

IMPROVES LIFE. BRINGS JOY.
VENTURES. EMPOWERS YOU.
JOY. SETS YOU FREE. **MONEY...**
LIFE. HELPS REALISE GOALS.
TION. MAKES LIFE BETTER.
VENTURES. POWERS DREAMS.
GOALS. FULFILLS AMBITION.
ERS YOU. ENABLES SUCCESS.
SIDE AS TO LIFE. BRINGS JOY.
DREAMS. DRIVES GROWTH.

ADITYA BIRLA CAPITAL LIMITED
SUSTAINABILITY REPORT 2018-19



**ADITYA BIRLA
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING



MR. ADITYA VIKRAM BIRLA

We live by his values.
Integrity, Commitment, Passion, Seamlessness and Speed.

About this Report

This is the first sustainability report of Aditya Birla Capital (ABC), showcasing its performance and progress, through its subsidiaries, across material aspects of the triple bottom line for the period 1st April, 2018 to 31st March, 2019. This report has been prepared based on the Global Reporting Initiative (GRI) Standards and carries a complete listing of GRI disclosures in accordance with the core option. The specific standard disclosures and the key issues addressed in this report are based on indices identified by various key stakeholders and the degree to which these indices affect the value chain.

The data computation and quantification are in complete agreement with the GRI Standards. The references for general standard disclosures, disclosures on management approach and specific standard disclosures for all the material aspects are provided in the GRI Content Index as the last part of this report.

The report carries information about performance on key issues viz. economic, environmental and social aspects across operations of all the businesses of Aditya Birla Capital (as on 31st March, 2019). In this report, Aditya Birla Capital refers to ABC and all its subsidiaries. In case of exceptions i.e., if the data or information refers to only a part of ABC's operations, specific mention is made as a footnote.

Feedback

ABC values the feedback of its stakeholders and effectively uses the same to improve policies, processes, performance and disclosure.

E-mail opinions /suggestions at
abc.investorrelation@adityabirlacapital.com

Sustainability Highlights

Responsible Finance

ABFL raised **₹ 1,000 Crore** in **green loan from IFC** to finance renewable energy projects

Investing in People

20,000+ Workforce engaged at ABC

14% drop in employee turnover rates over **3 years** (FY 16 to FY 19)

Environmental Stewardship

First rooftop **solar power panel** installation to power Bengaluru office

50% reduction in water wastage through the installation of water-saving devices

Strengthening Communities

2.30 lakh lives improved through initiatives in healthcare, education, women empowerment and sports

CSR footprint across **10 states**

Serving Customers

10+ Million Active customers

Ensuring **data protection** through Certified Management System as per ISO 27001:2013 and ISO 22301:2012

Environment, Social and Governance (ESG) Integration in lending and investment decisions through internal ESG Scorecard

Award-winning talent development practices

Brandon Hall HCM Excellence Award 2018
Association for Talent Development (ATD)
BEST Award 2019

100% score in **WASH Pledge** (Access to Water, Sanitation and Hygiene) survey at the corporate head office in Mumbai

Trained **10,000+** certified **financial planners** through a financial literacy program to assist first-time investors and rural investors to align finances with their life goals

Awarded for **Customer Services initiatives** and **Product Innovation***

* Refer to Awards and Accolades section for customer and product awards

Supporting the United Nations Sustainable Development Goals

The United Nations (UN) sustainable development goals (SDGs) provide an ambitious and urgent call-to-action and a practical framework for businesses to chart their sustainability journey.

At ABC, each sustainability initiative is linked to one or more of the UN SDGs.

The contribution of ABC's business goals and CSR initiatives to various SDGs is shown throughout this report. An SDG alignment index is also shown at the end of this report.



Chief Executive's Message



AJAY SRINIVASAN
Chief Executive, Aditya Birla Capital

Dear Stakeholders,

It gives me great pleasure to share with you the first sustainability report of Aditya Birla Capital. This report depicts our contribution from 1st April, 2018 to 31st March, 2019 to economic, social and environmental processes and prospects in the regions of our operation. We also describe how our sustainability efforts are contributing to the United Nations Sustainable Development Goals.

During the reporting period, we witnessed unprecedented volatility and many challenges. The non-banking financial sector faced headwinds of liquidity and a larger concern on the creditworthiness of several borrowers impacted the market. Confidence in mutual funds and the sentiment towards Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs) remained subdued through the second half of the year. Amidst all this, ABC managed to hold its ground and, in fact, emerge stronger.

Our Chairman, Mr. Kumar Mangalam Birla, has tasked every business in the Group to endeavour to become the leader for sustainable business practices in their respective sectors. In line with the Chairman's vision, ABC is committed to operating in a manner that is long-term and sustainable

not only from an economic standpoint but also from an environmental and social perspective. Balancing the country's rapid growth needs with sustainable development is a unique challenge and opportunity, and we aim to address these issues in a manner tailored to the Indian context.

ABC is committed to the adoption of best practices of corporate governance and risk management. We uphold the responsibility of our Board to function independently and fairly with more than 50% Independent Directors on the Board and the Board committees being chaired by Independent Directors. Risk management at ABC is based on a multi-tiered risk governance structure, strong management oversight and operational control over the independent business verticals. Given the scale and complexity of the business and the inherent risks that need to be assessed, reviewed, controlled and monitored, the Group has invested, and continues to invest, in skilled technical resources at various levels in the organisation and also in state-of-the-art systems and processes.

As a powerful brand, we continue to grow steadily both in terms of awareness and consideration across our Protecting, Investing, Financing and Advising solutions. At ABC, we remain committed to our vision of making a difference in the life of our customers. We have designed our services in a way that incentivises our customers towards better health and prosperity. In line with our vision, our health insurance business emphasises a holistic approach, going beyond healthcare funding to disease prevention and wellness management; thereby enriching over 2.3 million lives covered by our policies.

Leveraging the power of technology has significantly led our business processes to create unique solutions for our customers. Utilising digital technologies, we are increasing reach, improving customer experience, personalising offerings and, of course, building greater efficiency and scalability. As a financial institution, information security and data privacy are a fundamental priority for us, and a critical enabler for business transformation, customer trust, and growth. We continue to adopt best practices for information security and cyber risks. We have a standardised process to mitigate these risks, including a quick response team in place, which is closely monitored at the group level.

People are the fulcrum of our business. Our inclusive human capital, comprising 68% millennials and 24% women, cherish our workspaces that are lively, fair, healthy and safe. Our culture of learning enables our people to continuously take up challenging roles that the growing business offers. Managing a diverse workforce that is spread across the length and breadth of our country and keeping them engaged and enthused at work is a top priority for the People function. Our people practices are a true reflection of this. Additionally, in line with

our philosophy of inclusion, we onboarded eight differently-abled members to the Operations and Customer Services functions in our NBFC business, Aditya Birla Finance Limited (ABFL). Many more efforts in this space are underway.

We acknowledge the impact of our financial products and services on the society and environment we live in and have initiated the integration of environmental, social and governance (ESG) risks into our risk management framework and begun deploying this across businesses. While this is the first step, we are consciously selecting our portfolio, to the extent feasible, to effect social and environmental good. Here are some of the key highlights of how our products are impacting positive change:

- Over ₹ 3,300 Crore financing in renewable energy projects, contributing towards India's renewable energy capacity target of 175 GW by 2022
- Secured a ₹ 1,000 Crore green loan from IFC, boosting our involvement in the renewables space
- 26% y-o-y growth in Small and Medium-sized Enterprise (SME) lending, reflecting our commitment to support our entrepreneurial customers and recognising the role that SMEs play in boosting economic growth and employment in the country
- Four-fold y-o-y increase in the affordable housing book size (₹ 1,438 Crore), and continuing to grow

We also strive to reduce our carbon and water footprint, along with the waste we generate. We commissioned our first

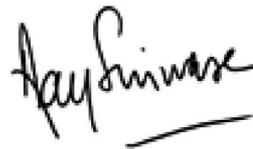
rooftop solar power panel to power our Bengaluru office and installed devices to reduce tap water consumption by 50% at the corporate head office at Mumbai.

At ABC, we believe businesses cannot flourish if the communities we engage with are not taken care of. Through our community initiatives and corporate social responsibility programme for FY 19, our footprint now extends across 10 states. Our endeavours in the fields of healthcare, education, women empowerment and sustainable livelihood, and sports played a significant role in bettering the lives of 2.30 lakh people across India.

Going forward, we have a unique opportunity to grow and contribute to larger economic, social and environmental goals, the achievement of which is hugely dependent on the strong support and encouragement of stakeholders.

I look forward to your continued support and cooperation as we move ahead in this journey.

Yours sincerely,



AJAY SRINIVASAN
Chief Executive, Aditya Birla Capital

Contents

About Aditya Birla Capital	09	Investing in People	35
Awards and Accolades	11	Environmental Accountability	40
Corporate Governance	13	Strengthening Communities	43
Board of Directors	15	GRI Content Index	47
Leadership Team	16	UN SDG Index	50
Risk Management	18	Glossary	50
Code of Conduct	19		
Governing Sustainability	20		
ESG Integration	21		
Stakeholder Engagement	22		
Materiality Analysis	23		
Economic performance	25		
Customer Centricity and Responsibility	30		



**View our Sustainability Report 2018-19
online**

<https://www.adityabirlacapital.com/investor-relations/sustainability-reports>

Aditya Birla Capital

Aditya Birla Capital (ABC) is the holding company for the financial services business of the Aditya Birla Group. With subsidiaries that have a strong presence across Protecting, Investing and Financing solutions, ABC is a universal financial solutions provider, catering to the diverse needs of its target customers across their life stages. Anchored by a workforce of 20,000+ employees, ABC has a nationwide presence through 850+ branches, 200,000 agents, channel partners and bank partners.

ABC is part of the Aditya Birla Group, a US\$ 44.3 Billion Indian multinational, in the league of Fortune 500. Anchored by an extraordinary force of 1,20,000+ employees, belonging to 42 nationalities, the Aditya Birla Group operates in 35 countries across the globe.

In line with our purpose of enabling people to lead fulfilling lives through financial solutions, ABC offers a wide range of products and services catering to varied customer needs across her / his lifetime. ABC's major products and services are briefly described below:

Brands	Product/Service	Offerings
Protecting	Life Insurance	Life insurance solutions enable individuals to financially protect what they value – their child's future, income after retirement and financial cover for the family in case of death.
	Health Insurance	Health Insurance solutions do not just protect the customers against unforeseen health expenses but also enable them to stay healthy.
	Motor Insurance	Unforeseen incidents such as an accident, theft or other misfortunes can affect one's prized possessions. ABC offers its customers a host of motor insurance solutions to choose from.
	General Insurance	Each business is different and so are the risks associated with it. ABC helps the customers choose the right insurance cover against multiple business risks to ensure their business thrives and survives.
	Travel Insurance	Travel insurance provides coverage against losses incurred due to trip cancellation, loss of baggage and essential documents such as a passport.
Investing	Mutual Fund	Mutual funds are the most apt choice for individuals who want their hard-earned money to work equally hard.
	Wealth Management	Creating wealth is a craft and so is managing it. ABC's Wealth Management team is trained to hand-pick investment opportunities and carve out a portfolio that is as distinct as its customer's life's goals and aspirations.
	Stocks and Securities Broking	Investing in stocks and securities is considered as one of the ways to grow capital for a knowledgeable person. And with some sound advice from experienced professionals, an individual can make the most of emerging investment opportunities.
	Pension Funds	For individuals looking to create an income for their post-retirement phase of life, a pension fund is a sound investment product.
	Portfolio Management Services	In a market that offers a plethora of investment avenues, Portfolio management is an exclusive and premium service, wherein the customers' portfolio receives the individual attention of an expert and can benefit from a wide range of portfolio strategies.
Financing	Home Finance	Tailor-make a solution as per customer needs – be it the need for financing a new home, home extension or improvement, construction, or buying a plot and building a home.
	Personal Finance	Helps individuals meet their short-term needs by partnering with them in getting personal finance, simply and conveniently.
	SME Finance	Ensures that entrepreneurial customers are armed with enough to seize every opportunity that comes their way.
	Real Estate Finance	Real estate finance enables individuals to use their property as security for financing their needs. ABC offers a range of solutions including loan against property, lease rent discounting and construction finance.
	Loan Against Securities	Loan against securities solutions enables individuals to raise money without having to liquidate their investments that they have grown with much care over the years.
	Corporate Finance	Targeting mid and large corporates, ABC offers a wide range of comprehensive financing solutions to meet an organisation's funding requirements.
	Debt Capital Markets and Loan Syndication	Debt capital markets offer the right solution to customers looking at diversifying their funding profile. The loan syndication solution, meanwhile, helps businesses meet their financing needs by bringing together multiple lenders who collectively make up the required sum.

Structure



1 Indicates a Joint Venture (JV)

2 49.998% of Aditya Birla Insurance Brokers Limited is held by Infocyper India Pvt Ltd.

3 6.3% of Aditya Birla MyUniverse Limited is held by an employee welfare trust (under an Employee Stock Ownership Plan)

Note: ABCL structure above shown major subsidiaries and excludes step down subsidiaries, if any.

Aditya Birla Sun Life Pension Management Limited is a 100% subsidiary of Aditya Birla Sun Life Insurance Company Ltd.

