NA			NA		

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 23					FY 22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		(B) (Number of employees)	% (B/A)	(C) (Number of employees)	% (C/A)		(E) (Number of employees)	% (E/D)	(F) (Number of employees)	% (F/D)
Employees										
Male	9,470		0	9,470	100	8,108		0	8,108	
Female	204		0	204	100	271		0	271	
Total	9,674		0	9,674	100	8,379		0	8,379	
Workers										
Male	NA					NA				
Female	NA					NA				
Total	NA					NA				

3. **Details of remuneration/salary/wages, in the following format**

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)*	9	20,00,000	3	20,00,000
Key Managerial Personnel*	3	9,51,30,024		
Employees other than BoD and KMP	9,470	1,65,354	204	1,68,922

* MD is counted in both BOD and KMPs and median remuneration includes cost towards share based payment to KMPs.

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

Yes, various committees are there to oversee and address issues related to human rights. The industry's Code of Conduct applies to the Company, its subsidiaries, all Directors and all the employees. The Company also has a policy against sexual harassment in the workplace and Whistleblower policy.

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

The Company places great importance on upholding and respecting human rights, which are considered fundamental and core values. We strive to ensure that all business and employment practices are conducted fairly and ethically, while also promoting and protecting human rights. To maintain transparency and accountability, we review the position of the redressal of complaints/grievances received from our employees, vendors, or customers on a regular basis. We have implemented policies and committees to handle human rights-related issues effectively. The Company has a zero-tolerance for all forms of physical, sexual, psychological, or verbal abuse.

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

	FY 23			FY 22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0		0	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/ Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

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

The Company prioritizes a safe and inclusive workplace for all, regardless of their caste, class, religion and background. We promote human rights and ethical business practices and have policies and committees to handle grievances. For instance, we have Internal Committees in place under the Sexual Harassment of Women at Workplace Act. We also have Whistle Blower Policy where we maintain anonymity of the complainant. Moreover, regular employee awareness sessions are conducted to prevent sexual harassment and other human rights related issue.

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

The company will include clauses related to human rights in its operations manuals, business contracts and agreements where appropriate. The Codes and Policies of the company will be applicable in such cases.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)*
Sexual Harassment	100
Discrimination at workplace	100
Child Labour	100
Forced Labour/ Involuntary Labour	100
Wages	100
Other human rights related issues	N/A

*Our office spaces are subject to internal audits and we strictly abide by the regulations, business ethics and human rights issues. Minimum wages check is part of functional audit while all the other compliance checks at branches are actively taken up once every six months. In addition, the internal team is also supported by an independent external firm to give its opinion to the Board and Management.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators

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

The Company maintains the business process in a way that it adheres to fundamental human rights in all its transactions and services it provides. We also conduct various training programs to sensitize employees about the Code of Conduct.

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

N/A

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

Yes, the office spaces are accessible to differently abled visitors. The company is aware of the needs of differently abled persons and makes efforts, where possible, to ensure that the premises are easily accessible to them. We ensure that the office premises that we lease are convenient for all to use. In certain locations separate restrooms are provisioned to accommodate the special needs of wheelchair users. The organization is committed to respecting human rights, creating inclusive environment & safe work conditions, and conducting its business ethically.

4. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed*See NOTE below
Sexual Harassment	N/A
Discrimination at workplace	N/A
Child Labour	N/A
Forced Labour/Involuntary Labour	N/A
Wages	N/A
Others – please specify	N/A

*NOTE: Spandana Sphoorty holds the expectation that its value chain partners adhere to the utmost standards of business ethics and principles.

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

Not Applicable

Principle 6: Business should respect, protect and make efforts to restore the environment.



Essential Indicators

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

Parameter	FY 23	FY 22
Total electricity consumption (A)	8395.56 GJ	8475.97 GJ
Total fuel consumption (B)	2930.41 GJ	2574.38 GJ
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	11326 GJ	11050 GJ
Energy intensity per rupee of turnover, kilojoules/₹ (Total energy consumption/turnover in rupees)	0.81	0.80
Energy intensity (optional) – the relevant metric may be selected by the entity Gigajoule/ FTE	1.17	1.32

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

No, the company has not sought any external or 3rd party assurance for the above metrics. However, the Company intends to do so as and when the regulation becomes applicable.

