

Inclusive Growth. Sustainable Progress.



Commitment
to the planet



Pursuing an
optimal portfolio



Caring for our
communities



Building a culture
of excellence

Aditya Birla Capital Limited

Sustainability Report 2020-21



**ADITYA BIRLA
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING



MR. ADITYA VIKRAM BIRLA

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

Inclusive Growth. Sustainable Progress.

As one of India's leading financial services conglomerates, we are proud to contribute to the nation's mission to promote inclusive growth. Our accessible and affordable financial solutions, catering to the diverse lifetime financial needs of people, particularly those underserved by formal banking channels, are opening up opportunities that reduce existing social and economic inequalities. We understand that sustainable progress can only be guaranteed by ensuring that no one is left behind.

We are also firm believers in intergenerational fairness with respect to the use of natural resources and environmental preservation, without which there can be no sustainable progress. Our financial services, with its emphasis on responsible lending, are unlocking livelihoods and ways of life that ensure the preservation of the natural capital while creating opportunities that spur demand and productivity, creating an environment for sustainable business growth.

We reflect this heightened consciousness of the interconnection between inclusive growth and sustainability, in our own operations, which are guided by our emphasis on Environmental, Social and Governance (ESG) parameters. This Report showcases our achievements during a year, which tested our commitment to the Group's sustainability goals. As the results show, we have not wavered from our chosen path, and have recorded sustainable progress as a result.





About the Report

It is our pleasure to present the third sustainability report for Aditya Birla Capital. This report incorporates and transparently communicates the key financial and non-financial aspects of our business and our ability to create value for our stakeholders over the short, medium and long term.

Reporting frameworks

The Report has been prepared in accordance with GRI standards – Core. It has also considered the United Nations Sustainable Development Goals (UN SDGs).

Reporting period

This Report presents information on our performance for the period between 1st April, 2020 - 31st March, 2021.

Reporting boundary

For all General Standard Disclosures and Specific Standard Disclosures related to material aspects as per the GRI Standards, the scope of the Report includes the entire business of Aditya Birla Capital and its subsidiary companies. Aditya Birla Capital and its subsidiary companies are collectively referred to as ABC throughout the Report, unless specifically mentioned.

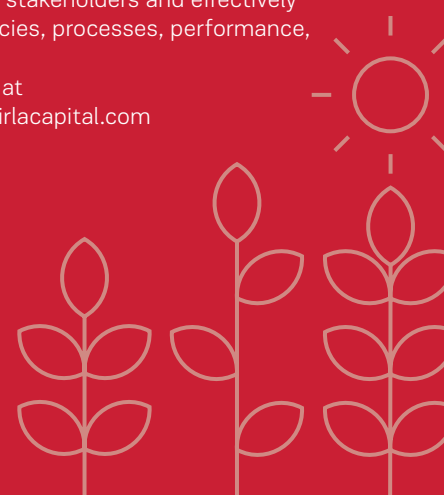
Reporting principles

We have followed the principles of stakeholder inclusiveness, materiality, sustainability context and comprehensiveness in developing the document. It presents the engagement process and key issues identified by different stakeholder groups. By engaging with key stakeholders, we identify the material issues that impact our ability of value creation. Based on these material issues, we present the associated performance for the reporting year.

Feedback

We value the feedback of our stakeholders and effectively use the same to improve policies, processes, performance, and disclosures.

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



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Integrating sustainability at every step

Inclusive growth



~24 Million

Active customers served



8 Million+

Customers availing 180+ services on WhatsApp Messenger



27%

Women employees



90%

Services offered digitally



85%

Employee engagement survey score, 6% higher than the global high-performance norm



13.4 Million

Lives covered through health insurance products

Sustainable progress



₹2,946 Crore

Renewable energy loans (up 40% vis-à-vis FY17)



5,183 kg

Dry waste recycled 2x of last year



100% score in WASH pledge (access to water, sanitation and hygiene) survey at three offices



2.56 Lakh

Lives impacted through various CSR initiatives



6.5 Million

Customer Interactions on digital channels



13 states

CSR reach



100%

Employees underwent Code of Conduct training



84%

Customers onboarded digitally across businesses



86%

Policies renewed digitally in life insurance and health insurance

Chairman's message

Assuring continued collective prosperity

Dear Shareholders,

The Covid-19 pandemic has been a wake-up call for humanity. The exigencies of the pandemic have paved the way for swift changes in mindsets and behaviour. Today, there is far greater consciousness of the inter-linkage between human actions and environmental outcomes. Sustainable development, therefore, is a prerequisite for collective prosperity.

This heightened awareness is most palpable in the corporate sector, where the pandemic has reinforced

the realisation of the importance of delivering financial results in consonance with Environmental, Social and Governance (ESG) aspects. Growth along ESG parameters, in fact, is increasingly acknowledged as the best way to embed resilience in business and the hallmark of effective leadership. Having proved its mettle during the pandemic, when ESG-leaning companies smooth-sailed through the crisis, the ESG factor, I believe, is bound to be seen as a prime growth driver in the days to come.

