

Business Responsibility Report

This Business Responsibility Report of the Company for the financial year 2020-21 forms part of this Annual Report, pursuant to regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the “Listing Regulations”).

The Business Responsibility Report demonstrates the Group’s commitment towards sustainability as a business imperative and covers the operations of the Company and the companies belonging to the JM Financial Group. The Business Responsibility Report of the Company is also available on its website at <https://jmfl.com/annual-report>

Section A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company	L67120MH1986PLC038784
2	Name of the Company	JM Financial Limited
3	Registered office address	7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025
4	Website	www.jmfl.com
5	E-mail id	ecomunication@jmfl.com
6	Financial year reported	April 1, 2020 to March 31, 2021
7	Sector(s) that the Company is engaged in (industrial activity NIC code-wise)	Investment Banking Services – 66190 Management of other investment funds – 66309 Activities of holding companies – 64200

8. List three key products/services that the Company manufactures/provides (as in balance sheet)

JM Financial Limited (the “Company”) is a SEBI Registered Category I Merchant Banker and acting as the Manager to the Private Equity Fund. The Company is engaged in assisting corporates in fund raising as an investment bank, providing advisory services in equity and debt capital markets, mergers and acquisitions advisory, private equity syndication, corporate finance advisory business and private equity fund management.

The Company continues to own substantial/controlling equity interest in various subsidiary companies. The Company and its subsidiaries are engaged in the following businesses:

- Investment Banking, Wealth Management and Securities Business (IWS) which includes fee and fund based activities for our clients;
- Mortgage Lending which includes both wholesale mortgage lending and retail mortgage lending (home loans, education institutions lending and LAP);
- Distressed credit which includes the asset reconstruction business; and
- Asset Management which includes the mutual fund business.

9. Total number of locations where business activity is undertaken by the Company

Number of National Locations:

As on March 31, 2021, the Company and its subsidiaries had their presence in 76 locations across 11 states and two union territories in the country.

International Locations:

The overseas subsidiaries of the Company have presence in

- Mauritius;
- Singapore; and
- United States of America.

Additionally, the Company also has a representative office in Dubai, namely JM Financial Overseas Holdings Private Limited (DIFC Representative Office).

10. Markets served by the Company (Local/State/National/International)

The Company and its subsidiaries serve the customers in India and in the international market.

Section B: Financial details of the Company (As on March 31, 2021)

1	Paid up Capital (INR)	₹ 95,27,22,711
2	Total Turnover (INR)	Standalone: ₹ 374.41 crore Consolidated: ₹ 3,226.63 crore
3	Total profit after taxes (INR)	Standalone: ₹ 175.23 crore Consolidated: ₹ 590.14 crore
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	The Company has spent ₹ 1.24 crore towards CSR activities, being 2% of its average net profits for the preceding three financial years calculated in accordance with the provisions of section 198 of the Companies Act, 2013 (the “Act”). Out of a total CSR spend of ₹ 1.24 crore for the financial year 2020-21, the Company spent a sum of ₹ 1 crore by way of contribution to PM CARES Fund for Covid-19 relief and the balance amount of ₹ 0.24 crore has been contributed on education.
5	List of activities in which expenditure in 4 above has been incurred.	The list of activities, as per schedule VII to the Act, on which CSR expenditure was incurred:
	Category	(₹ in crore)
	PM CARES Fund – Covid -19	1.00
	Education	0.24

Section C: Other Details

1	Does the company have any subsidiary company/ companies?	Yes; Fifteen (15) subsidiary companies.
2	Do the subsidiary company/companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes; Fifteen (15) subsidiary companies.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No.

Section D: Business Responsibility Information

1. Details of director/directors responsible for Business Responsibility

a.	Details of the director responsible for implementation of the Business Responsibility policy	Mr. Vishal Kampani Managing Director DIN: 00009079
b.	Details of the Business Responsibility head	Manish Sheth Group Chief Financial Officer DIN: Not applicable since he is not a director of the Company. Telephone Number: 91-22-6630 3030 Email id: manish.sheth@jmfl.com

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

National Voluntary Guidelines (NVGs) on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs stipulates the nine principles as mentioned below:

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3: Businesses should promote the well-being of all employees.

P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5: Businesses should respect and promote human rights.

P6: Business should respect, protect, and make efforts to restore the environment.

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8: Businesses should support inclusive growth and equitable development.