Awards and Accolades

SERVICE EXCELLENCE

ADITYA BIRLA SUN LIFE INSURANCE

Insurance India Summit & Awards 2018, 3rd edition
Best Fraud Intelligence Company of the Year

Kamikaze Customer Experience & Loyalty Awards
Best Customer Service Initiative Award to Salhakaar,
an initiative by Revenue Assurance team

ADITYA BIRLA HEALTH INSURANCE CO. LIMITED

ASSOCHAM India - Health Insurance Congress 2018
& Service Providers Awards 2018
Star Performer Outreach Award to ABHICL's
'Care Managers'

Quality Circle Forum of India, Mumbai chapter

New Business: Refunds
New Business: Dispatch
DRM: OPD cashless benefit uptake

Excellence awards from Quality Circle Forum of India, National Level

Process improvement project on increase in DRM
OPD cashless benefit uptake via company portal

IMC Institute for introducing Chronic Management Programme

Best Practice Award for a unique customer
value proposition

PERFORMANCE

ADITYA BIRLA HEALTH INSURANCE CO. LIMITED

Asia's Banking, Financial Services & Insurance
Excellence Awards, Singapore
Best Health Insurance Company of the Year - 2018

ADITYA BIRLA SUN LIFE AMC LIMITED

2018 Thomson Reuters Lipper Awards
Best Fund over 3 years
Equity Sector Financials
Fund: ABSL Banking & Financial Services-Growth

2018 Thomson Reuters Lipper Awards - MENA Markets

Best Fund over 3 years, Bond Indian Rupee Fund:
ABSL Treasury Optimizer-Retail-Growth
Best Fund over 5 years, Bond Indian Rupee Fund:
ABSL Treasury Optimizer-Retail-Growth
Best Fund over 10 years, Bond Indian Rupee Fund:
ABSL Dynamic Bond-Retail-Growth

Best Fund over 3 years, Equity India Fund:
ABSL Small & Midcap Fund-Growth

Best Fund over 5 years, Equity India Fund:
ABSL Small & Midcap Fund-Growth

Best Fund over 3 years, Equity Sector Financials Fund:
ABSL Banking & Financial Services - Growth

Moneycontrol's Wealth Creator Awards 2018

Best AMC of the Year

Asia Asset Management 2019

Best of the Best Award for Investor Education

MARKETING

ADITYA BIRLA CAPITAL

Media Abby Awards 2019

Gold Category – Innovative use of branded content - Creation

Drags of Asia Awards

Bronze Category – Best brand loyalty campaign

ADITYA BIRLA HEALTH INSURANCE CO. LIMITED

#JumpForHealth Campaign was recognised across various prestigious platforms

E4M Indian Digital Marketing Awards 2018

Gold Category – Best Use of Social Networks

Silver Category – Best Benchmark Content

Silver Category – Best Campaign Online Advertising

E4M Indian Content Marketing Awards 2018

Gold - Best Crown Sourced Content

Silver - Best Marketed Branded Content

ADITYA BIRLA FINANCE LIMITED (ABFL)

Creative Abby Awards 2019

Bronze Category - Direct Dimensional Mail

ADITYA BIRLA SUN LIFE AMC LTD. (ABSLAMC)

IAMAI 2019

Bronze Category - Best blog in BFSI

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Our Life insurance business won awards for comprehensive Mother and Child Healthcare Project

Golden Peacock Award

FICCI CSR Awards

CSR Health Impact Award

PRODUCTS

ADITYA BIRLA HEALTH INSURANCE CO. LIMITED

Indian Chamber of Commerce at Emerging Asia

Insurance Awards

Activ Health Platinum product was recognised as Best Product Innovation in Health Insurance

TALENT DEVELOPMENT AND MANAGEMENT

ADITYA BIRLA HEALTH INSURANCE CO. LIMITED

Association for Talent Development (ATD)

BEST Award 2019

Best 50 companies with Innovative Talent Management Practices

Three prestigious CSR Awards

**GOLDEN PEACOCK AWARD,
FICCI CSR AWARD AND CSR HEALTH
IMPACT AWARD FOR OUR COMMUNITY
HEALTHCARE PROJECT FOR WOMEN AND
CHILDREN**

Corporate Governance

Adopting Best Practices of Governance

An effective governance aids in managing risks and challenges effectively as also entrusts accountability towards stakeholders. Thus, the Company's governance practices/policies are a product of self-desire, reflecting the culture of trusteeship that is deeply ingrained in its value system and implicit in its strategic thought process. At a macro-level, ABC's governance philosophy rests on five basic tenets, viz.

- Board accountability to the employees and relevant stakeholders,
- Strategic guidance and effective monitoring by the Board,
- Protection of minority interests and rights,
- Equitable treatment of all Members and
- Superior transparency and timely disclosures.

The Corporate Governance framework of the Company is based on an effective and independent Board, which oversees the implementation of well-informed and aligned goals on governance by the Senior Management team which constitutes a separate governance Board Committee(s), as per the regulations. The Board functions either as a full Board or through various committees constituted to oversee specific functions. The Senior Management informs the Board about the Company's performance in a periodic manner. Thus, the organisation strives continuously to achieve excellence in corporate governance through its values – Integrity, Commitment, Passion, Seamlessness and Speed.

Board of Directors

The Board of Directors of ABC comprises 7 Directors - 3 Non-Executive Directors and 4 Independent Directors, including a woman Director. The Chairman of the Board is a Non-Executive and Non-Independent Director. The composition of the Board is in conformity with the requirements of the Companies Act, 2013 ("the Act") and Regulation 17 of the Securities and Exchange Board of India (SEBI) Listing Regulations.

Composition of the Board

Name of the Director	Category	Age	Gender
Mr. Kumar Mangalam Birla	Non-Executive, Non-Independent	52	M
Dr. Santrupt Misra	Non-Executive, Non-Independent	54	M
Mr. Sushil Agarwal	Non-Executive, Non-Independent	56	M
Mr. Arun Kumar Adhikari	Independent	65	M
Mr. Puranam Hayagreeva Ravikumar	Independent	68	M
Mr. Subash Chandra Bhargava	Independent	74	M
Mrs. Vijayalakshmi Rajaram Iyer	Independent	64	F

The brief profile of the present Directors on the Board is available on the Company's website at www.adityabirlacapital.com/about-us/board-of-Director

Board Committees

The ABC Board has constituted the Committees of the Board with specific terms of reference as per the requirements of the SEBI Listing Regulations and the Act. The Board committees play a vital role in the effective compliance and governance of the Company in line with their specified and distinct terms of reference and roles and responsibilities. The Chairpersons of the respective committees report to the Board on the deliberations and decisions taken by the committees and conduct themselves under the supervision of the Board. The minutes of the meetings of all committees of the Board are placed before the Board for its perusal on a regular basis.

Audit Committee

Financial reporting in a sustainable manner is extremely crucial to succeed. ABC has a well-qualified and independent Audit Committee in place, which acts as a link between the Management, the Statutory and Internal Auditors and the Board. Its composition, powers, role and scope are in accordance with the provisions applicable under Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. All the members of the Audit Committee are financially literate and believe in transparent reporting.

Nomination, Remuneration and Compensation Committee

ABC follows the subsection (1) of section (178) of the Companies Act, 2013, which deals with the establishment of a Nomination and Remuneration Committee. The committee is mainly entrusted with the responsibility of formulating criteria for enabling recruitment, motivation and retention of managerial personnel, reviewing and giving recommendations for remuneration policies and staff framework. It also identifies the qualifications of persons eligible to become Directors as well as recommending a policy to the Board relating to the remuneration of Directors/Senior Management cadre, in accordance with the criteria laid down to maintain Board diversity. The Committee also monitors and administers the Employee Stock Option Scheme(s) in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Risk Management Committee

Risk Management is a significant area which can contribute positively or negatively to the sustainability of an organisation. The management must at all times track down and improvise on the risk areas for smooth functioning. ABC has a robust Risk Management framework which proactively addresses risks, including environmental and social risks, and seizes opportunities to gain a competitive advantage to protect and create value for its stakeholders.

Stakeholders Relationship Committee

The committee looks after grievances of the security holders of the Company, reviews voting rights, and approves allotment of shares and results of any investigation/audit conducted by any statutory authority.

Corporate Social Responsibility Committee

In accordance with the terms of the provisions of Section 135 of the Act and the SEBI Listing Regulations, ABC has constituted a Corporate Social Responsibility Committee to oversee its community engagement initiatives, impact assessment studies and volunteering activities.

Finance Committee

The Finance Committee looks after the most important functions of money credits/lending, and how the provisions to this effect can be made (fund and non-fund based limits) for its business requirements. The organisation carries out this task by authorising Company officers to open/operate/close bank accounts, approve the grant and execution of Power of Attorney to such officers, besides the other powers granted to it by the Board from time to time.

	Committee Members	Independent Director	Non-Independent Director	Independent Chairperson
Audit Committee	3	2	1	Yes
Nomination, Remuneration and Compensation Committee	4	2	2	Yes
Risk Management Committee	3	2	1	Yes
Stakeholders Relationship Committee	3	1	2	Yes
Corporate Social Responsibility Committee	4	3	1	Yes
Finance Committee	3	1	2	Yes

Performance Evaluation of the Board

A formal evaluation mechanism has been adopted for evaluating the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. The evaluation is based on criteria which include, providing strategic perspective, Chairmanship of Board and Committees, attendance, time devoted and preparedness for the meetings, quality, quantity and timeliness of the flow of information between the Board Members and the Management, contribution at the meetings, effective decision-making ability, role and effectiveness of the Committees. The Directors provide feedback on the functioning of the Board, Committees and Chairman of the Board.

For any further elaborate information about the Company's Board and its Committees, the company's Annual Report 2018-19 may be referred on the company's website <https://www.adityabirlacapital.com/investor-relations>

Grievance Mechanism for Investors

The Company Secretary acts as the Compliance Officer of the Company and is also responsible for redressal of investor complaints.

Investors can also submit their query in the 'QUERIES' option provided on the website, which would generate the grievance a registration number. For accessing the status/response to the query submitted, the grievance registration number can be used at the option 'VIEW REPLY' after 24 hours. Investors can continue to put an additional query, if any, relating to the grievance till they get a satisfactory reply.

Board of Directors



MR. KUMAR MANGALAM BIRLA
Chairman and
Non-Executive Director



DR. SANTRUPT MISRA
Non-Executive Director



MR. SUSHIL AGARWAL
Non-Executive Director



MR. ARUN ADHIKARI
Independent Director



MR. S. C. BHARGAVA
Independent Director



MR P. H. RAVIKUMAR
Independent Director



MRS. VIJAYALAKSHMI IYER
Independent Director

Leadership Team



MR. AJAY SRINIVASAN
Chief Executive,
Aditya Birla Capital Limited



MR. PANKAJ RAZDAN
Chief Executive Officer and
Managing Director, Aditya Birla
Sun Life Insurance Company Limited



MR. RAKESH SINGH
Chief Executive Officer,
Aditya Birla Finance Limited



MR. TUSHAR SHAH
Chief Executive Officer,
Infrastructure & Structured Finance,
Aditya Birla Finance Limited



MR. A. BALASUBRAMANIAN
Chief Executive Officer,
Aditya Birla Sun Life AMC Limited



MR. MAYANK BATHWAL
Chief Executive Officer,
Aditya Birla Health Insurance
Co. Limited



DR. SANDEEP DADIA
Chief Executive Officer and
Principal Officer,
Aditya Birla Insurance Brokers Limited



MRS. PINKY MEHTA
Chief Financial Officer,
Aditya Birla Capital Limited



MR. MUKESH MALIK
Chief Operating Officer,
Aditya Birla Capital Limited



MR. SUBHRO BHADURI
Chief Human Resources Officer,
Aditya Birla Capital Limited



MR. A. DHANANJAYA
Chief Compliance and Risk Officer,
Aditya Birla Capital Limited



MR. AJAY KAKAR
Chief Marketing Officer,
Aditya Birla Capital Limited



MR. PRAMO SELVARATNAM
President, Strategy and
Business Development,
Aditya Birla Capital Limited

Risk Management

Risk management governance ensures timely evaluation and management of risks, which not only improves the brand image but also indicates a high stakeholder commitment. Aditya Birla Capital has adopted best-in-class risk management

practices in order to ensure that the Company's fast-paced growth is accompanied by the virtue of having a sustainable platform. ABC risk management approach is aimed at achieving the following:



Our risk management approach is classified under the following buckets and is explained below.

SOURCING AND UNDERWRITING

Underwriting	Committee-based approach with a focus on rigorous credit appraisal and cash flows for corporate, projects and structured finance
Product Program Based	SME, Retail and Digital lending using robust programs, systems and analytics

EXPOSURE MANAGEMENT

Group level exposure management	Aggregate exposure limit set for borrower and group monitored continuously
---------------------------------	--

EVENT-BASED AND REGULAR STRESS TESTING

Scenario and event-based stress testing of portfolio	Sector developments and event-based impact review through financial stress model
Liquidity Management	Continuous oversight on ALM and liquidity through diversification and back up lines

CONTINUOUS MONITORING TO ENSURE ASSET QUALITY

Lifecycle monitoring of exposures	Automation of identified triggers for key exposures
Early warning triggers	An alert mechanism to identify signs of incipient stress

LEGAL AND COMPLIANCE RISKS

Continue to adopt best practices	Zero-tolerance approach to non-compliance across every subsidiary
----------------------------------	---

INFORMATION SECURITY AND CYBER RISKS

Continue to adopt best practices	Standardised manner to mitigate these risks is adopted and it continues to be closely monitored at the Group level with a quick response team in place
----------------------------------	--

OPERATIONAL RISKS

Proactive Approach	Early identification of operational risks and building an effective control framework to minimize frauds and operational losses.
--------------------	--

ABC has also established an ESG framework, which currently is based on negative screening and precautionary checklist for evaluation of investment opportunities. ABC is in the process of implementing ESG considerations into its investment and lending decisions. The Company is keen to extend the framework to all its businesses.



Code of Conduct

The Company's governance structure guides the organisation keeping in mind the core values of Integrity, Commitment, Passion, Seamlessness and Speed. The Code of Conduct, which embodies the Aditya Birla Group's Corporate Principles, covers all employees of the Company irrespective of their level, (including probationers and trainees) and Directors, its subsidiaries and joint venture companies and covers all the business entities, units and offices, which are, or would be anytime later, under the umbrella of ABC. ABC entities are also urged to apply this Code to their outsourced, contracted personnel and representatives, on a best endeavour basis.

The Company also has a Code of Conduct that is specifically designed for all the Board Members and Senior Management. The said Code is approved by the Board of Directors of the Company.

Anti-Corruption

Corruption in the financial services sector has manifested itself in many scandals involving money laundering, rate-rigging and tax evasion, all of which undermine public trust in financial institutions. ABC's Code of Conduct stresses on its zero-tolerance policy against accepting or giving bribes of any kind. Further, it has a robust anti-money laundering rule and has established an anti-fraud process along with a fraud reporting mechanism in compliance with Monitoring of Frauds in NBFCs, (Reserve Bank) Directions, 2016.

To effectively counter corruption and promote integrity, ABC follows rule-based approaches and complements it with measures such as Codes of Conduct, public oaths, building incentives for integrity in remuneration packages and careful management of conflicts of interest. These measures are accompanied by strong oversight and measures to ensure there is no impunity for wrongful behaviour. All the employees are trained on the Code of Conduct during induction and routine awareness sessions.

Enforcement Mechanism

ABC has a robust Enforcement Mechanism, ensuring open channels to report any violations of its Code of Conduct. The

immediate senior of an employee, the Unit Head, the ABC CEO, Aditya Birla Management Corporation Private Limited (ABMCL) Director concerned, the Corporate Panel (described below) and the Chairman of ABC form the cornerstones of this mechanism. An employee, depending on the nature of the violation, can go to one or the other members of the Enforcement Mechanism mentioned above.

