

August 22, 2024

The BSE Limited

Corporate Relationship Department.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

The National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G,
Bandra-Kurla Complex.
Bandra (E), Mumbai - 400 051

SCRIP CODE: **543066**

SYMBOL: **SBICARD**

SECURITY: **Equity Shares/Debentures**

SECURITY: **Equity Shares**

Dear Sirs,

Re: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 -ESG Rating

Pursuant to Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that SES ESG Research Private Limited (a SEBI Registered ESG Rating Provider), vide its report dated August 21, 2024 has assigned an Environmental, Social, and Governance (ESG) Score (Adjusted) of 78.3 for SBI Cards and Payment Services Limited based on the data pertaining to FY 2023-24. The said report is attached herewith.

This is also made available on the website of the Company at www.sbicard.com.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For SBI Cards and Payment Services Limited

PAYAL MITTAL
CHHABRA

Digitally signed by PAYAL
MITTAL CHHABRA
Date: 2024.08.22 16:55:01
+05'30'

Payal Mittal Chhabra

Company Secretary & Compliance Officer

Date & Time of Event:- August 21, 2024 at 8.49 PM

Enclosed: As above

SBI Cards and Payment Services Ltd.

DLF Infinity Towers, Tower C,
12th Floor, Block 2, Building 3,
DLF Cyber City, Gurugram - 122002,
Haryana, India

Tel.: 0124-4589803
Email: customercare@sbicard.com
Website: sbicard.com

Registered Office:
Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower,
E 1,2,3, Netaji Subhash Place, Wazirpur, New Delhi - 110034
CIN - I 65999DI 1998PI 0093810

SES ESG Research Pvt. Ltd. (SES ESG) is registered with SEBI as an ESG Rating Provider under Category II
 SES ESG is a wholly owned subsidiary of Stakeholders Empowerment Services, a not for profit organisation

SEBI REGISTRATION #:

IN/ERP/Category-II/0002

ESG REPORT 2024

SBI CARDS AND PAYMENT SERVICES LTD.

The Company is engaged in the business of issuing credit cards to consumers in India. State Bank of India is having a holding of 68.63% as at 31st March, 2024. The Company is a Non-Deposit accepting Systemically Important Non-Banking Financial Company (NBFCNDSI) registered with Reserve Bank of India (RBI) vide Registration Number 14.01328 under section 45 IA of the RBI Act,1934

Rating based on FY 2023-24 Data

*Last updated on 21st Aug, 2024

www.sbicard.com

BRSR Reporting Standalone

BRSR (FY 2023-24) [Weblink](#)

of Plants 0

of Offices 23

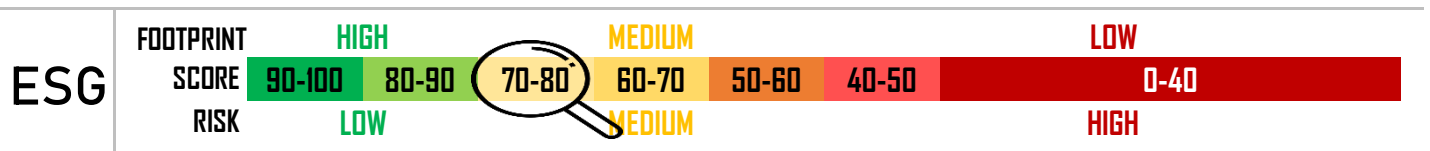
*Refer [Update Annexure](#) for Company's response

INDUSTRY CLASSIFICATION	ASSURANCE REPORTING		ESG SCORE (ADJUSTED)		
Non-Banking Financial Company (NBFC)	NAME	SGS India Pvt. Ltd.	2023	2024	YOY Change
	TYPE	Reasonable	78.3	78.3	-

Source: NSE | SEBI – SIC: SEBI - Standardization of Industry Classification (SEBI [Circular](#))

Note: "Wherever you see "Red" think of future improvement"

Note: Scoring is out of 100 | For Scoring explanation – Refer [Annexure](#)



HIGHLIGHTS

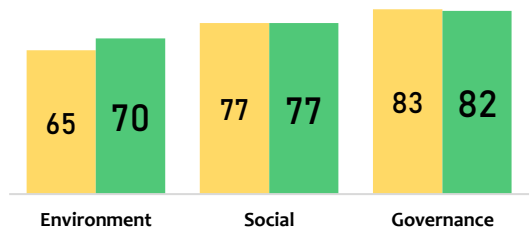
- SBIC has not disclosed environment parameters intensity based on relevant metric. However, other peer companies have reported intensity data linked to relevant metrics based on Full-Time Equivalents (FTE).
- 0% energy consumption from renewable sources.
- No case of data breach.
- Received 1,70,640 customer complaints during FY 2023-24.
- Attendance of few directors in their respective committees is less than 70%. ([Read more](#))

For further details on pillar wise summary – [Read more](#)

EVALUATION FACTORS

(Adjusted Scores & Weights)

■ 2023 ■ 2024



16.5% 38.5% 45%

Note: Industry Risk (IR) / Controversy Adjusted Score

Refer [ESG Scorecard](#) for details

For SES ESG Evaluation Methodology – [Click here](#)

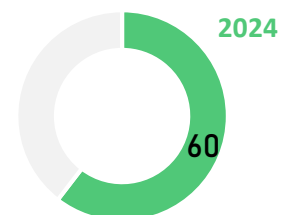
RATING SENSITIVENESS

FACTORS		% WEIGHT OUT OF 100
Cyber Security & Data Privacy	S	12.71
Audit & Financial Reporting	G	11.25
Board Independence & Diversity	G	9.00
Customer Orientation & Welfare	S	8.66
Stakeholders Engagement, Ownership & Control	G	6.75

Note: Rating Sensitiveness refers to factors that could have the potential to impact the ESG profile of the entity. ([Read More](#))

PARIVARTAN SCORE (Transition)

[Based on quantitative parameters only]



Weightage: 8.0%

Analyses y-o-y change on key quantitative parameters

SASB: INDUSTRY RISK EXPOSURE

CATEGORISATION

Low
RiskMedium
RiskHigh
Risk

Company's Industry Risk

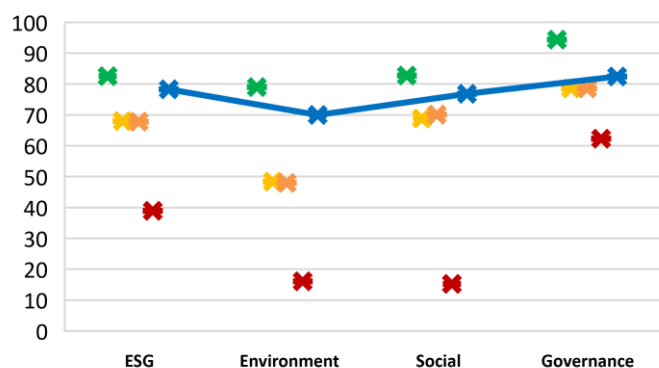
SCORECARD – ESG

ESG CATEGORIES & SCORE		AS PER SES MODEL Year: 2024			AS PER	SECTOR AGNOSTIC Year: 2024
		RAW SCORE	CONTROVERSY EXPOSURE (CE)	CE ADJUSTED SCORE	INDUSTRY RISK EXPOSURE (IR)	IR ADJUSTED SCORE
		(A)	(B)	(C) (A*B)	(D)	(C*D)^
ESG		80.3	-	80.3	-	78.3
	ENVIRONMENT*	70.6	-	70.6	68.4	70.0
	SOCIAL*	82.0	-	82.0	61.4	76.9
	GOVERNANCE*	82.5	-	82.5	-	82.5

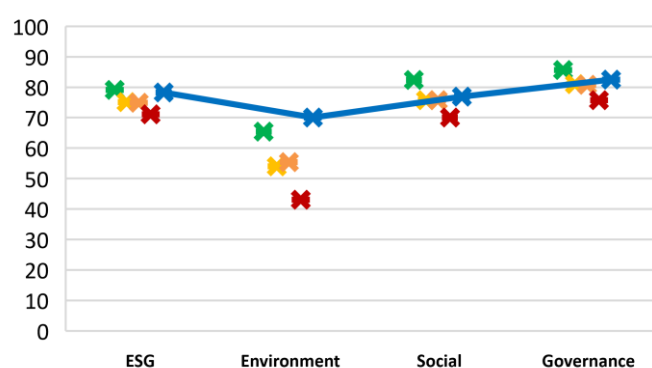
*Note: For Score Adjustments Scoring – Refer explanation at [Annexure](#) | ^Adjusted Score is calculated based on 75% (C) Score & 25% Risk Exposure (D)

ESG SCORE RELATIVE POSITION:
COMPANY V. SES UNIVERSE

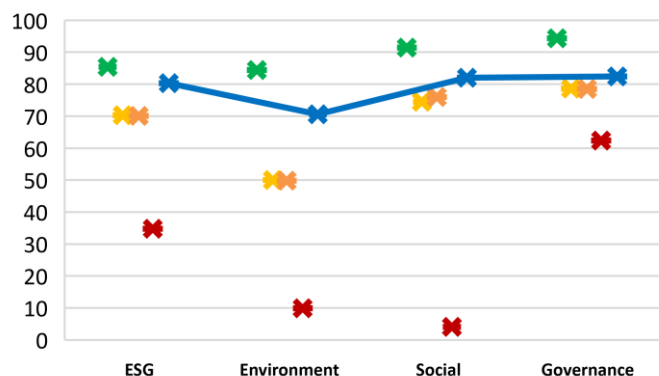
IR ADJUSTED SCORE

ESG SCORE RELATIVE POSITION:
COMPANY V. INDUSTRY

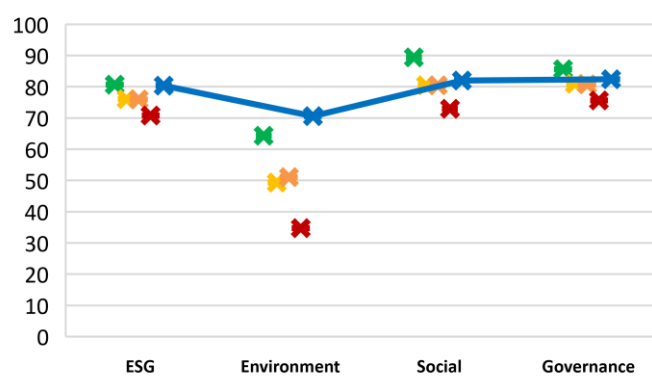
IR ADJUSTED SCORE



UNADJUSTED SCORE



UNADJUSTED SCORE



LEGENDS

COMPANY

MAXIMUM

AVERAGE

MEDIAN

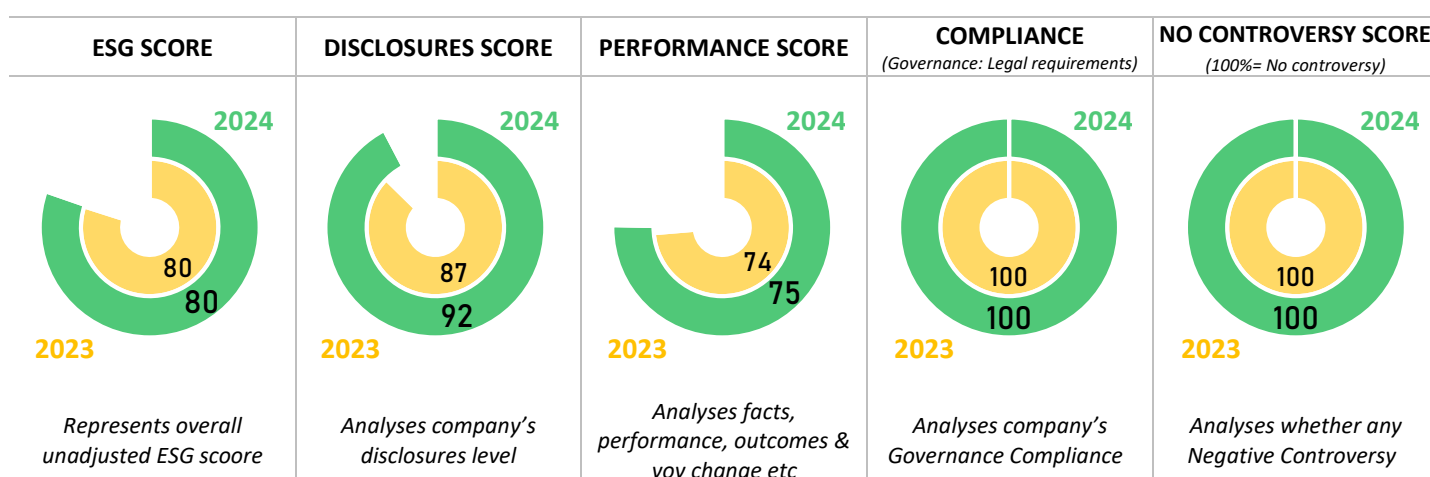
MINIMUM

Note: Presently SES Universe refers to companies covered by SES (550) & their scores based on FY 2022-23 data



SCORECARD – ESG

(UNADJUSTED)



ESG Scores are result of disclosures as well as performance, scored separately. The above scores are based on overall ESG parameters. Detailed breakup E, S & G pillar wise score is given on next page.

ECOSYSTEM ANALYSIS

INPUT INDUSTRY RISK			COMPANY INDUSTRY RISK				OUTPUT INDUSTRY RISK		
INDUSTRY	E	S	COMPANY				INDUSTRY	E	S
Other Consumer Services	68	58	SBI Cards and Payment Services Ltd.				Financial Institution	68	52
Power - Transmission	28	51					Financial Products Distributor	68	52
Computers - Software & Consulting	54	49	INDUSTRY				Financial Technology (Fintech)	54	49
IT Enabled Services	54	49	Non-Banking Financial Company (NBFC)				Other Financial Services	68	52
Software Products	54	49							
			E	68	S	61			

Note: Selection of above Industry is done by SES based on information disclosed & SASB SICs. Industry Risk scores is calculated based on SASB Materiality Map / Standards. | Numeric figures represent particular Industry Risk Exposure (in the scale of 0-100 where 0 represent high risk)

ECOSYSTEM ANALYSIS: SES is of the opinion that no business operates in isolation. Most business have connectivity with its input supplier on one hand and consumers at other hand. It is unlikely that the business in middle will be unaffected by risks at either end and same holds true for ESG risks. For example, if due to ESG issues, there are regulatory action on input supply side companies, the risk will travel to the user company as well and vice versa.

While at present SES is not rating or scoring any company based on entire eco-system, however eventually scoring will cover both ends of business connectivity-input and output. Till such time SES develops a metric, users may take a note of input and output side Industry risks.

LEGENDS - Following general symbols are used throughout this report to represent company's disclosures & practices:

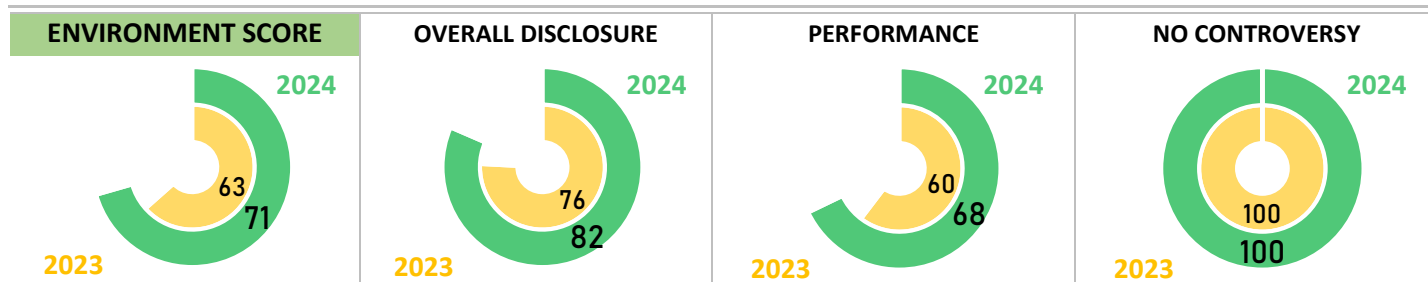
✓	Criteria achieved/ Disclosures made
✗	Criteria not achieved/ No disclosure made
■	No analysis possible: Pre-requisite disclosures not made (Negative Score)
■	Not applicable / Not scored

Note: In case the Company has not disclosed information (E.g. No Policy related disclosure), SES has considered it that it is not in practice (E.g. Policy is not prepared) ([Read more](#))

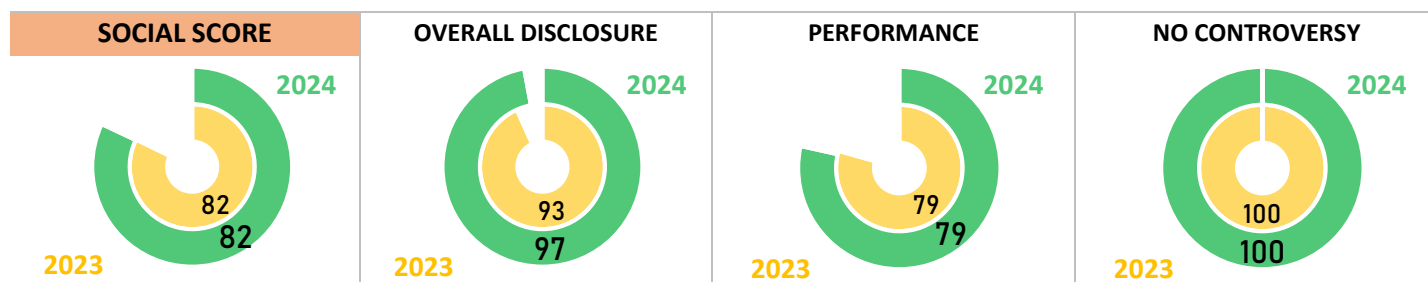
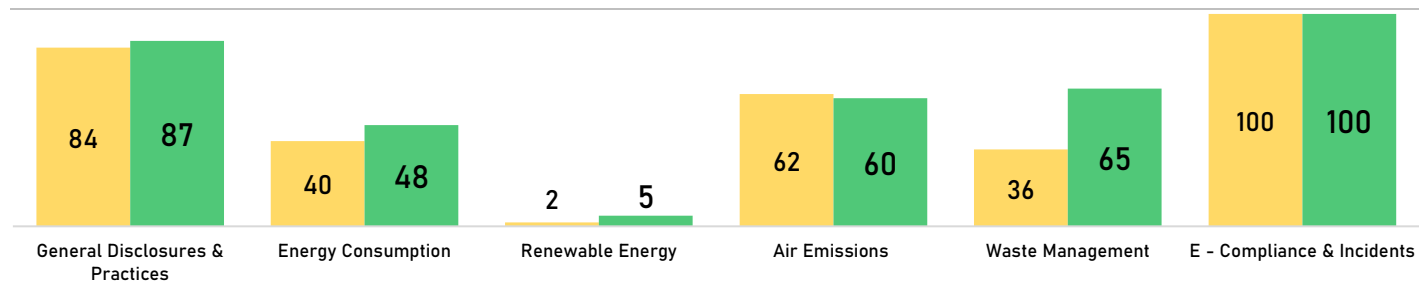