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

The principle wise responses are given below:

Sr. No.	Questions	Business Ethics and Transparency	Product/Service Responsibility	Well-being of Employees	Responsibility towards Stakeholders	Human Rights	Environmental Responsibility	Policy Advocacy	Inclusive Growth	Engagement with Customer
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for:	Yes	No (Refer Note 1)	Yes	Yes	Yes	No (Refer Note 2)	No (Refer Note 3)	Yes	Yes
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Yes	-	Yes	Yes	Yes	-	-	Yes	Yes
3.	Does the policy conform to any national/ international standards? If yes, specify?	Yes [*]	-	Yes [*]	Yes [*]	Yes [*]	-	-	Yes [*]	Yes [*]
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Yes	-	Yes	Yes	Yes	-	-	Yes	Yes
5.	Does the company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Yes	-	Yes	Yes	Yes	-	-	Yes	Yes

Sr. No.	Questions	Business Ethics and Transparency	Product/Service Responsibility	Well-being of Employees	Responsibility towards Stakeholders	Human Rights	Environmental Responsibility	Policy Advocacy	Inclusive Growth	Engagement with Customer
		P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Indicate the link for the policy to be viewed online?	(Refer table 1 below)	-	#	(Refer table 1 below)	#	-	-	(Refer table 1 below)	#
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes [#]	-	Yes [#]	Yes [#]	Yes [#]	-	-	Yes [#]	Yes [#]
8.	Does the company have in-house structure to implement the policy/policies	Yes	-	Yes	Yes	Yes	-	-	Yes	Yes
9.	Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes	-	Yes	Yes	Yes	-	-	Yes	Yes
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? (Refer Note 4)	Yes	-	Yes	Yes	Yes	-	-	Yes	Yes

* All policies have been formulated in accordance with the applicable laws and regulations and after considering the best practices adopted by the industry.
These policies of the Company are internal documents and are not accessible to the public. These policies have been uploaded on intranet portal of the Company which is accessible, inter-alia, by the employees of the Company.

Notes:

- The core business area of JM Financial Group is to provide financial services and hence this principle has limited applicability. JM Financial Group, however, strives to comply with all the applicable regulations in respect of its operations.
- Considering that JM Financial Group operates in financial services sector, Principle - 6 may not be strictly applicable. JM Financial Group complies with applicable environmental regulations in respect of its premises. JM Financial Group along with its employees takes initiatives to reduce consumption of energy and also makes continuous efforts to ensure that there is an optimum utilisation of the available resources with minimum or no wastage at all.
- JM Financial Group entities are the members of various industry associations, through which they provide various suggestions with respect to healthy development of financial market.
- Policies and processes are subject to internal audit and internal reviews from time to time.

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Table 1

Name of the Policy	Web link
Code of Conduct for Board Members & Senior Management	https://jmfl.com/investor-relations/Code_of_Conduct_Directors_Senior_Management_Personnel.pdf
Whistle Blower Policy	https://jmfl.com/investor-relations/Whistle_Blower_Policy.pdf
Corporate Social Responsibility Policy	https://jmfl.com/investor-relations/CSR_Policy.pdf
Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information	https://jmfl.com/investor-relations/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_Upsi.pdf

3. Governance related to Business Responsibility ("BR")

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

Annually.

(b) Does the company publish a BR or sustainability Report? What is hyperlink for viewing this Report? How frequently it is published?

Yes, the Company publishes the BR report annually. The Company's BR report for the financial year 2020-21, forms part of this annual report which is available on the website of the Company at <https://jmfl.com/annual-report>

Section E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

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

Yes; it covers the Company as well as its subsidiaries and other Group companies. The Group conducts its business with utmost integrity. Integrity is imbibed in our working culture and is non-negotiable. It considers ethics, transparency and accountability to be its most important operational priorities and these are ingrained into its practices across the organisation. The Group is committed to act professionally, fairly and with integrity in all our dealings. We have developed various policies and processes, which facilitates transparency, zero-tolerance approach to bribery and corruption in all our dealings while maintaining ethical behaviour. We have developed governance structures, procedures and practices that ensures ethical conduct at all levels. We maintain transparency in all our dealings and also

discharge our responsibility while disclosing financial and other mandatory disclosures.

The Board of Directors has approved and adopted the following:

- Code of Conduct for Directors and Senior Management which is available on the website of the Company viz., https://jmfl.com/investor-relations/Code_of_Conduct_Directors_Senior_Management_Personnel.pdf
- A separate set of Code of Conduct applicable to all the employees at the Group level, governs the conduct of the employees, inter alia, including the following:
 - Ethical behaviour at the work place;
 - Employee trading policy, which also deals with insider trading regulations;
 - Intellectual Property Protection; and
 - Gifts to and from clients, suppliers and others.

Though JM Financial Group's policies currently do not apply to external stakeholders such as suppliers, contractors, NGOs, etc., the Group emphasises on adherence to ethical business practices while dealing with all the stakeholders.

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

The Company had received two complaints from its investors/ shareholders mainly relating to their equity shares and dividend, which have been satisfactorily resolved and nothing was pending as on March 31, 2021. The Company has more than 60,000 shareholders and most of its shares are held by them in electronic form. The Company did not receive any complaints during the last financial year from any other stakeholder.