Any violations are reported to the Corporate Panel (comprising three members nominated by the Chairman), an impartial body for processing all cases of violations in the Group. The members of the Panel are rotated periodically.

The corporate panel conducts preliminary scrutiny, in-depth investigation and takes the suggestion of the Chairman for guidance. These findings and recommended actions are finally submitted to Unit Head /ABC Director and finally to the Chairman.

Compliance

An organisation must have protocols to track and address non-compliances as an essential part of its compliance risk management. The company's robust Enterprise Risk Management and internal audit approach verify compliance with the regulatory, operational and system related procedures and controls. ABC complies with all the regularity/statutory compliances and financial service sector's general good practices.

Whistle Blower Policy or Vigil Mechanism

The Company has in place a vigil mechanism for Directors and employees to report instances and concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Adequate safeguards are provided against victimisation of those who avail the mechanism, and direct access to the Chairperson of the Audit Committee is provided to them. During the financial year under review, no personnel was denied access to the Audit Committee. The policy is in line with the Company's Code of Conduct, Vision and Values and is available on the Company's website.¹

¹ www.adityabirlacapital.com/investor-relations/policies-and-codes

Governing Sustainability

Chairman’s Sustainability Vision

“The Aditya Birla Group endeavours to become the leading Indian conglomerate for sustainable business practices across its global operations, balancing its economic growth with environmental and societal interests.”

- Kumar Mangalam Birla

Chief Executive’s Commitment to Sustainability

“In line with the Chairman’s vision, ABC is committed to operating in a manner that is long term and sustainable not only from an economic standpoint but also from an environmental and social perspective. Balancing the country’s rapid growth needs with sustainable development is a unique challenge and we aim to address these issues in a manner tailored to the Indian context.”

- Ajay Srinivasan

Chief Compliance & Risk Officer’s Commitment

“Sustainability at Aditya Birla Capital is part of the group risk function on the premise that environmental and social factors are material to the financial sector from a risk perspective. Having embarked on this journey in 2015, we are still learning the ropes in terms of incorporating sustainability factors in our lending and investment decisions. The challenges are enormous since Sustainable Finance as a subject is still a relatively untrodden path in India and the benefits are slow to materialise. Having said that, we have undertaken various internal and external sustainability efforts and aim to steadily fulfil our Chairman’s vision to be a sustainability leader in our sector.”

- A. Dhananjaya

Sustainability Policy Statement

“As a leading player in the finance sector in India, ABC believes in the importance of generating long term value creation for all stakeholders. We aim to align all decisions with the end goal of delivering financial performance and investment returns without compromising on the management of environmental, social and governance risks. ABC is committed to reducing the Company’s negative footprint – environmentally and socially – in all the operations - internal and external. To achieve this, ABC has established and implemented mechanisms to encourage, influence or mandate its stakeholders and business partners to conserve natural resources, protect the environment, provide a safe and healthy workplace for their employees and contractual staff and restore standards of living for those affected by project operations, wherever relevant and necessary.”

Sustainability Governance Structure

ABC’s enterprise risk management (ERM) function plays a critical role in monitoring and managing the risks and opportunities that stem from the internal and external forces that impact a company. In this light, the ERM also oversees ABC’s Sustainability agenda which is guided by the Aditya Birla Group’s Sustainability Vision and in line with the UN SDGs.

The responsibility of implementing and monitoring sustainability practices is undertaken individually by ABC’s operating businesses through their risk, compliance and legal teams. ABC’s Chief Compliance and Risk Officer (CCRO) guides and governs the sustainability strategy across the businesses and reviews all initiatives undertaken. The CCRO also reviews the sustainability framework annually on all the identified material aspects concerning internal and external stakeholders.



ESG Integration



Through its lending and investment services, ABC recognises its potential to positively impact society by ensuring its lending and investment decisions are inclusive of environmental and social risks of investee companies/projects. With a deep-rooted commitment to responsible investing and financing, ABC has embarked on its journey in integrating Environmental, Social and Governance (ESG) considerations into its investment decisions, credit risk assessments and monitoring processes.

To this effect, ABC has recently developed and implemented ESG scorecards that enable its businesses to assess their portfolios' ESG risks and help the Company to move towards addressing global issues like climate change, pollution management, emissions reduction, economic and societal inequalities, and fair treatment of all stakeholders.

ESG Integration

The ESG Scorecard is guided by international best practices like Equator Principles and the United Nations-supported Principles for Responsible Investment standards. It covers sector-specific and material issues like status of sustainability permits and approvals and its monitoring, emissions mitigation, impact of Company operations on groundwater

and biodiversity and its mitigation, evidence of pollution incidents and its management plan; social issues like workplace-related fatalities, presence of grievance mechanism systems (in case of projects), healthcare plans for employees and contract labourers; and corporate governance issues like promoter criminal records, Board independence, auditor rotation, and internal controls systems like whistleblower mechanism. After diligent research by analysts, the scorecard calculates the Sustainability Risk Rating of the assessed company, based on which a hierarchal approval mechanism is put in place wherein decisions concerning high-risk companies would require the highest-level approval. Through this ESG risk management framework, ABC ensures that it is making informed decisions which include extra-financial sustainability factors and placing adequate mitigates to avoid negative impacts on the environment and the society by their investee companies/projects.

ABC has implemented this ESG risk management framework in its infrastructure financing business and is committed to replicate the efforts across all of ABC's businesses as they strive to move towards becoming a responsible investment leader in the sector.

Stakeholder Engagement

ABC is committed to delivering value to all its stakeholders. The organisation believes in proactively engaging with them to address their expectations and concerns in an informed and effective manner. Through several brainstorming sessions and discussions with the senior management, the Company has identified its internal and external stakeholders. The stakeholders are prioritised based on the influence they exert on the organisational decisions, activities and long-term growth.

ABC's key stakeholders include its customers, employees, shareholders and investors, and the regulatory authorities. In addition, the organisation has identified underprivileged stakeholders in nearby communities and is working on their upliftment through its corporate social responsibility activities.

ABC has also associated itself with several trade and industry associations to establish a bridge between the industry and the government, seeking the attention of the government towards areas concerned besides facilitating the industry in various ways by creating platforms for its sustainable growth. Some of the key trade and industry associations include:

- The Associated Chambers of Commerce and Industry of India (ASSOCHAM),
- Confederation of Indian Industry (CII),
- Federation of Indian Chambers of Commerce & Industry (FICCI),
- Indian Banks' Association (IBA),
- Bombay Chamber of Commerce and Industry

The following pattern is followed for stakeholder management at ABC to reinforce transparent and effective communication with the stakeholders:

Stakeholders	Concerns/Areas of Interest	Mode of Engagement	Frequency of Engagements
Employees	<ul style="list-style-type: none"> ● Fair wages and rewards ● Work-life balance training and skill development ● Career growth ● Job security ● Transparent communications 	<ul style="list-style-type: none"> ● Emails and meetings ● Internal portals ● Employee satisfaction survey ● Training programmes ● Performance appraisal ● Grievance redressal mechanisms 	<ul style="list-style-type: none"> ● Annually
Customers	<ul style="list-style-type: none"> ● Post engagement support ● Grievances ● Advisory ● Quality 	<ul style="list-style-type: none"> ● Customer feedback ● Customer survey ● Emails/phone calls/meetings ● Customer visits 	
Shareholders	<ul style="list-style-type: none"> ● Financial performance ● Returns/dividends 	<ul style="list-style-type: none"> ● Press releases ● Investor/analyst meets ● Investor conferences ● Direct investor engagement ● Investor grievance redressal 	
Regulatory Bodies- RBI/SEBI	<ul style="list-style-type: none"> ● Performance reports shared with SEBI and the RBI ● Compliance reports ● Industry bodies 	<ul style="list-style-type: none"> ● Direct engagement ● Hosted events ● Participation as panellists 	
Rating research agencies	<ul style="list-style-type: none"> ● Financial performance ● Quarterly results ● ESG practices 	<ul style="list-style-type: none"> ● Analyst meets ● Investor presentations ● Quarterly and annual reports 	<ul style="list-style-type: none"> ● Quarterly and annual
Communities and NGOs	<ul style="list-style-type: none"> ● Impact assessment and CSR Intervention ● Monitoring and evaluation 	<ul style="list-style-type: none"> ● Baseline surveys ● Focused group Interviews ● Surveys on various assessment 	<ul style="list-style-type: none"> ● Continuous monitoring and evaluation

Materiality Analysis

Identifying and addressing material sustainability aspects that impact an organisation's ability to create and deliver value in the short and long term is an important step in the sustainability journey.

Materiality assessments provide strategic insights to drive action towards improving the Company's sustainable performances.

The identification of the Company's most important issues is fundamental for aligning sustainability with the overall strategy, building business resilience and capitalising on new opportunities.

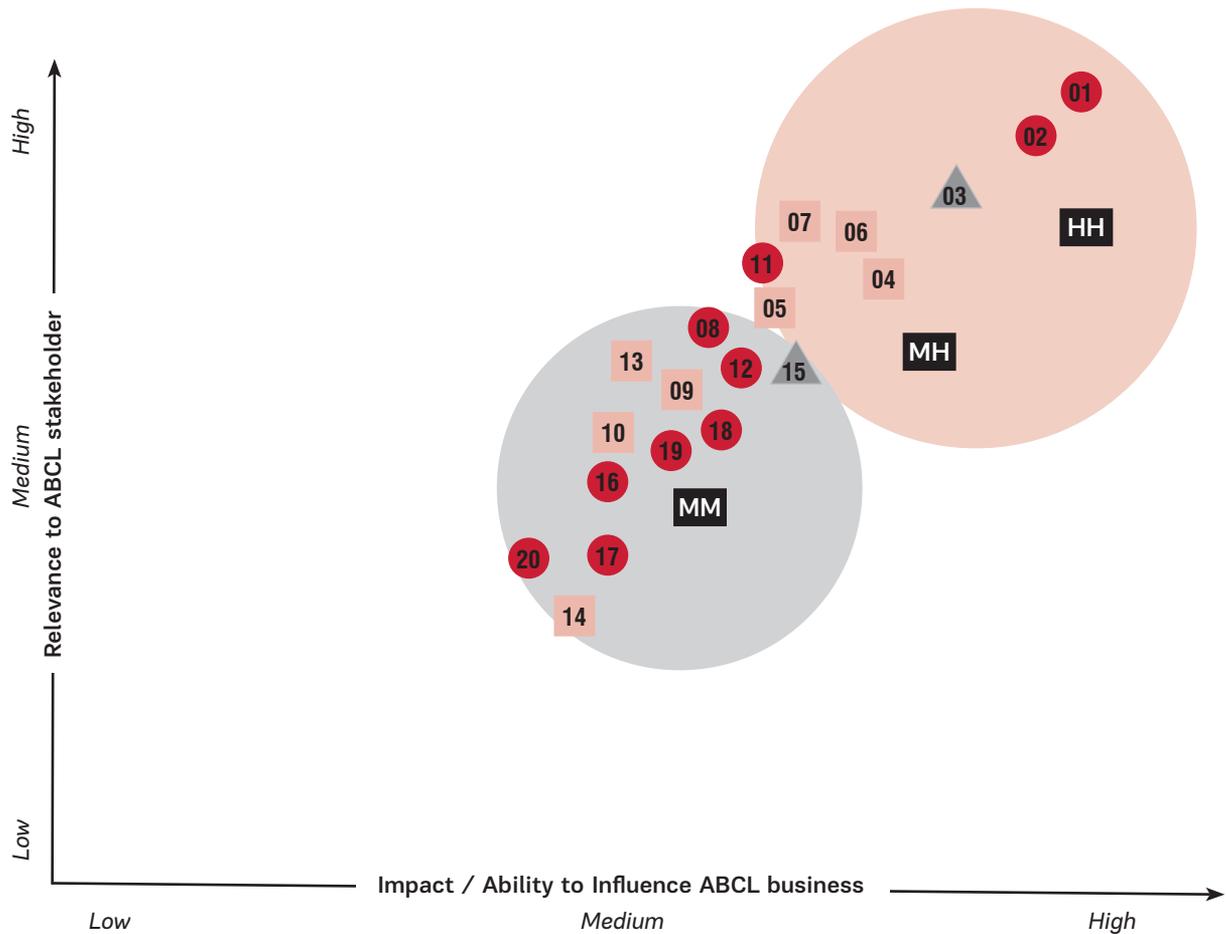
As part of its first sustainability reporting journey, ABC took the following approach to identify its material sustainability issues:



Material Issues for ABC

In this year's materiality assessment, the views of external stakeholders were compiled by an independent agency from the feedback of ABC's respective stakeholder facing teams. ABC plans to improve this by having direct strategic stakeholder consultations in further reports.

Through this process, the following issues were identified as material and thus ABC, further in this report, would articulate its approach to addressing these topics and disclose the Company's performance on those.



ECONOMIC

- 01 Digitisation
- 02 Economic performance
- 08 Financial crisis / shocks
- 11 Product responsibility
- 12 Cyber incidents
- 16 Brand reputation
- 17 Combating financial crime
- 18 Market presence
- 19 Representation with regulators
- 20 Shareholder participation rights

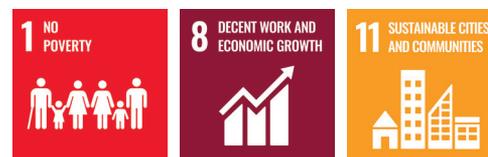
SOCIAL

- 04 Product and service labelling
- 05 Employment
- 06 Financial inclusion
- 07 Social responsibility
- 09 Diversity and equal opportunity
- 10 Customer privacy
- 13 Government initiatives & missions
- 14 Responsibility towards customers, Safety

ENVIRONMENTAL

- 03 Compliance related to legal, environmental and social requirements
- 15 Climate change

Economic Performance



ABC recognises its role, beyond generating value for shareholders, in contributing to the economic growth both directly and indirectly. The Company takes concrete efforts in contributing to the economic growth of all its stakeholders,

which include employees, suppliers, customers, government and the wider community. The results on the economic value generation and distribution over the past two years are presented below:

Particulars (in ₹ Crores)	FY 19	FY 18
Economic Value Generated (EVG)		
Net Revenue	15,163.51	11,523.88
Profit from JV companies	225.84	175.37
Other Income	8.46	3.60
Total (EVG)	15,397.81	11,702.85
Economic Value Distributed (EVD)		
Operating Costs:		
Fees and Commission Expenses	452.18	198.36
Impairment on Financial Instruments Including Loss on Derecognition of Financial Assets at Amortised Cost (Expected Credit Loss)	227.75	242.86
Policyholders' Expense of Life Insurance Operations	7,130.07	5,496.29
Policyholders' Expense of Health Insurance Operations	743.69	429.74
Depreciation and Amortisation Expenses	57.89	44.27
Other Expenses*	508.07	519.68
Total (Operating Costs)	9,119.65	6,931.2
Employee Wages and Benefits	788.45	652.16
Payments to Providers of Capital	4,109.06	3,023.65
Total Expenses	14,017.16	10,607.01
Payments to Government	569.35	402.76
Total (EVD)	14,586.51	11,009.77
Economic Value Retained (EVD -EVG)	811.30	693.08

*Other expenses include community investments of subsidiaries. Details in "Strengthening Communities" Section

Credit Ratings

ABC enjoys a good reputation for its sound financial management and ability to meet its financial obligations. This is further reflected in the best possible credit rating from many rating agencies and backed by its robust Internal Risk Rating system, which effectively assesses the creditworthiness of borrowers and risk-based pricing decisions. Such controls ensure good asset

quality and earnings growth. With a diverse investor base, the Company is also able to demonstrate strong capital adequacy.