SCORECARD – ESG PILLARS

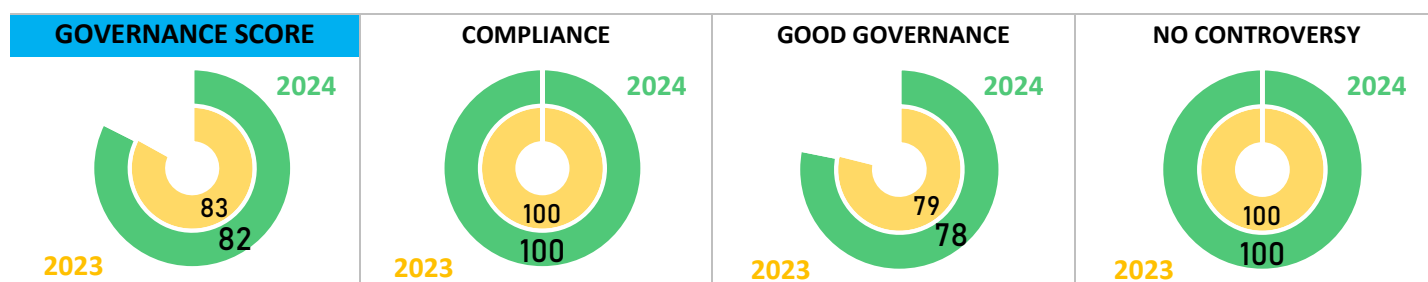
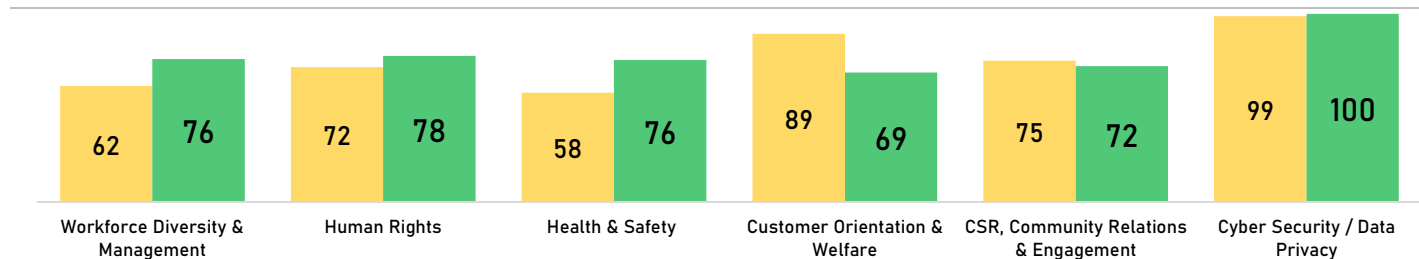
(UNADJUSTED)



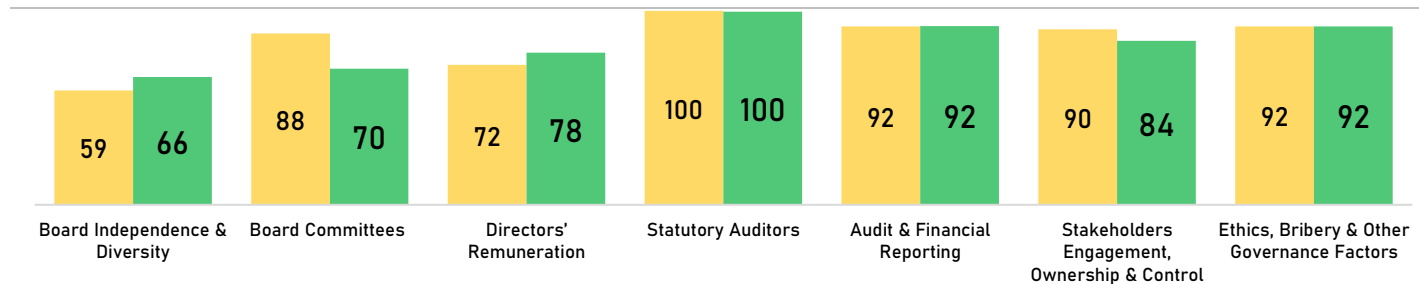
ENVIRONMENT SCORE DISTRIBUTION



SOCIAL SCORE DISTRIBUTION



GOVERNANCE SCORE DISTRIBUTION



ESG REPORT

CORE PARAMETERS

Scoring in this section is done purely based on the SEBI identified Core Parameters from BRSR.

ASSURANCE STATUS

Applicability	Yes	Provider Name	SGS India Pvt. Ltd.	TYPE	Reasonable
PARTICULARS	SCORE BASED ON DATA:				
	FULLY ASSURED	PARTIALLY ASSURED	UNASSURED		
CORE ESG SCORE [Disclosure of Core Parameters] [Weight: 20%]	86	NA	NA		
CORE PARIVARTAN SCORE [y-o-y change / transition] [Weight: 80%]	62	NA	NA		
CORE COMBINED SCORE [combination of Core ESG & Core Parivartan Score]	67	NA	NA		
Impact on Scores (weightage):	7.6%	NA	NA		

Comments: The Company has disclosed that SGS India Private limited, an independent external assurance provider, has assured the BRSR Core Indicators (KPIs), in accordance with reasonable assurance requirements based on ISAE 3000 Assurance standards.

However, SBIC has not disclosed environment parameters intensity based on relevant metric. SBIC has stated, "As SBIC is service based company there is no physical output or goods manufactured, so the field is not applicable". However, other peer companies have reported intensity data linked to relevant metrics based on Full-Time Equivalents (FTE). ([Read more](#))

GREEN-HOUSE GAS (GHG) FOOTPRINT

PARAMETERS	UNIT	ASSURANCE	2023	2024	PARIVARTAN
Total Scope 1 emissions	tCO2e	Yes	0.00	0.00	-
Total Scope 2 emissions	tCO2e	Yes	2,740.19	2,580.95	↓
GHG Emission Intensity (Scope 1 + 2) [Total Revenue from Operations adjusted for PPP]	tCO2e/USD (crores)	Yes	4.39	3.38	↓
GHG Emission Intensity (Scope 1 + 2) [Total Output of Product or Services]	-	-	Not Disclosed*	Not Disclosed*	-

*"As SBIC is service based company there is no physical output or goods manufactured, so the field is not applicable"

WATER FOOTPRINT

PARAMETERS	UNIT	ASSURANCE	2023	2024	PARIVARTAN
Total water consumption	KL	Yes	26,225.47	25,577.23	↓
Water consumption intensity [Total Revenue from Operations adjusted for PPP]	KL/USD (crores)	Yes	42.01	33.47	↓
Water consumption intensity [Total Output of Product or Services]	-	-	Not Disclosed*	Not Disclosed*	-

*"As SBIC is service based company there is no physical output or goods manufactured, so the field is not applicable"

WATER DISCHARGE BY DESTINATION AND LEVELS OF TREATMENT

PARAMETERS	UNIT	ASSURANCE	2023	2024	PARIVARTAN
Total water discharged	KL	Yes	0.00	0.00	-
- No treatment	KL	Yes	0.00	0.00	-
- With treatment	KL	Yes	0.00	0.00	-

ENERGY FOOTPRINT

PARAMETERS	UNIT	ASSURANCE	2023	2024	PARIVARTAN
Total energy consumed	GJ	Yes	13,893.92	12,976.83	↓
% of energy consumed from renewable sources	%	Yes	0.00	0.00	-
Energy intensity [Total Revenue from Operations adjusted for PPP]	J per USD	Yes	2,225.45	1,698.37	↓
Energy intensity [Total Output of Product or Services]	-	-	Not Disclosed*	Not Disclosed*	-

*"As SBIC is service based company there is no physical output or goods manufactured, so the field is not applicable"



ESG REPORT

EMBRACING CIRCULARITY - DETAILS RELATED TO WASTE MANAGEMENT BY THE ENTITY

PARAMETERS	UNIT	ASSURANCE	2023	2024	PARIVARTAN
Plastic waste (A)	MT	Yes	3.48	2.07	↓
E-waste (B)	MT	Yes	2.41	4.14	↑
Bio-medical waste (C)	MT	Yes	0.02	0.05	↑
Construction and demolition waste (D)	MT	Yes	0.00	0.00	-
Battery waste (E)	MT	Yes	31.81	0.00	↓
Radioactive waste (F)	MT	Yes	0.00	0.00	-
Other Hazardous waste (G)	MT	Yes	0.00	0.00	-
Other Non-hazardous waste (H)	MT	Yes	75.90	86.24	↑
Total waste generated	MT	Yes	113.62	92.50	↓
Waste intensity [Total Revenue from Operations adjusted for PPP]	MT / million USD	Yes	0.02	0.01	↓
Waste intensity [Total Output of Product or Services]	-	-	Not Disclosed*	Not Disclosed*	-
Waste Recovered: Recycled	MT	Yes	86.63	69.01	↓
Waste Recovered: Re-Used	MT	Yes	0.00	0.00	-
Waste Recovered: Others	MT	Yes	0.00	0.00	-
Total Waste Recovered	MT	Yes	86.63	69.01	↓
Waste Disposed: Incineration	MT	Yes	0.00	0.00	-
Waste Disposed: Landfilling	MT	Yes	0.00	0.00	-
Waste Disposed: Others	MT	Yes	26.99	23.44	↓
Total Waste Disposed	MT	Yes	26.99	23.44	↓

*"As SBIC is service based company there is no physical output or goods manufactured, so the field is not applicable"

ENHANCING EMPLOYEE WELLBEING AND SAFETY

PARAMETERS	UNIT	ASSURANCE	2023	2024	PARIVARTAN
Cost incurred on well-being measures as a % of total revenue of the company	%	Yes	0.089	0.087	↓
Number of Permanent Disabilities	Number	Yes	0	0	-
Lost Time Injury Frequency Rate (LTIFR) [per one million-person hours worked]	per one million-person hours worked	Yes	0.00	0.00	-
Number of fatalities	Number	Yes	0	0	-

ENABLING GENDER DIVERSITY IN BUSINESS

PARAMETERS	UNIT	ASSURANCE	2023	2024	PARIVARTAN
Gross wages paid to females as % of wages paid	%	Yes	21.77	21.89	↑
Total Complaints on Sexual Harassment (POSH) reported	Number	Yes	2	0	↓
Complaints on POSH as a % of female workforce	%	Yes	0.19	0.00	↓
Complaints on POSH upheld	Number	Yes	2	0	↓

ENABLING INCLUSIVE DEVELOPMENT

PARAMETERS	UNIT	ASSURANCE	2023	2024	PARIVARTAN
Directly sourced from MSMEs/ small producers	%	Yes	7.00	7.00	-
Directly sourced from within India	%	Yes	99.99	99.99	-
Job creation in smaller towns – Wages paid to persons employed in smaller towns as % of total wage cost					
- Rural	%	Yes	0.16	0.15	↓
- Semi-Urban	%	Yes	0.18	0.27	↑



ESG REPORT

FAIRNESS IN ENGAGING WITH CUSTOMERS AND SUPPLIERS

PARAMETERS	UNIT	ASSURANCE	2023	2024	PARIVARTAN
Percentage of data breaches involving personally identifiable information of customers	%	Yes	0	0	-
Number of days of accounts payable	Days	Yes	70	68	↓

OPEN-NESS OF BUSINESS

PARAMETERS	UNIT	ASSURANCE	2023	2024	PARIVARTAN
Purchases from trading houses as % of total purchases	%	Yes	NA	NA	-
Number of trading houses where purchases are made from	Number	Yes	NA	NA	-
Purchases from top 10 trading houses as % of total purchases from trading houses	%	Yes	NA	NA	-
Sales to dealers / distributors as % of total sales	%	Yes	NA	NA	-
Number of dealers / distributors to whom sales are made	Number	Yes	NA	NA	-
Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	%	Yes	NA	NA	-
Share in RPTs: Purchases [Purchases with related parties / Total Purchases]	%	Yes	NA	NA	-
Share in RPTs: Sales [Sales to related parties / Total Sales]	%	Yes	NA	NA	-
Share in RPTs: Loans & advances [Loans & advances given to related parties / Total loans & advances]	%	Yes	0.002	0.001	-50.00%
Share in RPTs: Investments [Investments in related parties / Total Investments made]	%	Yes	0.00	0.00	-



MATERIAL ISSUES

(as disclosed by the Company)

S. No	Material issue Identified	Risk or opportunity (R/O)	Financial implications of the risk or opportunity
1.	Business Ethics	Risk	Negative
2.	Data privacy & security	Risk	Negative
3.	Anti-corruption & bribery	Risk	Negative
4.	Risk Management & compliance	Risk	Negative
5.	Responsible Selling Practices	Risk	Negative
6.	Responsible Digitalisation	Opportunity	Positive
7.	Innovative technologies & products	Opportunity	Positive
8.	Consumer Financial Protection	Risk	Negative
9.	Colleague Health & Safety	Opportunity	Positive
10.	Inclusion & Diversity	Opportunity	Positive
11.	Colleague Attraction & Retention/ Future Workforce	Opportunity	Positive
12.	Employee Engagement & Welfare	Opportunity	Positive
13.	Employee Learning & Development	Opportunity	Positive
14.	Climate Change	Opportunity	Positive
15.	Energy Consumption	Opportunity	Positive
16.	Waste reduction & recycling	Opportunity	Positive



SUSTAINABLE DEVELOPMENT GOALS

Company has disclosed Mapping of SDG Goals or provided Reference



SDG Mapped/ Disclosures made



SDG not mapped/ No disclosure made

1 NO POVERTY 	2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION 	7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	14 LIFE BELOW WATER 	15 LIFE ON LAND
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 				17 PARTNERSHIPS FOR THE GOALS

Note: "The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States". | [SDG Official Website](#)



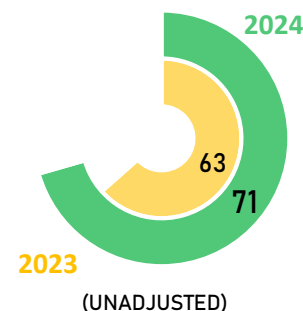
SUMMARY



ENVIRONMENT

(W: 16.5%)

SES analyses Company's disclosure regarding impact of operations on the environment and steps being taken by the Company to mitigate its effect on the environment. Additionally, it also analyses, whether the Company managed to reduce its impact on environment and met the targets set.



EVALUATION CATEGORIES	WEIGHTAGE	SCORE & QUARTILE					
		OVERALL		DISCLOSURE		PERFORMANCE	
		2023	2024	2023	2024	2023	2024
General Disclosures & Practices	15%	84	87	84	100	84	84
Energy Consumption	15%	40	48	46	54	39	46
Renewable Energy	5%	2	5	9	33	0	0
Air Emissions	20%	62	60	69	69	61	58
Waste Management	20%	36	65	85	87	24	59
E - Compliance & Incidents	25%	100	100	100	100	100	100

Note: ● - Last Quartile (0-25) (Poor Performance), ● - 3rd Quartile (25-50), ● - 2nd Quartile (50-75), ● - 1st Quartile (75-100) (Best Performance)

	- Disclosed BRSR policy which includes disclosure on environment policy on its website. - Corporate Social Responsibility and ESG Committee at the Board level to oversee the ESG performance and review meetings are conducted on a quarterly basis. - Disclosed environmental targets and their performance in a systematic manner. (Read more) 9% reduction in scope 3 emissions in FY 2023-24. 19% reduction in waste generated in FY 2023-24. - The waste intensity linked to turnover has decreased in FY 2023-24 compared to FY 2022-23. - Compliant with the applicable environmental law/ regulations/ guidelines in India
	- SBIC has not disclosed environment parameters intensity based on relevant metric. However, other peer companies have reported intensity data linked to relevant metrics based on Full-Time Equivalents (FTE). 0% energy consumption from renewable sources. - The waste recycled has decreased consistently in the past 3 FYs. It appears that this waste is diverted to the waste disposed of through other disposal operations which has consistently increased in the past 3 FYs.
-	SBIC in its Annual Report has stated that "21% Increase in waste recycled in FY 2023-24" However, as per data disclosed in BRSR and charts just above this statement on page #54 of AR for FY 2023-24, the data depicts decrease by 21%. It appears to be a typographical error in statement.



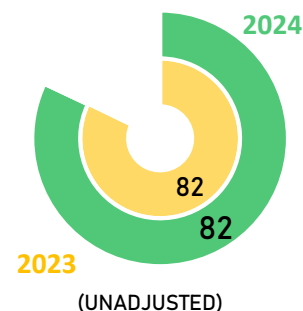
SUMMARY



SOCIAL

(W: 38.5%)

SES analyses Company's disclosure regarding its relationship with its human capital and relationship with its stakeholders. Analysis included evaluation of practices and policies adopted by the Company for fair and equitable treatment of all stakeholders.



EVALUATION CATEGORIES	WEIGHTAGE	SCORE & QUARTILE					
		OVERALL		DISCLOSURE		PERFORMANCE	
		2023	2024	2023	2024	2023	2024
Workforce Diversity & Management	17%	62	76	84	89	57	72
Human Rights	10%	72	78	96	100	65	72
Health & Safety	7.5%	58	76	100	100	45	70
Customer Orientation & Welfare	22.5%	89	69	100	100	87	63
CSR, Community Relations	10%	75	72	85	91	73	67
Cyber Security / Data Privacy	33%	99	100	93	100	100	100

Note: ● - Last Quartile (0-25) (Poor Performance), ● - 3rd Quartile (25-50), ● - 2nd Quartile (50-75), ● - 1st Quartile (75-100) (Best Performance)

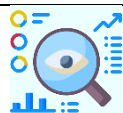


- The turnover rate has decreased in FY 2023-24 compared to FY 2022-23.
- No complaints on Sexual Harassment, Discrimination at workplace, Child Labour, Forced Labour/ Involuntary Labour and Wages in FY 2023-24.
- There are no safety related incidents in the previous 3 FYs.
- Zero complaints on Working Conditions and Health & Safety measures in the previous 3 FYs.
- No case of data breach.
- Zero complaints on Data Privacy and Cyber Security in all 3 FYs.



- Provided skill up-gradation, health & safety and human rights trainings to 100% of its permanent employees but has not disclosed data for non-permanent employees.
- There is a material gap (more than 20%) in the median remuneration paid to male and female employees.
- Occupational health and safety management system has not been implemented by the Company.
- None of the other than permanent employees are not provided with Accident Insurance, Paternity Benefits and Day care services.
- Received 1,70,640 customer complaints during FY 2023-24.
- Only 0.15% jobs created in rural areas and 0.27% in semi-urban areas in FY 2023-24.

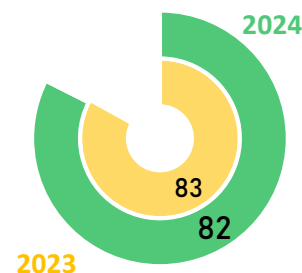
SUMMARY



GOVERNANCE

(W: 45%)

SES analyses based on legal requirement as well as good governance practices. Analyses Company's Board related practices such as Board Composition, remuneration, committee composition and performance. Further, section also analyses Statutory Auditors, Audits, Financial Reporting and Stakeholder Engagement functions.