ABG in perspective

At ABG, we had grasped its significance close to a decade ago, when I had envisioned the Group becoming a leading Indian conglomerate in sustainable business practices across our global operations. We see sustainability as our 'ability to sustain' and provide leadership with empathy, collaboration, and the ethos of sharing. In our decades of thriving as a business conglomerate across various geographies and sectors, we have amply demonstrated these traits, which have formed the drivers of our success.

We started our sustainability journey formally by defining a sustainable business model for ABG businesses based on the three pillars of responsible stewardship, stakeholder engagement and future-proofing. We ensured its proper implementation and set in place an IT-glue enabled evidence-based approach and rigorous governance process to guide the self-assessment and verification process.

I am happy to note that we have covered formidable ground and have now embarked on the ABG Sustainability Journey 2.0, which is powered by our Business Heads working closely with their Chief Sustainability and Safety Officers and the Group Sustainability team. Through their earnest action, we are accelerating the mainstreaming of ESG in executive and operational decision-making.

Esg Strategy At ABG

While embedding the ESG metrics into our strategies and operations, we consider four dimensions –sectoral uniqueness, geographies of operation, stakeholder expectations across the value chain, and time horizon. This means that we scrupulously map our ESG imperatives according to existing realities in each market and the functioning and demands of each business. This is done by prioritising the material aspects across time



I am happy to note that we have covered formidable ground and have now embarked on the ABG Sustainability Journey 2.0, which is powered by our Business Heads working closely with their Chief Sustainability and Safety Officers and the Group Sustainability team.

horizons and stakeholder expectations and, finally, developing sustainable business strategies with time-based targets and annual action plans which are measurable and can be monitored to future proof our businesses.

A responsive, responsible organisation

The implementation of our sustainability strategy and the embedding of the ESG parameters in our organisation is undergirded by five cardinal principles that we adhere to. The first is transparency and trust, which forms the bedrock of our relationship with our stakeholders. The second principle is responsible resource utilisation, which guides our use of critical resources and leans us towards circularity. The third principle is Zero Harm, which underlines our people culture and safety practices. The fourth is sustainability, which is an integral part of our value creation. And the fifth is collaboration and synergy, which predisposes us towards collaborating with like-minded partners to increase the value for the entire ecosystem.

The undergirding by these principles makes us naturally ready to respond to the increasing expectation of greater corporate responsibility from our stakeholders as well as from governments, investors, regulators, and society in general.

A landmark year

I am happy that we were able to uphold the values and principles we hold dear during the trying circumstances of the year. We were quick to form networks of assistance to help those in need across the country. People engagement, team trust and Group values proved to be the glue for our performance. We delivered a strong performance in FY21 across businesses, leading to the highest ever consolidated profit at Aditya Birla Capital despite the macro-economic challenges.

During the year, we were able to further curb our emissions, reduce the amount of water utilised and waste generated, build a healthy and inclusive workplace for our people and facilitate their growth through development programmes. At the same time, we advanced on our objective of responsibly lending to our portfolio companies, promoting companies that are into renewable energy while continuing to serve communities and offer various financial inclusion products.

In conclusion

The response to the pandemic across the globe exhibited all that is noble and uplifting in the human spirit. A spirit that was also displayed in our Company's actions and performance during the year. Through this pandemic, our people and systems have been battle-tested and even better prepared to face any competitive challenge or serious external disruption. The challenges we faced have strengthened the bonds within, opened new vistas of cooperation and convinced our stakeholders that our people deliver – no matter what! That is our best assurance of sustainability and continued collective prosperity.

Yours sincerely,

KUMAR MANGALAM BIRLA
Chairman



₹20,447 Crore ^{↑14%}

Company revenue



Overview by the Chief Executive Officer

Generating greater value for all stakeholders



Dear Shareholders,

I am sure you would all agree that 2021 proved to be another extraordinary year. From 2020, the pandemic has changed our way of life and our outlook towards it. FY21 also brought with it unprecedented challenges and uncertainty as the COVID-19 pandemic continued to evolve, impacting lives and testing our resilience.

During times such as these, we, as a business, continued to move ahead with purpose and agility, our actions underpinned by our vision. I am delighted to present to you our third sustainability report, through which we aim to share our sustainability initiatives during the year.

Worldwide, ESG integration is gaining immense traction. Incorporating practices that address the triple bottom line of people, planet and profit, ESG integration prepares companies to brace for future challenges, reduce risks, better capitalise on opportunities and deliver sustainable returns. India is seeing a new momentum on ESG disclosures by companies. The Indian government has also formulated the new Business Responsibility and Sustainability Report (BRSR), which requires companies to inculcate sustainable practices across their business operations.

Driving greater ESG integration

The Aditya Birla Group already has an intense focus on ESG, with our Chairman, Mr. Kumar Mangalam Birla, proactively weaving sustainable business practices across all the Group's operations. We have adopted global best practices that help us impact the lives of our stakeholders in the most sustainable way. We are building a responsible and inclusive business portfolio by financing

green projects, ensuring the well-being of our employees and contributing to society, while addressing global issues such as climate change, weighing each business decision through the ESG perspective.

