



JM Financial Limited

ESG Factbook

2023-24

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About JM Financial

JM Financial Limited (the “**Company/JMFL**”) is the holding company of the operating entities in the JM Financial Group, which is an integrated and diversified financial services group. While JMFL is engaged in investment banking, portfolio management, private wealth management and the management of private equity fund(s) at the standalone level, the consolidated operations encompass (a) Integrated investment bank, which includes investment banking, institutional equities and research, private equity, fixed income, syndication and corporate/promoter finance, capital market related lending, private wealth management services for high-net-worth individual (HNI)/ultra HNI clients, and portfolio management services; (b) Platform AWS (asset management, retail wealth management and retail securities business), which includes mutual funds, wealth management for retail and elite clients, investment advisory, distribution and equity broking; (c) Mortgage lending, which includes wholesale and retail mortgage lending (affordable housing loans) and (d) Alternative and distressed credit, which includes the asset reconstruction business.

About the ESG Factbook

The Environmental Social and Governance (“**ESG**”) Factbook contains an additional relevant information and material ESG disclosures over and above our Annual Report published for the financial year 2023-24.

Reporting Boundary

The ESG Factbook covers standalone operations of JMFL, unless otherwise stated. All monetary values are expressed in Indian Rupees (₹).

Company Information

Revenue and Total Employees

Company Data	FY2020-21	FY2021-22	FY2022-23	FY2023-24
Reported Revenue (₹ Crore)	374.41	619.63	555.46	820.41
Total Employees	136	146	160	300

Annual Report Reference: Total Employee: <https://jmfl.com/Common/getFile/3680>, Section A-General Disclosures Q20, Page no. 191; Reported Revenues: Annual Report Reference: Standalone statement of Profit and loss for the FY2020-2021, FY 2021-2022, FY 2022-2023, FY 2023-2024

Governance

Transparency & Reporting

For the financial year 2023-24, the sustainability reporting boundaries are for standalone operations of JMFL (parent company) only. The data reported pertains solely to JMFL and the proportion of standalone revenue to the total revenue of JM Financial Group for the FY2023-24 is 17%.

Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Title: Standalone Financial Statements, page no 125(PDF), 247(Annual Report); Consolidated Financial Statements, page no 166(PDF), 329(Annual Report*).

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

Corporate Governance

Board Independence

As per Section 149 of the Companies Act 2013 (the “**Act**”) and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the independent directors of the Company have submitted the requisite declaration confirming that each of them meets the criteria of independence as prescribed under the Act read with rules made thereunder and SEBI Listing Regulations and that they continue to comply with the Code of Conduct laid down under Schedule IV of the Act. In terms of Regulation 25(8) of the SEBI Listing Regulations, they have also confirmed that they are not aware of any circumstance or situation

which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties independently. Further, as required under Section 150 of the Act and Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the independent directors have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs. Based on the declarations received, the Board of Directors of the Company ("Board") have, confirmed that they meet the criteria of independence as prescribed under the Act and the SEBI Listing Regulations. The Board comprises 67% independent directors, exceeding the regulatory requirement of a minimum of 50% independent directors. This composition demonstrates that the Company has a diversified and independent board which is necessary to ensure the highest standards of corporate governance.

(Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: Board of Directors, Page no. 79(PDF), 155(AR); Declaration by the Independent Directors, Page no 48(PDF),93(AR).

Board Type – One-tier system

The Company's Board follows one-tier system with a total of nine board members as of March 31, 2024. The Board is chaired by Mr. Nimesh Kampani – non-executive and non-independent director who is also a promoter of the Company. None of the directors of the Company are related to each other except Mr. Nimesh Kampani, Non-Executive Chairman who is the father of Mr. Vishal Kampani, Non-Executive Vice Chairman of the Company. The composition of the Board is in conformity with the requirements of the Act and the SEBI Listing Regulations, with majority of the Board members comprising independent directors.

Number of members	Number of members (as of March 31, 2024)
Executive directors	1
Independent directors	6
Other non-executive directors	2
Total Board size	9

(Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: Composition of the Board, Page no. 79(PDF), 155(AR))

Non-Executive Chairman

The Board is chaired by Mr. Nimesh Kampani, non-executive and non-independent director who is also a promoter of the Company.

(Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: Composition of the Board, Page no. 79(PDF), 155(AR))

Board Diversity Policy

Basis the Board Diversity Policy adopted by the Company, the Board is a blend of professionals having diverse skills, experience, knowledge, capabilities, expertise, attributes and educational qualifications, amongst others. The Board Diversity Policy states.

- a. Amongst several parameters for appointment of directors, the following criteria shall be considered.
 - Educational qualifications,
 - Positive Attributes,
 - Gender,
 - Knowledge,
 - Expertise,
 - Perspective,
 - Independence,
 - Skills,
 - Ethnicity,
 - Race,
 - Cultural and geographical background,
 - Knowledge of Industry,
 - Capabilities,
 - Experience relevant to the business of the Company.

- b. Knowledge and experience in domain areas such as banking and finance, investment banking, private equity fund management, legal and governance, cyber security, risk, management, etc., shall be duly considered while making appointments of the Directors.

Further, Nomination and Remuneration Committee (**NRC**) of the Board of Directors of the Company, shall ensure that no person is discriminated on grounds of religion, race, gender, pregnancy, childbirth or related medical conditions, national origin or ancestry, marital status, age, or any other personal or physical attribute which does not speak to such person's ability to perform as a Board member.

The Board consists of two (2) women independent directors of total nine (9) board members to ensure that there is no gender inequality on the Board.

(Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: Policies on Appointment of Directors and their Remuneration, Page no. 49(PDF),94(AR))

Board Effectiveness

Board Meeting Attendance: As per Section 174 of the Act, the quorum for a meeting of the Board of Directors of a company shall be one-third of its total strength or two directors, whichever is higher. Further as per the SEBI Listing Regulations, the Company shall have one-third of its total strength or three directors, whichever is higher, including at least one independent director. During the financial year 2023-24, seven board meetings were held with an average attendance of 85.7%. The interval between the two (2) consecutive meetings was well within the maximum gap of one hundred and twenty (120) days. As permitted under Section 173(2) of the Act read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, the facility to participate in the meetings through video conferencing is also made available to the Board members.

Separate meeting of independent directors

Pursuant to the applicable provisions of the Act and the SEBI Listing Regulations, the Independent Directors are required to meet at least once in a financial year. Accordingly, a separate meeting of the independent directors of the Company was held on March 28, 2024, without the presence of the management and non-independent directors of the Company.

(Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: Board meetings and Board procedure, Page no. 81(PDF),158(AR))

Board Mandates: None of the directors of the Company are director in more than twenty (20) companies and within which not more than ten (10) public companies. Also, in accordance with the SEBI Listing Regulations, none of the directors of the Company acts as an independent director in more than seven (7) listed companies during the financial year 2023-24. The Managing Director of the Company do not act as an independent director in any other equity listed company. Also, none of the directors are serving as a member of more than ten (10) committees or acting as the chairman of more than five (5) committees (audit committee and stakeholders' relationship committee) in accordance with the requirements of the SEBI Listing Regulations.

Following are the details of directorships held by Directors in other equity listed companies along with their category, as on March 31, 2024.

Director Name	Position on the Board	Name of another Listed Company	Category of Directorship	No of Mandates
Mr. Nimesh Nagindas Kampani	Non-Executive Chairman	-	-	-
Mr. Vishal Nimesh Kampani	Non-Executive Vice Chairman	-	-	-
Ms. Jagi Mangat Panda	Non-Executive and Independent Director	Ortel Communications Limited (under Corporate Insolvency Resolution Process)	Managing Director	1
Mr. P. S. Jayakumar	Non-Executive and Independent Director	HT Media Limited	Independent Director	3
		Adani Ports and Special Economic Zone Limited Independent Director		
		CG Power and Industrial Solutions Limited		

Mr. Navroz Udwadia	Non-Executive and Independent Director	-	-	-
Ms. Roshini Bakshi	Non-Executive and Independent Director	Persistent Systems Limited	Independent Director	2
		Restaurant Brands Asia Limited	Non-Executive Director	
Mr. Pradip Kanakia	Non-Executive and Independent Director	Healthcare Global Enterprises Limited	Independent Director	3
		Camlin Fine Sciences Limited		
		Britannia Industries Limited (Appointed as an Additional Independent Director with effect from March 26, 2024)		
Mr. Sumit Bose	Non-Executive and Independent Director	J. B. Chemicals & Pharmaceuticals Limited	Independent Director	2
		HDFC Life Insurance Company Limited		
Mr. Adi Patel	Joint Managing Director	-	-	-

(Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: Directorships/memberships in other companies, Page no. 80(PDF),156(AR))

Board Performance Review: The Performance review is carried out annually for the Board of Directors of the Company. The Company conducted a detailed assessment of its Board of Directors, its individual members, and the Board committees in accordance with the provisions of the Act, the SEBI Listing Regulations and as per the evaluation criterion laid down by the NRC and the same was thereafter recommended to the Board. The process focused on various aspects such as composition of Board and its Committees, experience and competencies, performance of duties, governance issues, attendance and contributions of individual directors. A structured process of evaluation was undertaken using questionnaires providing feedback on the functioning of the Board as a whole, the Committees, self-assessment, 360-degree evaluation of individual directors and Chairman of the Board. Independent directors of the Company met separately on March 28, 2024, without the attendance of non-independent directors and the management to examine performance and appraise the quality and timeliness of information flow. One (1) meeting was held in the FY 2023-24 for the Board performance review. The independent directors expressed their satisfaction regarding the overall functioning of the Board and its Committees. For further details, check the Company's policy on performance evaluation and remuneration of Directors.

Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: Evaluation of Board of Directors, Page no. 49(PDF),94(AR) and 84(PDF),165(AR))

Board Election Process: According to Section 152(6) of the Act, at least two-thirds of the total number of directors shall be liable for retire by rotation (excluding independent directors) of which at least one-third of the directors shall be liable to retire by rotation at every annual general meeting ("AGM"). Further, the Independent Directors are appointed for a term of five consecutive years and are eligible to be re-appointed for a second consecutive term of five years. The appointment/re-appointment of independent directors are approved by the shareholders by way of special resolution. Hence, Mr. Adi Patel who retired by rotation at the 39th AGM held on August 6, 2024, pursuant to the provisions of Section 152 of the Act and being eligible, was re-appointed as a director of the Company. For further details please refer to the Directors' Reports in our Annual Report FY2023-24.

Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: Information/disclosures as required under regulation 36 of the securities and exchange board of India (listing obligations and disclosure requirements) regulations, 2015, (the "SEBI listing regulations") pertaining to the following items., Page no. 36(PDF), 68,69 (AR); Directors' Report page. no 46(PDF), 89(AR).