During the year, the Company or its subsidiaries did not receive any complaints from its employees.

The Company and its Group entities have a fair and transparent mechanism to deal with the complaints, if any, from their investors, shareholders, debenture holders, customers or other external stakeholders. The respective business leaders efficiently and satisfactorily deal with the complaints, if any, received from the above categories of persons. On these lines, the complaints of the above persons, if any, are being effectively resolved by the management to their satisfaction.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

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

Considering the nature of business of JM Financial, the questions mentioned in this Principle 2 are not applicable. However, JM Financial through its service products such as affordable housing loans, education institutions lending, etc., is contributing positively to the socio-economic development.

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

Not applicable as JM Financial is an integrated financial services group.

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Not applicable.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not applicable. However, owing to the lockdown and majority of the employees working remotely from their residences, during the significant period of the financial year 2020-21, we have seen a huge reduction in the usage of energy and water resources at our office premises.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Not applicable.

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

Not applicable.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Not applicable.

Principle 3: Businesses should promote the wellbeing of all employees.

At JM Financial, we believe in investing our efforts towards employees' wellbeing. Building and enhancing the talent pool has always been a top priority initiative. We have adopted various policies, procedures, manuals and conducted various online training programs, throughout the year, for the protection and welfare of the employees.

Work-Life Balance: JM Financial promotes work-life balance. Although most of the staff have been working remotely from home, the employees are encouraged to have safe and balanced work life. Employees falling under essential services group, were only attending offices as per their choice with due precaution and care.

Leaves: Our leave cycle is from 1st April to 31st March. In case an employee has not availed of annual leave during a particular year, the leave(s) can be carried forward to December of the succeeding year. The leave categories are:

- Earned Leave: Annual leaves
- Sick Leave: 7 working days and is need based
- Marriage Leave: 5 working days, within 3 months of the date of marriage
- Maternity Leave: Paid Maternity Leave of 6 calendar months
- Paternity Leave: 5 working days
- Compassionate Leave: In case of death of any immediate family member, 3 working days of paid Compassionate Leave is extended to all employees, within 15 days of that event
- Medical Care Leave: Sick Leaves exceeding 7 days in a year, are approved under exceptional circumstances (such as hospitalization of employees) and considered as Medical Care Leave.

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Apart from the above standard leaves, we also introduced Covid Care Leave.

Covid Care Leave: Any employee who tests Covid-19 positive can apply for leave under this leave category. As the impact of this infection varies on a case to case basis, number of leaves one can avail has not been stipulated. Number of days of leave that can be availed by the employees vary depending on the severity of the case.

Celebrations: At JM Financial, we firmly believe that celebration is a part of our work culture. Festivals bring employees closer and help improve work relationships. Several occasions are celebrated including Diwali, Christmas, International Yoga Day, Father's Day, Mother's Day, Family Day, Friendship Day, Independence Day, Earth Day, Navratri, Children's Day, Boss Day, Republic Day, Women's Day, Men's Day, Photography Day, Mountain Day, Holi etc. During the pandemic, all the above festivals were celebrated online with employees joining the video calls through Microsoft Teams or such other platform.

During the pandemic, we ensured that employees stayed in touch with each other. Employees have regular team meetings on Microsoft Teams platform – for work discussions, birthdays, work anniversaries, deal closure celebrations and general catch ups over video calls. Managers held virtual coffee-break sessions to connect with their team members.

During the lockdown/Work From Home arrangement, we introduced something called as Chai pe Charcha (Virtual Coffee), where we encouraged team leaders / department heads to organize online chai pe charcha meetings on various platforms like Microsoft Teams, Zoom, Google Meet, etc. Various teams got together and had virtual interactions apart from working with their teams.

Employee Engagement Activities: The idea of engagement activities is to enable employees know each other better and encourage team building. Several activities such as Workshop on Organic Farming, Energy Conservation, Appreciation Week, All India Corporate Photography Contest 2020, #MyWorkfromHome, etc., were planned for employees to participate.

Other Initiatives:

Annual Business Meet: In regular course, business-specific off sites are organized. This year, 'Dwello', a real estate consultancy business, had a business meet where all team leaders had an Offsite with the motive of ensuring that employees participate in team building exercise, interaction with the Senior Leadership to know more about the business strategies and the core expectations to attain the Company's goals.

Health and Awareness:

Virtual Sessions: Online sessions like 'Ayurveda practices for respiratory health and immunity', Chair Yoga, Winter Yoga, etc. were also conducted. We introduced an app called 'Mindhouse' which was free for three months for employees from August to November, 2020. The app had various yoga sessions, sessions on handling and managing stress and anxiety, sessions to improve focus, recorded sessions of guided meditation, and guided sleep meditation, sessions on calming the mind and boosting productivity. Many employees enrolled in the free app and took benefit of the same.