This year, we stepped up the ante with the following decisions:

- Launching an ESG focussed equity fund through Aditya Birla SunLife Asset Management Company (ABSLAMC)
- Driving our retail and inclusion agenda by providing finance investments and insurance protection solutions to the unbanked and under penetrated population
- Sustaining our commitment and focus towards financing renewable energy projects

In the past eight years, we have provided more than ₹ 7,000 Crore to finance solar and wind energy projects with our renewable energy portfolio touching 2,196 MW in FY21. This year, we also provided ₹ 75 Crore funds for electric vehicles projects. At the same time, we have deepened

our focus on our inclusion agenda by increasing our exposure in smaller cities and deepening our presence in semi-urban and rural areas through affordable insurance penetration, affordable housing loans, popularising micro-SIPs, and providing personal loans. As part of our SME lending, we have also offered supply chain financing solutions to small suppliers/Micro, Small and Medium Enterprises (MSMEs). During the year our SME loan advances stood at ₹ 12,779 Crore while the affordable housing segment garnered over 10,000 unique customers. Our affordable housing loan book has grown 2x over the last two years and is projected to grow much faster in the near future. Through the help of our ESG scorecards we are also looking forward to fulfil new loans across different sectors.

Promoting inclusive goals

We believe that a business can survive and remain viable in the long term only if it earns the support of all its stakeholders by generating value for them.

We are continually striving to create a happy workspace for our people, investing in upgrading their skills, and ensuring that we have a diverse and inclusive team which works together. 27% of our workforce is represented by women employees while we have employed 41 differently-abled people.

Our employees are given the opportunity to share their workplace experience through a survey on the basis of which we set up an action plan for the areas where we have the opportunity to improve. It makes me happy to state that this year, our survey generated a 85% engagement score, which is 6% higher than the global high-performance norm.

For us, our people are our biggest asset. During the year, our topmost priority was to safeguard our people and help them and their families get access to COVID-19 vaccines. We conducted various vaccination drives to ensure they were safe while ensuring their mental well-being through interactive counselling sessions with experts.

We remain cognisant of our societal responsibility. Through our CSR initiatives focused on healthcare, education, sports, skill development and women empowerment, we have touched multiple lives and created opportunities for the underserved communities. During FY21, our CSR funding was ₹ 38.24 Crore through which we supported multiple causes, compared to ₹ 34.71 Crore in FY20.

We have extended education support and scholarships to various child resource centres and schools in Uttar Pradesh and the NCR region while continuously striving to improve access to affordable healthcare through our cancer care and maternal care initiatives. Our CSR outreach also focuses on upskilling, be it by spreading awareness on sustainable agriculture that benefit among farmers or empowering women through SHGs that help in capacity building that enables them to generate sustainable livelihood. Our recent intervention, the 'Pradan'

project is addressing various developmental challenges across certain districts of Madhya Pradesh that will help women attain higher income levels to support their families and emerge out of poverty. These CSR programmes have collectively impacted over 2.56 lakh lives.

Simultaneously, we are also promoting young talent through sports. We supported six athletes, who secured a place in the Tokyo Olympics in 2021.

Our consistent environmental stewardship has ensured that we minimise our impact on the environment and create ways for its regeneration. We are in the process of recycling sanitary waste and are using biodegradable garbage bags across our offices. We have tied up with Via Green to manage our waste and recycling initiatives in a scientific and sustainable manner through which we avoided generating 5,183 kg of dry waste and 16.2 MTCO₂ carbon emissions.

This year, we reduced our carbon emissions by 30% Y-o-Y and we intend to increase our use of renewable energy. We are also minimising our energy usage, increasing energy efficiency through solar panel installations which helps us save significant electricity consumption costs. I am sure the coming years will see us report even greater success in minimising our carbon footprint.

Performing consistently

The tough times impacted the entire banking and financial services industry, but our robust diversified business model ensured that we were able to deliver consistent results during the year. Our revenue grew 14% Y-o-Y to ₹ 20,447 Crore, and net profit increased 22% Y-o-Y to an all-time high of ₹ 1,127 Crore. We continue to address our challenges with agility and undertake initiatives that ensure employee well-being, health and safety, and technology readiness that ensure greater customer engagement and business resilience.

Expanding digital avenues

Although we had already been going full thrust on our digital transformation, the pandemic lent an added impetus to this journey. During FY21, we stepped up our progression towards digital. We re-engineered ways in which customers are onboarded and changed the way we engage with them by developing several digital platforms and facilitating WhatsApp interactions. By adopting these digital channels, we have been able to enhance our customer experience, give them valuable insights and guide them along their financial journey. Our digital transformation has also helped us upscale our internal business processes and platforms and reduce the overall use of paper.

Looking ahead

We are a well-diversified company with a robust value creation model. With a strong workforce and unparalleled reach across both rural and urban areas, we are positioned to steadily grow over the coming years. We have always supported the dreams and aspirations of people to lead a better and more fulfilling life through our financial solutions. By making our products more accessible, need-specific and robust, we hope to promote greater financial inclusion and thus to contribute to more broad-based, sustainable social progress. I take this opportunity to sincerely thank our team and all our stakeholders for their continued faith in us.