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

Not Applicable

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

Water is primarily used for human consumption only.

Parameter	FY 23	FY 22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	309.2*	261.8**
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others (Drinking Water)	1,788.55	1,505.22
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		
Total volume of water consumption (in kilolitres)	2097.55	1767.22
Water intensity per rupee of turnover (Water consumed / turnover) (l/Rs)		
Water intensity (optional) – the relevant metric may be selected by the entity (KL/FTE)		

*Only Head-office

**Calculated

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

No, the company has not sought any external or 3rd party assurance for the above metrics. However, the Company intends to do so as and when the regulation becomes applicable.

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

Not applicable. Being a provider of financial services, the company only uses water for human consumption.

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

Parameter	Please specify unit	FY_23	FY_22
NOx			
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

The company's primary emphasis lies in delivering financial services, hence any air emissions that do not pertain to greenhouse gases is inconsequential.

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

No, the company has not sought any external or 3rd party assurance for the above metrics. However, the Company intends to do so as and when the regulation becomes applicable.

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

Parameter	Unit (Metric Ton of CO ₂ e)	FY_23	FY_22
Total Scope 1 emissions	Tonnes CO ₂ e	220.35	195.75
(Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Tonnes CO ₂ e	(CO ₂ : 199.32, methane:0.21, N2O: 1.05, Refrigerants: 19.77)	(CO ₂ : 174.80, methane:0.2, N ₂ O: 0.97, Refrigerants: 19.77)
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Tonnes CO ₂ e	1,865.76	1,883.63

Parameter	Unit (Metric Ton of CO ₂ e)	FY_23	FY_22
Total Scope 1 and Scope 2 emissions per rupee of turnover	Gram/Rs	0.15	0.15
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Tonnes CO ₂ e/FTE	0.22	0.25

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

No, the company has not sought any external or 3rd party assurance for the above metrics. However, the Company intends to do so as and when the regulation becomes applicable.

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

As the entity is a microfinance institution, the GHG emissions are not significant. However, as a responsible organization committed to sustainability, the company has adopted several measures to reduce its indirect footprint. Please refer to the answers question 9 and leadership indicator question 6 above.

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

Parameter	FY 23	FY 22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any.	-	-
(Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G+ H)	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
Total		

Note: No waste to report for the reporting period.

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

No, the company has not sought any external or 3rd party assurance for the above metrics. However, the Company intends to do so as and when the regulation becomes applicable.

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

We are committed to minimizing waste and maximizing our recycling efforts. Though minimal, our waste streams primarily consist of food waste, paper waste, plastic waste, and e-waste. In our efforts to curb the generation of plastic waste, we actively encourage our employees to utilize glass/metal bottles at our office premises, thereby reducing the number of discarded plastic bottles. Furthermore, we encourage use of biodegradable plastic garbage bags for the collection and disposal of both dry and wet waste.

To reduce paper consumption, we are digitizing our processes, significantly reducing our reliance on paper. Ongoing initiatives focus on further minimizing paper usage across all our offices. Additionally, we have discontinued the use of paper-based office stationery, except for essential items.

As part of our e-waste management strategy, we responsibly handle a wide range of electronic waste, including computers, servers, scanners, UPSs, batteries, air conditioners, and other relevant equipment. We will ensure the proper disposal of such e-waste materials through registered and authorized e-waste vendors.

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

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
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Spandana conducts its operations from leased office spaces and none of these offices are located in ecologically sensitive areas.

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

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

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

S. No.	Specify the law / regulation/ guidelines which was not complied with	Provide details of the non compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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The company complies with applicable environmental regulations.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 23	FY 22
From renewable sources		
Total electricity consumption (A)	Nil	Nil
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	Nil	Nil
From non-renewable sources		
Total electricity consumption (D)	8,395.56 GJ	8,475.97 GJ

Parameter	FY 23	FY 22
Total fuel consumption (E)*	2,930.41 GJ	2,574.38 GJ
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	11,326 GJ	11,050 GJ

* Calculated from petrol expenditure

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

No, the company has not sought any external or 3rd party assurance for the above metrics. However, the Company intends to do so as and when the regulation becomes applicable.