Onsite & Virtual Doctor Consultation: We also organised periodical doctor consultation available on call.

Fitness Month: We initiated the Fitness month in September, 2020 called #BeJMFIt, where every week we shared a fitness bingo with employees and encouraged employees to engage in fitness activities. A session on sustainable living was also organised to share and learn methods of sustainable living in everyday life.

Insurance Coverage: JM Financial offers competitive benefits package, designed to meet the varying needs of its employees. These benefits are an integral part of the Company and provide employees and their families valuable protection, during their employment with JM Financial.

Annual Health Check-ups: JM Financial employees are eligible for an Annual Health Check-up, depending on the age group.

Sports Club: We have set up JM Financial Sports Club with the objective of creating a platform for employees to get-together and enjoy various sporting activities, foster a habit of team-work and healthy competition, by using sports as a medium, promote a healthy work-life balance and an opportunity to de-stress by active engagement in sports. This creates the sense of belonging. Usually, annual events for cricket championships and football tournaments are organised each year, but due to Covid-19 pandemic, no such sports activity could be undertaken during the year for safety and security of the employees.

Online Learning and Development: Training is necessary for the employees' development and progress, this motivates them to work not only at an individual level but also at an organisational level. We have an environment supporting continuous learning.

With changing times, we moved our learning and development to online platform. We have an e-learning platform – iLearn – a one stop destination for all our training requirements. iLearn is a blend of

- Online technical and behavioural courses (Online Trainings) which are hosted on the platform. Courses were decided basis the training requirement of employees. These training modules are micro video based lessons.
- External faculty trainings are conducted and employees are given opportunities to develop their skills.
- We have promoted open programs conducted by employees of the organization, who share their knowledge and expertise on subject matters (Knowledge Community).
- Employees are also enrolled for seminars and job related trainings, arranged by specialized centres (Seminars and Workshops).

During the pandemic, this platform (iLearn) proved to be a boon for JM Financial. Employees were encouraged to learn from the comfort of their homes, since we were not able to conduct classroom trainings. Employee-wise LFH (Learn from Home) calendar was chalked out for employee development.

We facilitated Virtual Trainings/Webinars/Online Trainings, which were shorter than usual and more convenient for employees to attend.

Wellbeing and Safety: For us, the health and safety of all our employees is of utmost concern and priority. During the Covid-19 pandemic, measures were taken to ensure that employees and their families are safe. Employees were constantly being communicated and updated about the developments of the pandemic, Government guidelines, dos and don'ts and measures that the Group had taken. All offices were fumigated, sanitary equipment was made available, work from home facility was provided, IT infrastructure was provided and HR business partners were constantly in touch with the employees to ensure their safety. While the employees 'Worked from Home', they were also encouraged to 'Learn from Home'.

1. Please indicate the total number of employees.

As on March 31, 2021, we had 1,978 permanent employees across all our business verticals and entities.

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

Apart from the total number of employees as stated above in point no.1, the Group had 586 temporary/contractual/casual employees as on March 31, 2021.

3. Please indicate the number of permanent women employees.

The Group had 412 permanent women employees as on March 31, 2021.

4. Please indicate the number of permanent employees with disabilities.

As on March 31, 2021, the Group had one permanent employee having disability.

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

The Group does not have any employee association.

6. What percentage of your permanent employees is member of this recognized employee association?

Not applicable.

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

JM Financial Group does not engage child labour/forced labour/involuntary labour and does not adopt or allow discriminatory employment practices.

Sr. no.	Category	Number of complaints filed during the financial year 2020-21	Number of complaints pending as on March 31, 2021
1	Child labour / forced labour / involuntary labour	Not applicable	
2	Sexual Harassment	None	
3	Discriminatory employment	Not applicable	

8. What percentage of your work force mentioned below were given safety and skill up-gradation training in the last year?

The details of training provided during the financial year are as follows:

Safety Training:

(a)	Permanent employees	No physical trainings were provided during the year, in view of lock down arising as a result of Covid-19.
(b)	Permanent women employees	
(c)	Casual/Temporary/Contractual employees	
(d)	Employees with disabilities	

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Skill Upgradation:

(a)	Permanent employees	67.4%
(b)	Permanent women employees	23.1%
(c)	Casual/Temporary/Contractual employees	100%
(d)	Employees with disabilities	100%

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the company mapped its internal and external stakeholders?

Yes.

Since the Company and its subsidiaries engage with various stakeholders on an ongoing basis viz., employees, customers, clients, investors, shareholders, government and regulatory bodies, business associates, media, social organisations, etc., the process of mapping of the stakeholders is an ongoing exercise and is conducted on regular basis.

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

Yes.