Yours sincerely,

AJAY SRINIVASAN
Chief Executive Officer



Company overview



Empowering lives. Securing financial well-being.

At ABC, we seek to fulfil the aspirations of our customers, helping them experience financial independence and stability. We have prioritised expanding our reach in Tier III and IV cities, catering to emerging and diverse financial needs of an aspiring population.

Through our expert guidance and varied offerings, we are forging deeper ties with our customers and enabling them to explore and seize the opportunities that a resurgent India is bringing for them.

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Who we are

Meeting needs simply, securely

Aditya Birla Capital (ABC) is a leading financial services conglomerate in India, offering varied protecting, investing, financing and advising solutions to our customers for their lifetime needs. Through one brand and one service platform, we ensure that the service needs of our customers are simply, securely and assuredly met.

We have a strong presence across life insurance, asset management, private equity, corporate lending, structured finance, project finance, general insurance broking and wealth management solutions. We offer personalised services through equity, currency and commodity broking, online personal finance management, housing finance, pension fund management, health insurance and asset reconstruction business.



Values we stand by

Integrity	Speed
Seamlessness	Passion
Commitment	

[Read more on page 24](#)

Our pursuit

To be a leader and role model in a broad based and integrated financial services business

How do we achieve it

Protecting
(Life insurance, health insurance, motor, insurance, corporate general insurance, travel insurance)

Investing
(Mutual funds, wealth management, stocks and securities, broking, pension funds, portfolio management services)

Financing
(Home Finance, Personal Finance, SME Finance, Real Estate Finance, Loan Against Securities, Corporate Finance, Debt Capital Market and Loan Syndication)

Backed by the Aditya Birla Group

The Aditya Birla Group, a global conglomerate is in the league of Fortune 500 businesses. Anchored by an extraordinary force of over 1,40,000 employees belonging to 100 nationalities, the Group is built on a strong foundation of stakeholder value creation. With over seven decades of responsible business practices, our businesses have grown into global powerhouses across a wide range of sectors – metals, pulp and fibre, chemicals, textiles, carbon black, telecom, cement, financial services, fashion retail and renewable energy. Today, over 50% of Group revenues flow from overseas operations that span 36 countries in North and South America, Africa, Asia and Europe.



| 1,40,000+

Employees

The world of ABC

NBFC Aditya Birla Finance Limited	Asset Management Aditya Birla Sun Life AMC Limited ¹
Health Insurance Aditya Birla Health Insurance Co. Limited ¹	Wellness Aditya Birla Wellness Private Limited ¹
Life Insurance Aditya Birla Sun Life Insurance Company Limited ¹	Housing Finance Aditya Birla Housing Finance Limited
Stock and Securities Broking Aditya Birla Money Limited (Listed)	General Insurance Broking Aditya Birla Insurance Brokers Limited ²
Private Equity Aditya Birla PE Advisors Private Limited	Asset Reconstruction Aditya Birla ARC Limited
Digital & Technology Services Aditya Birla Capital Technology Services Limited	

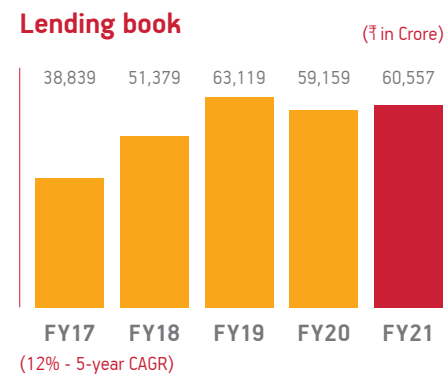
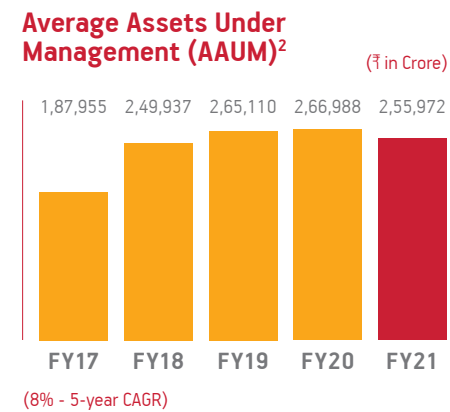
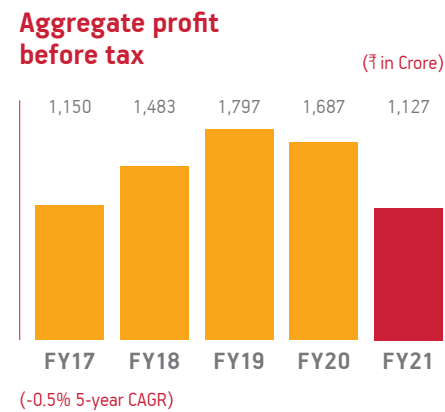
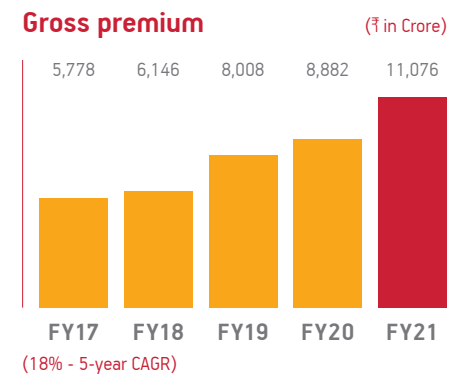
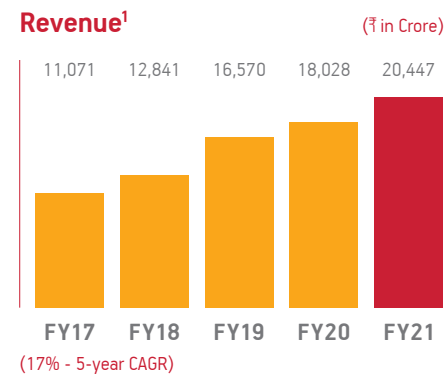
¹ Indicates a Joint Venture (JV)