Board Average Tenure

The appointment/ re-appointment and tenure of the Board of Directors of the Company shall be in accordance with the applicable provisions of the Act, SEBI Listing Regulations and in terms of Policy on selection and appointment of Directors adopted by the Company. **The Average Board Tenure is 7.6 years.**

Following are the details of the appointment and re-appointment dates of Board of Directors of the Company:

Director Name	Position on the Board	Appointment Date	Tenure (In years)
Mr. Nimesh Nagindas Kampani	Non-Executive Chairman	June 12, 1987	36.8
Mr. Vishal Nimesh Kampani	Non-Executive Vice Chairman	February 03, 2016	8.2
Ms. Jagi Mangat Panda	Non-Executive and Independent Director	March 31, 2015 Reappointed on March 31, 2020	9.0
Mr. P. S. Jayakumar	Non-Executive and Independent Director	July 30, 2020	3.7
Mr. Adi Patel	Joint Managing Director	October 01, 2021	2.5
Mr. Navroz Udwadia	Non-Executive and Independent Director	December 9, 2021	2.3
Ms. Roshini Bakshi	Non-Executive and Independent Director	December 9, 2021	2.3
Mr. Pradip Kanakia	Non-Executive and Independent Director	February 7, 2022	2.1
Mr. Sumit Bose	Non-Executive and Independent Director	May 24, 2022	1.9

(Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: Directorships/memberships in other companies, Page no 91(PDF), 179(AR))

Board Industry Experience

The Board members have vast and diversified experience in areas such as governance, finance, entrepreneurship, economics, commercial activities, general management, technology, sustainability and marketing. Such experience helps them contribute valuable expertise to the Board and its committees.

The NRC of the Board assesses and recommends the core skill sets required by the directors to enable the Board to function effectively. The Board has identified the required core skills, expertise, and competencies that the directors should possess for the effective conduct of the Company's business.

(JM Financial Limited website reference: Board of Directors, individual board of director's tabs show details of industry experience of each board member. https://www.primeinfobase.in/z_JMFINANCIL/boardofdir.aspx?value=mh0YmqMwcy3M600MSHCcMw== ; Core skills/Expertise/Competencies of the Board, Page no. 80(PDF),157 (AR))

Management Ownership

Following table indicates the number of equity shares held in JMFL as of March 31, 2024.

Director Name	Position on the Board	Number of equity shares held in the Company as of 31 st March 2024
Mr. Nimesh Nagindas Kampani	Non-Executive Chairman	12,57,50,000#
Mr. Vishal Nimesh Kampani	Non-Executive Vice Chairman	1,30,00,000
Ms. Jagi Mangat Panda	Non-Executive and Independent Director	Nil
Mr. P. S. Jayakumar	Non-Executive and Independent Director	Nil
Mr. Adi Patel	Joint Managing Director*	16,04,979
Mr. Navroz Udwadia	Non-Executive and Independent Director	Nil
Ms. Roshini Bakshi	Non-Executive and Independent Director	Nil
Mr. Pradip Kanakia	Non-Executive and Independent Director	Nil
Mr. Sumit Bose	Non-Executive and Independent Director	Nil

Note: # including 12,50,000 shares held in Nimesh Kampani HUF

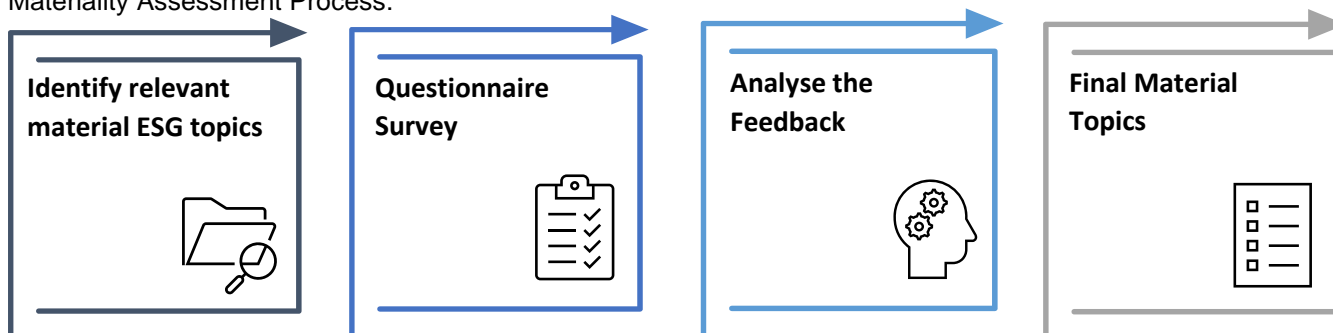
* Re-designated as Managing Director with effect from April 1, 2024.

(Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: Directorships/memberships in other companies, Page no 80(PDF), 156(AR))

Materiality

For the long-term success of the Company, it is very important to understand the priorities of its stakeholders. At JMFL, materiality assessment is conducted once in two years. In FY 2023–24 a materiality assessment was conducted by engaging with the internal stakeholders to identify the most significant ESG topics relevant to its business. The Company had rolled out a materiality assessment survey to its various internal stakeholders to identify the material topics concerning Environmental, Social and Governance (the “ESG”) issues and to rate their importance on scale of high to low. This assessment considered factors that could influence the Company’s operations, strategy, and growth, with a focus on generating value for all stakeholders and promoting positive environmental and social impact. By aligning the business strategy with the needs and expectations of its stakeholders, the Company aims to create a sustainable and thriving future for itself and the communities it serves.

Materiality Assessment Process:



Step 1: Identify relevant material ESG topics

- To begin with the assessment, a list of industry specific i.e., Financial Services (Capital Markets) material topics was identified.
- Further, key ESG trends amongst the industry peers were followed to understand overall business environment and recognizing sector specific trends relevant to the Company’s business and operations. After reflecting on the trends and global reporting frameworks, a list of possible material topics was shortlisted.

Step 2: Questionnaire Survey

- In line with the list of material topics shortlisted, a questionnaire survey was formulated keeping in mind the various stakeholders.
- The questionnaire survey was sent out to all internal stakeholders to gather their valuable feedback and understand their perspective on the material topics that affect the business and the Company’s operations.