EVALUATION CATEGORIES	WEIGHTAGE	SCORE & QUARTILE					
		OVERALL		COMPLIANCE		GOVERNANCE	
		2023	2024	2023	2024	2023	2024
Board Independence & Diversity	20%	59	66	100	100	49	56
Board Committees	10%	88	70	100	100	86	64
Directors' Remuneration	12%	72	78	100	100	66	74
Statutory Auditors	8%	100	100	100	100	100	99
Audit & Financial Reporting	25%	92	92	100	100	91	91
Stakeholders Engagement	15%	90	84	100	100	86	79
Ethics, Bribery & Other Governance	10%	92	92	100	100	88	88

Note: ● - Last Quartile (0-25) (Poor Performance), ● - 3rd Quartile (25-50), ● - 2nd Quartile (50-75), ● - 1st Quartile (75-100) (Best Performance)



- The Composition of the Board is compliant with requirements of SEBI LODR Regulations and the Companies Act.
- There were no cases of non-compliance by the Company of any matter related to capital markets during the last three years.
- All RPTs were at Arm's length & in Ordinary course of business
- Disclosed the Key Financial Ratios and has explained the changes thereon.
- No complaints reported on Conflict of interest and Bribery & corruption.



- Chairman of the Board is not independent.
- Mr. Shriniwas Yeshwant Joshi has been classified as NID by SES as he has been associated with the Group for more than 10 years.
- Mr. Rajendra Kumar Saraf was Deputy MD and CFO of SBI, Promoter Company as stated on the Company's website. SES does not consider Ex-Executive of the Company or its promoters as Independent.
- Governance concerns regarding directors being not liable to retire by rotation. ([Read more](#))
- Attendance of directors in their respective committees is less than 70%. ([Read more](#))



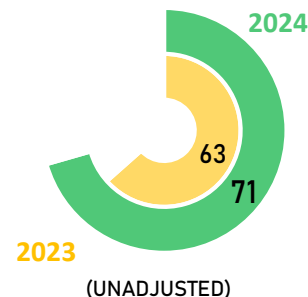
DETAILED ANALYSIS



ENVIRONMENT

(W: 16.5%)

SES analyses Company's disclosure regarding impact of operations on the environment and steps being taken by the Company to mitigate its effect on the environment. Additionally, it also analyses, whether the Company managed to reduce its impact on environment and was meeting the targets set.



GENERAL (ENVIRONMENTAL DISCLOSURE & PRACTICES) [# OF INDICATORS: 29]

2023	2024	YOY Change
84	87	↑ 3

POLICIES ON:	POLICY	
	PRESENT	DISCLOSED
Environment	✓	✓

- SBIC has disclosed BRSR policy which includes disclosure on environment policy on its [website](#).

SALIENT PARAMETERS	
Project(s) related to reducing Green House Gas emissions - Disclosed	✓
Waste management practices adopted in Company's establishments - Disclosed	✓
Identified environmental risks / opportunity	✓
Board-level oversight of climate-related issues	✓
Company operates in green or environmentally friendly offices or buildings	■
Business continuity and disaster management plan	✓

- Board-level oversight of climate-related issues:** "At the apex, SBI Card has a Corporate Social Responsibility and ESG Committee at the Board level to oversee the ESG performance and review meetings are conducted on a quarterly basis. SBI Card also has Sustainability & Business Responsibility Committee (SBRC) comprising of Managing Director & Chief Executive Officer, Deputy Chief Executive Officer, Chief People Officer & Chief Financial Officer."

- Under Water Stewardship in Leased Properties, SBI Cards has stated that, "Collaborating with building management, including those with LEED Zero water certification, to enhance water conservation efforts despite operational limitations in leased properties."
- Business continuity and disaster management plan:** "SBI Card has a comprehensive Business Continuity & Disaster Recovery framework that provides guidance to minimise the service disruption impact to the company and its stakeholders including employees, customers in the event of disaster or business disruption. Through detailed business impact analyses, we identify vulnerabilities and develop both short-term and long-term strategies to maintain business operations. In parallel, our disaster management plan focuses on the recovery and restoration of data and IT infrastructure, facilitating a prompt return to full functionality post any disaster."

TARGETS (SET, DISCLOSURE & PERFORMANCE) [# OF INDICATORS: 12]

2023	2024	YOY Change
0	22	↑ 22

PARAMETERS	TERM	TARGET SET & DISCLOSED		TARGET PERFORMANCE	
		D	Target	D	Target Achievement
GHG Emissions	Short	✓	Reduce Scope 2 emissions by 50% by FY 2027 (Baseline FY 2019)	-	-Reduction in Scope 2 emissions by 47% against the baseline FY 2019, demonstrating our dedication to combating climate change.
	Long	✓	Achieve carbon neutrality by 2030.	■	-
Energy Usage	Short	✗	-	■	-
	Long	✗	-	■	-
Renewable Energy	Short	✗	-	■	-
	Long	✗	-	■	-
Waste Management	Short	✓	Digitise 85% of welcome kits thereby reducing paper usage by FY 2027	-	81% welcome kits digitised to minimise paper usage.
	Long	✓	-Adopt recycle plastic cards and increase its volume to 25% by FY 2030.	-	- Recycled plastic cards adoption has reached up to 8%, thus making a significant environmental impact.

Note: Short Term refers to period up to 3 years | Long-term refers to period for more than 3 years

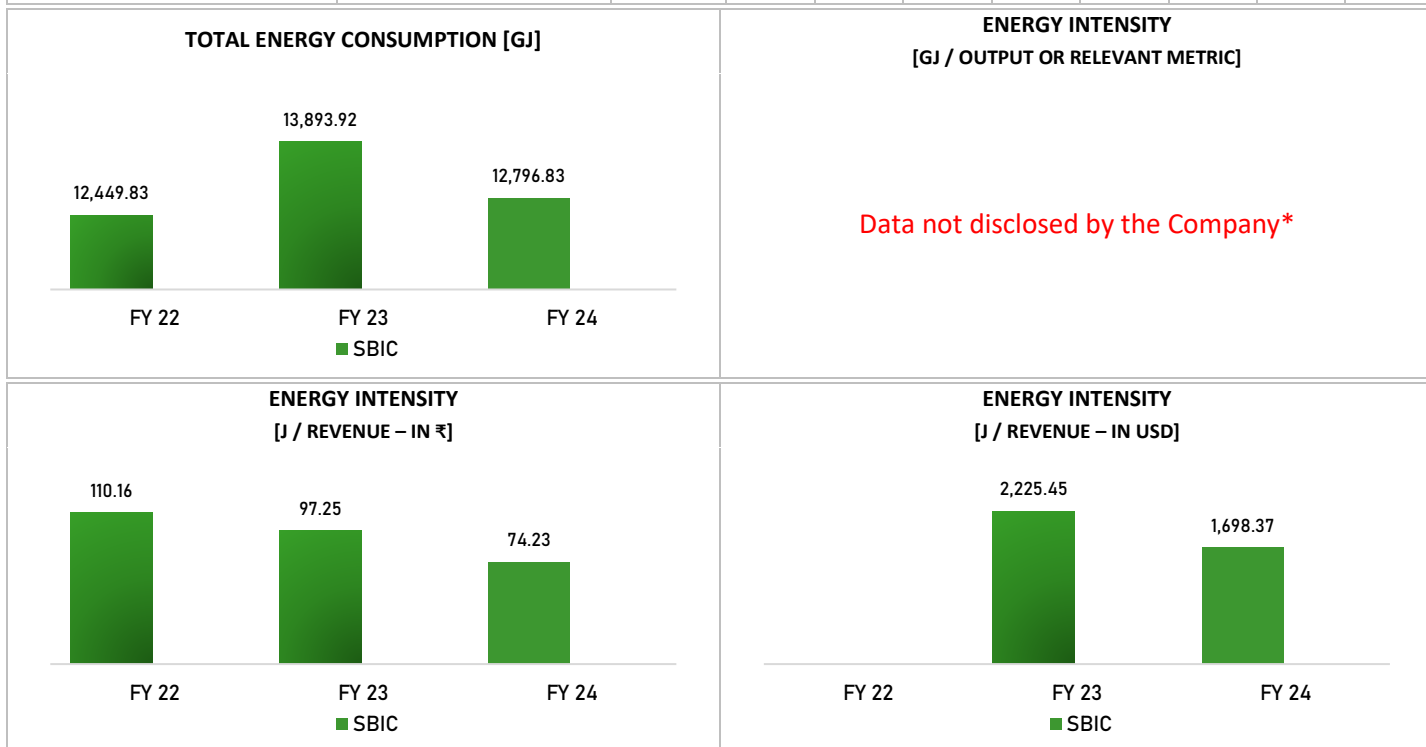


ESG REPORT

ENERGY CONSUMPTION (DISCLOSURE & PERFORMANCE) [# OF INDICATORS: 11]

2023	2024	YOY Change
40	48	↑ 8

ENERGY CONSUMPTION (TOTAL)	Parameters		Absolute Data				Intensity (Other than Turnover)			
			2021	2022	2023	2024	2021	2022	2023	2024
	Data Disclosure (D)	(✓ - ✗)	✗	✓	✓	✓	✗	✗	✗	✗
	Performance (P)	(↓ - ↑)	■	■	↑	↓	■	■	■	■



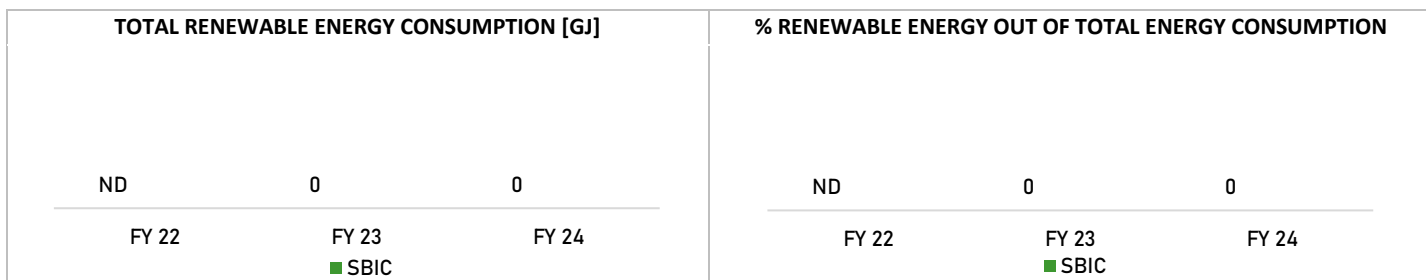
*SBIC has stated, "As SBIC is service based company there is no physical output or goods manufactured, so the field is not applicable". However, other peer companies have reported intensity data linked to relevant metrics based on Full-Time Equivalents (FTE).

- The absolute energy consumption has decreased in FY 2023-24 compared to FY 2022-23 and intensity linked to turnover has decreased y-o-y in the previous 3 FYs.
- "Our energy management initiatives are designed to reduce energy consumption, combat climate change, and contribute to a future with lower carbon emissions. **A 7% reduction in total energy consumption from FY 2023 to FY 2024** exemplifies this commitment, achieved through our dedicated efforts to integrate numerous energy-saving initiatives."

RENEWABLE ENERGY (DISCLOSURE & PERFORMANCE) [# OF INDICATORS: 8]

2023	2024	YOY Change
2	5	↑ 3

ENERGY CONSUMED FROM RENEWABLE SOURCES (TOTAL)	Parameters		Absolute Data				% of Total Energy			
			2021	2022	2023	2024	2021	2022	2023	2024
	Data Disclosure (D)	(✓ - ✗)	✗	✗	✓	✓	✗	✗	✓	✓
	Performance (P)	(↑ - ↓)	■	■	■	■	■	■	■	■



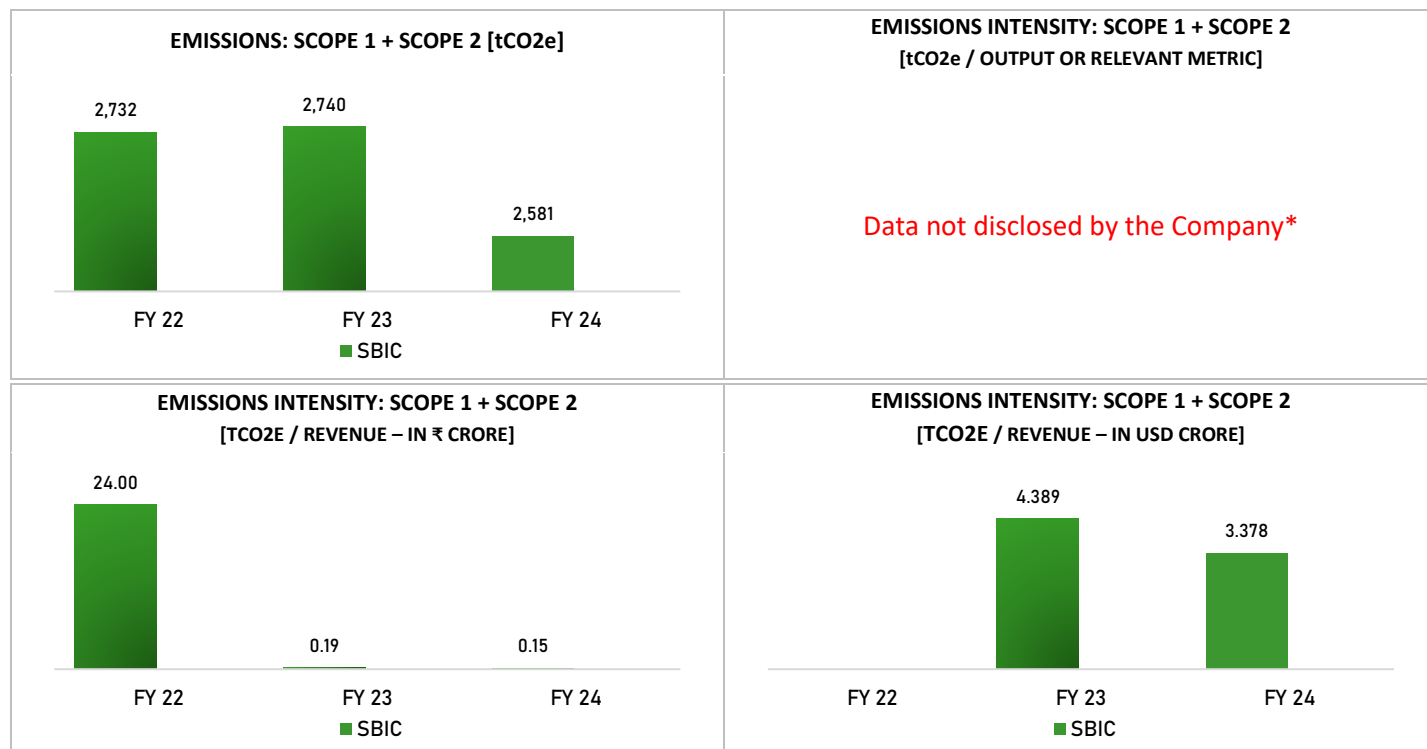
- SBIC has 0% energy consumption from renewable sources. Disclosures about 'Nil' consumption made in BRSR in FY 2023-24.



AIR EMISSIONS (DISCLOSURE & PERFORMANCE) [# OF INDICATORS: 23]

2023	2024	YOY Change
62	60	↓ 2

GHG EMISSIONS (TOTAL: Scope 1 + Scope 2)	Parameters		Absolute Data				Intensity (Other than Turnover)			
			2021	2022	2023	2024	2021	2022	2023	2024
	Data Disclosure (D)	(✓ - ✗)	✓	✓	✓	✓	✗	✗	✗	✗
	Performance (P)	(↓ - ↑)	↓	↓	↑	↓	■	■	■	■

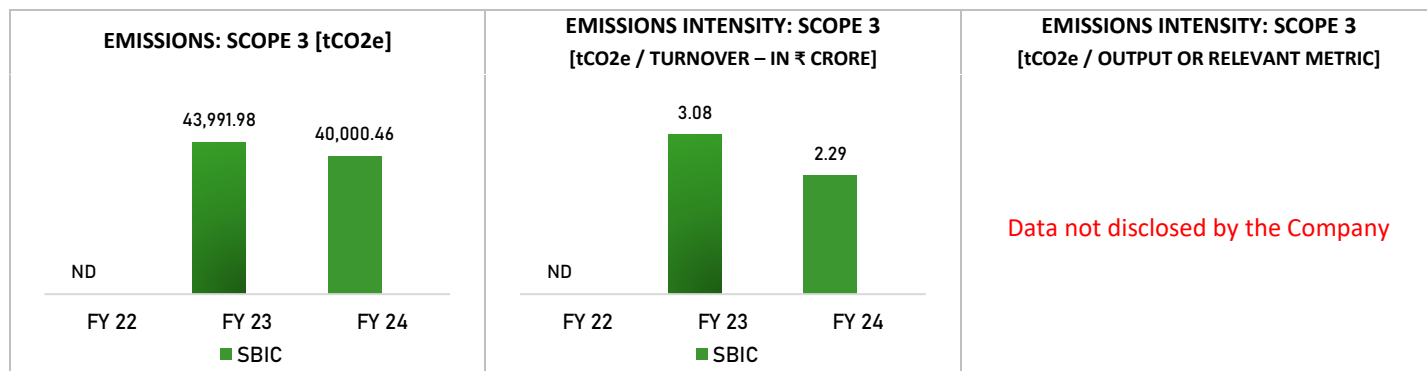


*SBIC has stated, “As SBIC is service based company there is no physical output or goods manufactured, so physical output is not material for SBI Card”. However, other peer companies have reported intensity data linked to relevant metrics based on Full-Time Equivalents (FTE).

- The emission intensity disclosed in the BRSR FY 2023-24 and BRSR FY 2022-23 are different and thus there appears a difference in the presentation of the data in graphical format. No justification is provided by the Company for the same.
- “6% Reduction in Scope 2 emission in FY 2023-24”
- “The current assessment focusses on Scope 2 and Scope 3 emissions as defined by the Greenhouse Gas Protocol. Since our operations are based in leased office buildings, we do not have direct emission sources. Based on our feasibility studies, we have begun monitoring fugitive emissions (covered under Scope 1) generated by our operations and plan to start reporting on these emissions in the next financial year.”
- Carbon Neutrality:** “We are deeply committed to combating climate change and achieving carbon neutrality by FY 2030. Operating within leased premises presents challenges in controlling our energy sources directly. However, we are proactively addressing this through investments in energy-efficient technologies, fostering a culture of sustainability among our employees, and exploring renewable energy options with building developers. Collaborating with landlords to enhance environmental performance and engaging in external offset programs further strengthens our sustainability efforts. Our strategy emphasises transparency and accountability, with a clear plan underway to reach carbon neutrality. This commitment fulfils our environmental responsibilities and reflects our dedication to a sustainable future.”



ESG REPORT



Note: "The Scope 3 emissions values for the previous year have been restated due to a revision in our calculation methodology. This new methodology incorporates updated emission factors and improved data accuracy, leading to more precise reporting. Original reported values have been adjusted accordingly to reflect these changes."