The Group works in remote rural and tribal areas of Bihar, Jharkhand and Maharashtra under the aegis of Integrated Rural Transformation Programme by way of its CSR (Corporate Social Responsibility). Central to this approach is identifying the community to be served and its specific needs, aspirations and potential. Therefore, prior to conceptualizing any initiative or project - short-term or long-term, the Group undertakes systematic community and household/family level assessments to ensure that the target group intended to be served, are the actual, deserving beneficiaries of the initiative underway. These assessments to identify the right recipients of programme/project benefits include sociological research methods, data evaluations-both primary and secondary, historical perspective studies to understand past experiences in a given thrust area as well as technical studies related to life essentials such as livelihoods, water, food, climate, and so on. Further to these assessments, the data gathered is then verified with government and other public authorities along with well-informed individuals and groups at the village, *panchayat*, block or district levels, as applicable.

In FY 2020-21, our lives and functioning have been hampered greatly, with Covid-19 and its ensuing

lockdown. While our long-term projects have struggled and managed to deliver their best, we also undertook relief initiatives across the country with the help of the ground-level data and information through and in collaboration with other good samaritan organizations and individuals.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, marginalised stakeholders?

The Group undertakes its CSR in areas where not many are able to reach. While some of our projects have a pan-India reach, our work is primarily undertaken in Jamui district of Bihar, Giridih district of Jharkhand and Palghar district of Maharashtra. Within these districts, initiatives aimed at long-term socio-economic/health/education/livelihoods development are undertaken basis our engagement with and assessment of disadvantaged, marginalized communities. Our ultimate beneficiaries largely belong to Scheduled Caste, Scheduled Tribe and Other Backward Caste categories, who have hitherto, not been able to access their full potential and entitlements.

Beyond CSR, the Group also undertakes philanthropic initiatives year on year, in order to support often overlooked causes and beneficiaries, warranting change and development in the focus areas of education, health, sports development, animal welfare and disaster relief.

Principle 5: Businesses should respect and promote human rights

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

Respecting and understanding the human rights and addressing the potential human rights violation is important responsibility of any organisation. The Group has adopted several policies viz., Code of Conduct, Equal Opportunities Policy, Policy against Sexual Harassment, Whistle Blower Policy, Disciplinary Policy, etc., which assists in ensuring that there is no violation of human rights in its conduct – externally or internally.

The Group adheres to the statutes which embody the principles of human rights such as non-discrimination, prevention of child labour, prevention of sexual harassment, equal employment opportunities, etc. The Group is committed to a work environment in which all individuals are treated with fairness, respect and dignity. Persons not directly connected to the Group viz., outside vendors, consultants, suppliers or clients are also expected to comply with principles of human rights in all respects.

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

During the financial year 2020-21, no complaints regarding human rights violations were received.

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

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

The Company does not have specific policy relating to Principle 6. However, the activities mentioned in Principle 6 are laid down in the Corporate Social Responsibility Policy of the Company and its subsidiaries to which the same is applicable.

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

Yes.

JM Financial Group constantly endeavors to reduce its impact on the environment and identify ways to optimize resource consumption. To ensure that there is a minimum impact, it has undertaken initiatives like reduction of paper usage, maintenance of electronic data and records, reduction in usage of plastic bottles for drinking purposes, etc. Additionally, the Group strives towards imbuing green sustainable products, processes, policies and practices. We promote cost efficient environment-friendly measures and build awareness and consciousness of our environment among employees. Our offices have been designed such that they are equipped with energy efficient air conditioners, LED lights and other energy conservation measures. Various measures are taken to reduce the consumption of electricity by installing energy efficient equipment in our office premises.

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

No.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

JM Financial Group makes conscious efforts towards managing and conserving valuable environmental resources in various ways, however there is no direct project related to clean development.

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

We promotes ecological sustainability and has taken several measures to minimise our environmental impact cause due to various factors. Also, we have moved to digitalisation platform wherein we save on paper and stationery. E-waste is disposed of in an appropriate manner.

The above actions of the Group has contributed and continues to contribute towards saving environment by reduction in usage of resources.

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

Since the Company is not a manufacturing entity, the above question is not applicable.

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

No show cause or legal notices from CPCB/SPCB have been received during the financial year 2020-21 and were not pending as at the end of the financial year.

Principle 7: Businesses, when engaged in influencing people and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:

JM Financial Group entities are member/s of many industry bodies and trade associations such as:

- Confederation of Indian Industry;
- Bombay Chamber of Commerce and Industry;
- Federation of Indian Chambers of Commerce and Industry;
- IMC Chamber of Commerce & Industry;
- The Chamber of Tax Consultants;
- Association of Investment Bankers of India;
- Association of Mutual Funds of India;
- Association of ARCs in India;
- Financial Intermediaries Association of India;
- Young Presidents' Organisation;
- The Associated Chambers of Commerce & Industry of India;

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- The Council of EU Chambers;
- Association of National Exchanges Members of India;
- BSE Brokers' Forum;
- The Indian Private Equity & Venture Capital Association.