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

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

Financial performance

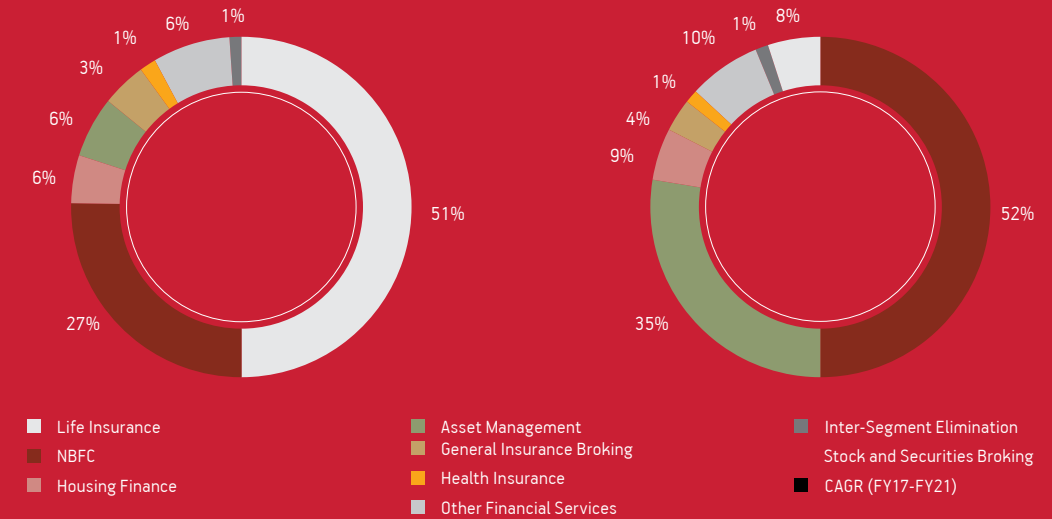
Defying the challenges of a difficult year



¹ Consolidated segment revenue; for Ind AS statutory reporting purpose, asset management and wellness business are not consolidated and included under equity accounting. The financials are prepared as per Indian GAAP for the period upto FY17. Aditya Capital Limited has adopted Ind AS effective from April 1st, 2018. The financials for FY18, FY19, FY20 and FY21 are Ind AS compliant.

² Annual average assets under management of asset management business

Segment revenue and Profit before tax



Consistent economic performance – (GRI table)

Particulars	FY19	FY20	FY21
A) Direct economic value generated			
Net revenue from operations	15,163.51	16,691.18	19,247.79
Profit from JV companies	225.84	250.92	268.41
Other income	8.46	18.12	25.99
Total EVG	15,397.81	16,960.22	19,542.19
B) Economic value distributed			
Total operating costs	9,119.65	10,331.22	13,322.72
Employee wages and benefits	788.45	705.46	758.02
Payments to providers of capital	4,109.06	4,633.81	3,915.76
Total expenses	14,017.16	15,670.49	17,996.50
Payments to government	569.35	413.63	440.04
Total (EVD)	14,586.51	16,084.12	18,436.54
Economic value retained (A-B)	811.30	876.10	1,105.65

Digitalisation

Leveraging digital for choice and convenience

We are a front-ranking financial services company in the country in the digital space and continue to invest in modernising our digital assets and core systems to support business growth and sustainability. FY21 saw us continue to build on the six pillars that underpin our digital transformation, enabling us to cater to emerging customer expectations and increase access to financial choices for many across India's smaller towns and rural areas.

Over the past two years we have implemented over 100 new technologies with many industry-first use cases, including WhatsApp for business, Video KYC, ML based audio-visual bots and email bot, video interview with micro expressions for digitalisation of customer journeys and improving scalability and resilience of our digital assets.

Pillars of our digital transformation

Re-engineering customer and distributor journeys

Given the ever-evolving customer behaviour and expectations, it is imperative for us to regularly revisit and re-engineer customer journeys to consistently deliver better customer experiences. This helps us stay ahead of our customer expectations. In FY21, we renewed and re-engineered over 100 customer and distributor journeys, making it easier and more convenient to navigate and choose from our wide array of financial products.