2. Provide the following details related to water discharged:

Parameter	FY 23	FY 22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Not applicable, as the organization works in financial domain. The water is used for human consumption only

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

No, the company has not sought any external or 3rd party assurance for the above metrics. However, the Company intends to do so as and when the regulation becomes applicable.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilo litres):

For each facility / plant located in areas of water stress, provide the following information:

- Name of the area:** Andhra Pradesh, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Puducherry, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, West Bengal.
- Nature of operations:** Spandana Sphoorty Financial Limited is a leading Indian microfinance institution that focuses on providing financial services to underserved communities, especially women. We offer microloans, savings accounts, insurance, and customized solutions to empower individuals and promote financial inclusion.

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 23	FY 22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	309.2*	261.8**
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others (drinking water)	1,788.55	1,505.22
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)	2097.55	1767.22
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity. KL/FTE		
Water discharge by destination and level of treatment (in kilo litres)		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Not applicable, as the organization is a microfinance company and operates in the financial services sector.

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

Assessment of scope 3 emission is not conducted.

Parameter	Unit	FY_23	FY_22
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

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

No, the company has not sought any external or 3rd party assurance for the above metrics. However, the Company intends to do so as and when the regulation becomes applicable.

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

Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	The company implements measures such as installing low-consumption and energy-efficient fixtures, employing sensor taps.		
2	The company replaced plastic water bottles with glass or steel bottles.		
3	Additionally, the company emphasizes more on digitalization to minimize paper waste.		

The company's implementation of measures such as installing low-consumption and energy-efficient fixtures, as well as employing sensor taps, brings several benefits. Firstly, it helps the company reduce its overall energy consumption and contribute to environmental sustainability. By using energy-efficient fixtures, the company can minimize its carbon footprint, aligning with sustainable practices.

Our encouragement to employees to replace plastic water bottles with glass or steel bottles also yields multiple advantages. It significantly reduces plastic waste and contributes to environmental conservation. Additionally, using glass or steel bottles can be a cost-effective solution in the long run, as they can be reused multiple times, reducing the need for constant repurchasing of single-use plastic bottles.

Moreover, adopting the use of a digital portal, such as FIMO enables the company to minimize paper waste. This not only reduces the environmental impact associated with paper production & transportation but also streamlines internal processes and enhances operational efficiency. Digital portals allow for faster and more accurate data management, reducing the reliance on physical paperwork and facilitating smooth information flow within the company.

Overall, these environmentally conscious measures benefit the company by lowering operational costs, improving sustainability practices, and promoting efficient workflows. By reducing energy consumption, minimizing plastic waste, and embracing digital solutions, the company can be an environmentally responsible organization.

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

Spandana Sphoorty has implemented a robust disaster recovery and business continuity plan to ensure preparedness in the face of unforeseen events. The plan incorporates multiple strategies to maintain operations during disruptions. One strategy involves utilizing branches as alternative sites, which allows the company to continue serving its customers even if the main office or certain locations are affected by a disaster. Another important aspect of the plan is enabling work-from-home arrangements. This flexibility ensures that employees can continue their work remotely, minimizing downtime and maintaining productivity during critical situations. By leveraging technology and providing the necessary infrastructure and tools, Spandana Sphoorty ensures that essential functions can continue seamlessly, regardless of physical office accessibility. Additionally, the company has implemented an IT disaster recovery site, which serves as a dedicated facility to restore and resume IT operations in the event of a system failure or disruption. This redundancy ensures that vital systems and data can be quickly recovered, enabling the company to continue its operations with minimal interruption. To validate the effectiveness of the disaster recovery and business continuity plan, Spandana Sphoorty conducts regular testing. These tests are performed as and when required and involve comprehensive evaluations to identify potential weaknesses or areas of improvement. The results and findings from these tests are reviewed and presented to the IT Strategy Committee, allowing for ongoing refinement and enhancement of the plan. By establishing a comprehensive disaster recovery and business continuity plan, Spandana Sphoorty proactively mitigates the impact of potential disruptions. This preparedness not only safeguards the company's operations but also ensures uninterrupted services to its customers. The regular testing, review, and presentations to the IT Strategy Committee further strengthen the plan's effectiveness, enabling Spandana Sphoorty to swiftly recover from any adverse situations and maintain its commitment to delivering reliable financial services. Spandana also has in place a non-IT BCP plan which counters issues like flood, fire or any other natural disaster in the branch area, curfew in the branch area, closure of the branch by an administrative action, software interruption, staff related disruptions. The branch staff and supervisors make the best effort to ensure that the branch operations are carried out as smoothly as possible. Additionally, Standard Operating Process has to be followed in case of occurrence of events impacting normal business activities.