- "9% Reduction in Scope 3 emissions in FY 2023-24"

WASTE MANAGEMENT (DISCLOSURE & PERFORMANCE) [# OF INDICATORS: 26]

2023	2024	YOY Change
36	65	↑ 29

TOTAL WASTE GENERATED (TOTAL)	Parameters		HAZARDOUS				NON-HAZARDOUS			
			2021	2022	2023	2024	2021	2022	2023	2024
	Data Disclosure (D)	(✓ - ✗)	✗	✓	✓	✓	✗	✓	✓	✓
	Performance (P)	(↓ - ↑)	■	-*	-*	-*	■	■	↑	↑

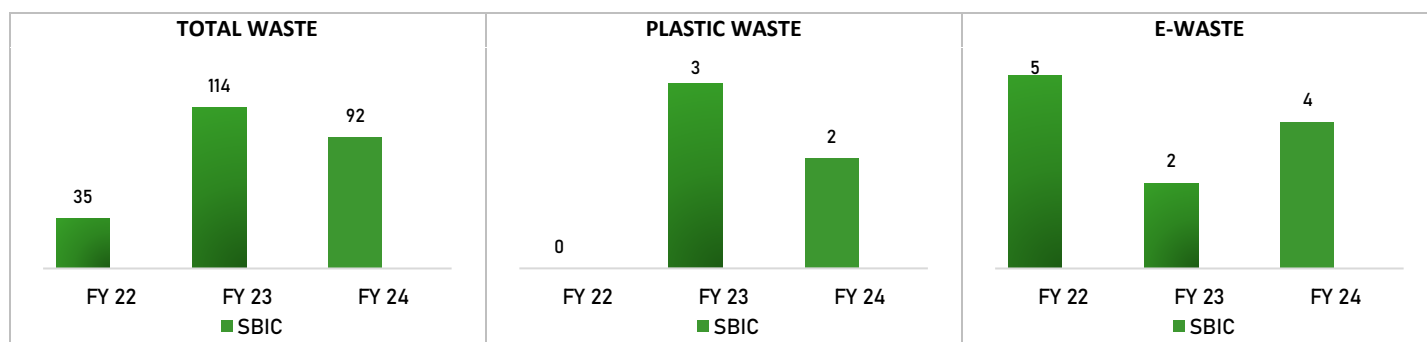
Units: Waste related charts units are in MT, unless specifically mentioned or are in %.

*SBIC has not generated any 'other hazardous waste' in last 3 financial years.

PARAMETER	UNIT	FY 22				FY 23				FY 24			
		D	VALUE	%		D	VALUE	%	P*	D	VALUE	%	P*
Plastic waste (A)	MT	✓	-	-	✓	3.48	3.1	✓	↑	✓	2.07	2.2	↓
E-waste (B)	MT	✓	5.43	15.4	✓	2.41	2.1	✓	↓	✓	4.14	4.5	↑
Bio-medical waste (C)	MT	✓	-	-	✓	0.02	0.0	✓	↑	✓	0.05	0.0	↑
Construction and demolition waste (D)	MT	✓	-	-	✓	-	-	-	✓	✓	-	-	-
Battery waste (E)	MT	✓	-	-	✓	31.81	28.0	✓	↑	✓	-	-	↓
Radioactive waste (F)	MT	✓	-	-	✓	-	-	-	✓	✓	-	-	-
Other Hazardous waste (G)	MT	✓	-	-	✓	-	-	-	✓	✓	-	-	-
Other Non-hazardous waste generated (H)	MT	✓	29.85	84.6	✓	75.90	66.8	✓	↓	✓	86.24	93.2	↑
Total Waste (A+B + C + D + E + F + G + H)	MT	✓	35.28	100.0	✓	113.62	100.0	✓	↑	✓	92.49	100.0	↓

D = Disclosures made | P = Y-o-Y performance (↓ IMPROVEMENT | ↑ DETERIORATION)

*Except total waste (on absolute), performance based on % of waste | % refers to waste category out of total waste generated

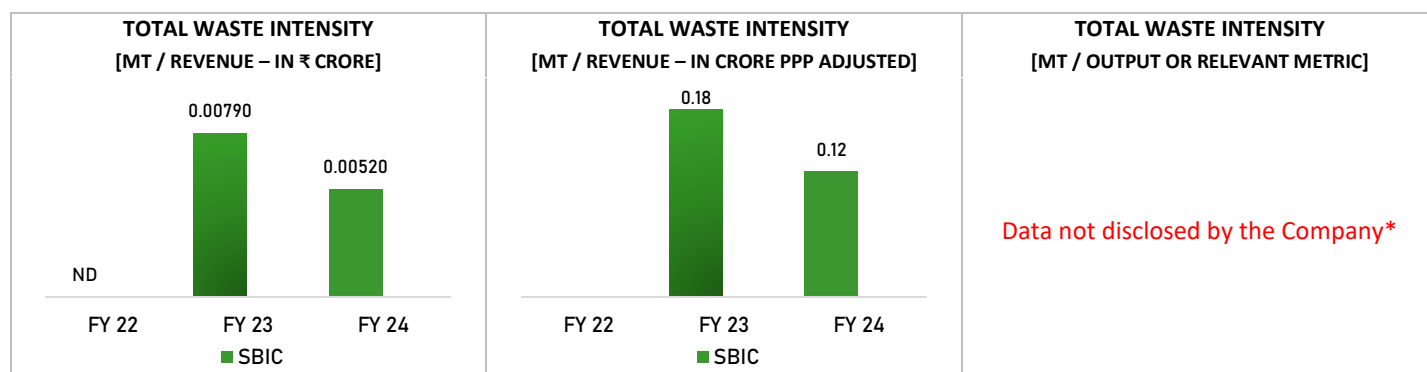


- The total waste generated has decreased in FY 2023-24 compared to FY 2022-23, however the non-hazardous waste generated increased in the same period.
- "19% Reduction in waste generated in FY 2023-24"
- Paperless Operations:** "In our pursuit of a paperless office culture, we are minimising printed materials by limiting printer usage to essential large-volume tasks and promoting electronic methods for communications, including Customer Welcome Kits, E-Kits,



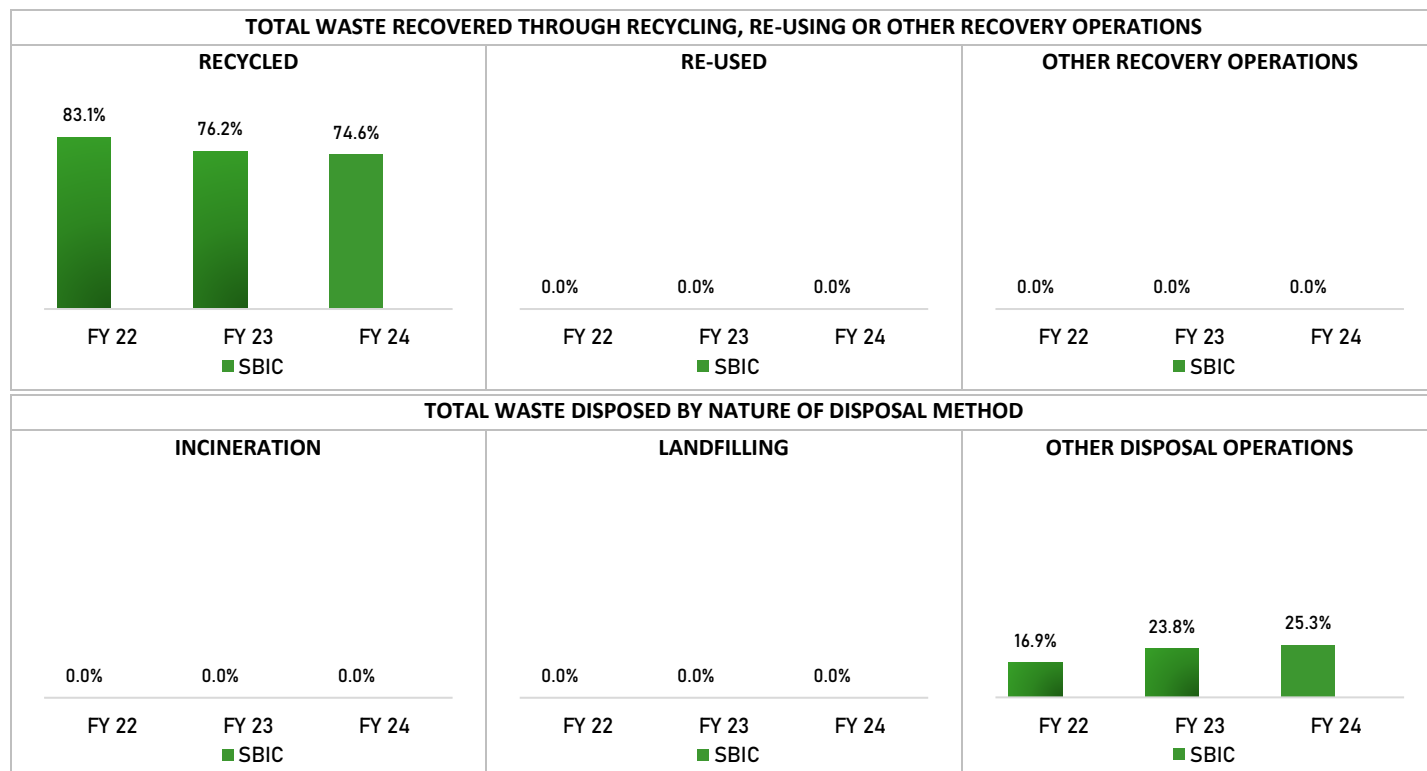
ESG REPORT

E-Cards, Statements, and Pins. We encourage double-sided printing among employees and have implemented the "Follow Me" printing system to reduce paper consumption by ensuring print jobs are released only when employees are present at the printer. These measures align with our commitment to sustainability, reducing waste and supporting forest conservation. Looking ahead, we aim to adopt Forest Stewardship Council (FSC) certified paper to further enhance responsible resource usage at SBI Card."



*SBIC has stated, "As SBIC is service based company there is no physical output or goods manufactured, so physical output is not material for SBI cards". However, other peer companies have reported intensity data linked to relevant metrics based on Full-Time Equivalents (FTE).

- The waste intensity linked to turnover has decreased in FY 2023-24 compared to FY 2022-23.



- The % waste recycled has decreased consistently in the past 3 FYs.
- It appears that this waste is diverted to the waste disposed of through other disposal operations which has consistently increased y-o-y in the past 3 FYs.
- SBIC in its Annual Report has stated that "21% Increase in waste recycled in FY 2023-24" However, as per data disclosed in BRSR and charts just above this statement on page #54 of AR for FY 2023-24, the data depicts decrease by 21%. It appears to be a typographical error in statement.
- "As part of our transition to a circular economy, we are committed towards sustainable waste management through proper recycling, responsible disposal, and minimising waste generation.

The summary of our commitments is outlined below:



ESG REPORT

- Transitioning towards a circular economy by promoting recycling and reducing waste
- Ensuring environmentally responsible disposal practices
- Committed to comprehensive waste management and accurate tracking of waste metrics”
- **Segregation at Source:** “We advocate for waste segregation at the origin, urging staff members to sort the waste into three distinct classifications: paper, plastic, and biodegradable materials. This initiative streamlines waste handling processes while augmenting the potential for recycling.”
- SBIC has stated that “We place a strong emphasis on the principles of reducing, reusing, and recycling as part of our commitment to sustainability. We believe that by diligently applying the 3 R’s, we can significantly minimise our environmental impact. We are dedicated to transparent and accountable practices that reflect our commitment to a sustainable future. Some key initiatives undertaken as follows:
 - Discontinued the use of plastic water bottle in the office premises
 - Replaced plastic cutlery in cafeteria with eco-friendly products
 - Discontinued usage of Garbage bags”

ENVIRONMENTAL COMPLIANCE [# OF INDICATORS: 4]

2023	2024	YOY Change
100	100	■

Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India? Such as					
• Water (Prevention and Control of Pollution) Act • Air (Prevention and Control of Pollution) Act • Environment protection Act, 1986 and rules thereunder • Others					
Details: “Not Applicable”					
S. No.	The law / regulation / guidelines which was not complied with	Details of the non-compliance	Any fines / penalties / action taken by regulatory agencies	Corrective action taken, if any	
-	-	-	-	-	

ENVIRONMENTAL INCIDENTS [# OF INDICATORS: 5]

2023	2024	YOY Change
100	100	■

No product recalled due to environmental reasons in the last 3 years	■
No product banned due to environmental reasons in the last 3 years	✓
No incident relating to environmental pollution or regulatory action due to location of the Company in the last 3 years	✓
No incident relating to environmental pollution or regulatory action due to business operations / products of the Company in the last 3 years	✓
No significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations	✓

- Based on available information from Annual Reports, BRSR Reports; there are no reported environmental incidents in the last 3 years.



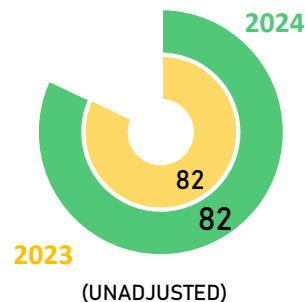
DETAILED ANALYSIS



SOCIAL

(W: 38.5%)

SES analyses Company's disclosure regarding its relationship with its human capital and relationship with its stakeholders. Analysis included evaluation of practices and policies adopted by the Company for fair and equitable treatment of all stakeholders.



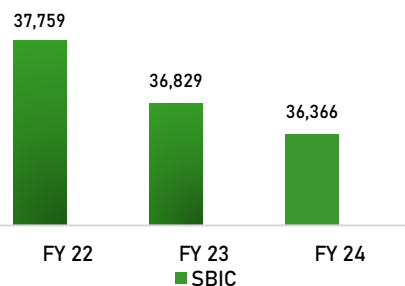
WORKFORCE DIVERSITY & MANAGEMENT [# OF INDICATORS: 114]

2023	2024	YOY Change
62	76	↑ 14

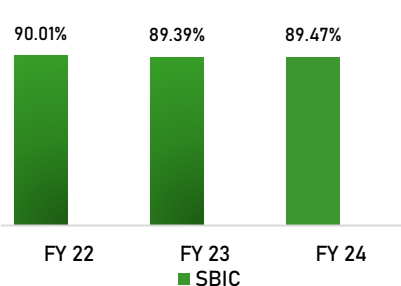
SALIENT PARAMETERS – TOTAL EMPLOYEES & GENDER DIVERSITY

Total Employees (Permanent & Non-Permanent): Disclosed	✓	Total Workers (Permanent & Non-Permanent): Disclosed	■
Total Employees (Male & Female): Disclosed	✓	Total Workers (Male & Female): Disclosed	■
Total Employees with Disability: Disclosed	✓	Total Workers with Disability: Disclosed	■
Total Women Workforce: % Increased Y-o-Y	■	Non-Permanent Employees & Workers less than 50% of the total employees & workers	■
Total Women Workforce: More than 10% of the Total	✓	Non-Permanent Employees & Workers less than 25% of the total employees & workers	■

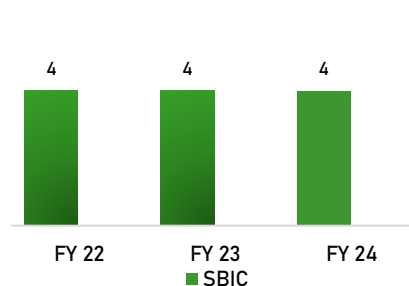
TOTAL EMPLOYEES



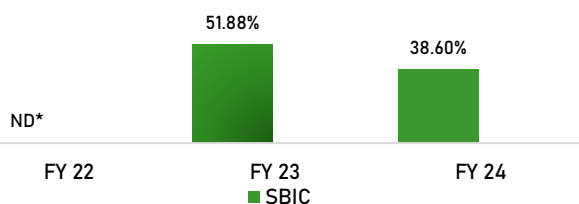
% NON-PERMANENT EMPLOYEES



DIFFERENTLY ABLED EMPLOYEES



GENDER DIVERSITY - EMPLOYEES



GENDER DIVERSITY - WORKERS

Not Applicable

* For FY 2021-22 SBIC published the BRR stating that, "As on March 31, 2022 number of permanent women employees were 1,062 which is **28% of the overall permanent employees.**" However, since data for non-permanent women employees was not disclosed, this information cannot be directly compared with FY 2022-23 and FY 2023-24. Therefore, SES did not include a graphical presentation for FY 2021-22.

- The proportion of women employees relative to the total workforce has notably decreased in FY 23-24 compared to FY 22-23.
- The count of differently-abled employees has stayed consistent over the last three years.
- Initiatives to Increase Women Representation:** "Being a meritocratic organisation, we're proud of our growing female representation, currently at 27.74%. We are continuously working towards achieving greater gender parity and an even more inclusive environment. This dedication to equal treatment extends to all aspects of employment, from recruitment and promotion to compensation and training opportunities."



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SALIENT PARAMETERS – DIFFERENTLY ABLED WORKFORCE

Equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016	✓
Premises / offices are accessible to differently abled employees and workers	✓
Discussed & provided job to disabled employees in smaller towns	✗

- **Accessibility of workplaces:** “Yes, SBI Card have made conscious efforts to ensure the offices and premises are accessible to employees with different physical capabilities. This includes implementing infrastructural changes such as the installation of supportive ramps and lifts as well as the provision of dedicated washrooms in the facilities managed by SBICard. We believe in inclusivity and these changes reflect our commitment to providing a supportive and comfortable working environment for all employees.”
- **Equal Opportunity Policy:** SBI Card believes in providing equal opportunities to people with Disabilities and it has provisions to ensure the same. Aligning with this belief, SBI Card is committed to fostering an inclusive and diverse workplace where all employees are treated equally with dignity and respect. As part of this commitment, we embrace individuals from persons with disabilities (“PwD”)...”

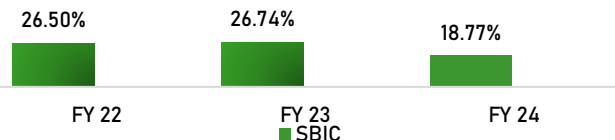
SALIENT PARAMETERS – EMPLOYEES / WORKERS TURNOVER RATE

Disclosed Turnover rate for permanent employees	✓	Disclosed Turnover rate based on Gender (Male)	✓
Disclosed Turnover rate for permanent workers	■	Disclosed Turnover rate based on Gender (Female)	✓

PERMANENT:	TOTAL			MALE			FEMALE			Female / Male Ratio		
	FY 23	FY 24	P	FY 23	FY 24	P	FY 23	FY 24	P	FY 23	FY 24	P
Employees	26.74%	18.77%	↓	25.53%	19.41%	↓	30.04%	17.09%	↓	1.18	0.88	↓

Legend: P = Y-o-Y performance (↓ IMPROVEMENT | ↑ DETERIORATION)

TURNOVER RATE: PERMANENT EMPLOYEES



TURNOVER RATE: PERMANENT WORKERS

Not Applicable

- The turnover rate has decreased in FY 2023-24 compared to FY 2022-23.
- “In FY 2024, our permanent employee turnover rate was 18.77%. We constantly evaluate our employee engagement strategies and talent management practices to foster a culture of continuous learning and development, minimising turnover and maximising the potential of our workforce. We are fostering a diverse and inclusive workplace. We currently have a Women’s Network (AIM) established by our dedicated in-house team as well. Voluntary employee turnover rate was 18%.”