	FY 19
ICRA	AAA
CARE	AAA
India Rating	AAA

Fostering Financial Inclusion

Financial inclusion plays a crucial role in uplifting the economic scenario, reducing poverty and bringing social harmony to the underprivileged sections of society. It is a national priority in which the financial sector has a critical responsibility in providing access to financial products to the grassroots of the country. In doing so, the financial sector brings individuals and businesses on a single platform to access financial services and products which meet their individual needs. ABC recognises its role in contributing to financial inclusion and the need for it to be carried out in a sustainable manner for the benefit of the identified/relevant stakeholders in the community.

In this pursuit, ABC's approach is to

- Encourage and expand access to investing, insurance and financial services for individuals
- Improve access for SMEs and other enterprises to financial services, including affordable credit and integration into value chains and markets
- Promote and create financial awareness and literacy

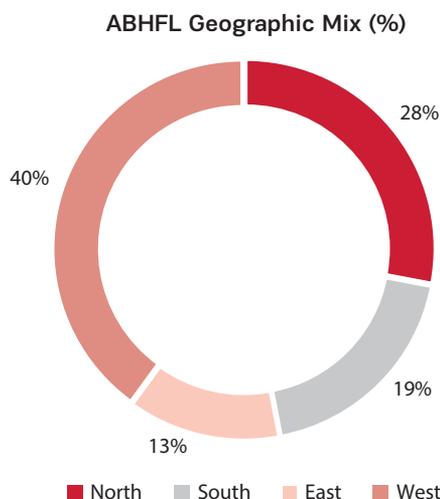
A) Affordable Housing

Rapid urbanisation and the lack of planned affordable housing in India have led to a shortage of 10–12 million urban homes². Additionally, about 26–37 million urban families with annual income between ₹ 3-6 lakh reside in poor living conditions². Historically, there has been a lack of access to housing finance for low-income customers, with the bulk of low-income households working in the informal sector and lacking reliable documentation of income. These households, therefore, cannot obtain housing loans from banks and traditional housing finance companies, which focus on middle- and high-income formal sector customers and provide loans on the basis of reliable income documentation.

Recent years have seen the emergence of “Affordable Housing Finance” companies (AHFCs), which are beginning to address this market gap for informal sector customers. These AHFCs realised that though informal sector and low-income customers do not have reliable documentation of income, they do have reasonable and steady incomes. In order to reliably assess the income, assets, and repayment capability of such customers, financial institutions have developed field-based, detailed credit assessment and verification processes. In addition, favourable Government policies such as the Pradhan Mantri Awas Yojana (PMAY), recognise this shortage in housing and intend to bridge the gap with a goal to construct 20 million houses for low-income group (LIG) and economically weaker section (EWS) households by the year 2022 through financial assistance from the Central Government.

ABC through Aditya Birla Housing Finance Limited (ABHFL) offers a comprehensive range of housing finance solutions

and is determined to cater to both salaried and self-employed individuals in order to succeed sustainably in further bridging this gap. Through its affordable housing business, which grew four-fold y-o-y during FY 19, (from ₹ 370 Crores to ₹ 1,438 Crores) ABHFL is increasingly providing access to housing credit to low-income group households in India. ABHFL aims to continue to provide financing for such housing projects and further expand its business by increasing the geographic reach in tier 2, 3 and 4 cities in India. Further, ABHFL's thrust is on building a robust technology platform for customer acquisition, offering quality customer service for better retention and creating operating efficiencies. As of 31st March, 2019, ABHFL's footprint has already extended to 65 branches and it continues to maintain a comfortable capital adequacy ratio at 16.8% (as on 31st March, 2019) against 12% as per regulatory norms as of 31st March, 2019.



1,400+ Cr

Lending Book for Affordable Housing

45%

Affordable Housing loans under PMAY subsidy

B) Micro SIPs

According to industry data, mutual fund investors in India represented less than 1.5-2% of the population, leaving a huge untapped potential. The key factors to bridge this gap would be – awareness, affordability and access. The Association of Mutual Funds in India (AMFI) has been instrumental in making mutual funds and systematic investment plans (SIPs) household names through its ‘Mutual Fund Sahi Hai’ campaign, while digitisation has helped navigate the last mile connectivity. However, the industry still struggles to reach out to masses to improve its toehold in their financial savings, with affordability in mass markets being a concern given the operating costs of the industry.

² State of the low-income housing finance market 2018, <https://www.fsg.org/publications/state-low-income-housing-finance-market-2018>

ABC's mutual fund business, Aditya Birla Sun Life Mutual Fund (ABSLMF) has taken a leap in reaching out to the masses, joining the club of select asset management companies that are able to offer a minimum ticket as low as ₹ 100 for first-time investment as well as for SIP commitments (Micro SIP) in select schemes (7 schemes) that are meant for longer-term investments. It has also gone ahead and reduced the minimum amount in Aditya Birla Sun Life (ABSL) Liquid fund to ₹ 500 from ₹ 1,000, reducing the entry barrier for investors.

These schemes were launched with the objective to create an easy entry point for retail customers specifically from digital platforms or from Tier 3 and 4 locations where the earnings and affordability standards do not offer much of household savings. In addition, they influence behavioural change among the disadvantaged and incentivise financial independence through mutual fund investments. Initiatives such as the use of electronic media, digital platforms, and the hub and spoke distribution models at ABC, have also come a long way in increasing access to various investment options in the market.

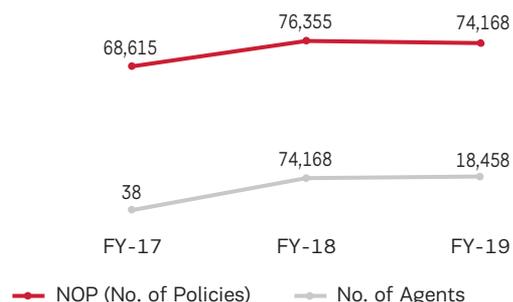
SIP Performance (book size)	FY 18	FY 19
Micro SIP (in ₹ Crores)	3.20	3.52

C) Rural Insurance

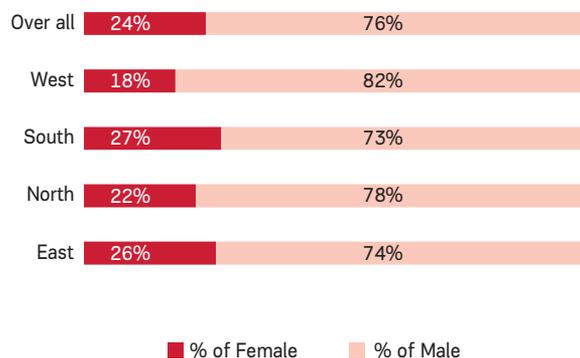
In several areas of the country's villages, basic infrastructure for travel, food, health and banking have still not reached the masses. As compared to their urban counterparts, the rural masses have lower access to the tools and remedies that make life much easier. Hence, the risks associated with poor health and life expectancy are magnified. Recognising this gap, ABC's life insurance business, Aditya Birla Sun Life Insurance (ABSLI), launched a unique rural life insurance programme in the year 2001 to provide a much-needed bouquet of insurance products to the villages of India.

In FY 19, ABSLI's rural insurance business accounted for nearly 23% of total business sourced, propelled by its focus on increasing its reach through the steady y-o-y addition of distribution agents and partner banks with a vast rural presence. The Company, through its micro-insurance schemes also caters to the social sector (as mandated per the Insurance Regulatory and Development Authority of India- IRDAI), which includes the unorganised sector, informal sector, economically vulnerable or backward classes and other categories of persons, both in rural and urban areas. These products generally deliver an average sum assured of ₹ 10,000 with an average premium of ₹ 50 and are distributed through micro-insurance partners like micro-insurance agents, NGOs, self-help groups and Cooperative Banks. In addition, ABSLI operates through small societies and credit societies who also source micro-insurance as well as group policies for the Company as its partners.

Rural Business/Agents Trend Year Wise



Policy Holder Gender & Region Wise



As per the IRDAI regulations, 7% of policies written by a life insurer should be from the rural areas as well as the social sector in its first year of business and gradually increase to 20% in the 10th year and thereafter.

In view of the above ABSLI has achieved the following:

21%
First year premium
from rural business

20%
Total policy count from
social business

24%
Women rural policy holders;
South leading in female
percentage sale

D) Financial Literacy

Despite India's rise as a global economic force, a significant population continues to remain excluded from the formal economy and are thus deprived of its benefits. While recent sustained efforts in financial inclusion have generated bank accounts for 80% of Indian adults³, according to the World Bank, 48% of the country's bank accounts have had no transactions in the last year in comparison to the global figure of 25%. Further, the International Monetary Fund

(IMF) estimates that only 13% of Indian adults borrow through formal channels.

Recognising these challenges, ABC considers financial literacy and awareness as crucial to financial inclusion and a timely intervention in the current context with numerous catalysts being enabled by the government towards Digital India. The organisation's proactive initiatives to increase financial literacy covers over 350 towns in India.

Initiatives towards Inclusions	Goals	Target group/Beneficiary
Adopted over 100 schools	Educate school students and provide exposure to financial literacy. Formal education along with financial literacy module	Youth groups, youth, school students
Adopted 11 districts	Financial inclusion through financial literacy	Low-income individuals
A unique initiative to educate passengers of Shatabdi trains in Indian Railways	Financial literacy	Indian Railway passengers
Created 10,000+ certified goal planners	<ul style="list-style-type: none"> To assist investors in planning their finances aligned to their life goals. Solutions and right products to prospective customers. 	Investors
Investor education and distributor development programs	<ul style="list-style-type: none"> Transparency Diversify funding resources 	Investors and distributors
Reached out to various towns and educating prospective customers	Customer education drives	Potential Customers, Underprivileged group of people
Partner training programmes	Educating partners about the products and benefit plans	Financial institutions partners and distributors

SME Lending Contributing to Economic and Societal Growth

Small and medium-sized enterprises (SMEs) are the economic foundations of developing countries. A 2018 International Finance Corporation (IFC) report indicates that SMEs in India employ close to 124 million people across the geography, accounting for 31% of India's GDP. With the Government of India focusing upon the 'Make in India' and other initiatives launched with the objective of increasing growth in the SME sector, the role of financial institutions has become critical in catering to the needs of small businesses and specialised segments.

ABC's non-banking financial services unit, Aditya Birla Finance Limited (ABFL), offers customised lending and financing solutions with a strong focus on SME lending, recognising it as one of the largest opportunities to drive value. To this effect, ABFL's strategic priorities in the coming years include expanding its footprint in tier 2 and 3 cities to serve more small enterprises with effective implementation of information technology to enhance reach and experience.

As part of its SME lending, ABFL also offers supply chain finance (SCF), targeting small suppliers / Micro, Small and Medium Enterprises (MSMEs) who do not have the requisite skills to maintain proper financial data or who lack the ability to offer collateral security. Working capital is the lifeline of every business. Hence, freeing up cash flow and working capital reduces pressure on vendors, while simultaneously eliminating the need to borrow at unaffordable interest rates which, in turn, provides liquidity in the supply chain. These small business centres lack access to formal credit due to their inherent limitations such as lack of financial information, historical cash flow data etc. Supply chain finance is a boon for such entrepreneurs.

ABC has a large share of financial transactions towards supply chain finance. SCF optimises cash flow in the short term by providing liquidity to the small businesses and links various parties in the transaction — buyer, seller, and financing institution — to lower financing costs and improve business efficiency.

³ <https://www.thehindubusinessline.com/opinion/financial-inclusion-is-fast-losing-steam/article26071996.ece>

The following pattern is followed for stakeholder management at ABC to reinforce transparent and effective communication with the stakeholders:

Buyer	Seller	Lenders
Reduce the cost of goods purchased	Reduce the cost of capital	Build stronger, collaborative relationships with customers
Reduce working capital requirements	Generate flexible, predictable cash flow	Enhance customer retention
Stable supply base	Gain access to low-cost finance rates	Increase the bottom line by supporting customers' entire supply chain from end to end

SME Lending	FY 18	FY 19	SCF	FY 18	FY 19
Loan advances SMEs for the last two years	9,791	11,880	Loan advances for the last two years	1,577	1,891

All values in ₹ Crore

Customer Centricity and Responsibility



ABC’s responsibility towards customers is manifested in the Company’s efforts to help raise their quality of living and strengthening its bonds with them through its product offerings and consistent services. The Company’s relationship with its customers begins by understanding their needs and it endeavours to partner them throughout their life by offering the right money solution for all their needs.

ABC understands that there are three key needs people need money to fulfil for them: secure everything they value, fulfil their desires and live to their fullest potential, and do so without having to wait. The Company has a strong presence across a wide range of financial services, providing for its customers’ need for Protecting, Investing, Financing and Advising solutions. ABC’s multi-channel approach to distribution across its businesses, with online initiatives that complement its physical distribution infrastructure, enables the organisation to reach diverse customer segments, drive efficiency and enhance customer choice and experience.