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

Not Applicable

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

Not Applicable

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



Essential Indicators

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

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	MFIN	National
2	Sa-Dhan	National

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities**

Name of authority	Brief of the case	Corrective action taken
	The company was compliant, and it did not receive any orders from regulatory authorities that would have required it to act against any anti-competitive behavior, indicating that there were no instances of such behavior.	

Leadership Indicators

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

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web link, if available
1	Yes, As a member of MFIN and Sa-Dhan Spandana participates in MFI industry advocacy and are part of policy making related to MFI Industry. The Company has actively advocated for and supported the advancement of inclusive development policies to address the needs of underserved and unserved customers. We have actively engaged in representing and lobbying for policies that promote equal opportunities and inclusive growth for those who have been traditionally marginalized or overlooked.				

Principle 8: Business should support inclusive growth and equitable development



Essential Indicators

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

Name & brief/ details of the project	SIA Notification no.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
<ul style="list-style-type: none"> • The CSR programs are not eligible for Impact assessment. • However, we have conducted the Tailoring program which is a long-term intervention. As a result, we have - conducted impact assessment for this initiative. https://spandanaspooorty.com/wp-content/uploads/2023/04/SSFL-Impact-Assessment_SA%C4%86IT-Final-Report%20_June%2020-2023.01.pdf 					

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

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

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

The Grievances related to customers/community are taken up promptly for resolution/ redressal. The Company has a well-defined Customer Grievance Redressal (CGR) mechanism (through toll-free numbers) for ensuring timely redressal. The company also has a whistleblower mechanism in place to address complaints from its stakeholders. They also interact with the communities regularly, physically/virtually, to get their feedback.

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

Parameter	FY 23 Current Financial Year	FY 22 Previous Financial Year
N/A		

Leadership Indicators

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

Details of negative social impact identified	Corrective action taken
No negative social impact identified.	

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

S. No.	State	Aspirational District	Amount spent (In ₹)
1.	Andhra Pradesh	Kadapa	20,48,949
2.	Andhra Pradesh	Vishakhapatnam	30,85,067
3.	Andhra Pradesh	Vishakhapatnam	10,31,800
4.	Bihar	Jamui	5,32,822
5.	Bihar	Muzaffarpur	21,35,192
6.	Chhattisgarh	Rajnandgaon	15,67,822
7.	Jharkhand	Dumaka	15,67,822
8.	Jharkhand	Giridih	29,48,000
9.	Jharkhand	Hazaribagh	15,67,822
10.	Odisha	Gajapati	15,67,822
11.	Odisha	Kalahandi	38,70,740
12.	Odisha	Koraput	96,09,241
13.	Odisha	Rayagada	6,60,115
14.	Karnataka	Raichur	54,00,000

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
 (b) From which marginalized /vulnerable groups do you procure?
 (c) What percentage of total procurement (by value) does it constitute?

The Company practices responsible resource consumption, limiting it to essential operational needs. Furthermore, it strongly advocates for equal and fair opportunities for all vendors, including those from marginalized or vulnerable backgrounds.

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

Not Applicable.

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

Not Applicable.