SALIENT PARAMETERS – EMPLOYEES / WORKERS WHO TOOK PARENTAL LEAVE

Disclosed Return to Work rate for permanent employees	✓	Disclosed Return to Work rate for permanent workers	■
Disclosed Retention rate for permanent employees	✓	Disclosed Retention rate for permanent workers	■

RETURN TO WORK RATE (%)

PERMANENT:	TOTAL			MALE			FEMALE			Female / Male Ratio		
	FY 23	FY 24	P	FY 23	FY 24	P	FY 23	FY 24	P	FY 23	FY 24	P
Employees	100.0	100.0	-	100.0	100.0	-	100.0	100.0	-	1.00	1.00	-

Legend: P = Y-o-Y performance (↑ IMPROVEMENT | ↓ DETERIORATION)

RETENTION RATE (%)

PERMANENT:	TOTAL			MALE			FEMALE			Female / Male Ratio		
	FY 23	FY 24	P	FY 23	FY 24	P	FY 23	FY 24	P	FY 23	FY 24	P
Employees	65.8	71.7	↑	73.8	78.8	↑	48.9	53.8	↑	0.66	0.68	↑

Legend: P = Y-o-Y performance (↑ IMPROVEMENT | ↓ DETERIORATION)



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- “During FY 2023-24, out of the total entitled male and female employees, 7.12% of male and 6.03% female employees availed parental leave. 100% of male and female employees who took parental leaves returned after their parental leave ended. Further 78.79% male and 53.85% female employees have been working for more than a year post their return from leave in the prior reporting year”

SALIENT PARAMETERS – RETIREMENT BENEFITS

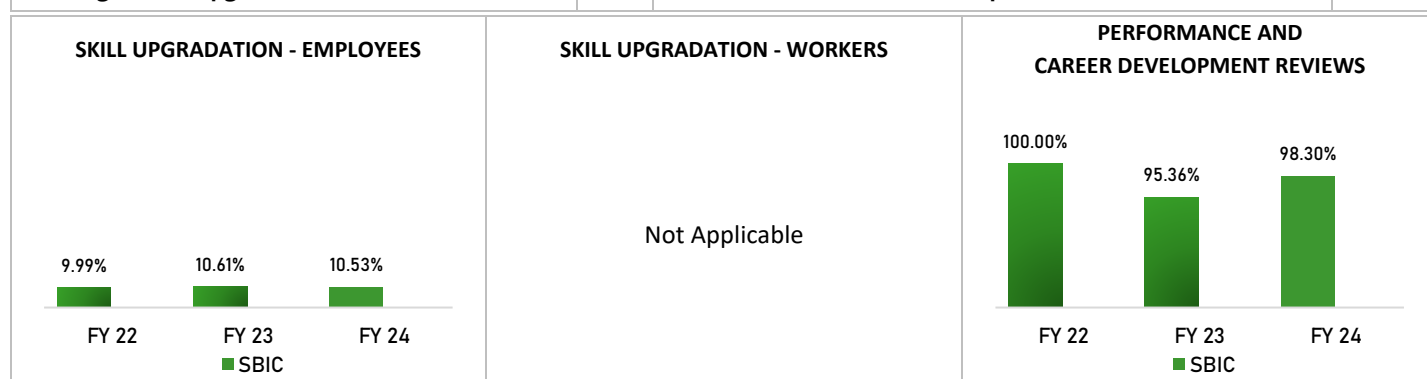
PF benefit given to all Employees	✓	Gratuity benefit given to all Employees	✓
ESI benefit given to all eligible Employees	■	Statutory Dues (PF/ ESI deducted and deposited with the authority)	✓

COMPANIES	PF (%)		GRATUITY (%)		ESI (%)	
	Employee	Workers	Employee	Workers	Employee	Workers
FY 23	100	NA	100	NA	4	NA
FY 24	100	NA	100	NA	2	NA

- 100% employees provided with PF and Gratuity benefits.
- ESI coverage is significantly lower. It appears that the Company has calculated the % based on total workforce, and not from the workforce eligible for ESI. [Note: ESI Applicability: Wage less than Rs. 21000 p.m.]

SALIENT PARAMETERS – WORKFORCE DEVELOPMENT

Training on Skill Upgradation to all Employees	✗	Performance and career development reviews of all Employees	✗
Training on Skill Upgradation to all Workers	■	Performance and career development reviews of all Workers	■



- SBIC has provided skill up-gradation trainings to 100% of its permanent employees but has not disclosed data for non-permanent employees.
- SES, however, has included non-permanent employees in its graphical presentations.
- Performance and career development reviews have been conducted based on the eligibility of employees.
- “We empower our workforce with diverse learning formats to maintain our competitive edge and deliver exceptional customer service. Our comprehensive training programs cover critical areas such as Information & Cyber Security, Anti-Money Laundering, Code of Conduct, Insider Trading, Prevention of Sexual Harassment, Fraud Awareness, Financial Literacy, and more, achieving 100% coverage across all levels. These initiatives are aligned with a structured framework that supports skilling and upskilling based on employees' roles and tenure, driving revenue growth, process improvement, trust-building, and operational efficiency.”

Enhancing Learning & Development Technologies: Our introduction of AI-powered Learning Management System (LMS) and Learning Experience Platform (LX) enables hyper-personalised learning experiences. These platforms recommend tailored content based on individual interests and career aspirations, offering personalised career paths to enhance professional growth for every employee.”

COPC Model Adoption: The Customer Service Monitoring Unit embraced a new training method – the Customer Operations Performance Centre (COPC) Model. This industry best practice for quality management focusses on techniques that drive customer service improvement.

To support the successful implementation of the COPC Model, six Customer Operations Performance Centre (COPC) Functional Training Members received certification. These certified trainers partnered with the Customer Service function to drive



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improvements at both the program and individual agent levels. This resulted in a 100% certification rate for all new customer service hires, ensuring they possess the necessary skills to deliver exceptional services.

- **Career Development:** “We believe in empowering every employee to reach their full potential. This translates into a commitment to regular performance reviews and career development discussions. This is a core principle of our inclusive work environment, and we actively encourage participation from all genders.

In FY 2023-24, we ensured that **100% of our eligible employees received these reviews**, ensuring equal access to feedback and development opportunities. **We are proud to report that 98.5% of our eligible female employees and 98.2% of male employees participated in performance and career development reviews** to reach their full potential and contribute meaningfully to theirs and the organisation's success.”

SALIENT PARAMETERS – OTHER DISCLOSURES & PRACTICES

Provides equal opportunities to all its employees and to all eligible applicants for employment in the Company	✓
Mechanism available to receive and redress grievances for <u>permanent employees</u>	✓
Mechanism available to receive and redress grievances for <u>non-permanent employees</u>	✓
Provides transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment	✗
Membership of employees and worker in association(s) or Unions recognised by the listed entity - Disclosed	✓
Zero case reported relating to Strikes by employees / workers in last 3 years	✓
Zero case reported relating to any wage related disputes with employees / workers in last 3 years	✓

EMPLOYEE / WORKER BENEFIT EXPENSES

Particulars	FY 23	FY 24	% Change
Cost incurred on well-being measures as a % of total revenue of the company	0.089	0.087	-2.25%

% benefit decreased compared to previous financial year.

HUMAN RIGHTS [# OF INDICATORS: 37]

2023	2024	YOY Change
72	78	↑ 6

SALIENT PARAMETERS – TRAINING ON HUMAN RIGHTS

Training to all Employees	✗	Training to all Workers	■
EMPLOYEES 9.99% FY 22 10.61% FY 23 10.53% FY 24 ■ SBIC		WORKERS Not Applicable	

- 100% of only permanent employees have been provided with Human Rights trainings, while none of the non-permanent employees have been provided with the same.
- “All of our employees receive Human rights training as a part of our Code of Conduct training module. During FY 2023-24, all employees received training on Code of Conduct emphasising on adherence to fair employment practices, including avoidance of discrimination and sexual harassment everywhere within the Company and at places of work and business. This was done to ensure that employees are aware of the significance of the issue.”

SALIENT PARAMETERS – MINIMUM WAGES

All Permanent Employees - More than minimum wage	✓	All Permanent Workers - More than minimum wage	■
All Non-Permanent Employees - More than minimum wage	✗	All Non-Permanent Workers - More than minimum wage	■



ESG REPORT

	EMPLOYEES						WORKERS					
	PERMANENT			NON-PERMANENT			PERMANENT			NON-PERMANENT		
	FY 23	FY 24	P	FY 23	FY 24	P	FY 23	FY 24	P	FY 23	FY 24	P
More than Minimum Wage	100%	100%	-	64%	68%	↑	NA	NA	-	NA	NA	-

Legend: P = Y-o-Y performance (↑ IMPROVEMENT | ↓ DETERIORATION)

- 32% non-permanent employees are not provided with more than minimum wages.

SALIENT PARAMETERS – MEDIAN REMUNERATION COMPARISON			
Employees: No Material Gap (less than 20%)	✗	Workers: No Material Gap (less than 20%)	■

MEDIAN REMUNERATION COMPARISON (Rs. In lakhs)

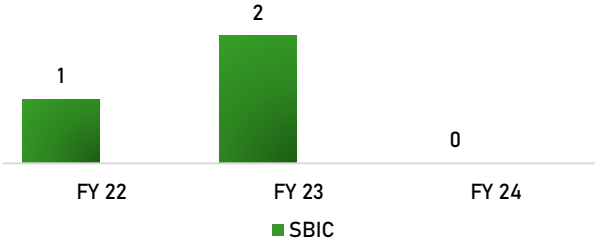
EMPLOYEES		WORKERS	
Male	8.00	Not Applicable	
Female	5.68		

■ SBIC

- There is a material gap (more than 20%) in the median remuneration paid to male and female employees.
- “Fostering a fair and equitable work environment is paramount to us. We believe in rewarding employees based on their performance and qualifications, regardless of gender. 100% employees irrespective of gender are being paid more than minimum wages. To ensure transparency, we regularly monitor our progress and are continuously reviewing compensation practices to identify and address any potential pay gaps. **Minimising gender pay gap is an ongoing process, but we are dedicated to making significant strides towards a future where equal work receives equal pay**”

AMOUNT PAID TO FEMALES AS % OF:	FY 23	FY 24	% Change
% of total Wages	21.77	21.89	0.55%

Gross wages paid to females as a % of total wages paid by the entity has increased compared to previous financial year.

SALIENT PARAMETERS – COMPLAINTS							
Zero complaints on Sexual Harassment				✓	Zero complaints on Discrimination at workplace		✓
Zero complaints on Child Labour / Forced / Involuntary Labour				✓	Zero complaints on Wages		✓
PARTICULARS (# OF COMPLAINTS)	RECEIVED			PENDING	TOTAL NUMBER OF COMPLAINTS		
	FY 22	FY 23	FY 24	FY 24			
Sexual Harassment	1	2	0	0			
- out of female workforce	-	0.19	0.00	-			
- Complaints Upheld	-	2	0	-			
Discrimination at workplace	0	0	0	0			
Child Labour	0	0	0	0			
Forced /Involuntary Labour	0	0	0	0			
Wages	0	0	0	0			
Others	0	0	0	0			

- No complaints on Sexual Harassment, Discrimination at workplace, Child Labour, Forced Labour/ Involuntary Labour and Wages in FY 2023-24.
- “We provide a safe and inclusive environment free from any form of harassment or discrimination. Our operations prohibit both sexual and non-sexual harassment, ensuring equal opportunity and fair treatment for all employees, co-workers, consultants, and business associates.



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This commitment is further bolstered by our comprehensive Policy for the Prevention, Prohibition, and Redressal of Sexual Harassment of Women at Workplace, which aligns with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act of 2013. This policy empowers women to work in a safe environment, free from sexual harassment.

During the fiscal year 2023-24, there were zero incidents of discrimination. We continue to sensitise employees with regular email awareness campaigns targeted to foster an inclusive environment."

SALIENT PARAMETERS – OTHER DISCLOSURES & PRACTICES

Company has focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business	✓
Internal mechanisms in place to redress grievances related to human rights issues	✓
Mechanisms in place to prevent adverse consequences to the complainant in discrimination and harassment cases	✓
Human rights requirements form part of Company's business agreements and contracts	✓
Business process being modified / introduced as a result of addressing human rights grievances/complaints	✓
Scope and coverage of any Human rights due-diligence conducted	✗

- **Human rights requirements form part of your business agreements and contracts:** "Yes. All our agreements/contracts have a stated clause wherein the third party is required to confirm that they comply with and abide by local and other applicable laws/legal requirements, regulations and any additional SBICPSL's standards relating to labor, environment, health and safety, intellectual property rights and improper payments, etc. The Code of Conduct guidelines for suppliers states expectation towards respecting their employees with dignity, fair labour practice, anti-discrimination and harassment. By adhering to these principles, we ensure our suppliers operate ethically and contribute to a positive social impact."
- **Business process being modified / introduced as a result of addressing human rights grievances/complaints:** "No such complaints received where policy amendment is required."
- **Details of the scope and coverage of any Human Rights Due Diligence conducted:** "No Human rights due diligence conducted."

HEALTH & SAFETY [# OF INDICATORS: 49]

2023	2024	YOY Change
58	76	↑ 18

SALIENT PARAMETERS – GENERAL DISCLOSURES & PRACTICES

Occupational health and safety management system has been implemented by the Company	✗
Coverage of health and safety management system - Disclosed	✗
Processes to identify work-related hazards and assess risks on a routine and non-routine basis by the entity	✓
Do the employees/ worker of the entity have access to non-occupational medical and healthcare services	✓
Measures taken by the entity to ensure a safe and healthy work place	✓
Extends life insurance or any compensatory package in the event of <u>death of employees</u>	✓
Extends any life insurance or any compensatory package in the event of <u>death of workers</u>	■

- **Occupational Health & Safety Management System:** "No, given that SBI Card operates in the service industry, the employees are not exposed to any hazardous situations. We acknowledge our responsibility to safeguard our employees from risk of harm during day-to-day business activities. As a result, we are committed to promoting the health and safety of our employees, contractors, customers, and suppliers by offering and maintaining a secure work environment along with thorough wellness initiatives"
- "There is no formal Health and safety management system implemented. However, best practices are being followed to ensure health and safety of employees."
- **Processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity:** "EHS standards assist us in identifying workplace hazards, while the Crisis Management Plan assists us in assessing site-related risks."
- **Access to non-occupational medical and healthcare services:** "All SBI Card employees are insured as part of our commitment to their wellbeing. Additionally, they can access the Mfine application for medical consultations, providing them with convenient and readily available healthcare assistance. 1333 employees availed Annual Health checkups during the financial year. Webinars on mental wellness, diet consultations, ZUMBA, yoga, respiratory health, immunity boosting were conducted throughout the year."



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WELL BEING OF EMPLOYEES & WORKERS: % COVERED

Employees (E) / Workers (W):	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
	D?	Data	D?	Data	D?	Data	D?	Data	D?	Data
Permanent (E)	✓	100.0%	✓	100.0%	✓	100.0%	✓	100.0%	✓	100.0%
Non-Permanent (E)	✓	100.0%	✓	0.0%	✓	100.0%	✓	0.0%	✓	0.0%

D? = Whether disclosures made?

- None of the other than permanent employees are not provided with Accident Insurance, Paternity Benefits and Day care services.
- "We believe in investing in the well-being of our full-time employees. We offer a comprehensive benefits package designed to support them throughout their careers and personal lives. This includes paid parental leave for both mothers and fathers, allowing them to balance their work and family responsibilities during this delicate time.

We prioritise the safety, security, growth, and empowerment of our employees through our holistic health and wellbeing initiatives.

1. Medical Security: Offering comprehensive medical insurance for employees and their families, covering hospitalisation, life insurance, personal accidents, OPD, and dental care. Further, top-up coverage for critical illnesses and optional coverage for additional parents are also provided.

2. Life 2.0: A Well-being Journey: Focussing on employee wellbeing through five pillars: Spiritual, Professional, Personal, Intellectual, and Environmental wellness, offering webinars, events, on-site OPDs, physical activities, and wellness camps.

3. Anytime, Anywhere Care: Teleconsultation services for employees and their families to consult doctors virtually irrespective of time and place.

4. Mental Health Matters: Our Employee Assistance Program offers unlimited consultations with psychologists, psychiatrists, wellness coaches, and legal counsellors.

5. Preventive Care: Annual health checks help employees understand their health status and take proactive measures.

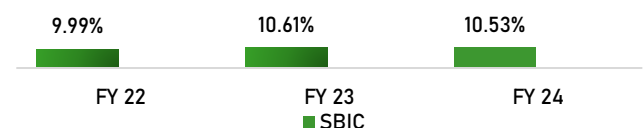
6. Convenience at Your Fingertips: All health and wellness services are accessible through our mobile application.

Employee Support Programs:

1. Day Care Support: We offer day-care benefits to provide emotional and financial security for working parents.

2. Advancement Opportunities: Our advanced education policy empowers employees to pursue personal and professional growth."

SALIENT PARAMETERS – TRAINING ON HEALTH & SAFETY MEASURES

Training to All Employees	✗	Training to All Workers	■
TRAINING TO EMPLOYEES 		TRAINING TO WORKERS Not Applicable	

- SBIC has provided Health & Safety trainings to 100% of its permanent employees but has not disclosed data for non-permanent employees.
- SES, however, has included non-permanent employees in its graphical presentations.



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SALIENT PARAMETERS – SAFETY

Disclosed LTIFR - Employees	✓	Disclosed LTIFR - Workers	■
Improvement in LTIFR – Employees	✓	Improvement in LTIFR – Workers	■
Zero fatalities of Employees	✓	Zero fatalities of Workers	■
Zero high consequence work-related injury or ill-health - Employees	✓	Zero high consequence work-related injury or ill-health - Workers	■

EMPLOYEES

LOST TIME INJURY FREQUENCY RATE (LTIFR) (Million Hours Worked)			TOTAL RECORDABLE WORK-RELATED INJURIES			NO. OF FATALITIES			HIGH CONSEQUENCE WORK-RELATED INJURY OR ILL-HEALTH		
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
	■ SBIC			■ SBIC			■ SBIC			■ SBIC	

- There are no safety related incidents in the previous 3 FYs.
- “Our absentee rate for employees is 2% in FY 2023-24.

Zero Reportable Injuries, Zero Fatalities and Zero Near misses/Hazard report”

SALIENT PARAMETERS – COMPLAINTS

Complaints on Working Conditions- Nil	✓	Complaints relating to Health & Safety - Nil	✓
FINANCIAL YEAR	(# OF COMPLAINTS)		Zero complaints on Working Conditions and Health & Safety measures in the previous 3 FYs.
	FILED	PENDING	
FY 22	0	0	
FY 23	0	0	
FY 24	0	0	

CUSTOMER ORIENTATION & WELFARE [# OF INDICATORS: 16]

2023	2024	YOY Change
89	69	↓ 20

SALIENT PARAMETERS – GENERAL DISCLOSURES & PRACTICES

Mechanisms in place to receive and respond to consumer complaints and feedback	✓
Channels / platforms where information on products and services of the entity can be accessed - Disclosed	✓
Steps taken to inform and educate consumers about safe and responsible usage of products and/or services - Disclosed	✓
Carried out any survey with regard to consumer satisfaction relating to the major products / services of the entity	✓

- Mechanisms in place to receive and respond to consumer complaints and feedback:** “The customer is the focus of the organisation’s Products, Services and People. SBI Card has a publicly available Grievance Redressal Policy to ensure satisfactory redressal and resolution of consumer complaints. A multi-layered approach for resolution, with dedicated centralised team, is followed by service touch points to address, investigate and resolve.