Step 3: Analyse the Feedback


- The feedback gathered was carefully reviewed and analysed.
- Based on the review and analysis, every topic was categorised as either risk or opportunity for the business and its operations.




Step 4: Final Material Topics

- Based on the above process, the list of material topics was finalised.
- For every topic, their category (opportunity/Risk) was marked, rationale for identifying the risk/ opportunity was given, in case of risk; the approach to mitigate was noted and financial implications of the topics were marked (positive/negative).

Following is the list of Material risks identified through the above process.

Sr. No.	Material issues identified	Indicate whether risk or opportunity	Rationale for identifying as risk	Approach to adapt or mitigate	Financial Implications of the risk	SDG Impacted
1.	Risk Management	Risk	The Company faces reputation, regulatory, competition, business continuity, and climate risks. Long-term Financial stability can only be ensured through effective risk management. Addressing these risks, especially climate-related ones, requires understanding client and community needs, exploring new opportunities, and delivering tailored solutions.	The Risk Management and ESG Committee ("RM & ESG Committee") of the Company oversees the implementation and monitoring of the Company's ESG policy. It has developed a comprehensive risk management framework to identify, assess, manage, and mitigate risks, with regular evaluations by the Board to ensure its effectiveness.	Negative	
2.	Corporate Governance & Compliance	Risk	New laws or regulations changes in the enforcement of existing laws and regulations may negatively impact business, revenue, or profits. Non-compliance may result in penalties or punitive actions from regulators.	The Corporate Functions team supports the business teams of the Company to respond rapidly to regulatory changes. External professional firms carry out internal audits to ensure adherence to industry standards, approved policies, and relevant regulations.	Negative	
3.	Data Privacy & Information Security	Risk	Data privacy and information security lead to a competitive advantage. Businesses that place importance on these matters are more likely to attract the right customers, partners, and investors valuing robust data protection.	The Company manages cyber security risks under its Risk Management Policy, monitored by the RM and ESG Committee. It follows ISO 27001:2013 standards, implementing Cyber Security and Information Security Policies. Protective measures include firewalls, regular advisories, user training, and IT asset reviews to secure business information.	Negative	
4.	Human Rights	Risk	Violating human rights may increase the Company's operational, legal, and reputational risks	The Company is committed to ethical practices and human rights, promoting a fair and respectful work environment. It enforces a Code of Conduct and policies on Equal Opportunities, Anti-Sexual Harassment, Whistle Blower, and Discipline, with regular training to uphold these	Negative	

				values throughout its operations.		
5.	Client Satisfaction	Risk	The company's diversified financial services make its reputation susceptible to the adverse experiences of clients. Their satisfaction level should be high, and their complaint resolution should be prompt. Developing robust systems for feedback and ensuring continuous quality improvements are essential factors behind creating positive client experiences and lifelong relationships.	The Company prioritizes the interests of its clients and aims to serve both clients and the community by understanding their needs, identifying new opportunities, and providing customized solutions. It has developed procedures across its businesses to address stakeholder grievances and ensure consistent communication.	Negative	
6.	Human Capital Management	Opportunity	An efficient human capital can strengthen the organization and establish a foundation for cultivating leadership.	The Company has implemented various training programs to prioritize employee well-being and rights, including health and safety, and skill enhancement courses. Plans are in place to expand these to cover ESG factors, increasing awareness. To manage human resources effectively, the Company focuses on workforce diversity, recruitment (Campus team), reward and recognition (iCheer), employee engagement, well-being, learning and development (LEAP Plus, Stepping Stones), and performance management.	Positive	
7	Business Ethics and Moral Practices	Positive	The Company builds stakeholder trust by maintaining strong ethical standards. Operating unethically can result in a loss of stakeholder confidence.	One of the Company's core values is integrity. The Company has imbibed moral practices in its business operations over the years and has established itself as a highly ethical and trustworthy entity	Positive	
8	Responsible Investment	Opportunity	Commitment to integrate key ESG factors into operations, business strategies, and the value chain processes to mitigate major impacts and related risks.	The Company aims to be a responsible organization, focused on long-term value and sustainability for stakeholders, prioritizing environmental and social responsibility. The Private Equity team of the Company integrates ESG considerations into	Positive	

				investment processes, aligning with the Fund's ESG policy.		
9.	Diversity & Equal Opportunity	Opportunity	Promoting diversity and equal opportunity among employees offers benefits such as increased innovation, enhanced reputation, improved risk management, and regulatory compliance.	The Company is committed to fostering a diverse and inclusive workforce, ensuring that everyone has equal employment opportunities. The Employee Handbook, accessible to all employees on the Company's intranet portal, includes a section on the Equal Opportunity Policy. This policy emphasizes the importance of fostering a work environment that treats all individuals with fairness, respect and dignity. It strictly prohibits any form of discrimination, including harassment.	Positive	 
10.	Digitalization	Opportunity	Utilizing digital financial solutions enhances the customer experience, broadens operational reach, and boosts productivity.	The Company recognizes the potential in offering innovative financial solutions to the Indian population. To minimize paper use in transactions and communications, it has invested in technology and developed a robust digital environment.	Positive	

(Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: Overview of the entity's material responsible business conduct issues, BRSR Page no. 99(PDF), 194, 195 (AR); 100(PDF), 196,197(AR))

Risk & Crisis Management

Risk Governance

The Risk Management and ESG Committee (the "RM and ESG Committee"/ the "Committee") of the Board of Directors of the Company has been entrusted with the responsibility of reviewing the risk management process in the Company apart from monitoring activities relating to ESG. Board members part of Risk Management team are:

Name of the Members	Position on the Board	Position on the Committee
Mr. P S Jayakumar	Non-Executive, Independent	Chairman
Mr. Vishal Kampani	Non-Executive, non-Independent	Member
Mr. Navroz Udwadia	Non-Executive, Independent	Member
Mr. Adi Patel	Executive, non-independent	Member

The Board at its meeting held on February 12, 2024 approved change in the nomenclature of the Risk Management Committee to **RM & ESG** Committee to include matters relating to ESG. The Committee oversees the risk management policy including functions relating to cyber security, identify and assess the risks, decide the measures to mitigate the risks. The Board reviews the effectiveness of risk management systems in place and ensures that the risks are effectively managed. A team of skilled professionals at both business and group levels is responsible for identifying and monitoring risks. The Company emphasize the importance of maker-checker processes, and regular inspections to make the risk management processes robust and compliant. The Audit Committee has additional oversight in financial risks and controls.