ABC understands the main concerns of its customers lie in trust, financial stability and expertise. In the financial services space in India, a trusted brand is extremely crucial as ABC believes customers ‘buy the brand’ first, before they do the product. ABC has a strong brand image with a distinct competitive edge in the financial services sector as it benefits from the strong brand equity generated by the virtue of the ‘Aditya Birla’ brand - one of the most respected, stable and oldest business houses in India.

10+
 Million Customers

850+
 Branches

20,00,000+
 Channel Partners

Sectors served

NBFC, Asset Management, Life Insurance, Health Insurance, General Insurance, Housing Finance, Private Equity, Wealth Management, Online Personal Finance Management and Pension Fund Management

Customers

Retail, High-Net-Worth Individual (HNI), Ultra HNI, Micro-Enterprises, SMEs, Mid & Large Corporates, Self-employed Individuals.

Enhancing Customer Experience through Technology

Technology can help us do several things, including increase reach, improve customer experience, hyper personalise offerings and, of course, build greater efficiency and scalability. ABC has embarked on its digital transformation, increasing its online presence and digital offerings across all key businesses, to help connect better with customers and distributors. Recognising the tremendous growth potential in its digital channels, the company will continue to invest in order to harness the power of technology across its platforms.

A. Delivering Customer Wellness

ABC’s health insurance business, Aditya Birla Health Insurance Co. Limited (ABHICL) has created a differentiated business model based on the philosophy of ‘health first’ by moving from the traditional ‘buy and forget’ to ‘buy and engage’ policy. It serves as an enabler and an influencer for customer health, in addition to fulfilling the traditional role of funding healthcare expenses. The policy emphasises a holistic health approach, which goes beyond sickness funding to disease prevention and wellness management. In terms of its service delivery model, ABHICL has built a robust platform for providing a seamless experience throughout the customer journey, from sales to service.

Using digital technology to enhance its customer engagement and experience, ABHICL has anchored the industry’s first incentivised wellness and chronic management programmes embedded in its products.

5,800+
Hospitals

800+
Cities

~5 years
Lower than industry
average customer’s
age

40%
Customers initiated
health journey with
ABHICL due to ‘Buy &
Engage’ Model

Particular	FY 17	FY 18	FY 19
No. of policies issued by year	2,498	79,854	2,85,900

Aligning Business to Deliver Value to Stakeholders

HealthReturns™: Delivering the Nudge Needed to be Healthy

The Activ Health app brings a complete digital health ecosystem that enables the customer to shape the life he/she desires. With this app, the customer can be active and track their fitness journey.

‘Activ Health’ brings a unique proposition called ‘HealthReturns™’ that breaks the stereotype of reactive care, offering proactive care and rewarding the consumer for staying healthy. These rewards could get the consumer to save up to 30% on their premiums and nudge them to maintain an active lifestyle. The rewards can be earned by walking 10,000 steps in a day, burning 300 calories or exercising 30 minutes in a fitness centre. These funds earned under HealthReturns™ may be utilised for buying medicines, out-patient expenses, diagnostic tests, non-payable expenses or even to pay future premiums.

ABC has built a complete digital ecosystem across 1,000+ fitness centres, in over 50+ cities in the country that captures the real-time activities completed by its consumers. Consumers can also track their activity and heart rate with wearable devices and apps such as Garmin, Fitbit etc.

This digital experience goes a long way in creating both a relationship and engagement with consumers.

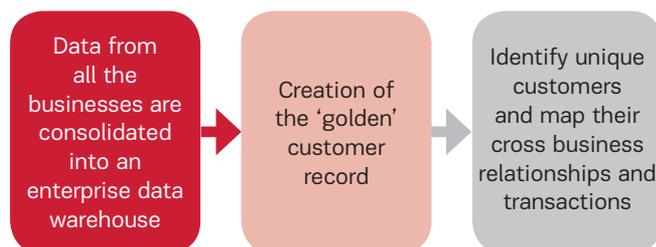
Chronic Management Program: Care for Chronic Illnesses with a Personalised Touch

ABC understands that there is a category of individuals who suffer from chronic conditions, for whom insurance coverage is important but are usually denied cover. The Company believes that with periodic management of chronic conditions an individual can lead a healthy life and avoid the long-term adverse effects of the disease. Therefore, a treatment protocol called ‘Chronic Management Program’ has been introduced that in addition to hospitalisation, offers day 1 cover for Asthma, Diabetes, Hypertension, Hyperlipidemias. The intent of the program is not only to finance the OPD need of such patients but also to monitor their health status through a ‘Health Coach’ that guides them to live a healthy lifestyle and be a partner in their journey. A Health Coach is a trained doctor who periodically checks on the consumer and provides intervention where required. This personalised coverage ensures that customers comply with their treatment protocol and enables intervention depending on their adherence levels.

B. Leveraging Data Analytics

One of the key facets of ABC's digital transformation is its leveraging of data analytics to inform critical business decisions. The creation of ABC as a single brand has allowed the company to treat the customer of any of its businesses as an ABC customer, identifying and providing for customers' needs across the gamut of ABC's products and solutions and, in turn, enhancing customer experience.

Mapping Customer Needs



The ABC Analytics team, comprising business analysts and data scientists, utilises its enterprise data warehouse, along with partnerships with external data and decision platforms like credit bureaus to build an analytics-based cross-sell recommendation engine to offer the 'next best money solutions' to our ABC customers. The logic used by the analytics engine is based on the customer-centric approach of predicting the customer's money needs to be based on his or her life stage and money solution awareness. The team has also used this platform to build advanced analytics-based predictive models that power customer upsell and retention, employee productivity and retention, and to analyse distributor behaviour and performance within and across key businesses.

ABC believes the integration of data analytics into its operating models, risk management and decision-making processes would be crucial to staying ahead of its competition. The Company will continue to work on incorporating data analytics to drive superior customer experience, focusing on cutting-edge deep-learning artificial intelligence (AI) algorithms for hyper-personalised conversations with customers, and using AI 'relationship managers' at all customer touchpoints.

FOR EXAMPLE, ABC'S LIFE INSURANCE BUSINESS USES ANALYTICAL MODELS TO:

- Predict policy lapse and surrender before it happens
- Predict revival of lapsed policies
- Re-organise the operational engagement model towards improved cost efficiency, lift in policy persistency and improved customer experience

Ensuring Information Security & Data Privacy

Data management has rapidly become one of the major drivers of business innovation and digital transformation in the current economic landscape, while cyber security is at the forefront of operational resilience. As a financial institution, information security and data privacy are a fundamental priority for the Company, and a critical enabler for business transformation, customer trust and growth. ABC's commitment to information security and privacy is based on the foundation of trust which the customers, employees and investors have placed on the Company. It continues to invest in preemptive and detective measures to defend against evolving and highly sophisticated attacks as it undergoes its digital transformation.

The Information Security Management System at ABC is an adapting and evolving framework which is always updated considering various changes in the ecosystem. ABC adopts best practices from various international standards like ISO 27001:2013 and ISO 22301. The Company has a comprehensive policy designed to comply with privacy and data protection legislation as specified in the Indian Information Technology Act 2008 and Notification (dated 11th April, 2011) on the protection of sensitive personal information. ABC provides direction to its information security staff as well as management and employees regarding their responsibilities to ensure data protection and information security throughout the organisation and across businesses.

Information security depends on key pillars like people, process, and technology. ABC has identified controls on each segment and incorporates the cyber security guidelines set by various regulators. The Company follows Defense in Depth Model for control deployment as per identified cyber/information risks at each layer, along with a strong emphasis on IT application, life cycle security, ensuring robust information security controls at every stage across business processes and reducing risks of data leakages.

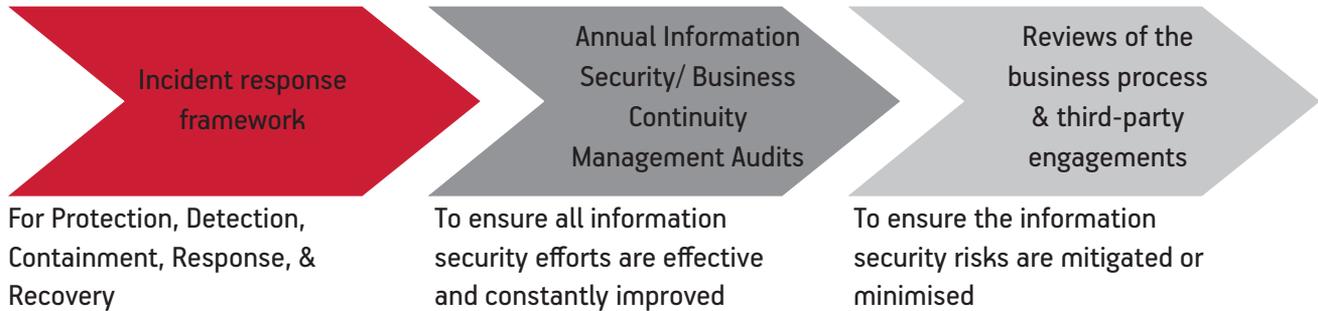
Ongoing training through various internal and external programs is designed to equip staff at all levels to meet the demands of their respective positions without compromising data integrity and security. In addition, various guidelines have been created to ensure teams are equipped to handle any cyber crisis incident.

ABC also has a robust Business Continuity Plan and Information Technology Disaster Recovery Plan in place to manage any business/technology interruption and help the Company respond in the event of any contingency, ensuring recovery of critical activities at agreed levels within the agreed timeframe. The framework has adopted global standard ISO 22301:2012 practices to ensure people safety remains of prime importance along with building a resilient business environment against any disasters or crisis.

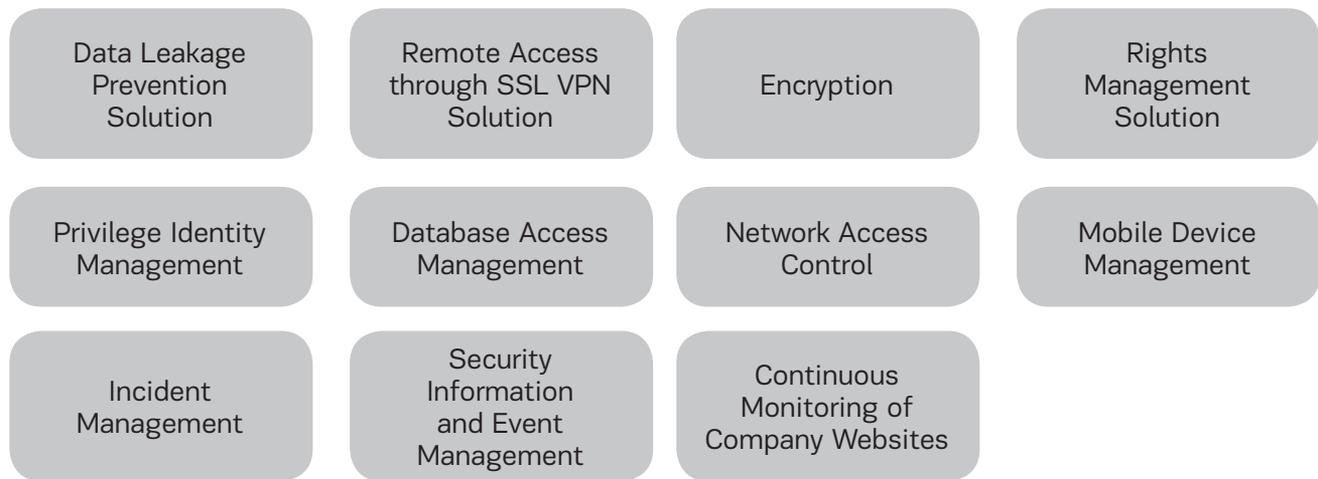
As cyber-attacks continue to become more sophisticated and damaging, the regulatory environment is under constant change with more stringent rules and regulations to protect customer data. ABC continues to keep track and is up to date with the

current regulatory and industry developments so that they are reflected in its operational and governance processes and procedures across businesses.

Information Security Process



Information Security Controls



Data Infrastructure

The Company uses cloud computing for data storage and access and has a data centre on its premises, which allows it to deploy applications in multiple regions in just a few clicks with lower latency and a better experience. As an organisation that is constantly leveraging digitalisation to drive business growth, ABC has instituted security protocols such as firewalls and intrusion prevention system to detect and stop cyber threats.

Responsible Customer Communication

Customer satisfaction is of utmost importance to ABC. The Company believes honest and transparent communication with customers is the foundation to build and maintain trust in its products as well as support its transformation as it extends its digital offerings for customers. The Company’s customer-centric approach under one brand ensures that it continues to chart a differentiated, accelerated and disciplined path of growth.

As a financial services provider, ABC always holds its customers’ personal objectives and needs as a priority and ensures that its employees recommend products in line with these, particularly the customers’ financial situation and risk appetite. In this regard, ABC is committed to complying with all regulatory requirements, voluntary codes and practices to ensure responsible promotion and communication, including the Advertising Standards Code of India (ASCI) and Insurance Regulatory and Development Authority of India (IRDAI) guidance. The Company believes in a transparent advertising approach to generate a mutual environment of trust with its customers, as well as to gain the position of a respected brand.

ABC also complies with all regulations to ensure ethical and fair market conduct. In FY 19 there were no cases filed by any of the stakeholders against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour. Additionally, there were no complaints made against

ABC on non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship. This reflects ABC’s commitment towards transparency and visibility to its customers.

Customer Experience and Complaint Redressal Mechanism

ABC understands its clients’ needs, constantly addressing their requirements, seeking new opportunities for them, and delivering unique solutions to meet their expectations. To get a real-time understanding of the customer’s experience of ABC’s product quality, ease of transactions, and service support, ABC has

deployed a Net Promoter Score (NPS) mechanism. The system measures and improves customer satisfaction at key stages of the customer’s journey. Insights from the NPS are, in turn, used to drive immediate and long-term action to positively impact customer satisfaction.

The Company also has a well-defined system for addressing customer complaints. All complaints are appropriately attended to and resolved. The speed and efficacy of grievance management system have left no unattended grievance/complaints pending for FY 19.