Customer can register their Grievances & feedback at below mentioned channels:

1 Calling our helpline

2 Email

3 Webform (Website & Mobile App)

4 Social media

5 Walking Desk Locations



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6 Escalation channels (Nodal officer, Principle Nodal officer & CS head)

7 Reaching out to Banking Ombudsman appointed by RBI"

• **"INTERVENTIONS TOWARDS REDUCING MISSELLING COMPLAINTS AND ENHANCING CUSTOMER EXPERIENCE.**

This project was conceptualised to address the reduction of unnecessary flow of Mis-Sell Service Requests (SRs) by analysing and eliminating the major contributing factors causing Mis-Sell complaints. We implemented a Lean project using Kaizen approach focussed on analysing and eliminating the root causes of mis-selling complaints raised by customer service agents. This initiative utilised digital interventions to improve the customer experience and ensure compliance with regulations. Through focussed intervention, team has been able to reduce the mis-sell count by 88.18%."

- **Customer Relationship Management:** "In FY 2024, we implemented a rigorous Customer Relationship Management (CRM) strategy focussed on minimising customer dissatisfaction. Our dedication is reflected in our Detractor Score (DSAT) target of 5% or lower, a key metric that gauge's customer sentiment. We are proud to report that we surpassed this target, achieving a DSAT of 4.62%."

SALIENT PARAMETERS – CONSUMER COMPLAINTS

Zero complaints on Advertising	✓	Zero complaints on Delivery of essential services	✓
Zero complaints on Restrictive Trade Practices	✓	Zero complaints on Unfair Trade Practices	✓
Zero complaints – Others Category	✗		

PARTICULARS (# OF COMPLAINTS)	RECEIVED			PENDING	TOTAL NUMBER OF COMPLAINTS
	FY 22	FY 23	FY 24	FY 24	
Advertising	30,323	*	-	-	
Delivery of essential services	-	-	-	-	
Restrictive Trade Practices	-	-	-	-	
Unfair Trade Practices	-	-	-	-	
Others	7,03,223	3,43,923	1,70,640	2,802	

*Note: Certain marketing-related complaints were previously reported as advertising complaints. Upon review, no advertising complaints were identified, leading to lower numbers compared to last year.

- SBIC received 1,70,640 customer complaints during FY 2023-24.
- However, the number of complaints has decreased in the last 3 FYs.

COMMUNITY RELATIONS & ENGAGEMENT [# OF INDICATORS: 20]

2023	2024	YOY Change
100	88	↓ 12

SALIENT PARAMETERS

Mechanisms to receive and redress grievances of the community	✓
Political donations in last three financial years - No Donation	✓
Affiliations with trade and industry chambers/ associations - Disclosed	✓
Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws – as applicable & Disclosed	■
Actions taken to mitigate any negative social impacts identified in the Social Impact Assessments – as applicable & Disclosed	■

- **Mechanisms to receive and redress grievances of the community:** "SBI Card has established mechanism to receive community complaints by email communications for any community grievance. SBI Card has a diverse and multi-dimensional approach to get feedback from the communities via holding community meetings, periodic and active engagement with key stakeholders to understand if they have any views, issues, complaints and grievances related to the interventions. Email address of CSR team (csrpehel@sbicard.com) is present on the official CSR page of the Company"
- **Social Impact Assessment:** "Given the nature of our business operations, a Social Impact Assessment (SIA) is not applicable."

ACCOUNTS PAYABLES	FY 23	FY 24	Change
Number of days of accounts payables	70	68	-2

The number of days of accounts payable has decreased in FY 2023-24.



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SALIENT PARAMETERS – INCLUSIVE DEVELOPMENT

% of input material sourced directly from MSMEs/ small producers - Disclosed	✓	% of input material sourced directly from within India - Disclosed	✓
% of input material sourced directly from MSMEs/ small producers – More than 50%	✗	% of input material sourced directly from within India – More than 50%	✓

PARTICULARS (%)	SOURCING		
	FY 23		FY 24
MSMEs/small producers	7.00	-	7.00
Within India	99.99	-	99.99

Only 0.15% jobs created in rural areas and 0.27% in semi-urban areas in FY 2023-24.

JOB CREATION IN SMALLER TOWNS (% of the total wage cost)				
Location →	Rural	Semi-urban	Urban	Metropolitan
FY 23	0.16%	0.18%	15.78%	83.87%
FY 24	0.15%	0.27%	14.90%	84.68%

CSR SPEND [# OF INDICATORS: 19]

2023	2024	YOY Change
65	45	↓ 20

SALIENT PARAMETERS		CSR SPEND COMPARISON	
Whether disclosed information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies?	✓	(Rs. Crores)	
Whether disclosed beneficiaries of CSR Projects?	✓		
CSR spend – Actual Spent 2% in an FY	✗		
In case of less than statutory requirement, amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)	■		
In case of less than statutory requirement, Total Amount transferred to Unspent CSR Account as per Section 135(6)	✓		

- “During the financial year 2023-24, the company had a total CSR obligation of ` 43.74 Cr. against which it has spent ` 34.87 Cr. Unspent amount for ongoing projects for the FY 2023-24 stands at ` 8.87 Cr. Company has linked project milestones to the disbursement schedule for all programs to keep the expenditure in line with the approved budget, however due to unavoidable externalities including obtaining requisite approvals from nodal authorities, Agreement Finalisation, delay in procurement, time consumed in community engagement have resulted in some amount being unspent for ongoing projects. This amount has been transferred into CSR Unspent Account as per the provisions of Section 135(6) and will be utilised in pursuance of the company's CSR policy as per provision of the Companies Act and Rules made thereunder.”

CSR SPEND / INITIATIVES ON:

Swachh Bharat Mission or spent on clean / sanitation projects	✗	National Mission on Sustainable Agriculture (NMSA) or spent on agriculture related activities	✓
Smart Power for Environmentally-sound Economic Development (SPEED) program	✗	Campaign against Drugs	✗
Green India Mission (GIM) or spent on tree plantation	✓	"Skill India" initiative or spent on skill developments projects	✓
Smart Cities Mission	✗	Schemes for girl child or spent on girl / women empowerment	✗
Atal Mission for Rejuvenation and Urban Transformation (AMRUT)	✗	National Initiative on Climate Resilient Agriculture (NICRA)	✗
National Heritage City Development and Augmentation Yojana (HRIDAY)	✗	National Water Mission (NWM) or spent on water related projects	✓

Note: Based on information or discussion made in Annual Reports.



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CYBER SECURITY & DATA PRIVACY [# OF INDICATORS: 10]	2023	2024	YOY Change
	99	100	↑ 1

SALIENT PARAMETERS – GENERAL DISCLOSURES & PRACTICES

Framework on cyber security and risks related to data privacy - Disclosed	✓
Policy on cyber security and risks related to data privacy - Disclosed	✓
Risk Management function on Cyber Security - Disclosed	✓
Number of instances of data breaches - Disclosed	✓
No case of data breach	✓
In case of data breaches – Disclosed impact	■
Percentage of data breaches involving personally identifiable information of customers – Disclosed	■
IT related Certification – Obtained Certifications	✓
Steps taken to ensure safe security system (IT security, firewalls, initiatives etc)	✓

- “Ensuring robust protection of customer data is our priority. We implement comprehensive data security measures across our organisation, adhering strictly to regulations and industry standards to safeguard the confidentiality and integrity of your personal information. In case of any security breach, we are fully prepared to demonstrate compliance with our information security program and policies, promptly addressing any concerns or grievances through designated personnel, including a Grievance Officer dedicated to resolving issues within one month of receiving a grievance.

[Privacy Policy | SBI Card.](#)

To ensure enforcement of the Standards, Privacy Leader in consultation with the appropriate Legal Counsel, Regulatory Officer and Compliance Officer will identify Provider and Employment Data procedures which are audited on periodic basis.”

- “Accredited with PCI-DSS 4.0 and ISO 27001”

SALIENT PARAMETERS – COMPLAINTS

Zero complaints on Data Privacy		✓	Zero complaints on Cyber Security		✓
FINANCIAL YEAR (# COMPLAINTS)	DATA PRIVACY	CYBER-SECURITY	Zero complaints on Data Privacy and Cyber Security in all 3 FYs.		
FY 22	0	0			
FY 23	0	0			
FY 24	0	0			

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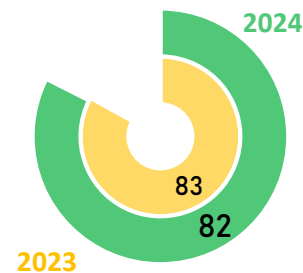
DETAILED ANALYSIS



GOVERNANCE

(W: 45%)

SES analyses based on legal requirement as well as good governance practices. Analyses Company's Board related practices such as Board Composition, remuneration, committee composition and performance. Further, section also analyses Statutory Auditors, Audits, Financial Reporting and Stakeholder Engagement functions.



BOARD COMPOSITION TABLE

Director	Age	Gender	Expertise	Classification		[1] Tenure (Association) in Year	Attendance for last year		[2] Directorship	Committee Membership					FY 23-24 Pay (₹Lakh)
				Company	SES		Board	AGM		LD	AC	NRC	RMC	SRC	
NON-EXECUTIVE NON-INDEPENDENT DIRECTORS															
Dinesh Khara	62	M	BNK	NED(C)(N)	NED(AP)(C)(N)	7 (40)	11 / 11	Yes	3						NA*
Nitin Chugh	52	M	BNK	NED(N)	NED(AP)(N)	<1 (2)	6 / 6	NA	1			M			NA*
Ashwini Kumar Tewari	56	M	BNK	NED(N)	NED(AP)(N)	<1 (33)	3 / 3	NA	3	M	M				NA*
INDEPENDENT DIRECTORS															
Dinesh Kumar Mehrotra	71	M	FIN	ID	ID	4 (5)	11 / 11	Yes	4			C		M	17.00
Rajendra Kumar Saraf	69	M	BNK	ID	 NID	5	10 / 11	Yes	1	M	M		M	C	25.00
Tejendra Mohan Bhasin	68	M	BNK	ID	ID	5	11 / 11	Yes	5	M	C		C		25.00
Shriniwas Yeshwant Joshi	67	M	FIN	ID	NID	 3 (12)	11 / 11	Yes	1	C	M				22.75
Anuradha Nadkarni	61	W	FIN	ID	ID	4 (5)	10 / 11	Yes	1	M	M	M			24.75
EXECUTIVE DIRECTORS															
Abhijit Chakravorty	59	M	BNK	MD(N)	MD(AP)(N)	1 (36)	7 / 7	NA	1			M	M	M	87.00

[1] Figures in bracket indicate total association of the Director with the Company/ Group.

[2] Directorship as per BSE quarterly Corporate Governance Report- June 2024

Note: Directorships, committee membership and committee chairmanship include such positions in the Company

Expertise: IEX-Industry Expert, FIN-Finance, MGT-Management, MKT-Marketing, HRM-Human Resource Management, BNK-Banking

AP - Affiliate of Promoter | Kindly [Click here](#) to view list of abbreviations

* SES Comment on disclosure of Remuneration by the company. ([Read more](#))

BOARD CHANGES (Since 1st April, 2023)

Director	Company Classification	Appointment Date	Cessation Date	Tenure (Association) in Year	Age (Years)	Pay (₹ Lakh)	Remark
APPOINTMENTS							SHAREHOLDER'S APPROVAL
Abhijit Chakravorty	ED	12-08-2023	-	36	59	87.00	AGM 2023
Nitin Chugh	NED	04-10-2023	-	2	52	NA	PB Dec 2023
Ashwini Kumar Tewari	NED	25-01-2024	-	33	56	NA	PB April 2024
EXITS							REASON FOR CESSATION
Swaminathan Janakirman	NED	22-07-2022	26-06-2023	<1	60	NA	Resignation
Mihir Narayan Prasad Mishra	NED	18-06-2021	31-07-2023	2	61	NA	Superannuation
Rama Mohan Rao Amara	ED	30-01-2021	11-08-2023	2	56	49.00	Resignation
Debangshu Munshi	NED	28-07-2023	04-01-2024	<1	58	NA	Resignation

BOARD INDEPENDENCE & DIVERSITY [# OF INDICATORS: 25]

2023	2024	YOY Change
59	66	↑ 7

Note: ED: Executive Director; NED: Non-Executive Director; NED-NID: Non-Independent Director; ID: Independent Director; P: Promoter; NP- Non-P | # - Number(s)

Criteria	Age		Women		ID Classification		ID		Attendance		Time Commitments
	ED	NED	WD	WID	Company	SES	Tenure	Association	Board	AGM	LD
	>70	>75					>10 years		<50%	No	>5
No. of Directors	0 / 1	0 / 8	1 / 9	1 / 5	5 / 9	3 / 9	0 / 5	1 / 5	0 / 9	0 / 6	0 / 9
% of Total	0%	0%	11%	20%	56%	33%	0%	20%	0%	0%	0%



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SALIENT PARAMETERS

Independent Directors (As per SES) - More than 50%	✗	Average Board age between 55-65 years	✓
Chairman - Independent (As per SES)	✗	ED aged more than 70 years - None	✓
Designated Lead Independent Director	✗	NED aged more than 75 years - None	✓
All Independent Directors association <10 years	✗	Board meeting attendance more than 75%	✓
Women Directors - At least 2	✗	All Directors attended last AGM	✓
Independent Woman Director - At least 1	✓	No Excessive Time Commitments (<6 LD)	✓
Liable to Retire by Rotation - All NIDs	✗	Board has more than 50% Post-Graduates / Professionals	✓

- **Board Classification:** Mr. Nitin Chugh, Mr. Abhijit Chakravorty, Mr. Dinesh Khara, and Mr. Ashwini Kumar Tewari have been classified as Affiliate Promoter directors (AP) by SES, as they are nominee directors of SBI, Promoter Company.

Rationale: SES as a Policy considers directors holding any position (excluding Independent Directorship) in the Promoter Company or holding executive positions in the Group Companies as Affiliate Promoter Directors.

- **Board Independence:** Mr. Shriniwas Yeshwant Joshi has been classified as NID by SES as he has been associated with the Group for more than 10 years.

Rationale: Although, compliant under the law, however, SES as a policy does not consider any director associated with the Company/ Group for more than 10 years to be Independent due to their prolonged association.

Ex-executive: Mr. Rajendra Kumar Saraf was Deputy MD and CFO of SBI, Promoter Company as stated on the Company's website. SES does not consider Ex-Executive of the Company or its promoters as Independent.

Rationale: SES as a policy does not consider a Director who has in the past been associated with the Company/ Group as an employee, as independent. SES understands that Independence is an individual trait and can be a subjective matter, however, SES is of the view that having ex-employees as independent directors on the Board is not a good governance practice.

- **Liable to Retire by Rotation:** As per Section 35A of the SBI Act, 1955 Directors Nominated by the State Bank of India are not counted for calculating no. of directors as per Section 152 of the Companies Act, 2013 retirement of directors by rotation. There are 4 Non-Independent Directors and all are nominees of the State Bank of India.

Section 35A of the [State Bank of India Act, 1955](#) "35A. Arrangement with the State Bank on appointment of directors to prevail.-

(1) Where any arrangement entered into by the State Bank with a company provides for the appointment by the State Bank of one or more directors of such company, such provisions and any appointment of directors made in pursuance thereof shall be valid and effective notwithstanding anything to the contrary contained in the Companies Act, 1956 (1 of 1956), or in any other law for the time being in force or in the memorandum, articles of association or any other instrument relating to the company, and any provision regarding share qualification, age limit, number of directorships removal from office of directors and such like conditions contained in any such law or instrument aforesaid, shall not apply to any director appointed by the State Bank in pursuance of the arrangement as aforesaid.

(2) Any director appointed as aforesaid shall –

(c) **not be liable to retirement by rotation** and shall not be taken into account for computing the number of directors liable to such retirement."

Therefore, as per this section, the Company would appoint SBI Nominees to be non-retiring.

This creates a peculiar situation; the Board only has IDs and SBI nominees and entire board is non-retiring. Does that mean that Section 152 of Companies Act 2013 is irrelevant for the Company? Should the Board not have retiring directors? Obvious answer is that Board should have retiring directors as well.

Governance consideration requires that there must be a mix of retiring and non-retiring directors on the Board. However, SES is not raising any concern as board changes are regularly taking place even without policy on retirement as SBI nominees keep on changing frequently, thus achieving objective of retirement by rotation indirectly. SES would recommend that notwithstanding provisions of SBI Act, the Company should embrace good governance practice and appoint directors on rotation basis. Since both SBI Act and Companies Act are passed by parliament, therefore both are at par. However, since the SBI Act provides for overriding powers over the Companies Act, therefore, there is no issue legally.



ESG REPORT

Technically retirement objective is met because SBI nominees due to their retirement at SBI cease to be director on the Board.

Further SBI Act is of a vintage where except banking no other activities were envisaged by the banking companies. Credit Cards were unheard of, more so investment in a listed company and existence or birth of SEBI a specialised regulator for Companies listed. SES is of the view SBI Act needs a revamp and how can SBI Act override SEBI Regulations? SBI Act is only applicable to Banking and not beyond.

- **Board Diversity:** The Board consists of directors having experience in diverse fields which *inter alia* include Banking and Finance. The directors are duly qualified with majority of board comprising of Professionals.

The Company has a woman Independent Director viz. Ms. Anuradha Nadkarni ensuring gender diversity at the Board level.

BOARD COMMITTEES [# OF INDICATORS: 25]	2023	2024	YOY Change
	88	70	↓ 18

Committees	No. of members		Chairman's Classification			Overall Independence			Frequency of Meetings			Attendance < 75%
	LR	Company	LR	Company	SES	LR	Company	SES	LR	SES Benchmark	Held	
AC	3	5	ID	ID	NID	67%	80%	40%	4	8#	11	Debangshu Munshi (33%)
SRC	3	3	NED	ID	ID	1 ID	2 ID	1 ID	1	2	3	Debangshu Munshi (50%)
NRC	3	5	ID	ID	ID	67%	80%	40%	1	2	7	Mihir Narayan Prasad Mishra (33%), Debangshu Munshi (50%)
CSR	3	3	-	ID	NID	1 ID	2 ID	1 ID	-	1	5	Debangshu Munshi (50%)
RMC*	3	4	-	ID	ID	1 ID	2 ID	2 ID	2	2	5	Debangshu Munshi (67%)

Kindly [Click here](#) to view details of abbreviations used in this table. | *Only Board members considered | #Audit Committee: 4 times for review of quarterly results and 4 times for review of other matters.