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects*	% of beneficiaries from vulnerable and marginalized groups*
1	Thematic Area: Skill development and Livelihood Skill training programs in the field of Tailoring, Electrical, Facility Management, Banking, Financial Services and Insurance	6,096	100%
2	Thematic Area: Health Digital dispensary to facilitate Telehealth services to the rural citizen.	13,179	100%
3	Thematic Area: Education School transformation program - Providing WASH facility and Set up Smart classrooms in the govt schools	4,772	100%
4	Thematic Area: Education Project Nanhi kali- Providing educational support to the primary school girls to complete their education	3,000	100%
5	Thematic Area: Promotion of Clean energy Strengthening local livelihoods using Solar Energy	1,355	100%
6	Thematic Area: Financial and Digital Literacy Training on Financial and Digital Literacy to the rural citizens	58,647	100%
7	Thematic Area: Water - Providing safe drinking water by establishing Community water center at the rural household and provide free safe drinking water to the Govt schools.	6,872	100%
8	Free distribution of sewing machine to the needy woman	458	100%
9	Free distribution of Bicycles to the needy person	186	100%
10	Thematic Area: Social Protection Support to underprivileged citizens, to linked with various central and state govt welfare schemes	20,000	100%

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



Essential Indicators

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

Spandana adheres to the RBI's Fair Practices Code and SRO's Code of Conduct (MFIN) as part of its Code of Conduct. The Customer Feedback and Grievance Redressal Mechanism is as follows:

Branch Level: Each branch prominently displays contact numbers of officials for easy access. A complaints register is maintained in each branch, allowing individuals to register complaints. Cluster managers regularly review and address complaints, escalating unresolved ones to the Zonal Manager. Unsatisfied customers can contact HO-CSS toll-free.

Head Office Level: Loan cards and loan application include a toll-free contact number for the Customer Support Service department at the Head Office. Customers can reach out for query resolution.

Principal Nodal Officer (PO): If complaints remain unresolved within 15 days, customers can escalate grievances to the Principal Nodal Officer whose contact details are provided.

Industry Associations/ SRO: If resolution is not resolved within seven working days from the Principal Nodal Officer, customers can approach MFI industry associations MFIN/Sa-Dhan.

RBI: If complaints remain unaddressed for one month, customers can appeal to the Officer in Charge of the Regional Office of DNBS of RBI. Complaints can be submitted online, via email, or by physical mail.

Cross Checks: Internal auditors ensure each branch maintains a Complaints Register, with any unresolved complaints reported to senior management and the Audit Committee of the Board. Compliance is monitored by State Heads and Internal Auditors. Contact details are provided at each branch/office for any queries, feedback, or grievances.

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable to our products and services
Safe and responsible usage	
Recycling and/or safe disposal	

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

Category	FY23		Remarks	FY22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	3283	53	53 complaints resolved in 1st Quarter of FY 2023-24	1905	306	306 complaints resolved in 1st Quarter of FY 2022-23

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

	Number	Reasons for recall
Voluntary Recalls	Not Applicable	
Forced Recalls		

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

The company will form a Cyber Security Response (CSR) Team to monitor the threats-landscape covering the current and the emerging trends of the cyberattacks, proactively take the initiative to prevent the attacks and contain them when they occur. The CSR team will focus on preventing the various Information Security Threats and cyberattacks which occur via the Internet.

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

Not Applicable

Leadership Indicators

- 1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**
Information on Company products and services is available on Website, at Center meetings & Branches and through Customer Support Service helpline.
Website: <https://spandanaspooorty.com/products.php>
- 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**
We educate our customers through Center meetings, Branches, Customer Support Service helpline.
- 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**
We inform consumers of any risk of disruption/discontinuation of essential services through Website, Center meetings, Branches, Customer Support Service helpline.
- 4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**
Fair Practice Code is displayed in the Branches of the Company and on the company's website.
- 5. Provide the following information relating to data breaches:**
 - a. Number of instances of data breaches along-with impact**
 - b. Percentage of data breaches involving personally identifiable information of customers**
No such instance occurred last year.