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

The Group believes that it is its responsibility to help build a better business environment and thus a better world with opportunities for everyone. The Group through various associations and trade bodies provide suggestions with respect to development and regulation of financial services sector. Some of the employees of the Group including senior management are members of various committees constituted by regulators and industry bodies.

Principle 8: Businesses should support inclusive growth and equitable development.

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

Yes.

The Corporate Social Responsibility (CSR) initiatives of the Company and its subsidiaries (to the extent applicable) are governed by its CSR Policy uploaded on the Company's website viz., https://jmfl.com/investor-relations/CSR_Policy.pdf. This policy upholds the vision for inclusive growth and equitable development, which in turn direct our CSR to be executed under the larger aegis of *Integrated Rural Transformation Programme*. Our CSR projects are primarily implemented by JM Financial Foundation – the CSR and philanthropic arm of the JM Financial Group, while some others are implemented in partnership with external organizations. Since the year was ruled by the devastating Covid-19 pandemic for mankind as a whole, our Company and its subsidiaries went beyond their established projects to undertake and support relief and welfare causes for those most affected. During the year, the Group continued its ongoing efforts at grassroots development with its long-term projects in the states of Maharashtra, Bihar and Jharkhand. We initiated a new scholarship support project for students from weaker socio-economic backgrounds and contributed towards a national disaster relief fund.

Given below is a brief account of the details pertaining to the said projects and initiatives implemented and supported by the Company:

Covid-19 pandemic – Relief and welfare initiatives

The Company as well as the JM Financial Group has always been proactive in responding to disasters and contributing towards relief and rehabilitation efforts. This time being no different, we undertook a series of relief initiatives through JM Financial Foundation as well as in collaboration, from the beginning of the pandemic and its ensuing lockdown.

Given below is a brief description of these initiatives from April 2020 to March 2021:

- Supported the re-development and re-operationalization of a 114-bed Covid-19 dedicated healthcare facility in Mumbai. The same hospital was also provided with six adult ventilators to cater to increasing patient numbers.
- Contributed 11 Truelab™ Micro PCR Covid-19 testing machines to the state of Bihar, which are now in use in district hospitals and medical colleges across 10 districts.
- Supported the frontline health workers of a dedicated Covid-19 hospital in Mumbai with 1,000 PPE kits.
- Distributed 1,000 dry grocery kits to families in flood-wrecked East Champaran and Darbhanga districts of Bihar.
- Set up and ran four live community kitchens across four villages of Jamui district, Bihar, for 46 days, serving over 1.55 lakh one-time, nutritious meals.

New CSR projects initiated and supported in FY 2020-21

- JM Financial Scholars Programme** – In a collaborative effort with other contributing entities from the JM Financial Group, the Company contributed towards an inclusive education initiative to offer scholarships to students from weaker socio-economic backgrounds, pursuing their under-graduation in Liberal Arts and Sciences at Ashoka University, Haryana.
- Contribution to PM CARES** – To strengthen the country's fight against the Covid-19 pandemic, the Company contributed towards the Prime Minister's Citizen's Assistance and Relief in Emergency Situations (PM CARES).

Ongoing long-term CSR projects

- Maharashtra** – In the state of Maharashtra, we have been working in seven villages of Mokhada block of Palghar district, by way of the Integrated Village Development Project, undertaken through a tripartite project Public Private Partnership (PPP) agreement by and between the Office of the Collector and District Magistrate, Palghar,

JM Financial Foundation and Deepak Foundation. Over the past two years since its commencement, the project has been working in the areas of – agriculture and allied activities, water-irrigation and sanitation, increasing community access to public entitlements and improving education outcomes.

- Agriculture and allied activities** - The farmers of our project geography are engaged primarily in subsistence farming, comprising cultivation of staples. Our approach therefore, entails increasing their knowledge on advanced agri-inputs and techniques, providing them with inputs and handholding them to production and gainful post-production returns. This year, we trained a total (cumulative) of 265 farmers in the cultivation of jasmine, sweet potato, kitchen gardening, cashew and mango cultivation among others. In terms of agri-inputs to farmers, our project supported - 50 farmers with 70,000 chili saplings, 60 farmers with 5 kg chickpea seeds, 100 families with 100 mini vegetable seed kits, 42 farmers with a vermibed each, 50 farmers with 350 fruit saplings and 18 of last year's Systematic Rice Intensification (SRI) technique paddy farmers to once again cultivate paddy using this technique.

- Water-irrigation and sanitation** – In the space of water conservation and enhanced irrigation practices, our project facilitated the digging of 1,787 Continuous Contour Trenches (CCTs) in addition to the 1,073 dug last year.