SALIENT PARAMETERS						
CLASSIFICATION (AS PER SES)				DISCLOSURES		
At least 75% IDs in AC	✗	Independent AC Chairperson		✗	NRC Policy disclosed	✓
At least 50% IDs in SRC	✗	Independent SRC Chairperson		✓	CSR Policy disclosed	✓
At least 75% IDs in NRC	✗	Independent NRC Chairperson		✓		
At least 50% IDs in CSRC	✗	Independent CSRC Chairperson		✗		
At least 50% IDs in RMC	✓	Independent RMC Chairperson		✓		

- **Attendance at Board Committees:** During the year, all the members attended 75% or more committee meetings of all the board committees except those mentioned in the table.
- **Committee Recommendations:** "There were no instances where the Board had not accepted any recommendation of any Committees of the Board during the financial year ended March 31, 2024."

DIRECTOR'S REMUNERATION [# OF INDICATORS: 25]	2023	2024	YOY Change
	72	78	↑ 6

DIRECTOR CATEGORY	# OF DIRECTORS	2023-24 (₹ IN CRORE)				% INCREASE IN REMUNERATION		
		FIXED	VARIABLE	TOTAL	%	PARTICULARS	2023	2024
ED - NP	2	1.20	0.16	1.36	54.81%	Percentage increase in the median remuneration of employees	6.51%	9.8%
ED - P	0	-	-	-	0.00%			
NED-NID - NP	6	-	-	-	0.00%	Average increase in salary of employees (other than KMP)	#	#
NED-NID - P	0	-	-	-	0.00%			
ID	5	1.15	-	1.15	45.82%	Average increase in remuneration of managerial personnel / KMP	#	#
TOTAL BOARD	13	2.35	0.16	2.51	100.00%			

Note: Remuneration paid to all directors (including those ceased) during FY 2023-24 have been considered

#SBIC has stated that, "No exception to be reported."



ESG REPORT

SALIENT PARAMETERS

ED's remuneration - No skewness	✓	Remuneration Policy disclosed	✓
Remuneration of all EDs have variable Component	✓	NED's remuneration - No skewness	■
Remuneration of EDs linked with PAT of the Company for last three years	✓	Out of total NED Remuneration, no NED is paid more than 50% of total remuneration	■
Ratio of ED's remuneration to MRE < 100 times	✓	Annual Board Performance- Process / Parameters of evaluation disclosed	✓
Pay linked to Sustainability / ESG Performance	■	'Clawback & Malus' Clause	■

SES comment on disclosure of remuneration by the company: The Director nominated by SBI (except MD & CEO) and who is an officer of the Government or Reserve Bank of India or the State Bank of India or any subsidiary of the State Bank of India will not get any Remuneration from the Company including sitting fees. (As per [Remuneration Policy](#) of the Company)

Earlier SBIC had disclosed that the Remuneration paid to only 2 IDs viz. Mr. Dinesh Kumar Mehrotra & Mr. Anuradha Nadkarni, under [Draft Annual Return 2024](#).

Due to technical issue, page no. 14 of Annual Return was not updated on the website and hence, remuneration paid to other IDs was not available.

Further, SBIC in its Annual Report has stated that *"The Company has paid sitting fees aggregating to Rs. 1.15 Crores to the Eligible Non-executive Directors for attending the meetings of the Board and/or Committees thereof."*

As per Schedule V, Part C of SEBI LODR,**(6) REMUNERATION TO DIRECTORS**

- (c) (i) **all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;**
- (ii) **details of fixed component and performance linked incentives, along with the performance criteria;**
- (iii) **service contracts, notice period, severance fees;**
- (iv) **stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable**

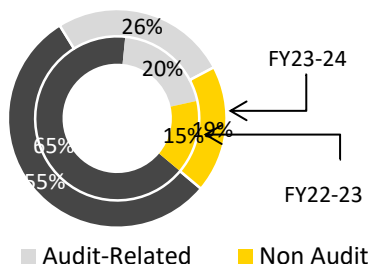
Since, remuneration details of all directors were not disclosed, therefore, SES had raised compliance issues with the above Regulations.

However, SBIC has now updated the Annual Return file on its website [MGT-7-2023-24.pdf \(sbicard.com\)](#). Since, the information is now available in the public domain, SES has updated this section accordingly. However, ideally the disclosures should have been part of the Annual Report.

STATUTORY AUDITORS [# OF INDICATORS: 9]

2023	2024	YOY Change
100	100	■

AUDITORS		AUDIT PARTNERS	
Ambani & Associates LLP	2 years	Hitesh Ambani	2 years
Auditor's Network	NA		
Mahesh C Solanki & Co	2 years	Rajat Jain	2 years
Auditor's Network	NA		

AUDITORS REMUNERATION COMPONENTS**SALIENT PARAMETERS**

Auditors Appointment is Compliant with Companies Act	■
Audit Firm Association is less than 10 years	✓
Audit Partner Association is not more than 3 years	✓
Auditors Appointment Resolution was Compliant with SEBI LODR	■
No Resignation of Statutory Auditors	✓
No Exit of Statutory Auditors (Other than Resignation)	✓
Non-Audit Fees constitute <25% of Total Auditors Remuneration	✓



ESG REPORT

- Term of Statutory Auditor:** "During the year under review, the office of the Comptroller and Auditor General of India (hereinafter referred to as "CAG") exercising the power conferred under section 139 of the Companies Act, 2013, appointed M/s. Mahesh C Solanki & Co., Chartered Accountants, (Firm Registration No. 006228C) and M/s. Ambani & Associates LLP (Firm Registration No. 016923N) as the Joint Statutory Auditors of the Company for the financial year 2023-24"

AUDIT & FINANCIAL REPORTING [# OF INDICATORS: 73]

2023	2024	YOY Change
92	92	■

CARO 2020 & SCHEDULE III OBSERVATIONS

ASSETS MANAGEMENT	Maintenance of proper records showing full particulars of Tangible and Intangible Assets	✓
	No material discrepancies noticed on physical verification of Property, Plant and Equipment	✓
	Title deeds of all immovable properties held in the name of the Company	■
	No significant discrepancy (more than 10%) identified on revaluation of Tangible Assets	■
	No proceedings initiated or pending against the company under Benami Transactions Act	✓
	No material discrepancies noticed on physical verification of Inventory	✓
LOANS & ADVANCES	Quarterly Statements filed with the Banks from whom working capital in excess of ₹ 5 crores has been obtained agrees with the books of the Company	■
	Terms and conditions of the loans & guarantees extended are not prejudicial to the Company's interest	✓
	In case of loans or advances, repayment of principal and payment of interest are regular as per stipulated schedule	✓
	Any loans or advances granted are overdue for more than 90 days ^[1]	✗
	Existing dues are not renewed, extended or settled by granting fresh loans during the year	■
	No loans granted to Promoters, Related Parties that are repayable on demand or without specifying terms	■
CAPITAL & DUES MANAGEMENT	No undisputed statutory dues are outstanding for more than 6 months from due date	✓
	No transactions which were unrecorded in Books , have been recorded in tax assessments under IT Act	✓
	No default in repayment of loans or other borrowings to any lender	✓
	Not declared as a wilful defaulter by any bank or financial institution or any Lender	✓
	Term Loans raised are applied for the purposes for which they were obtained	✓
	No funds obtained to meet the obligations of its subsidiaries , JVs or associates	✓
	No loans raised through pledge of securities held in its subsidiaries, joint ventures or associate companies	✓
	Equity raised or monies borrowed are applied for the purpose for which they were obtained	■
INTERNAL CONTROL	No fraud has been noticed or reported during the year ^[2]	✗
	The Auditor has taken into consideration the whistle-blower complaints received by the Company	✓
	All RPTs are compliant with section 177 and section 188 of the Companies Act, 2013	✓
	Internal Audit systems are commensurate with the size and nature of business	✓
	No non-cash transactions entered with its directors or persons connected with its directors	✓
	The Company has not incurred Cash losses	✓
	No material uncertainty regarding capability of meeting liabilities existing at the date of balance sheet	✓
	No qualifications or adverse remark by Auditors of other Companies, if any included in Consolidated financials	■
SCH III	No material transactions entered into with struck off companies	✓
	Financial ratios as required under Schedule III disclosed	✓

^[1] As per the information and explanations provided to us, there are over dues amount (as stipulated below) for more than ninety days, and reasonable steps have been taken by the Company for the recovery of the principal and interest. (Detailed on page #212 of AR 2024)

^[2] No fraud by the Company and no material fraud on the Company has been noticed or reported during the year. However, certain instances of customer frauds on the Company have been reported during the year. As informed, these primarily relate to fraudulent usage of credit cards issued by the Company. During the financial year 2023-24, the total amount involved in such frauds was ₹ 2.19 Crores and the recovery against this amount (pertaining to current year as well as the previous years) is ₹ 0.89 Crores. During the year, no employee fraud has been committed.



ESG REPORT

SALIENT PARAMETERS

Statutory Auditors Report- No qualifications	✓	All RPTs were at Arm's length & in Ordinary course of business	✓
Secretarial Auditors Report- No qualifications / Observations	✓	In case of Omnibus approval, whether such approval / transactions reviewed by Audit Committee?	✓
Company's internal controls - No major weakness observed	✓	In case of Omnibus approval, whether such approval / transactions reviewed externally?	■
Financial statements restatement - No	✓	Shareholder's Approval for Material RPTs - Omnibus Transactions obtained for 1 year only	✓
Tax disputes form less than 50% of contingent liabilities	✓	Shareholder's Approval for Material RPTs - Justification provided for entering into material RPTs	✓
Contingent Liabilities form less than Net Worth	✓	Shareholder's Approval for Material RPTs - Adequate disclosure on pricing was provided	✓
Disclosed RPT Policy on website	✓	In case of Royalty payments, justification provided	■

- The Statutory Auditors have not made any qualification, reservation, adverse remark or disclaimer in their report for FY 2023-24.
- Major portion of contingent liabilities is constituted by Claims against the company in the ordinary course of business.

OPEN-NESS OF BUSINESS

PARAMETERS	UNIT	FY 23	FY 24	Change
Purchases from trading houses as % of total purchases	%	NA	NA	-
Number of trading houses where purchases are made from	Number	NA	NA	-
Purchases from top 10 trading houses as % of total purchases from trading houses	%	NA	NA	-
Sales to dealers / distributors as % of total sales	%	NA	NA	-
Number of dealers / distributors to whom sales are made	Number	NA	NA	-
Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	%	NA	NA	-
Share in RPTs: Purchases [Purchases with related parties / Total Purchases]	%	NA	NA	-
Share in RPTs: Sales [Sales to related parties / Total Sales]	%	NA	NA	-
Share in RPTs: Loans & advances [Loans & advances given to related parties / Total loans & advances]	%	0.002	0.001	-50.00%
Share in RPTs: Investments [Investments in related parties / Total Investments made]	%	0.00	0.00	-

- Material RPTs:** "The Shareholders of the Company at the 25th Annual General Meeting held on August 9, 2023, accorded their approval for entering into and/or carrying out and/or continuing with material related party transaction(s) with State Bank of India (SBI) and SBI Capital Markets Limited (SBI CAP) from the date of the 25th Annual General Meeting and upto the date of the next annual general meeting of the Company for a period not exceeding fifteen months.

Since the approval as mentioned above is valid upto the date of the next Annual General Meeting of the Company i.e. AGM to be held in FY 2024-25, the matters pertaining to entering into and/or carrying out and/or continuing with material related party transactions with SBI and SBI CAP from the date of the 26th Annual General Meeting and upto the date of the next annual general meeting of the Company for a period not exceeding fifteen months are being placed for the approval of members at the ensuing AGM."

- Arm's length basis and ordinary course of business:** "All transactions with the related parties are at Arm's length."

FINANCIAL INDICATORS (AS PER COMPANY)

	Mar' 23	Mar' 24	Shift	Company Discussion
Capital to risk weighted assets ratio (CRAR)	23.08	20.53	-11.05%	-
Tier I CRAR	20.37	16.51	-18.95%	-
Tier II CRAR	2.71	4.02	48.34%	Tier II capital raised during the year to augment capital adequacy
Liquidity Coverage Ratio	85.95	105.24	22.45%	-

Source: Company's Annual Reports

- SBIC has disclosed the Key Financial Ratios and has explained the changes thereon.



STAKEHOLDERS ENGAGEMENT, OWNERSHIP & CONTROL [# OF INDICATORS: 17]	2023	2024	YOY Change
	90	84	↓ 6

SHAREHOLDING PATTERN		INSTITUTIONAL OWNERSHIP GRADE- SES					
Jun' 24	68.62%25.2612%	Quarter End	Number of Shares (In crores)			PI vs FF	Grade
			Total	Public Institution (PI)	Free Float (FF)		
Jun' 23	68.96%26.438%	Jun' 23	94.64	25.23	29.37	85.90%	A
		Jun' 24	95.11	24.02	29.84	80.49%	A
Promoters Public Institution (PI) Public Others (PO)							

SALIENT PARAMETERS			
Adequate & Objective DDP disclosed	✗	At least 4 Earnings Calls / Investor Calls	✓
Dividend paid in line with DDP	■	Transcripts of all Earnings Calls / Investor Calls - Disclosed	✓
No significant shareholders complaints pending in last 3 FYs	✓	No delay in filling of financial statements	✓
Described the processes for identifying key stakeholder groups of the entity	✓	No resolution defeated by the shareholders	✓
Disclosed list stakeholder groups identified as key for the entity	✓	No pledge of equity shares by promoters' group	✓
Disclosed the frequency of engagement with each stakeholder group	✓	No sanction or any regulatory Action relating to disclosures in last 3 years (by Exchanges, SEBI)	✓

- SBIC has disclosed its Dividend Distribution policy on its [website](#), as per Regulation 43A of the SEBI Listing Regulations, 2015. The policy disclosed, although in technical compliance with the SEBI directive, however, doesn't enable investors to estimate the prospective dividend amount.

The Company in its Dividend Distribution Policy has mentioned that ***"The total dividend proposed for the financial year should not exceed the ceiling specified in the RBI guidelines issued vide Circular no RBI/2021-22/59 DOR.ACC.REC. No.23/21.02.067/2021-22 dated June 24, 2021. Currently maximum dividend payout ratio is restricted to 50%."***

The policy mentions, maximum dividend payout ratio is restricted to 50%. SES understands that the idea of market regulator SEBI behind mandating Dividend Policy disclosure was to provide a tool in the hand of investors to estimate the likely dividend based on available and disclosed financial performance and to question the management in case the policy is not followed. Although, the Company has provided a range however, a range as broad as 0% to 50% will not assist the investors in estimating the likely dividend.

Therefore, SES is of the view that as a good governance and transparency measure, the Company should fix a reasonable range to ensure that the policy meets the legally intended objective.

- Investor Calls / Transcripts / Presentation:** SBIC has disclosed 4 Investor presentation and 4 conference calls along with the call transcripts during FY 2023-24. ([Link](#))
- Compliance with Capital Markets:** *"There were no cases of non-compliance by the Company of any matter related to capital markets during the last three years."*
- Past Year Data Observation:** The table below depicts Resolutions in which more than 20% AGAINST votes were cast by public shareholders who participated in voting.

Year	Type	Agenda No.	Brief description of Resolution	Total Public Against / Total Public Polled	Approved/ Rejected
2023	PB	1	Appointment of Mr. Nitin Chugh as a Nominee Director on the Board of the Company w.e.f. October 4, 2023.	25.72	Approved
2024	PB	1	Appointment of Mr. Ashwini Kumar Tewari as a Nominee Director on the Board of the Company w.e.f. January 25, 2024.	26.64	Approved

SES view: Investors have shown significant dissent. The Company should take note of dissent by shareholders and engage to find out what are the reasons for dissent and take steps to reduce chances of such dissent.



ESG REPORT

ETHICS, BRIBERY & OTHER GOVERNANCE FACTORS [# OF INDICATORS: 24]	2023	2024	YOY Change
	92	92	■

SALIENT PARAMETERS			
Code of conduct for Board of Directors & KMPs- Disclosed	✓	Whistle Blower Policy- Disclosed	✓
Code of conduct for employees - Disclosed	✓	Whistle-blower can approach Chairman of the audit committee	✓
Code of Conduct on Insider Trading - Disclosed	✓	The company affirmed that 'No Person' was denied access to the audit committee	✓
ESOP - Adequate disclosures	✓	Insider Trading - No penalties imposed / disclosed	✓
Complaints with regard to conflict of interest – Disclosed	✓	Complaints on bribery & corruption -Disclosed	✓
Conflict of interest – No Complaints Reported	✓	Bribery & corruption - No complaints reported	✓

- **Access to Audit Committee:** *"The policy provides every whistleblower access to the Chairperson of the Audit Committee. Further, it is affirmed that no personnel has been denied access to the Audit Committee."*

- **Ethics, Bribery or Corruption:** *"Our company's Compliance Policy, which includes 'Code of Conduct', guidance on anti-corruption and anti-bribery. This policy is applicable to everyone associated with the company – from our employees and suppliers to contractors, third-party representatives, and consultants. It reinforces our commitment to uphold ethical practices across all facets of our business operations..."*

Number of Complaints received in relation to issues of Conflict of Interest of the:	FY 23	FY 24
Directors	0	0
KMPs	0	0
Number of disciplinary action taken by any law enforcement agency for the charges of bribery / corruption:	FY 23	FY 24
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	NA	NA



POLICY CORNER

Posh Policy	https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/POSH.pdf
Code of Conduct	https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/code-of-conduct-guidelines.pdf
Business Responsibility and Sustainability Policy	https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/sustainability-and-business-responsibility-policy1.pdf
Nomination & Remuneration Policy	https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/nomination-and-remuneration-policy.pdf
Dividend Distribution Policy	https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/sbi-cards-dividend-policy.pdf
Determination of Materiality	https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/policy-for-determination-of-materiality-of-events-information-and-disclosure-thereof-to-the-stock-exchange.pdf
Archival Policy	https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/archival-policy.pdf
Code of Conduct for the Company's Board of Directors and Senior Management Team	https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/code-of-conduct-for-board-and-smt.pdf
Related Party Transactions Policy	https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/rpt-policy.pdf
Vigil Mechanism Policy	https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/vigil_mechanism_policy.pdf
Corporate Social Responsibility Policy	https://www.sbicard.com/sbi-card-en/assets/docs/pdf/who-we-are/notices/csr_policy_sbicpsl.pdf



ANNEXURE: UPDATE DETAILS

- SES draft ESG Report on the Company was sent to the Company on 17th August, 2024 based on data for FY 2023-24.

UPDATED ON 21ST AUGUST, 2024

This update is being done based on e-mail dated 20th August, 2024, sent by SBI Cards & Payments Services Limited ('the Company' or 'SBIC'), with respect to draft ESG Report sent by SES based on data for FY 2023-24.