Building scale by automating processes and platforms

In FY21, we continued to incorporate artificial intelligence (AI), process automation and intelligent information management into our processes. We digitally transformed our mid-offices and back-offices to run operations with greater automation.

Leveraging fintech

We have built a network of over 1,400 fintechs across the globe to identify and implement innovative and new technology solutions to address business problems with defined agility and speed. Currently, we are working with over 50 fintechs in various fields, including in AI/Machine Learning solutions, voice technologies, conversational user interface, digital KYC, biometrics, hyper-personalisation, and sales engagement. These have greatly enabled our outreach efforts and added to customer convenience.

Ecosystems and partnerships

Our digital-ecosystem partners such as payment platforms, travel and leisure platforms, e-commerce platforms and financial services aggregators are contributing substantially to our businesses and these partnerships are expected to grow rapidly in the upcoming years.

Data and analytics

Data provides key insights into customer behaviour, guides us in making the right decisions and enables personalisation. We have revamped our digital operations with data analytics, which is helping us in the following ways:

- Enhancing customer experience
- Driving acquisition and upsell
- Ensuring retention
- Helping mitigate risk
- Attaining hyper-personalisation

Our people and culture

Training our people and building a culture of adaptability to constant change have played an important part in our digital transformation journey. We have delivered 100% of our learning interventions virtually over the past few years, enabling us to increase the outreach of our learning programmes, particularly during the nationwide lockdown. We are focused on enabling our workforce in becoming future-ready by gaining exposure to AI, ML, cloud computing and robotic process automation.

Our workforce is equipped with tools and techniques they can use to collaborate digitally and work from any location. Our emerging leaders are receiving planned exposures to tech start-ups, fintechs and leading digital businesses.



| 100%

Partners onboarded



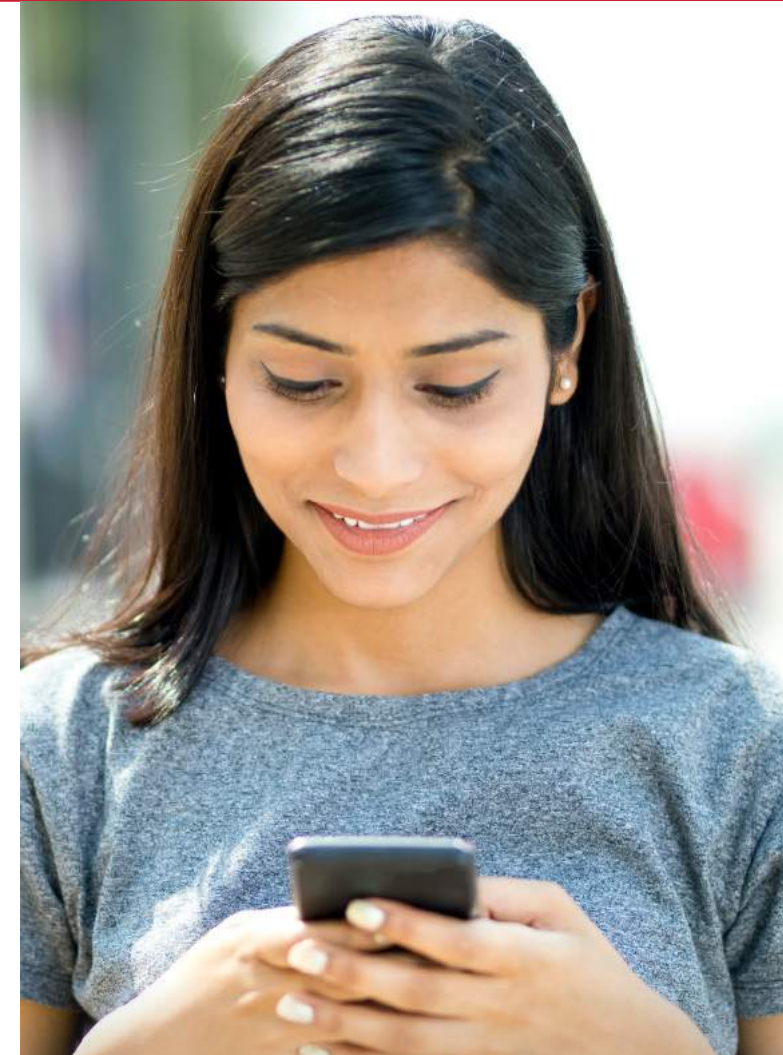
| 85%

Digital service interaction



| 98%

Digital collections



Awards for our digital endeavours

- 'Top 25 Innovative Companies in India – 2020' by the Confederation of Indian Industry
- 'International Innovation Award – 2021' at APAC level by Enterprise Asia in Services & Solutions category for 'Implementation of Digital & Tech Capability'
- Economic Times BSFI Excellence Awards 2021 under 'Best Digital Customer Experience Initiative [Mutual Fund]' category for Aditya Birla Sun Life AMC Ltd.
- Economic Times BSFI Excellence Awards 2021 under 'Best Digital Customer Service Initiative [Housing Finance NBFC]' for our Housing Finance business
- Economic Times BSFI Excellence Awards 2021 under 'Best Cyber Security Initiative of the Year' for our Life Insurance business

Innovation

Curating solutions. Driving scale.