A risk event update report is periodically placed before the Committee which includes, inter alia, the risk identification, risk classification, assessment of impact, risk mitigation/ remedial action, risk status amongst others. The Committee reviews these reports along with the course of action taken or to be taken to manage and mitigate the risks. Additionally, independent Internal Audit firms have been appointed to review and report on the business processes and policies for all operating companies in the Group.

(Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: Risk Management, Page no. 50(PDF), 95(AR))

Risk Management Processes

At JMFL, risk management forms an integral part of the business operations and monitoring activities. The risk is managed through.

- i. Risk management framework:
 - Risk management framework includes independent identification, measurement, and management of risk across the Company and the Group's various business operations.
 - The framework has been approved by the board of directors.
- ii. Risk Management Policies and Processes:
 - Established a risk management and internal control system that includes an organizational risk management framework, along with policies, tools, and procedures (considered to identify, evaluate, manage and mitigate the risks) considered appropriate during conduct of business effectively.
 - The company has adopted the Risk Management Policy which ensures that risks is overseen and monitored at all the levels.
- iii. Risk Monitoring Systems:
 - The Company has a variety of distinct yet complimentary financial, credit, operational, compliance and legal reporting systems to monitor and control the risk exposure.
 - The Company has a dedicated team of experienced risk professionals, operating at both the business and at the group levels, responsible for identification and monitoring risk continuously. They develop and refine the processes/systems to monitor and control the risk at the early stage.
 - The Company maintains a continuous focus on maker-checker processes to minimize errors, prevent fraud and maintain high standards of accuracy and accountability within the Group's operations.
- iv. Regular Updates and Audits
 - Detailed regulatory as well as regular inspections are held to help test our processes and compliances.
- v. Risk Committee Oversight
 - As mentioned in the above section; The Committee oversees the risk management policy reviews the effectiveness of risk management systems in place.
- vi. Audit Committee Oversight
 - The report of internal auditors is reviewed and discussed by the Audit Committee of the Company, as well as the respective operating companies.

These regular review of effectiveness of the risks and the risk management systems helps the Company to mitigate maximum risks at the early stage. The Company reviews the risk exposure at least twice a year or more.

The details of risks identified, rationale and approach adopted to mitigate the risk is available in the Company's Annual Report FY 2023-2024.

Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: Risk Management, Page no. 65(PDF)127(AR), Page no.66(PDF),128(AR))

Business Ethics

Codes of Conduct

At JMFL, we have understood that for inculcating sustainable and ethical business practices, it is vital that we conduct our business with honesty and integrity by complying with all applicable legal requirements. This Code of Conduct sets out fundamental principles to be followed by employees in their everyday actions on behalf of the Company.

The guidelines to be followed as per the Code of Conduct for employees are as follows:

- **Honesty and Integrity**

Employees must act with integrity, transparency, honesty and fairness in all dealings both internally and externally with customers. Personal integrity should be maintained in both professional and personal conduct.

- **Conflict of Interest:**

Employees should avoid situations where personal interests may conflict with their professional responsibilities. Any

potential or perceived conflict of interest must be reported to management for review and resolution.

- **Ethical Business Practices:**

All employees must engage in fair, ethical and transparent practices in all interactions with clients, colleagues and stakeholders. Any deceptive, misleading or unethical conduct should be avoided.

- **Discrimination:**

All employees are expected to treat each other with respect, professionalism and fairness. This includes but is not limited to discrimination based on race, ethnicity, gender, marital status, disability or any other protected status. All employees are entitled to equal treatment in recruitment, training, promotion and job assignments. Employees must ensure that all clients are treated fairly, regardless of their background and personal characteristics. The Company does not condone any form of discriminatory practices in customer interaction

- **Company Property:**

Employees must use company resources including financial resources, technology and time, responsibly. Misuse or inappropriate use of company assets for personal gain is prohibited.

- **Confidential Information:**

All employees should maintain confidentiality of information entrusted to them in carrying out their duties and responsibilities. The Company's confidential and proprietary information shall not be inappropriately disclosed or used for the personal gains or advantage of any Personnel. Information must only be disclosed with the proper authorization and when legally required.

- **Compliance with Laws and Regulations:**

All employees are required to adhere to applicable laws, regulations and internal policies. This includes the data protection laws, anti-money laundering and other statutory requirements relevant to the Company.

- **Anti-Bribery and Anti-Corruption:**

Employees must not engage in bribery, corruption or any illegal activities. This includes offering, accepting, or soliciting gifts or other benefits that could influence business decisions.

More details on Anti-Bribery and Corruption are presented in section in the section titled "Anti Bribery and Anti-Corruption" of this document.

- **Anti-competitiveness practices:**

Employees must refrain from engaging with competitors to fix, set or control prices, divide or allocate customers or their line of business.

- **Whistleblower Policy:**

Employees are encouraged to report any suspected violations of the Code of Conduct, internal policies or legal requirements. The company will protect employees from retaliation for reporting concerns in good faith.

Money laundering involves engaging in financial transactions that conceal the true origin of criminally derived proceeds or appear to have been received through legitimate sources.