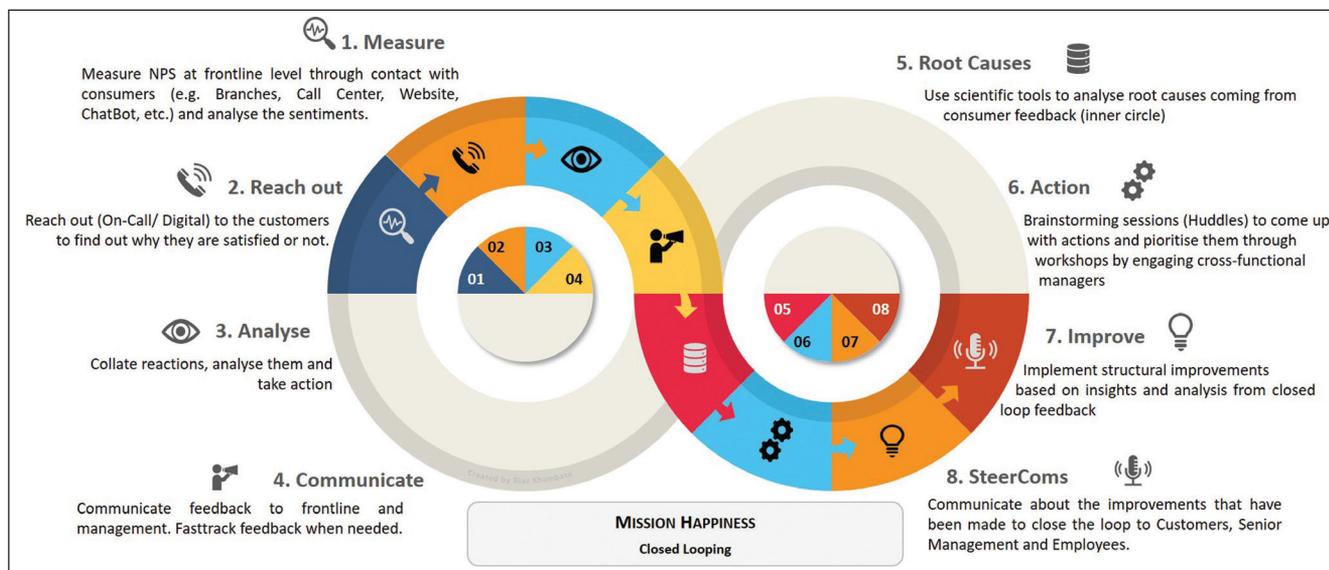
Net Promoter Score - Mission Happiness

The NPS listening mechanism is designed to capture Voice of Customer (VoC) at key stages during the customer’s journey. Bottom-up NPS is also deployed along various digital touchpoints of the customer’s journey to capture VoC and gain a better understanding of their online behaviour, preferences, pain points and opinion on the quality of the Company’s products and solutions. In turn, an the analysis of NPS feedback provides ABC with a comprehensive insight into customer feedback on its products, as well as their support requirements and experience at each stage.

Where non-critical processes are involved, customers who rate within the detractor category are contacted to get

further insights about the reason for dissatisfaction. Where critical processes are involved, a follow-up call is made to the detracting customers as well as to a sample of customers who provided a passive or positive rating.

Insights from the bottom-up NPS calls and ratings are analysed to deduce the main themes impacting overall customer experience. This feedback is also shared periodically with the front-line teams as well as management. Quality tools are used to identify and address the negative drivers while innovative upgrades are designed to fortify the positive drivers.



Investing in People



People at Aditya Birla Capital

ABC believes that its people are its most valuable asset. Its business is hugely dependent on and driven by its people, who make a real difference to the lives of customers and bring its vision alive.

Therefore, ABC focuses on investing in its people, executing interventions to help strengthen the capabilities of its workforce, creating a strong pipeline of leaders and enabling them to become more effective professionals and leaders. ABC has a rich and diverse workforce with employees from all over the country, respecting and celebrating one another's different cultural beliefs and values.

Talent Infusion

Every organisation aims at attracting high-end talent, which is the first step in building a strong workforce. ABC has taken significant steps in this area, including around 2,500 management cadre employees into the ABC family in the reporting year. Its attention towards strengthening diversity is reflected in its workforce composition. In addition, the Company took its first steps towards bringing in differently-abled people and offering them equal opportunities at work. Promoting the principle of diversity in its workforce composition.

20,000+
Employees*

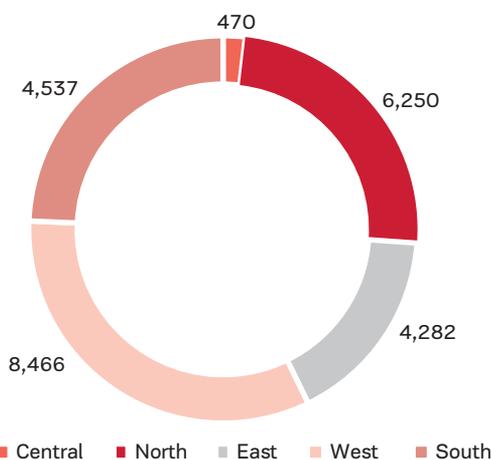
68%
Millennials in workforce

24%
Women employees

15%
Representation of women
in middle management
and above roles

* including off role employees

Employee Strength by Region



Culture of Learning

ABC has always been passionate about nurturing and developing its talent pool to help build knowledge-based competence and create long-term business impact.

~700
Employees moved
into new, larger roles
over the last two
years

50%+
Senior Management
undergone structured
leadership development
programs

ABC believes that all its employees should have continuous access to opportunities which help them learn and grow. The company's learning and development offerings are therefore designed to suit the learning needs of employees at every stage of their lifecycle. Over the last year, ABC has also made its learning offerings accessible to its employees 24x7 irrespective of time and space.

Avenues for learning and development through functional, behavioural and leadership training programs as well as on the job training modules are planned and executed to enable the employees to constantly upgrade their skills.

600+
E-learning courses
and **200+**
learning capsules
available 24/7 to
employees

91%
Employees participated
in learning activities

Total hours of training

	Middle Management	Junior Management	Staff on the field
Male	464	15,062	552
Female	78	4,089	218

Average training hours per employee

Male	55.7
Female	54.4

Skill Upgradation

ABC conducts various programmes designed to meet the changing skill requirements of its employees. These training programmes include orientation sessions for new employees, programmes conducted for skill-enhancement, role-specific functional academies, leadership programmes and other management development programmes for mid-level and senior executives. The Company organises various in-house sessions on a regular basis and sponsors its employees to attend training sessions organised by external professional bodies to facilitate skill upgradation applicable to relevant functions.

Categories of Employees	Skill Upgradation
Permanent Employees	91%
Permanent Women Employees	92%

Employee Connect

ABC considers its workforce as a close-knit family. The happiness and engagement of its people have always been its top priority. The organisation has a host of mechanisms through which the Company connects and stays in touch with the diverse workforce on a regular basis.

- ABC conducts webinars through which its employees across the country can digitally engage with the company Chief Executive on a quarterly basis
- The Company conducts leadership town halls across its businesses where senior leaders travel to multiple locations and engage with employees across levels
- ABC conducts the Vibes survey once in two years to seek feedback from employees to understand workplace enablers and drivers needing attention to improve employee engagement

#ABC4Good: Engaging Employees in Social Cause

Employees are an integral part of the Company's CSR journey. ABC has a two-pronged approach to include its employees in such activities:

a) Employee Backed Cause:

At ABC, employees are encouraged to get associated with various social causes. The Company understands many of its employees feel strongly and are supporting various causes with their personal time and effort. In order to recognise and support their efforts towards creating a larger impact, Company has set aside a part of the total CSR budget to support such employee-backed causes within ABC's four focus areas – Education and Skills Development, Healthcare, Women Empowerment and Sustainable Livelihood, and Promotion of sports. Employee proposals are screened through the same filters as applied to other NGOs supported by ABC. In the past three years, ABC has supported 10 such proposals in which employees were actively associated.

- To provide ready access to employee-facing processes and increase engagement within the organisation, during FY 19 the Human Resources function took significant efforts to digitalise human resource processes such as leave applications, payroll, reimbursements, etc., available to all employees on their mobile phones as an application.
- ABC understands the significance of engaging employees in corporate social responsibility programmes and has made efforts to provide such opportunities for employees to contribute not only from the monetary point of view but also in terms of applying their time and skills to help communities. Such engagements leverage the capabilities of employees who want to contribute to the greater good and help the workforce remain engaged.

Employee Satisfaction – Results of Vibes Survey

Pride and **Advocacy** are important parameters which are measured as part of the employee engagement survey. This is a biannual employee survey with a very high employee participation level. The scores obtained are then related to whether the Company's employees feel a sense of pride working for ABC and if they are willing to recommend it as a great place to work. **95%** employees who participated felt proud to work for ABC and **91%** employees recommend ABC as a great place to work.

The top three areas where ABC employees believed that the Company could do better were: space of planning for future changes, bringing better technology and tools to help work better and making the Company's work processes more organised and efficient.

Enabling Change – One at a Time

A cause that one of our employees was deeply passionate about is described below. Born and brought up in a remote village in one of the backward districts of Maharashtra, the ABC employee was able to perform well and had climbed the corporate ladder to reach a senior position. However, the situation of students in his native village and the surrounding area had not changed much in the last 15 years. Students had to travel 7-8 km for higher education (class VIII to X) and this soon became a key reason for many dropouts, particularly for girls. Parents did not want to send their daughters alone to faraway places to study.

Wanting to change the situation, the employee, in his personal capacity, started a school in his village from a mud house. With the Company's support, the school management was able to construct a concrete school structure, recruit quality teachers, and offer students extracurricular activities. Today, the school boasts of a 95% student pass rate in its 10th-grade examinations.

NGO: Dodamarg Saptakroshi Bahuuddeshiya
Cause: Education
School: Maneri Madhyamik Vidyalaya



b) Employee Association with a Cause:

ABC is aware that there are times when its employees want to give back to society but are not sure of the right avenues. To channel this, the Company has created an opportunity for employees to partner in various activities.

Dhan Utsav – The ‘joy of giving’: As part of an ABG partnership with Goonj (an NGO) employees across locations are encouraged to contribute in kind, clothes, blankets, toys, books etc., to celebrate and spread the joy of sharing and reaching out to the needy.

AWOO Foundation: This is a voluntary initiative by ABG, by the employees for the employees, to support the professional education of children of non-management cadre employees (family income < ₹ 6 lakh) who fall short financially. In FY 19 a total of ₹ 50, 17,309 was donated by 461 employees of ABC and its subsidiaries.

Engaging Employees in CSR Activity: Through the Company’s CSR projects, ABC partners with NGOs. If the projects are near to branch area, the Company encourages employees to partner the cause and give back to society. This has become part of ABC’s DNA.

Employee Wellness

ABC has always placed the utmost importance on the health and well-being of its employees. Over the years, it has established many policies and practices which promote this concern:

- To enable the Company’s employees to manage their personal lives as effectively as their professional lives, the Company has introduced flexible-working, which offers employees the choice to pick their work timings.
- ABC encourages its people to lead a healthy lifestyle through various awareness campaigns on themes such as prevention of diseases, fitness participation in marathons and so on. Last year, ABC was recognised as the Corporate with the highest number of registrations in Pinkathon – India’s largest run for women.
- ABC also offers its employees comprehensive health check-ups for themselves and their families.

The Company conducts robust and periodic training on fire safety and evacuation related training for employees across offices

and branches to sensitise employees about fire safety norms and to demonstrate the use of fire-fighting equipment to their staff. Safety training is also conducted for women employees on aspects such as situation reaction, self-defence and legal provisions relevant to their safety.

Categories of Employees	Safety Training
Permanent Employees	100%
Permanent Women Employees	100%

Diversity and Inclusion

As the Company continues to compete for talent acquisition, it is important to be able to reach out to potential employees across channels and platforms. Recognising diversity as a source of strength, ABC continues to focus on gender, generational, and cultural diversity in delivering value to its stakeholders.

Drawing leaders from the total talent pool gives the organisation more strength and flexibility, with women leadership, in

particular, bringing varied perspectives to the table, and serving organisations well in the long run. In this regard, ABC has undertaken various initiatives to promote gender diversity, providing a safe and conducive workplace for its women employees to thrive. These include ABC’s unswerving commitment to build stronger women talent and leadership and help create a supportive work environment for working mothers as well as ease their journey back to work-life as new mothers. In addition, ABC places the utmost importance on the safety of its female staff, ensuring protection from sexual harassment and any form of discrimination. ABC is an equal opportunity provider and follows a non-discriminatory policy in recruitment. Remuneration is assessed through a performance management system, irrespective of the employee’s gender.

Women in Management Roles

Particulars	FY 19						Total
	Under 30		30-50		Above 50		
	M	F	M	F	M	F	
Top Management	0	0	11	1	14	1	27
Senior Management	0	0	147	14	25	3	189
Middle Management	4	0	442	78	20	1	545
Junior Management	273	126	2,236	398	46	5	3,084
General Management	5,842	2,707	6,325	1,980	564	190	17,608
Off Role Employees	1,152	469	766	139	26	0	252

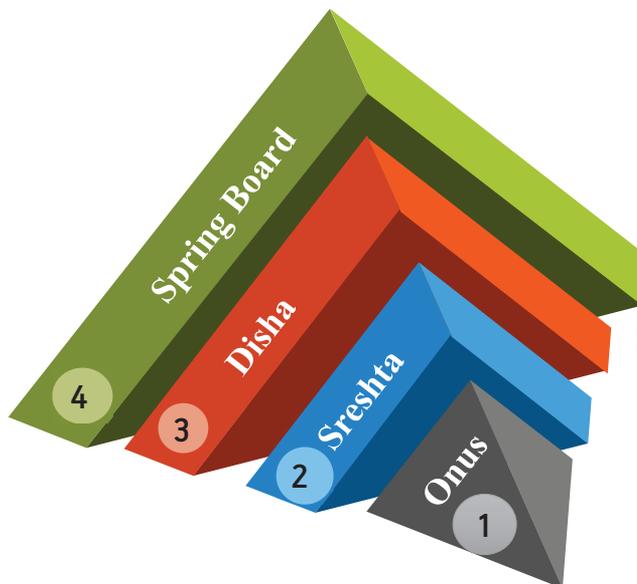
Women Leadership Framework

Onus

Capability development for young women below 35 years of age to enhance career intentionality, workplace adaptability to sustain career aspirations and to prepare future women leaders.

Sreshta

Recognising and leveraging inner strengths that contribute to success at work. Building career intentionality and skills to develop a stronger work-life balance.



Disha

Building mentoring capability in women at Middle or Senior Management level. Leverage strengths as a leader to inspire and encourage women employees to be strong business contributors, using GROW Coaching model.

Spring Board

Nurturing the potential of ‘Hi-Po’ women at middle management level to address unique challenges faced by them. Development of behavioural and functional capabilities to help take on leadership roles.