The customer remains at the core of our digital transformation. We are focusing on four key areas – customer acquisition, customer self-service, customer value and building scalability in processes and systems. This ensured that even during the difficulties created by the pandemic, we were able to leverage our digital channels to address customer concerns and deliver smooth customer experiences.

Customer acquisition

Ecosystems and partnerships

In our Health Insurance, Mutual Fund (MF), Lending and Life Insurance businesses, we have leveraged technology for seamless integration into ecosystem partner journeys for customer acquisition at scale. Our health insurance business offers sachet products supported with simplified digital journeys, which have led to 1 Lakh+ policies per day through our ecosystem partners.

In our MF business, 60% of purchase transactions by volume are through ecosystem partners. We have also acquired 1 Million+ customers through BNPL (Buy Now Pay Later) product in our lending business.

We have analytics-based models for instant decisioning, India Stack APIs for customer verification and KYC, among others, together with contextual products with a 3-4 step simplified digital journey for frictionless customer onboarding.



| 92%

Renewals received in Health Insurance digitally



| 84%

Renewals received in Life Insurance digitally



| ₹150 Crore+

Renewal premium collected through Life Insurance audio-visual bot

Digital onboarding capabilities

We have built significant digital onboarding capabilities across lines of business (LOBs) through end-to-end customer journey re-engineering. This has ensured in business sustainability during the pandemic.

Over 84% of our customers were onboarded digitally across all LOBs in FY21, which helped in contactless customer acquisition, and reduced TAT and cost of acquisition by 30-60 %.

New digital journeys launched include contactless digital MF and personal loan journey with video KYC, assisted digital onboarding journey for housing loans, a five-minute digital onboarding journey for opening a stock broking account, life insurance onboarding journey with CKYC for per population of form and Insta Pre-insurance Verification Calls (PIVC).

Leveraging of new technologies

New technologies for standardisation of partners for digital customer onboarding journeys include CKYC, eAadhar, video KYC, eNach, Intelligent OCR, facial recognition, eSign and eContract among others. This has resulted in significant reduction in cost and time incurred in deploying the solutions. We have received digital renewal journeys on WhatsApp, web, app, audio-visual bot across Housing Insurance, Life Insurance and Motor Insurance.

AI/ML based underwriting in Aditya Birla Sun Life Insurance Company is being used to increase auto U/W cases. Additionally, micro-expression for video medical examination report (MER) is being leveraged in Aditya Birla Housing Insurance for fraud detection. These are first-of-their-kind, AI/ML powered technologies being put to use in India.

Customer self-service

Promoting self-service channels

Self-service channels like voice bots, WhatsApp chatting, chatbots, apps and customer service portals improve customer engagement significantly. We now have over 90% services on digital self-service channels. Our customer engagement performance is measured in terms of the number of customer interactions per annum. On our digital channels, this has gone up by 50% from 1.8 to 2.7 between FY20 and FY21, as opposed to our traditional channels, where the figure dipped by 0.1 in FY21 over previous year.

For the past two years, we have been working towards simplifying Straight Through Processing (STP) journeys

for customer onboarding and service, which will significantly cut down on TAT and improve customer experience. Almost 50% of our service journeys are end-to-end STP.

Leveraging voice technology

We are one of the early adopters of voice technology in the industry and have built over 100 voice bots catering to customer onboarding, service, and renewal journeys. We are building inbound IVR bots to address customer queries and ensure 24X7 service. The audio-visual bots can begin the conversation with customers and then guide them on a visual interface to complete the service interaction on call. Voice bots were used for digital collections and moratorium calling in Aditya Birla Finance Limited and Aditya Birla Housing Finance Limited.

Customer value

Hyper-personalisation

We are using an AI/ML model to identify the genome of the customer, and using that insight to hyper personalise the next best conversation to be sent to customer on digital channels. These messages have led to 2x jump in customer click rates and conversions. We are leveraging the data of existing customers to create pre-approved products and increase customer product holding by amplifying cross-sell and upsell. In our life insurance business, 17% of first year premium was through Pre-Approved Sum Assured products (PASA). Similarly, in MF, ₹6,000+ Crore gross sales is incurred through next best offer to customers.

Omnichannel orchestration of customer journeys:

Through this initiative, we are moving towards intuitive and efficient self services for our customers across physical and digital channels. Shifting to proactive service, we are making personalised offers based on the customer's profile, where customer does not need to reach out to us for service or recommendations for financial products. Our omnichannel orchestration has allowed us to connect physical and digital service channels seamlessly. Customers can start a payment journey, and if the journey is broken can continue it via WhatsApp. From address change and nominee addition, the customer gets proactive service requests across all channels regularly for over 180 service journeys across our businesses.