- Increasing community access to public entitlements** – This project is premised on making farmers and their families aware of the government schemes and programmes that they're entitled to, but of which they have little to no awareness. Since inception, our project has been running two community helpdesks at the level of two Gram Panchayats, in order to educate the project beneficiaries on the said rights and entitlements and handhold them through each process of applying for them and receiving the benefits thereof. This year, we set up a third helpdesk at the block/taluka level, in order to reach out to the larger community in Mokhada and facilitate their entitlements as well.

Doing this has resulted into convergence with the agriculture, social welfare, water and sanitation, Panchayati Raj, Integrated Child Development Scheme and tribal development departments for actual benefits accrued to our farmers.

- Improving education outcomes** – In an attempt to improve education facilities for tribal children in Ase Panchayat, Mokhada, our Group has undertaken and supported an Ashramshala Infrastructure

Support Project for an aided Ashramshala. This project entails renovation of the existing school's building, construction of a new school building for grades 1 to 4, toilet blocks for girls/women and boys/men and four rainwater harvesting structures, all spanning a total construction area of over 9,200 sq. ft.

- Bihar** – In the state of Bihar, the Group by way of JM Financial Foundation has been working in Chakai, Jhajha and Sikandra blocks of Jamui district – an aspirational district identified by the NITI Aayog. The long-term ongoing projects suffered a setback owing to the pandemic, but continued their existence and implementation too, to the best extent possible. Given below is a brief on our projects in implementation in this region:

- Project Bachpan** – Our five pre-school learning centers, reaching out to 120 children (age 3 - 6 years) continued their functioning up until the lockdown imposed in March 2020. For six months, our children (existing 120 along with 44 new admissions) stayed home, and unfortunately suffered a big gap in their learning, nutrition and holistic development.

In the month of September 2020, when the situation with the pandemic started to allow for some amount of movement, we initiated Project Bachpan - सेंटर से घर तक (Hindi for *from center to home*) – a home-based learning initiative.

From here on, mothers who had themselves had little or no education, assumed the role beyond being primary caregivers and became their children's teachers. With the help of weekly orientations, simple activity-based lesson plans and a take-home kit for each child comprising learning material and books, our project reinitiated children's learning process and took constructive steps to ensure continuity in their learning once again.

- Project Integrated Livelihoods Development Centers (ILDCs)** – Aimed at enhancing cattle management practices, improving cattle breed and yield, this project is a long-term initiative to enhance cattle rearers' livelihoods across Chakai, Jhajha and Sikandra blocks. The ILDC project was initiated in January 2018 with 21 ILDCs set up across the said blocks.

These ILDCs have since then been run by 21 rural youth trained intensively to provide para-veterinarian and cattle breed upgradation services to the farmers, round the clock. These youth, known as *Gopals* have been providing services such as deworming, deticking, vaccination, first aid, infertility treatments and green fodder plot development in this largely dry region.

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With the pandemic lockdown, this project suffered a minor setback, but our *Gopals* kept up with every service they were able to provide. During the year, our ILDCs functioning has helped the farmers and their cattle with 30,216 deworming rounds, 28,916 de-ticking rounds, 1,900 cattle vaccinations, 7,979 rounds of first aid treatment, 170 green fodder plots, and 60 cattle health camps.

All of these services along with 319 farmer meeting sessions, regular field intervention and handholding in cattle care has led to the birth of 1,768 calves of improved breed.

- iii) **Shri Vardhman Dugdhalay** – The Shri Vardhman Dugdhalay (Dairy project) was inaugurated in January 2020 as an offshoot to the ILDC project, with an objective of scaling up the latter's outcomes enhancing unreached local cattle-owning farmers' livelihoods. The project is modelled to run through 10 Milk Collection Centers (MCCs) identified and equipped to aggregate and supply milk on a daily basis, which is then transported to the ultimate bulk milk buyer. Yielding to the global pandemic, our dairy project had to shut operations shortly after initiating them in the month of February 2020, and resumed cautiously only by mid-September 2020. Up until the end of FY 2020-21, the project operations have culminated into over 68,000 litres of milk being supplied and the farmer pourers being paid their dues accordingly.
- iv) **Shri Vardhman Mahila Griha Udyog** – The Shri Vardhman Mahila Griha Udyog is a small-scale, kitchen-based production unit, set up in December 2018 and running steadily ever since. This unit, run by and with 18 women members was set up after training 16 women over 20 days in Palitana – Bhavnagar, Gujarat, in the skill of making and selling khakhra (a crispy Indian round, roasted, whole-wheat flatbread snack). This unit deploys the women members' *khakhra*-making skills daily and pays them a monthly stipend basis their quality pieces produced.
- v) **Adarsh Gram (Model Village) Development Project** – The Model Village Development Project was initiated in March 2018 as a long-term, intensive rural development project to facilitate comprehensive rural development harnessing available natural resources, village capacities and government schemes to convert 15 identified remote villages into self-reliant ones. Given the pandemic and the national lockdown, the field initiatives under this project could primarily intervene in areas related to agriculture during the year.