A. Reintegrating New Mothers

ABC supports its employees in one of their critical life events – becoming a mother – while continuing to excel in their professional journey. For this, it has adopted the Aditya Birla Group Maternity Support Programme aligned with its vision of being an ‘aspirational place to work’ for women. Apart from offering comprehensive maternity, paternity and child adoption leave benefits to its employees, the programme also enables its female employees to integrate their personal and professional commitments seamlessly during this period without any negative impact on their compensation, employment status, performance rating and talent rating.

- **Healthy Pregnancy Programme** – A holistic and structured programme designed to educate and guide a woman employee on critical aspects during pregnancy and after delivery. It empowers a woman employee with timely information by specialists to facilitate a healthy full-term delivery and inputs on baby care post-childbirth.

- **Phase Back Program:** To support a seamless transition from maternity leave to return back to the office, new mothers and mothers-to-be can avail flexible work options, such as flexi-time, work from home and work from a satellite office.
- **Transition Guidance:** To guide employees on emotional well-being and aspects of balancing personal and professional commitments during this critical juncture. Employees whose child is less than 1 year can avail services of an expert Transition Guide who will handhold and guide her from her third trimester until her child turns one.
- **Career Management Support:** To ensure minimal impact of maternity on the career of an employee by securing her performance and talent ratings.

Parental Leaves for FY 19

Gender	No. of Employees**	Employees returned*
M	330	318
F	98	97

*Total number of employees who returned to work after parental leave ended
**Limited to Head office

B. Prevention of Sexual Harassment of Women at Workplace

ABC ensures that its women employees work with their full potential in a happy and safe environment. The organisation makes sure adequate safety measures are in place for women employees working late hours in the premises as well as providing home drop facility. Apart from this, ABC also has an appropriate policy in the lines with the requirement of implementation of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, and has implemented an internal complaint

committee to address grievances/issues related to sexual harassment. In addition, ABC ensures periodic internal training on Prevention of Sexual Harassment (POSH) to sensitise employees on discriminatory behaviour and sexual harassment, and create awareness on the internal systems and protocols in place to report such incidents.

The Company further states that during FY 19, there were no complaints /grievances filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, indicating complete implementation of sound work practices.

Including Differently Abled into the Workforce

Building on the philosophy of 'Inclusion' and its reputation as an equal opportunity employer, ABC ventured into onboarding **eight** People with Disability as a pilot initiative in the 'Operations & Customer Service' division at ABFL. To enable good fitment of these individuals into their roles and responsibilities, identification of roles, job mapping and analysis were done to ensure their seamless integration into the ABC family.

When businesses accommodate differently-abled people, it helps develop a compassionate workforce which, in turn, positively impacts the end customer, helping the organisation further foster an inclusive workplace built on meritocracy and standardised procedures. With this intention, ABC is looking at scaling this initiative on a need basis across other businesses in the future.

"The differently abled candidate has proved that despite her hearing and speech impairments, the quality of her work and her ability to be a fantastic team player is second to none. Her commitment towards work has influenced and inspired other team members as well. It's a pleasure to have her as part of our Aditya Birla Capital Family".

Housing Finance
Operations division
(Hired one individual)

"The differently abled candidates selected for digital service delivery email desk have been doing a wonderful job. I would like to build this team further by adding more such talent who deliver both on quality and productivity".

Customer Service division
(Hired 7 individuals)

Employee Benefits

In today's competitive business climate, benefits and welfare are important factors in attracting and retaining employees. ABC cares for its employees and is devoted to providing comfortable facilities for a joyful working environment. Employees go through regular appraisals to gain constructive feedback on their performance.

The prime benefits to employees include fixed compensation (Basic Salary + Allowances), Annual Incentive Plan, Pension Plan, Long-Term Incentives, Perks and Benefits, ESOPs, Insurance cover and Retirement Plan.

Human Rights

Aditya Birla Group has put in place a Human Rights Policy which ABC has adopted. ABC and its operating businesses adhere to all statutes of this policy which embodies the principles of human rights such as but not limited to the prevention of child labour, prevention of sexual harassment, equal employment opportunities, flexible working hours, right to raise grievances over relevant issues etc. The Company and its subsidiaries are committed to foster a work environment in which everyone is treated with respect and dignity.

ABC has not received any stakeholder complaints on human rights issues during the financial year under review, reflecting on the successful implementation and adherence to the Group's human rights policy.

Environmental Accountability



Reducing Environmental Impact

ABC recognises that the physical risks of climate change are very high, including those caused by changing weather patterns, sea-level increase, temperature extremes and natural resource scarcity. While internal energy and resource consumption are not considered a material aspect for a financial services organisation such as ABC, the Company believes that continuously working towards energy and resource efficiency drives behaviour and contributes to global efforts. To this end, ABC has undertaken various measures towards energy efficiency and reducing water, plastic and paper use. Further, the organisation contributes to creating a positive environmental impact through its lending and investment businesses.

Reducing Plastic

To minimise plastic waste in its daily operations, ABC has reduced the use of disposable mineral plastic water bottles and plastic water dispenser jars, replacing them with glass water bottles and installing RO machines in place of plastic water dispenser jars.



Waste Management

ABC and its subsidiaries are committed to reducing its negative environmental impact arising from internal operations. The Company continues to promote the use of recycled and upcycled products, and incorporating the principles of Reduce, Reuse and Recycle in its daily operations, wherever possible.

ABC has tied up with ViaGreen for waste management and recycling initiatives. ViaGreen acts as an intermediary between corporate waste management initiatives and local/small waste collectors (scrap dealers)/waste business owners. In exchange for waste collected, ViaGreen awards points (Swachh Bharat Points - SBP) which can be exchanged for environmentally friendly office stationery made of recycled materials, contribution towards charitable causes and tree plantation drives, or cash. In FY 19, ABC earned 327,600 SBP (ViaGreen assessment), which was used for providing employees with recycled office stationery. In addition, the Company and its subsidiaries have procedures for the disposal of e-waste in accordance with the applicable laws.

For FY 19, following are the waste collected and recycled;

Paper	Cardboard	Plastic	Metals	Glass	Total
7,384	1,725	570	345	472	10,496

*All values in kg

10,496 kg
Dry waste recycled, avoiding

28.4t CO₂e
GHG emissions

~4,500
Plastic bottles
prevented from
going into landfills

Saving Water

ABC has installed water-saving devices which are retrofitted systems at the washrooms and pantry areas to reduce the wastage of water. The mechanism helped ABC to reduce the water wastages by 50%.

WASH Pledge

ABC participates in the World Business Council for Sustainable Development's (WBCSD) WASH Pledge, which ensures that all employees have access to safe water, sanitation and hygiene at the workplace.

In its first stage adoption, 13 out of 17 of ABC's offices that participated in this survey, scored above 1.8/2 (90%). The Company is committed to ensuring continuous improvement for its employees in the coming years and include more offices and branches in this initiative.

Exceptional WASH Implementation Scores in ABC, Mumbai offices

One Indiabulls 100%	G - Corp 95%
------------------------	-----------------

Green Chemicals for Cleaning

ABC in FY 19 introduced Green Chemicals for its cleaning operations at its corporate head office in Mumbai, which contain environmentally friendly ingredients and procedures designed to protect the environment as well as the health and safety of employees. These green cleaning products replaced earlier products which had components that could adversely affect the environment and emit volatile organic compounds, leading to respiratory, dermatological and other conditions. The housekeeping staff were trained and educated in the proper use of green chemicals and cleaning techniques and were sensitised to the harmful effects of cleaning products that contain toxic chemicals. The initiative enhanced the workplace safety quotient and additionally achieved the following objectives:

- Reduced environment impact
- Improved health and safety of employees and housekeeping staff
- Reduced personal protective equipment required
- Reduced potential for accidents



Saving Paper

Apart from its recycling initiatives, ABC also believes in the reduced use of paper wherever possible. It also supports the Ministry of Corporate Affairs' 'Green Initiatives', and maintains an update with the Ministry in the form of various notices and documents, including annual reports, through electronic mode (e-mail on registered addresses), thus saving a large quantity of paper. The shareholders are also encouraged to register their e-mail IDs to receive annual reports and other communications through e-mail instead of paper mode. This serves inclusiveness, transparency and reduces environmental impact.

Saving Energy

Most of ABC offices are installed with LED lights, making them very energy-efficient. LEDs are consistently at the top of the list of "green", "sustainable", and "energy-efficient" building options.

The First Step towards Solar

In FY 19, ABC commissioned its first rooftop solar panel installation at the Aditya Birla Finance Ltd. office at Star Avenue, Bengaluru. This installation will help generate 13% of the facility's electricity demands, thereby significantly reducing its utilisation of traditional, polluting sources of electricity. This

initiative strengthens ABC's commitment to operating a more sustainable and environment-friendly business. Based on the success of this initiative, similar installations of renewable energy sources would be taken up in other office buildings in the future.

Green House Gas (GHG) Emissions

ABC's carbon footprint is primarily impacted by its electricity consumption (purchased) and the use of diesel generators across several of its business locations in India. In order to reduce its consumption of energy sourced from fossil fuels, ABC is planning to increase its dependence on renewable energy by installing several rooftop solar panels across several offices.

Scope*	Emissions (tCO ₂ e)
Scope 1	0.04
Scope 2	421.00
Total Emission (Scope 1 + Scope 2)	421.04

*Limited to Corporate Head office operations in Mumbai.

Environmental Compliance

ABC complies with all relevant environmental laws and regulations. In addition, during FY 19 it faced no fines or monetary sanctions as a result of negligence or violations of environmental laws.

Combating Climate Change through Renewable Energy Financing

Optimal utilisation of clean sources of energy assets like wind, solar, and hydropower plants minimise problems such as air and water pollution, excessive water and land use, wildlife and habitat loss, damage to public health, and global warming. These sources are often considered sustainable long-term energy sources, providing for both current and future economic and social needs without having any adverse impacts on the environment or sources of energy for the future. Renewable energy technologies also provide an excellent opportunity for reducing greenhouse gas emissions and, in turn, global warming. Such technologies are also integral to mitigation strategies to combat climate change and form the basis of many global initiatives and commitments. Under the Paris Climate Change commitment of 2015, India has committed to generating 175 GW renewable energy capacity by 2022 to contribute towards efforts against global warming.

However, despite the government's commitment to increase the use of clean energy sources, the addition of renewable energy capacity faces multiple challenges, including non-acceptance of power by the grid authority and delayed payments from state distribution companies. The renewable energy sector is also looking for a diverse set of financing, including new forms such as green bonds to reduce cost of capital and has access to a large capital base to achieve the year 2022 goal of 175 GW.

ABC recognises the crucial role of the financial sector in facilitating renewable energy projects and businesses in the form of providing necessary working capital to combat climate change and work towards bridging the gap to meet India's

renewable energy capacity commitment. The Company, through ABFL's Infrastructure lending services, has a large portfolio in the renewable energy sector, with an outstanding loan book of over ₹ 3,300 Crore in Green Energy during FY 19, an amount that has continuously been growing in the last three years (55% increase compared to FY 17). In addition, in September 2018, ABFL raised ₹ 1,000 Crore in green loan from IFC, a member of the World Bank Group, to further boost its commitment in financing renewable energy projects in the future.

Renewable Energy Financing

Category	Financing for FY 17	Financing for FY 18	Financing for FY 19
Solar	794	1,473	1,735
Wind	1,212	1,186	1,428
Hydro	122	122	150
Total	2,129	2,781	3,313

(*in ₹ Crores)

Renewable Energy Loans	Financing for FY 17	Financing for FY 18	Financing for FY 19
Loans Advanced (amount)	2,129	2,781	3,313
% of ABIF loan book	19%	22%	23%
% of ABFL loan book	6%	6%	6%

IFC Lending Boosts Renewable Energy Financing

ABC's commitment to creating a positive environmental impact through its financial services was further reiterated in September 2018, when IFC extended a 7-year term loan of ₹ 1,000 Crore on the basis of its existing environmental programmes and projects. The proceeds of the loan would be directed towards financing renewable energy projects, further enhancing ABFL's renewable energy programme through long-tenor financing, knowledge sharing, and setting of

international standards. IFC brings to the partnership its deep understanding of the renewable energy sector and the project complements IFC's India country strategy for FY 2017-21, which also commits to (1) enabling electricity access for 60 million people, (2) creation of 25 GW of installed renewable capacity, and (3) contributing 11% to the total energy-related greenhouse gas avoidance potential.



Strengthening Communities

“To actively contribute to the social and economic development of the communities in which we operate. In so doing to build a better, sustainable way of life for the weaker sections of society and raising the country’s human development index.”

Mrs. Rajashree Birla
Chairperson

Aditya Birla Capital imbibes the Group’s culture, ethos and values in every aspect of its CSR initiatives. All the projects undertaken and, or, participated in are based on the needs of the relevant communities and are highly inclusive. The Company’s vision epitomises inclusive growth and seeks to dignify the lives of the underprivileged.

In FY 19, the CSR footprint initiatives extended across 10 states. ABC’s endeavours in the fields of healthcare, education, women empowerment, sustainable livelihood, and sports have successfully impacted the lives of ~2.30 lakh people for the better, across India.

The Company’s work rests on four pillars:

EMBEDDING SOCIAL VISION IN THE BUSINESS PLAN

HAVING A SHARPLY DELINEATED STRATEGY - FOR EXECUTION, FACTORING MILESTONES, ACHIEVING TARGETS, PERFORMANCE MANAGEMENT AND ACCOUNTABILITY

GETTING INTERVENTION ‘THIRD-PARTY’ AUDITED BY REPUTED AGENCIES IN THE CSR DOMAIN, TO ASCERTAIN THE REPORTS OF THE FIELDWORK

WORKING INTANDEM WITH GOVERNMENT AGENCIES AND RE-COURSING TO THEIR VARIOUS DEVELOPMENT SCHEMES; THIS FOSTERS INCLUSIVE GROWTH AND HELPS THE COMPANY EXTEND ITS REACH

Above all, the invaluable contributions from a strong and committed implementation team at ABC, partner NGOs and leadership team gives them an edge. The energy, passion and commitment of its CSR team towards making a difference in the lives of the underprivileged make ABC’s initiatives count.