There is a change in SES ESG Score on account of disclosures made by the Company on the website. Following is the details of the Score change:

	ORIGINAL REPORT	POST UPDATE ON 21 ST AUGUST, 2024	CHANGES	
ESG SCORE	76.7	78.3	↑	1.6
- GOVERNANCE	79.1	82.5	↑	3.4
-- DIRECTOR'S REMUNERATION	50.1	78.4	↑	28.3

SES has analysed the observations provided by the Company and has provided appropriate response as below:

SR.	Points	Clarification	Reference
1.	Environment- SBIC has not disclosed environment parameters intensity based on relevant metric. However, other peer companies have reported intensity data linked to relevant metrics based on Full-Time Equivalents (FTE).	<i>We have disclosed our non-financial information in accordance with National Voluntary Guidelines, Business Responsibility & Sustainability Reports, Legal requirements relating to Environment & Social, Companies Act, 2013.</i> <i>As per SEBI's guidelines in Principle-6 Essential Indicator- 1, it is mandatory to disclose energy intensity per million INR of turnover and Energy Intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP), but not mandatory to report intensity data linked to FTEs.</i>	<i>Printed page no-171 of Integrated Annual Report</i>
SES Comments: The updated BRSR format including core parameters requires disclosures of intensity based on output (which in case of company could be number of cards issued or any other relevant metric). Since, the Company has not disclosed the information, neither of output or other relevant metric, SES has highlighted the fact that such disclosures are made by companies engaged into finance / services. FTE is merely one such example of disclosures. For instance, one of the Bank has disclosed 'FTE' in output, one of the NBFC has disclosed 'Consolidated Total Loan Portfolio'. However, shareholders may note the information provided by the Company.			
2.	Social- There is a material gap (more than 20%) in the median remuneration paid to male and female employees.	<i>As per our employees gender distribution, median remuneration paid to male and female employees is not the correct representation of pay distribution. Therefore, as a responsible organisation we track Average of Remuneration across all workforce level. We are proud to disclose that at non-management level "Average Women Salary" is higher than "Average Men Salary".</i>	<i>Printed page no-63 of Integrated Annual Report</i>
SES Comments: In BRSR, remuneration related information gender wise is available only as median remuneration. Accordingly, SES analyses the available information which is uniformly available. However, shareholders may take note of the above clarification provided by the Company.			
3.	Social- Occupational health and safety management system has not been implemented by the Company.	<i>Given that SBI Card operates in the service industry, the employees are not exposed to any hazardous situations. We acknowledge our responsibility to safeguard our employees from risk of harm during day-to-day business activities. As a result, we are committed to promoting the health and safety of our employees, contractors, customers, and suppliers by offering and</i>	<i>Printed page no-164 of Integrated Annual Report</i>



ESG REPORT

maintaining a secure work environment along with thorough wellness initiatives.

SES Comments: SES understand that for service industry not all parameters of health & safety practices are applicable. However, while analysing the health & safety parameters, SES analyses occupational health and safety management system considering safety system in place for workforce. Some of the peer companies have made disclosures on this parameter as well. Overall, on company's initiative scoring is already been done as per SES evaluation model. However, shareholders may note the information provided by the Company.

4. **Governance-** Remuneration paid to Independent Directors is not disclosed by the Company as required under SEBI LODR.

We responsibly disclose "Remuneration paid to Independent Directors as required under SEBI LODR." Page#14 of the Annual Return for FY2023-24 was inadvertently missed in the file uploaded on our website. The complete copy of the form is now available at the same link : [MGT-7-2023-24.pdf \(sbicard.com\)](https://sbicard.com/MGT-7-2023-24.pdf). Remuneration of all Independent Directors (IDs) are visible on the link. Sharing snapshot as below:

Pg 14, 15 of 49

SES Comments: SBIC has not disclosed remuneration details for some of Independent Directors, therefore, information could not be analysed. However, the Company has now updated the MGT-7 on its website, accordingly, the information on remuneration of all IDs is available for FY 2023-24. However, ideally, the disclosures should have been part of the Annual Report itself.

Since, the information is now available, SES has updated the remuneration section, and accordingly, there is change in score.



ESG REPORT

ANNEXURE

UNDERSTANDING SES ESG SCORES

ESG SCORE (ADJUSTED)				This section provides disclosure on change in ESG Score / Ratings (referred as “ESG Score”) compared to last financial year. The change would ideally be based on change in disclosure and performance on E&S parameters; and deviations in governance practices.			
2023	2024	YOY Change					
-	-	↑	↓				

ESG	FOOTPRINT	HIGH		MEDIUM			LOW	
	SCORE	90-100	80-90	70-80	60-70	50-60	40-50	0-40
	RISK	LOW		MEDIUM			HIGH	

ESG GRADE	A+	A	B+	B	C	D	E
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- **ESG Score** also referred as Final Adjusted ESG Score / Combined ESG Score: Score depicts final adjusted ESG Score of the Company (based on analysis on parameters under Environment, Social and Governance) with all adjustments.
- **ESG Grade:** ESG score is given in Numeric form out of 100 as also converted to “Alpha Grades”.

In Addition to the above, following additional Statutory Scores will also be given:

Core ESG Score: It analyses the parameters as identified / will be identified by the SEBI as part of CORE ESG Framework.

Parivartan Score: It analyses the quantitative parameters and reflects the incremental changes that the company has made in its transition story.

WHAT IS BEING SCORED? SES Model scores policy disclosures, targets set, adequacy of disclosure, initiatives taken and performance and for three factors viz. E S & G, through well researched questions (approx. 800+ direct or indirect questions), these questions are aimed to get binary answers based on disclosures made by a company. These binary answers are used to give section wise numerical score and then finally giving the company a grading. In order for model to work and reflect true picture, absolute precondition is that the relevant information or data on key ESG factors is disclosed properly.

SECTION WEIGHTAGE: A common question is how can you have same parameter for evaluating a mining company and a service company or a consumer product company?

Conscious of the fact that one size does not fit all, care was taken to ensure that proper rationale and logic is applied while assigning weightage between ESG factors in an objective manner. The weightage of Environment, Social and Governance factors in Model vary based on industry classification. While arriving at the weightage of each of the heads and sub-heads, the weightage of each of the sub-heads under the ‘Standards set by the Sustainable Accounting Standards Board’ and ‘SASB Materiality Map’ (SASB) were considered.

Based on SASB Standards and SASB Materiality Map, SES has determined the weightages, which varies from the industry to industry based on issues material to the relevant industry. It may be noted that **“SES licenses and uses the SASB Materiality Map® Disclosure Topics and SICS in ESG Work”**

For instance, a Chemical Industry has environment weightage has compared to a pure service company. For companies operating in a particular industry, following was the range of weightages:

ENVIRONMENT	SOCIAL	GOVERNANCE
15-40%	15-40%	35-45%
Varies from Industry to Industry		

RATING SENSITIVITIES: The factors mentioned in ‘Rating Sensitiveness’ refers to the factors that could have the potential to impact the ESG profile of the entity. These factors of environmental and/ or social and/or governance performance levels could trigger a rating change, upward and downward. However, there could be combination of other factors which may also trigger a rating change, upward and downward. The weightage of all factors is disclosed in summary section.



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EVALUATION MODEL - DYNAMIC

With various changes in Regulatory and Voluntary requirements in ESG space, SES has always considered the developments and incorporated them into the Model, i.e. SES Model is not static, rather it evolves and incorporate important & relevant developments from time to time. Therefore, when evaluation is done on modified or added parameters along with existing parameters, the scores of the Company may vary compared to previous year. For e.g. the score of a Company may get reduced due to non-meeting or responding to the newly added parameter.

However, with introduction of BRSR and various other ESG related developments & recommended & planned in phased manner by SEBI, SES expects that in next couple of years, ESG disclosures may settle down. Meanwhile, at present, with frequent changes in ESG space, SES has no choice but to adopt the developments so as to do meaningful evaluation & analysis. SES believes that evaluation cannot be done and if done will not be relevant/ useful if carried out on the basis of historical model. Since any change in model is agnostic to any company in particular, its impact is uniform across all companies.

OTHER TERMS:

- Raw Score:** The score arrived based on the pre-determined parameters set for the particular Industry based on SES Proprietary Model (without any exposure adjustments).
- Risk Exposure:** To determine the risk exposure of an Industry, SES has referred SASB Materiality Map or Materiality Finder. Based on the issue materiality information and inputs from SES, SES through its methodology has arrived at E&S Risk Exposure Score of a particular Industry. Based on the E&S Risk Exposure score, the ESG Score of the Company will be accordingly adjusted.
- Risk Exposure Score:** Risk exposure scores showcase the inherit E&S risk of the particulars industry. SES has based on its methodology and information available as per SASB Materiality Map have arrived at the E&S Risk Exposure Score. Lower the Risk Exposure, higher is the risk of E&S in that particular industry. For instance, finance industry will have High E&S Risk Exposure Score vs. chemical industry having low E&S Risk exposure score, indicating that risk in finance industry is lessor as compared to chemical industry.
- Controversy Exposure:** SES as a policy adjusts scores (negative adjustment up to 25% based on severity) of a factor whenever there is an extra-ordinary issue / concern, which is highly subjective, and cannot be covered under model evaluation i.e. raw scores. For instance, cases such material irregularities / negative controversy(ies) / regulatory action etc.

Note: Users may accept or ignore or reduce/increase the controversy adjustment score

INSTITUTION SHAREHOLDING VIS-À-VIS FREE FLOAT

Institutional Holding	GRADE*	Generally, it is expected that a higher Institutional shareholding would result in better Corporate Governance Practices due to stewardship activities of investors. To analyse the entry and exit of Institutional shareholders in a Company and to capture such triggers, SES has come up with Institutional grading criteria as given in the table. The grading criteria provides a higher grade in case the percentage of Institutional shareholding vis-a-vis free float is higher and vice versa.
More than 75%	A	
>50% to 75%	B	
>25% to 50%	C	
0% to 25%	D	

*Percentage is proportion of Public Institutional shareholding vis-a-vis Free float. Free Float is total shareholding reduced by Promoter and Non-Promoter Non-Public shareholding.

UNDERSTANDING SYMBOLS & TICK MARKS

ESG PERFORMANCE		
Quartile	Score	COLOR
1 st Quartile (Best Performance)	75-100	
2 nd Quartile	50-75	
3 rd Quartile	25-50	
Last Quartile (Poor Performance)	0-25	

Legends - Following symbols are used across this report to represent company's disclosures & practices:

✓	Criteria achieved/ Disclosures made
✗	Criteria not achieved/ No disclosure made
■	No analyses possible: Prerequisite disclosures not made (Negative Score)
■	Not applicable / Not scored

Note: In case the Company has not disclosed information (E.g. No Policy related disclosure), SES has considered it that it is not in practice (E.g. Policy is not prepared)



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Following are examples of 'Symbols' used to represent company's disclosures & practices:

Example 1: Energy Consumption

SALIENT PARAMETERS					
Total Energy Consumption		Energy Intensity		Disclosure on Conservation of Energy	
Total Energy Consumption disclosed for last financial year	✗	Energy Intensity disclosed for last financial year	✗	Steps taken disclosed for last financial year	✓
Total Energy Consumption reduced in last 1 year	■	Energy Intensity reduced in last 1 year	■	Steps taken disclosed for any 2 years (in last 3 years)	✓
Total Energy Consumption reduced for any 2 years (in last 3 years)	■	Energy Intensity reduced for any 2 years (in last 3 years)	■	Steps taken disclosed for last 3 years.	■

(For instance, listed in 2018 & only two-year Annual Report available)

CONDITION	SYMBOL
Steps or initiatives taken disclosed	✓
Consumption / Intensity data not disclosed	✗
Increased / Reduction / Decrease cannot be analysed as no data available	■
2-year reduction cannot be known as listed in 2018. No information was required to be disclosed.	■

Example 2: Fatalities / Injuries

SALIENT PARAMETERS	
Disclosed number of fatalities	✓
No fatalities in last 1 year	✗
Disclosed number of injuries	✗
No injuries in last 1 year	■

CONDITION	SYMBOL
Fatalities data disclosed	✓
Fatalities = 1 i.e. criterion not met for no fatalities	✗
Injuries data not disclosed	✗
Whether there are injuries or not could not be analysed	■

Example 3: Fatalities / Injuries

SALIENT PARAMETERS	
Disclosed number of fatalities	✓
No fatalities in last 1 year	✓
Disclosed number of injuries	✗
No injuries in last 1 year	■

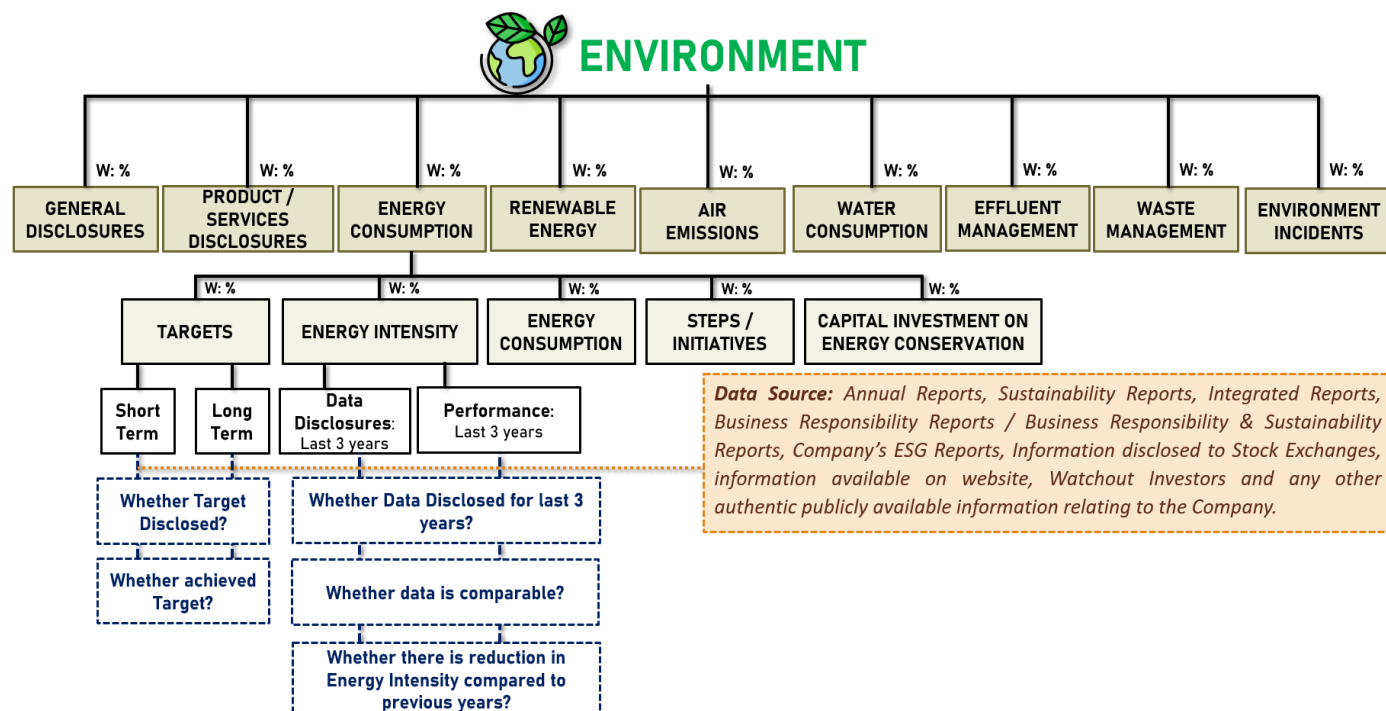
CONDITION	SYMBOL
Fatalities data disclosed	✓
Fatalities = 0 i.e. criterion met for no fatalities	✓
Injuries data not disclosed	✗
Whether there are injuries or not could not be analysed	■

Note: Above cited examples are just for reference purpose to understand presentation of symbols. Use of symbols largely depends on Company's disclosures practices.



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EXAMPLE: FLOWCHART FOR ARRIVING AT ENVIRONMENT SCORE



- The above example showcases salient parameters of Energy Consumption.
- Based on different Sectors / Industries, the weightage of a particular company is changed considering the level of ESG impact on that company being a particular Sector / Industry (E.g. Manufacturing Companies may have High weightage for E, whereas in case of finance companies, the same will be low)
- The category score is given based on various questions and parameters forming part of that category, in the scale of 0-100%.
- Weighted Score is calculated based on the weight given to each category [For Example: Category Score is 75, Weight is 20% then Weighted Score would be 15 (i.e. $75 \times 20\%$)]
- The sum of each Weighted Score represents the total score of that section / factors (viz. Environmental Factors / Social Factors / Governance Factors) [For Example: Weighted Score 1 = 15, Weighted Score 2 = 20 and Weighted Score 3 = 30, then total score for that Section / Factor would be 65]
- In case of any negative controversies, 25% shall be deducted.



SES ESG SCORES - INTENT AND CONSTRAINTS

SES ESG Model has been developed with utmost care, objectivity and diligence. Our intention is to bring to focus the importance of good ESG practices. SES understands that stakeholders take decisions based on multiple factors, ESG being an important factor. SES ESG scores alone cannot be used for decision to invest and are to be used as a supplement / an additional tool to help stakeholders to make a considered and holistic view about the company. SES ESG scores in isolation cannot be a predictor of company's future performance.

The scores are calculated from publicly available data and are dependent on information made available by company and taken as true in good faith. For instance – BRSR, Sustainability Reports, reports by Auditors, certificate of compliance of mandatory requirements and directors' statements and information as disclosed in Annual Reports is used as it is at its face value without any further cross verification for the scoring purpose. Independent analysts like SES ESG do not know the internal happenings of a company, nor do we have an inside view of the company's practices. It may be possible that while on paper based on available information everything might appear to be in order but in reality, there could be concerns plaguing the company or vice versa. It is beyond scope of our work, nor we possess such expertise to cross verify the public documents and / or visit the company to check its internal controls, checks and practices. Users may take a note of same and read our scores / ratings accordingly. Readers are requested to arrive at any judgement only after considering SES ESG score together with other research reports on issues. This will give a holistic view.

We would not recommend anyone to dwell too much into the meaning of ESG scores, as they are merely an indicator of the current ESG status of the company. We are not saying whether a company is good or bad. Yes, as time progresses, if the ESG Scores remains static for any company, we can say that the company is not striving to improve its ESG practices and would recommend stakeholders to question the management/ board to introduce better ESG practices. But, until such time, SES ESG scores should only act as a number and indicator of the potential for improvement rather than a standalone assessment of the company. Finally, as we progress from an emerging market to a developed economy, we need to grow and evolve continuously.

A near static ESG Scores year on year for any company/ industry or entire sample would indicate lack of concern/ focus for ESG, unless the score is already at top. SES ESG scores should only be seen as current assessment and indicator of the potential for improvement rather than a standalone assessment of the company. However, it may be noted that **ESG ratings / scores do not constitute recommendations to buy, hold or sell any securities**

DISCLOSURES

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SES ESG Research Pvt. Ltd. - SEBI ERP Registration No.: IN/ERP/Category-II/0002

SES ESG / Analyst conflict disclosure: No conflict

Research: Our analysis is based on public information available on website of the Company, its Annual Reports and disclosures to the stock exchanges.

Source: Annual Reports, Sustainability Reports, Business Responsibility & Sustainability Reports, Integrated Reports, Information disclosed to Stock Exchanges, information available on website, Watchout Investors, and any other authentic publicly available information relating to the Company.

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DISCLAIMER

It is strongly recommended that users read "understanding SES ESG Rating" in order to understand the concept of our ESG scoring.

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