- **Money-laundering and/or insider trading/dealing:**

The Prevention of Money Laundering Act, 2002 (PMLA 2002), forms the core of India's legal framework to combat money laundering. The Act and Rules notified thereunder impose obligations on intermediaries to verify the identity of clients, maintain records, and furnish information to the Financial Intelligence Unit-India (FIU-IND)

The Company is committed to prevent money laundering internally and implementing a framework to report cash and suspicious transactions to the FIU-IND in accordance with PMLA Rules, 2002

A Nodal/Nodal/Principal Officer will oversee the compliance with PMLA and AML Guidelines and play an active role in identifying and assessing potentially suspicious transactions.

- **Employee Health, Safety (EHS) and Well-being**

The Company shall ensure to provide a safe and healthy work environment for all its employees complying with all relevant health and safety regulations and laws.

The Company shall identify EHS hazards, risks, and impacts in all offices and branches, if any, through periodic assessments and implement necessary control measures. Additionally, the Company shall provide employees with necessary training on the EHS issues, concerns, and best practices.

In addition, the Company shall advocate for a balanced work-life approach and promote a culture that values employees' mental and physical well-being.

- **Disciplinary Action:**

It is to be noted by employees that failure to comply with the Code of Conduct may result in disciplinary action including termination. In case of any non-compliance, of the code of conduct is reported to the compliance team.

Codes of Conduct: Systems/ Procedures

The Compliance team is responsible for ensuring adherence to the code of conduct. Any non-compliance or breach of this code will attract disciplinary actions, such as instant dismissal on gross misconduct. JM Financial has the right to terminate relationships with any of its employees or organizations found violating this code.

Reporting on breaches

Following table shows zero reporting on the breaches.

Reporting areas	Number of breaches in FY 23-24
Corruption or Bribery	Nil
Discrimination or Harassment	Nil
Customer Privacy Data	Nil
Conflicts of Interest	Nil
Unfair trade practices	Nil

(Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: BRSR, Principle 9 Businesses should engage with and provide value to their consumers in responsible manner, Q 3 and Q 7 Page no.188(PDF), 233(AR))

Tax Strategy

Tax Reporting

Tax for FY 2023-2024 is reported on standalone basis. Hence, only parent entity is considered. Following table highlights the Revenue, Profit before tax, Profit, tax expense (current tax (Rs. 88.00 crore) + deferred tax (Rs. 13.63 crore) + tax adjustments of earlier year (Rs. (1.03) crore) and Income tax paid.

Name of the Entity	Primary activities	No of employees	Revenue (In Rs. Crore)	Profit (Loss) before tax (In Rs. Crore)	Profit (In Rs. Crore)	Tax expense (current year) (In Rs. Crore)	Direct Tax paid (In Rs. Crore)
JM Financial Limited	Investment Banking, Private wealth, Private equity fund management, Portfolio Management Services	300	820.41	410.20	309.60	100.60	73.61

(Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: Standalone Financial Statements, Page no. 126(PDF), 248(AR))

Information Security/ Cybersecurity & System Availability

IT Security/ Cybersecurity Governance

The RM and ESG Committee reviews risks and mitigation measures related to cybersecurity, data privacy, and business continuity planning.

Chief Information Security Officer (CISO) is responsible for overseeing cybersecurity within the company and reporting to the Risk Management and ESG Committee.

(Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner, Q5, Page no. 118(PDF),233(AR))

IT Security/ Cybersecurity Measures

The Company incorporates cyber security risks into its Risk Management Policy. This policy shall be implemented and monitored by the RM and ESG Committee. The Company shall abide by 'Cyber Security & Information Security Policies and Procedures' based on ISO 27001:2013 standards.

Cyber Security and IT

To ensure the protection of the Company's data, systems, networks and digital assets against cyber threat, to ensure legal compliance and maintain customer trust, a policy/procedure shall be developed by the Company outlining the following:

- Governance Framework shall be established with a Chief Information Security Officer and cybersecurity team for managing the security program
- The IT team of the Company shall ensure adherence to all applicable Company's existing policies for data protection
- Regular risk assessments shall be conducted to identify vulnerabilities in the IT infrastructure and prioritize remediation efforts based on potential impacts
- Access shall be restricted to sensitive data and systems based on employees' role
- Client portals and critical applications shall be enforced with multi-factor authentication
- Continuous monitoring shall be undertaken for detecting any abnormal access patterns or any other suspicious activities
- Regular backups and disaster recovery plan for data and systems shall be in place to minimize downtime during attack or failure
- Necessary network security system shall be in place to ensure that all systems, software and devices are protected against vulnerabilities
- Regular employee training shall be provided by the IT team in coordination with Risk and ESG committee to ensure that employees are aware of the risks and mitigation measures in cyber security
- Disciplinary actions may be undertaken by the Company for non-compliance of the policy and procedures related to cyber security.

IT Security/ Cybersecurity Process & Infrastructure

Particular	FY23-24
Total number of information security breaches	Nil
Total number of clients, customers and employees affected by the breaches	Nil

(Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner, Q7, Page no. 118(PDF),233(AR)).