CSR Spending & Beneficiaries

Financial Year	Spend (In Cr.) *	Lives Impacted
FY 18	13.90	2.91 lakh
FY 19	21.83	2.3 lakh

*CSR spends of subsidiaries

Healthcare

- 70,000+ expectant mothers and mothers of children under two years have been the recipients of comprehensive programmes benefitting through comprehensive mother and child healthcare programme. This comprises ante-natal, post-natal, immunisation, anaemia control programmes and so on in Tamil Nadu, Odisha, Chhattisgarh and Maharashtra.
- 2,074 cancer-afflicted children from economically constrained background received cancer care support treatment. The Company held 89 cancer screening camps. At these camps, 19,914 patients in Maharashtra were screened.
- 3,000+ elderly people with vision impairment were screened at rural medical camps; of these, 662 senior citizens underwent cataract surgery in Jharkhand and have regained much better sight.
- Through ‘Hospital on Wheels Project’, 7,000+ patients received high-quality healthcare service in Dumka, Jharkhand.
- The Company helped revive three Government Primary Health Centres and 10 Sub Centres, benefitting 86,000+ patients in Rajasthan.
- With the Company support, 18 underprivileged kids have undergone congenital heart surgery.

2,000+
Cancer-afflicted children received cancer care support treatment

70,000+
Mothers benefitted through comprehensive mother and child healthcare program

7,000+
Patients received high-quality healthcare service

650+
Senior citizens underwent cataract surgery

Education

- To promote inclusivity of Children with Disability (CwD), the Company set up eight Inclusive Child Resource Centres focusing on holistic support for CwD at Bhubaneswar, Odisha, resulting in 300+ children rejoining school and continuing their education. Through the Company's employment and livelihood support, 83 youth with disability were gainfully employed.
- The project 'Adopt a home' to support orphan children in Odisha has benefitted 140+ of them. These children are receiving health check-ups, de-worming treatments, hygiene kits, supplementary nutrition, and academic support as a part of the programme.
- In 17 government schools in the NCR region, the Company has created better school learning ambience and holistic development of students by ensuring sanitation and safe drinking water facilities.
- Project 'Knowledge on Wheel' (KoW) at Mumbai has brought science labs to the doorsteps at 24 government schools to encourage scientific learning by practical demonstration as per state board syllabus. This has benefitted 5,000+ students from Classes VI to X who had little or no access to such platforms.
- Under project 'Childhood to Livelihood', ~1,500 students from Classes VI to X in Maharashtra received training in various life skills, problem-solving, communication, remedial education etc. through an activity-based curriculum.
- As a tribute to Army Jawans, who have died in the line of duty, the Company has provided scholarships to 402 children of these army men.

83

Individuals with disability gained employment through our support programmes

402

Children of Army Jawans received scholarships

Women Empowerment and Sustainable Livelihood

- The Company's effort to strengthen women-based institutions has helped 160 Self-Help Groups (SHG) empower 2,159 households economically and socially. Most of the SHGs are linked with the banks and other financial institutions for availing a loan facility. This has changed the lives of many women by empowering them.
- Further, 18,000 rural women in Karnataka and Maharashtra have been trained in financial literacy, with a focus on household budget planning, bank account opening, availing Aadhaar card, savings, insurance and micro-entrepreneurial activities.
- In Madhya Pradesh, the Company is working with 1,200 women farmers to enhance their food security and income, through improved practices of crop cultivation for better production and market linkage.

Sports

ABC has partnered with GoSports Foundation and the Sports Department of the Madhya Pradesh government to improve the performance of athletes. This partnership has helped produce 33 national and international level athletes. Some of them rank among the best globally.

2,159

Households were empowered economically and socially through 160 self-help groups

33

National and international level athletes produced through a partnership with GoSports Foundation and Madhya Pradesh government sports department

CSR Governance

ABC and its subsidiaries are at the forefront in managing its social responsibility initiatives with the progress being measured against defined CSR goals. The Company and its subsidiaries have put in place a policy on Corporate Social Responsibility ("CSR") to pave the path towards successful CSR initiatives which contribute to inclusive growth and equitable development.

The organisation undertakes various programmes/projects with the help of its in-house teams as well as in partnership with non-governmental organisations (NGOs). In all the CSR projects undertaken by ABC's subsidiaries, it endeavours to ensure the sustained impact of the project by making the community a co-owner of the project. Additionally, ABC conducts independent third-party audits of its key CSR initiatives to ascertain the efficiency and effectiveness of its projects, using a multi-stakeholder model.⁵ The Company's subsidiaries have spent an amount of ₹ 21.83 Crore during FY 19 towards CSR related activities.

Social Impact Study of Projects

Social impact studies are conducted by an independent agency as per the multi-stakeholder model in order to ascertain the efficiency and effectiveness of the social initiatives of the Company and its subsidiaries.

ABC treats social projects with the same sense of responsibility that it treats its business projects. Accordingly, the social projects are planned, monitored and reviewed for delivering anticipated results. Social impact assessment studies are conducted at the planning stage of the social project. Projects where such studies indicate a significant positive impact on community development, participation, and long-term viability are, in turn, considered for greater investments and scaling up.

⁵ The multistakeholder governance model, sometimes known as a multistakeholder initiative (MSI), is a governance structure that seeks to bring stakeholders together to participate in the dialogue, decision making, and implementation of solutions to common problems or goals.

Anaemia Prevention: Improving Mortality among Tribal Women and Children

Aditya Birla Sun Life Insurance (ABSLI) has undertaken a programme in partnership with Dhan foundation to improve access to primary healthcare to prevent iron deficiency anaemia amongst women and children. This intervention was undertaken amongst tribal communities in select areas of Tamil Nadu:

- Javvadu Hills in Thiruvannamalai district
- Koli Hills in Nammakal district and
- Kalvarayan Hills in Villupuram district

The following project activities were carefully devised to strategically address the gap areas:



The programme was operated for a three-year period with staggered activities across each year to ensure optimum coverage of beneficiaries as well as effective knowledge transfer and awareness for a prolonged period.

Focus on Adolescent Girls and Pregnant Women

The project team undertook baseline surveys, in association with an external evaluator, to map and understand the As-Is conditions amongst the communities prior to intervention. This baseline sample survey was conducted amongst adolescent girls and mothers across all three locations with a select sample size comprising 15 adolescent girls, 12 mothers, 4 pregnant women, 12 village health committee members and 3 Dhan Foundation officials. The study established that:

1. The reason for higher mortality and morbidity was anaemia amongst women and children arising out of iron deficiency.
2. Adolescent girls, pregnant women and young children were more vulnerable to iron deficiency leading to anaemia.



Impact and Outcomes

The survey established that the community intervention improved the overall hygiene and health practices of the target groups and the community, significantly impacting the incidence of anaemia and thereby effecting mortality and morbidity as desired. Below are the outcomes based on the sample survey.

A. Practices around Water, Sanitation and Hygiene (WASH)

Before intervention:

- Less than 50% of the residents had household toilets.

After intervention:

- With setting up of the Village Health Governance Committee (VHGC), the residents were able to petition the Panchayat to facilitate faster toilet construction in households.
- Improved awareness around wearing slippers and not defecating barefoot. This has also resulted in reduced instances of worm infestation among residents in the village.

Knowledge and Attitude Towards Menstruation

Before intervention:

- More than 20% of the girls were not aware of the basic knowledge around menstruation.

After intervention:

- More than 60% of the girls who were menstruating reported using sanitary napkins. All menstruating women reported using sanitary napkins.
- Almost all girls disagreed that menstruation was shameful and that menstruation rendered a girl “dirty”.



Nutrition Practices

Almost all the girls were given a more balanced and nutritious diet and had fruits, green leafy vegetables, meat proteins and dairy at least once a week. There was an improvement in the intake of green, leafy vegetables particularly that of the drumstick, which is rich in iron content, among mothers.

Knowledge and Attitude Towards Anaemia

After the intervention, there was a high level of awareness among girls around the identification of symptoms, causes and preventive measures of anaemia.

- 80% of the girls and 50% of the mothers could identify at least 5 out of 8 symptoms of anaemia.
- Knowledge on prevention of anaemia was found to be better amongst girls than mothers, with 67% girls and 50% mothers able to identify preventive techniques.

GRI Content Index

This report has been prepared in accordance with the GRI Standards: Core option

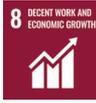
GRI Standard	Disclosure	Page Number
GRI 102: General Disclosures	102-1 Name of the organisation	3
	102-2 Activities, brand products and services	9
	102-3 Location of Headquarters	52
	102-4 Location of operations	9
	102-5 Ownership and legal form	10
	102-6 Markets served	9
	102-7 Scale of the organisation	9
	102-8 Information on employees and other workers	35
	102-9 Supply chain	Refer Annual Report FY 2019; Pg 51, 54
	102-10 Significant changes to the organisation and its supply chain	This is ABC's first Sustainability Report therefore not applicable.
	102-11 Precautionary principle or approach	18
	102-12 External initiatives	40
	102-13 Membership of association	22
	102-14 Statement from senior decision maker	6-7
	102-15 Key impacts, risk and opportunities	18
	102-16 Values, principle, standards and norms of behavior	13
	102-17 Mechanism for advice and concern about ethics	19
	102-18 Governance structure	15
	102-19 Delegating authority	16
	102-20 Executive level responsibility for economic, environmental and social topic	20
	102-21 Consulting stakeholders on economic, environmental and social topics	22
	102-22 Composition of the highest governance body and its committees	13, 14
	102-23 Chair of the highest governance body	15
	102-24 Nominating and selecting the highest governance body	13
	102-25 Conflicts of interest	19
	102-26 Role of highest governance body in setting purpose, values, and strategy	13

GRI Standard	Disclosure	Page Number
GRI 102: General Disclosures	102- 27 Collective knowledge of highest governance body	13
	102-28 Evaluating the highest governance body’s performance	14
	102-29 Identifying and managing economic, environmental, and social impacts	23, 24
	102-40 List of stakeholder groups	22
	102-41 Collective bargaining agreements	Not applicable
	102-42 Identifying and selecting stakeholders	22
	102-43 Approach to stakeholder engagement	22
	102-44 Key topics and concerns raised	23
	102-45 Entities included in the consolidated financial statements	25
	102-46 Defining report content and topic Boundaries	3
	102-47 List of material topics	24
	102-48 Restatements of information	This is ABC’s first Sustainability Report therefore not applicable.
	102-49 Changes in reporting	This is ABC’s first Sustainability Report therefore not applicable.
	102-50 Reporting period	3
	102-51 Date of most recent report	This is ABC’s first Sustainability Report therefore not applicable.
	102-52 Reporting cycle	This is ABC’s first Sustainability Report therefore not applicable.
	102-53 Contact point for questions regarding the report	3
102-54 Claims of reporting in accordance with the GRI Standards	3	
102-55 GRI content index	47	
102-56 External assurance	This Report has not been externally assured.	

GRI Standard	Disclosure	Page Number
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	24
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	25
GRI 203: Indirect Economic Impacts	Disclosure 203-1 Infrastructure investments and services supported	26-27, 42
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	19
GRI 206: Anti-competitive behaviour	206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	19, 33
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions	41
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	41
GRI 401: Employment	401-1 New employee hires and employee turnover 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees 401-3 Parental leave	35-39
GRI 404: Training and education	404-1 Average hours of training per year per employee 404-2 Programs for upgrading employee skills and transition assistance programs 404-3 Percentage of employees receiving regular performance and career development reviews	35
GRI 405: Diversity and Equal Opportunity	Disclosure 405-1 Diversity of governance bodies and employees	35, 37-39
GRI 406: Non-Discrimination	Incidents of discrimination and corrective actions taken	Nil
GRI 407: Freedom of Association and Collective Bargaining	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Nil
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	43
GRI 417: Marketing and Labelling	417-1 Requirements for product and service information and labelling	33
GRI 418 Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	32
GRI 419 Socioeconomic Compliance	Non-compliance with laws and regulations in the social and economic area	Refer Annual Report FY 2019; Pg 110

UN SDG Index

SDGs	Chapter / Section	Pg. No.
	Economic Performance	25
	Investing in People	25
	Strengthening Communities	43
	Strengthening Communities	43
	Customer Centricity & Responsibility	30
	Strengthening Communities	43
	Investing in People	35
	Strengthening Communities	43
	Investing in People	35
	Strengthening Communities	43
	Customer Centricity & Responsibility	30
	ESG Integration	21
	Environmental Accountability	40

SDGs	Chapter / Section	Pg. No.
	Economic Performance	25
	Investing in People	35
	Customer Centricity & Responsibility	30
	ESG Integration	21
	Investing in People	35
	Strengthening Communities	43
	Economic Performance	25
	Environmental Accountability	40
	ESG Integration	21
	Environmental Accountability	40
	ESG Integration	21
	Environmental Accountability	40
	Strengthening Communities	43

Glossary

ESG	Environmental, Social, Governance
VoC	Voice of Customer
NPS	Net Promoter Score
GRI	Global Reporting Initiative
SDG	Sustainable Development Goals
BAN	Baseline and Needs Assessment
BOD	Board of Directors
CARE	Credit Analysis & Research
CII	Confederation of Indian Industry
CSR	Corporate Social Responsibility
ESOP	Employee Stock Ownership Plan
FY	Financial Year
GHG	Green House Gas
GST	Goods and Services Tax
GW	Giga Watt
HFC	Housing Finance Companies

ICRA	Investment Information and Credit Rating Agency
IFC	International Finance Corporation
INR	Indian Rupee
IT	Information Technology
KPI	Key Performance Indicator
KRA	Key Responsibilities Areas
KwH	KiloWatt Hour
MW	MegaWatt
NBFC	Non-Banking Financial Company
NPA	Non-Performing Assets
POSH	Prevention of Sexual Harassment
RBI	Reserve Bank of India
SEBI	Securities and Exchange Board of India
WBCSD	World Business Council for Sustainable Development
IRDAI	Insurance Regulatory and Development Authority of India

SETS YOU FREE. EMPOWERS YOU.
EASES STRESS. ENABLES A
BRINGS IDEAS TO LIFE. BRING
DRIVES GROWTH. IMPROVES
SETS YOU FREE. FULFILLS AM
IMPROVES LIFE. ENABLES A
BRINGS JOY. HELPS REALIS
BRINGS IDEAS TO LIFE. EMPO
HELPS REALISE GOALS. BRIN
ENABLES SUCCESS. POWER



**ADITYA BIRLA
CAPITAL**

Aditya Birla Capital Limited

(Formerly known as Aditya Birla Financial Services Limited)

One Indiabulls Centre, Tower 1, 18th Floor, Jupiter Mill Compound,
841, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013

+91 22 4356 7000 | (F) +91 22 4356 7111

abc.secretarial@adityabirlacapital.com

www.adityabirlacapital.com