As part of its learning inputs to farmers for adoption of improved agriculture practices, the project managed to train 740 farmers through four large knowledge building events combining theory and practical exposure. Alongside, 102 farmers were provided with seeds for cultivating nutrition gardens, 61 were provided with fruit plant saplings to raise orchards and 32 farmers were provided with vermibeds as a continued effort from last year towards organic farming.

- vi) **Shri Vardhman Nidaan Seva** – The Company through the Foundation, initiated its first own healthcare initiative through a mobile health unit, under the name – Shri Vardhman Nidaan Seva. The project has been undertaken with the primary objective of addressing preventive and curative healthcare knowledge, attitudes and practices among rural and tribal communities residing in backward villages of Khaira and Sikandra blocks in Jamui district, Bihar. Even though it began in the midst of the pandemic in December 2020, the project has been able to treat 5,812 patients over 69 days of serving communities in over 14 villages.
- C) **Jharkhand** – The Group has been working in the aspirational district of Giridih in the state of Jharkhand since April 2017 in the space of strengthening public and community healthcare. In this region, we have implemented two long-term projects in Dumri and Pirtand blocks, reaching out to some of the most unreached communities in difficult terrains.
 - i) **Project First Referral Unit (FRU)** – Project FRU was undertaken in a tripartite PPP model by and between the Jharkhand Rural Health Mission Society, Deepak Foundation and JM Financial Foundation, with the core objective of strengthening maternal and child healthcare services at the Community Health Center (CHC) in Dumri block. The project was undertaken for a period of three years and concluded in June 2020 after a three months' extension owing to the pandemic. Through our intervention, the project was able to strengthen existing medical staff's capacities and bring on-board qualified medical professional, install and streamline service delivery standards and procedures, thereby improving regular healthcare service delivery. Our actions and constant liaison with the government authorities resulted into the first and only New Born Stabilization Unit (NBSU) being made operational, and facilitated to the extent of being able to save 318 critical new born babies. During the reporting period, the project also received the prestigious 18th FICCI (Federation of Indian Chambers of Commerce & Industry) Award in the field of healthcare.

- ii) **Project Mobile Health Unit (MHU)** – Our MHU completed three years of daily OPDs being provided to tribal and rural communities at their doorsteps. While in the initial two years the MHU had served 24 villages, we narrowed down our focus to 14 most deserving villages of the aforementioned two blocks in the third year, in order to provide more streamlined primary preventive and curative healthcare services. Adhering to norms of sanitation and social distancing, the MHU has catered to over 13,000 OPDs during the year, across general, dermatological, gastrointestinal, respiratory and musculoskeletal categories.

- D) **One-time CSR Project Support** – The Group has supported the medical facilities and equipment for addressing early childhood and infant care at a new, upcoming private hospital in the state of Gujarat.

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

The programmes and projects supported by the Group are primarily undertaken by JM Financial Foundation – the CSR and philanthropic arm of the JM Financial Group with some others being implemented in partnership with other external organizations/institutions. The Group has a CSR function/department looking after the entire gamut of operations and support for these programmes and projects.

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

An impact assessment has not yet been undertaken for our CSR initiatives. Each of our projects are long-term interventions that have recently completed 2.5 to 3 years since their inception. Barring the initial stages that provide the time for a project to settle, our projects were set up for impact assessment in their third year, i.e. calendar year 2020. However, owing to Covid-19, this plan now stands deferred, until the situation resumes normalcy.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

JM Financial Group has a CSR obligation of ₹ 27.04 crore for the FY 2020-21. Of this amount, the Group has spent ₹ 14.40 crore. The balance amount of ₹ 12.64 crore has been allocated to projects initiated in FY 2020-21 and to be continued over the next three financial years, up till FY 2023-24.

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

The assessments conducted prior to undertaking a grassroots project involve enlisting community participation. Be it through subsidized agri-inputs, or through mothers of children that cook voluntarily at our Project Bachpan centers – all our community development initiatives are designed and implemented keeping the beneficiaries at the core of working towards and receiving the end benefits. Through small but significant steps, we have tried to ensure that the project interventions are owned sustainably by the community.

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

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

There are no material customer complaints/consumer cases pending as at the end of the financial year 2020-21.

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

Since the Company is engaged in offering financial services, the above question is not applicable to it. However, all necessary disclosure requirements relating to the services offered by the Company are complied with.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

None

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

The Company has not carried out any formal consumer survey to map consumer satisfaction. However, the Group always put the interest of its clients before its own interest. The Group develops a more collaborative relationship with the consumers and places them at the centre of the innovation cycle. The Group contributes towards customers and the broader community by understanding its client needs, seeking new opportunities for them, addressing and delivering them the unique solutions as per their expectations.