Environmental Dimension

Energy

Energy Consumption

Total energy consumption	Unit	FY21-22	FY22-23	FY23-24
Total non-renewable energy consumption	MWh	128.69	171.37	637.38
Total renewable energy consumption	MWh	-	-	26.69
Total energy consumption	MWh	128.69	171.37	664.07
Data coverage (as % of denominator)		100%	100%	100%

Note: Values converted from GJ to MWh

(Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment, Q1, Annual Report FY 2023-24 Page no. 113(PDF), 222(AR), Annual Report FY 2022-23 Page no. 105(PDF), 206(AR))

Waste & Pollutants

Waste Disposal

Particular	Unit	FY21-22	FY22-23	FY23-24
Total waste disposed	metric tonnes	1.19	3.08	3.15
Waste landfilled	metric tonnes	1.19	3.08	3.15
Data coverage (as % of denominator)	percentage of:	100%	100%	100%

(Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment, Q9, Annual Report FY 2023-24 Page no. 114 (PDF), 224(AR), Annual Report FY 2022-23 Page no. 105(PDF), 207(AR))

Water

Water Consumption

Particular	Units	FY21-22	FY22-23	FY23-24
Total net freshwater consumption (A-B)	Million cubic meters	0.000252	0.000585	0.002732
Data coverage	Percentage of	100%	100%	100%

(Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment, Q1, Annual Report FY 2023-24 Page no. 113(PDF), 222(AR), Annual Report FY 2022-23 Page no. 105(PDF), 206(AR))

Climate Strategy

Direct Greenhouse Gas Emissions (Scope 1)

Direct GHG (Scope 1)	Unit	FY21-22	FY22-23	FY23-24
Total direct GHG Emissions (Scope 1)	Metric tonnes CO2 equivalents	4.36	7.27	5.67
Data coverage (as % of denominator)	percentage of:	100%	100%	100%

(Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment, Q1, Annual Report FY 2023-24 Page no. 113(PDF), 223(AR), Annual Report FY 2022-23 Page no. 105(PDF), 207(AR))

Indirect Greenhouse Gas Emissions (Scope 2)

GHG (Scope 2)	Unit	FY21-22	FY22-23	FY23-24
Location-based	metric tonnes of CO2 equivalents	91.68	117.67	441.24
Data coverage (as % of denominator)	percentage of:	100%	100%	100%

(Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment, Q1, Annual Report FY 2023-24 Page no. 113(PDF), 223(AR), Annual Report FY 2022-23 Page no. 105(PDF), 207(AR))

Social Dimension

Discrimination & Harassment

It is the policy of the Company to ensure equal employment opportunity without discrimination or harassment on the basis of race, colour, caste, national and social origin, religion, gender, age, disability, citizenship, marital status, gender identity, sexual orientation, military status or any other characteristic protected by applicable law. The Company is committed to a work environment in which all individuals are treated with respect and dignity. Each individual should have the ability to work in a professional atmosphere that promotes equal employment opportunities and prohibits discriminatory practices, including harassment. The Company expects that all relationships amongst the stakeholders in the workplace is business-like and free of bias, prejudice and harassment.

Workforce Breakdown: Gender

Following table highlights the workforce breakdown according to the gender. The data shared below is for the 300 employees of the Company:

Diversity Indicator	Percentage (0 - 100 %)
Share of women in total workforce (as % of total workforce)	35.7
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	26.9
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	66.7
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	10.3
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	28.1
Share of women in STEM-related positions (as % of total STEM positions)	39.3

Workforce Breakdown: Race/Ethnicity or Nationality

All employees at JMFL, are Indian and belong to the South Asian ethnicity. However, we strictly do not discriminate against any race, caste, gender, or religion within India at any stage - recruitment, hiring, during an employee's time at JM Financial Limited.

Gender Pay Indicators

Following table highlights the gender pay indicators. The data shared below is for the 300 employees of the Company for the year FY 2023-2024.

Following table highlights the average salary of Male and Female employees, working at various levels in the organization

Particular	FY 23-24
Indicator	Difference between men and women employees (%)
Mean gender pay gap	43.59
Median gender pay gap	9.79
Mean bonus gap	47.73
Median bonus gap	21.09

Human Rights

Human Rights Policy

The Company shall place a high value on cultivating a work environment where all individuals receive fair treatment, respect, and dignity. The Company shall uphold a firm commitment to the protection of human rights at all levels of its operations, in accordance with the applicable statute. The Company must not employ child, forced, or involuntary labour, and commit to the prevention of sexual harassment. The Company shall ensure that there is no violation of human rights in its conduct, both externally or internally.

(Environmental, Social And Governance (Esg) Policy Reference:

https://www.primeinfobase.in/z_JMFINANCIL/files/JMFL_ESG_Policy.pdf, Section title: Human rights, Page no. 4(PDF))

Human Capital Management

Training & Development Inputs

Following table highlights the Average hours and Average cost spent on the training and development of the Full-Time Equivalents (FTE) i.e. the number of working hours that represents one full-time employee during a fixed time period, such as one month or one year. The data is segregated on the KPIs namely management level of the employee, gender and age for 120 FTEs for the year FY 2023-2024.

	Senior Management						Middle Management						Junior Management					
	Male			Female			Male			Female			Male			Female		
	<30	30 to 50	>50	<30	30 to 50	>50	<30	30 to 50	>50	<30	30 to 50	>50	<30	30 to 50	>50	<30	30 to 50	>50
Avg. hours per FTE	NA	2	8	NA	2	NA	NA	4	NA	NA	5	NA	2	3	NA	2	3	1
Avg. amt. spent (INR)	NA	15,190	1,519	NA	9,114	NA	NA	27,342	NA	NA	10,633	NA	68,355	15,190	NA	41,013	18,228	1,519

Employee Development Programs

Following table details, various employee development programs conducted by the Company for 120 FTEs in the year FY2023-2024. Further, the Company also has in house learning application named iLearn providing learning opportunities for all the employees.

Sr. No	Name & Description of the program	Description of program objective/ business benefits	% of FTEs participating in the program
1	Cases in Business and Investment Analysis	In each of these cases, participants learnt about one or more key ideas relating to business and/or investment analysis and then work towards discovering similar situations, often in totally different industries. These cases, therefore, served as stepping stones for generating more creative ideas for business and investment analysis.	0.8%
2	With the Masters 2023	This program was designed to enhance knowledge and provide networking opportunities amongst like-minded long-term investors. For individuals interested in gaining insights about value investing.	1.6%
3	Microsoft PowerPoint	Internally conducted on creating Power point presentations	20.8%
4	Financial Modelling	Internally conducted using real cases/ deals.	13%
5	Getting to win-win negotiation skill	It covered various personality types and how to be an influential negotiator.	8.3%

Hiring

Following table details the total number of employees hired, percentage of Percentage of open positions filled by internal candidates (internal hires) and their respective hiring costs for four (4) years. The data is segregated according to the gender and age of the employees.

Gender	FY 20-21						FY 21-22						FY 22-23						FY 23-24					
	Male			Female			Male			Female			Male			Female			Male			Female		
	<30	30 - 50	>50	<30	30 - 50	>50	<30	30 - 50	>50	<30	30 - 50	>50	<30	30 - 50	>50	<30	30 - 50	>50	<30	30 - 50	>50	<30	30 - 50	>50
Total number of new employee hires	7	2	0	1	3	0	10	12	0	10	3	0	20	5	0	9	6	0	17	21	0	9	14	0
Percentage of open positions filled by internal candidates (internal hires)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Average hiring cost/ FTE Currency: INR (₹)	203,364			158,808			716,624			409,224			554,229			498,857			523,333			124,870		

Type of Performance Appraisal

The Company implements a comprehensive performance evaluation process for annual reviews, which has been digitalized and accompanied by the introduction of a structured performance evaluation calendar. This practice enables the identification of employee capabilities, allowing the Company to leverage these strengths effectively.

(Annual Report Reference: <https://jmfl.com/Common/getFile/3680>, Section title: performance management, Page no. 78(PDF),153(AR))

Long-Term Incentives for Employees

The Company gives incentives in the form of Employee Stock Options (ESOPs) to mentioned employees below senior management level. This applies to 4 out of 300 employees (1%). Following table provides details for the data. The cumulative ESOPs granted to existing active workforce (300) is 23% (69/300) as of March 31, 2024.

Please describe the following aspects (both): 1) the type of long- term incentive program (e.g. stock options, restricted stock units, cash incentives, etc.); 2) the type of employees below the senior management level the program applies to:	Our long-term incentives for employees below the senior management level are on average paid out after:	Please report the percentage of your workforce below senior management level (max. two levels from the CEO) that this program applies to:	Do the long-term incentives include targets associated with sustainability performance? Please explain in the comment box below:
Employee Stock Options (ESOP) - Chief Manager, Branch Managers, and Assistant Branch Manager. Goodwill Gesture Scheme - General Manager, Branch Manager, and	Longer than 3 years	1%	No

Assistant Branch Manager			
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Employee Support Programs

JMFL is committed to the well-being of its employees, with a focus on managing workplace stress, to achieve optimal physical, mental, and emotional well-being. In the financial year 2023-24, the Company launched 'Thrive,' a dynamic initiative designed to promote holistic health and foster growth among its workforces. 'Thrive' aims to create a supportive environment where employees can flourish both personally and professionally. Other employee engagement initiatives which included International Yoga Day, Friendship Day, and celebration of the 50th anniversary also significantly contributed to the vibrant, support-oriented, and lively work environment, thus furthering sports and health initiatives.

Employees are given options for flexible working hours or part-time working options on prior permission and under special circumstances. Further, employees can opt for paid maternity leave of 24 weeks (six months), paid paternity leave of five (5) working days, Compassionate Leave is offered in case of death of any immediate family member of three (3) working days of paid compassionate leave is extended to all employees, within fifteen (15) days of that event. In addition, medical Care Leave including sick leaves exceeding seven (7) days in a year, are approved under exceptional circumstances (such as hospitalization of employees or leave to take care for a child, spouse, partner, dependent, parent, sibling, or other designated relation with a physical or mental health condition) and considered as medical care leave.

Employee Turnover Rate

Following table highlights the total and voluntary turnover rate of the employees based on gender for four (4) years, FY 2021-2024.

Particular	Gender	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Total employee turnover rate:	Male	6.0%	21.0%	15.0%	17.0%
	Female	9.0%	8.0%	13.0%	25.0%
Voluntary employee turnover rate:	Male	6.0%	21.0%	15.0%	14.0%
	Female	9.0%	7.8%	13.0%	20.0%

Trend of Employee Wellbeing

The Company is Great Place to work Certified. The Certificate evaluates organization's culture, management practices and employee experience through employee surveys annually. Following table highlights the results of the of the Great Place to Work Certificate score along with the percentage of employees participated in the survey.

Core Focus	Unit	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Employee Satisfaction	% of employees with top level of engagement, satisfaction	77%	93%	80%	80%
Data coverage	% of employees who responded to the survey	86%	93%	93%	96%

Occupational Health & Safety

Absentee Rate

Following table highlights the absentee rate of the employees i.e. [Number of absentee days in the accounting period / Total days scheduled to be worked in the accounting period] x 100.

Absentee Rate	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Employees (% of total days scheduled)	0.1%	0.3%	1%	1%

Data Coverage	100%	100%	100%	100%
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Lost-Time Injury Frequency Rate (LTIFR) – Employees

Following table highlights the frequency of the lost time in case of injuries during the work hour.

LTIFR	Unit	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Employees	LTIFR (n/million hours worked)	0	0	0	0
LTIFR					
LTIR	LTIR (n/200,000 hours worked)				
Fatalities	Number	0	0	0	0
Data coverage (as % of employees, operations or revenues)	percentage of:	100%	100%	100%	100%
	Employees				
	Operations				
	Revenues				

There were no fatalities from the operations in the last 4 years.