We made outbound calls to customers and collected over ₹300 Crore in renewal premium, with 20% collection happening over weekends when traditional contact centres are closed. We are using voice biometrics for customer authentication and speech analytics perceive sentiments and improve customer NPS at our contact centres.



| 2.5 Million+

Customers connected through voice bots in FY21



| 1 Million+

Views by customers for proactive omnichannel communication in FY21



Innovation

Scalability

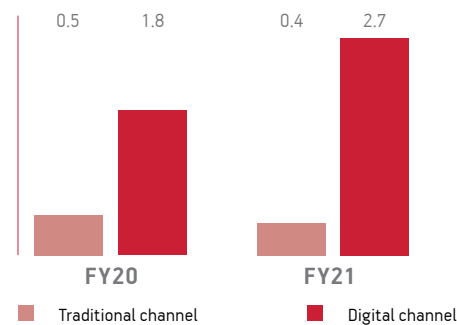
We have modernised front-end digital assets, integration layer and back-end core systems to support growth plans in health insurance and lending businesses. Development of robust integration layers with 1,300+ Application Programming Interfaces (APIs) and Enterprise Service Bus (ESB) gateways for faster integration and go to market with ecosystems/ partners, revamping of digital assets to improve UI/UX and increasing digital services coverage for hyperpersonalised customer engagement are our other achievements.

We implemented a hybrid cloud strategy for infrastructure resilience and 87% of the apps are available on a public and private cloud. We have moved the key customer facing app to the public cloud for high availability. We have also migrated around 17% of the infrastructure from the private to public cloud and have successfully migrated to cloud telephony system for all LOBs for inbound and outbound calls (36 units) to ensure greater agility. This is the first implementation in Indian BFSI sector.

We have a clear roadmap for modernisation of our technology stack, including front-end assets, middleware and core systems.

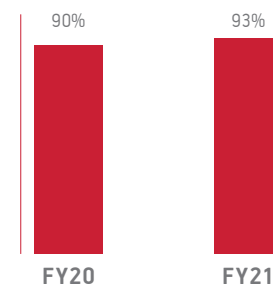
Mid-office and back office automation is being undertaken rapidly. We implemented over 440 RPAs across all LOB operations, customer service, finance and HR functions. This has led to 60-80% reduction in TAT, error, together with increased scalability of identified processes. Intelligent Optical Character Recognition (OCR) technology is used extensively for auto extraction of data from quotes, income tax returns (ITR), bank statements and pay slips among others.

Digital channels deepening customer engagement

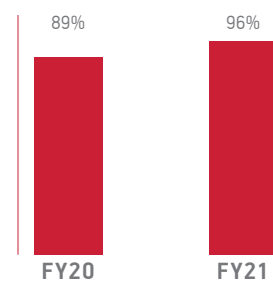


Customer engagement is calculated as ratio of customer interaction on digital channel/total active customers

ABC digital onboarding (%)

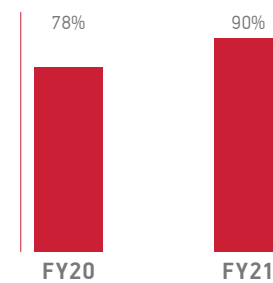


ABC digital payment

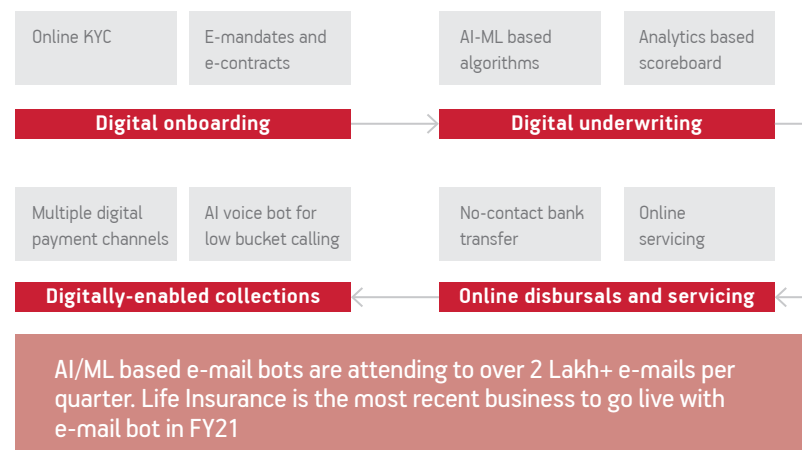


Digital renewal channel includes web, whatsapp, voice bots

Health Insurance Digital renewals



End-to-end digital lending platform



Data analytics lend an edge

Leveraging insights gained from data analytics, we can give hyper-personalised services to our customers backed with pre-approved offers, which provides customers with the product which suits them and is best for their requirements. We are also leveraging data analytics for internal development to enhance employee productivity, distributor assessments, alongside hiring fresh talent based on these insights.



Data and analytics

	Life Insurance	Health Insurance	AMC	Lending
Acquisition	16% Of individual first year premium	7% Of retail fresh premium (excluding micro/byte sized products)	5% Of retail gross sale	24% Of retail portfolio using ML risk scoreboards
Upsell and Cross-sell	18% Of individual first year premium	18% Of retail fresh premium (excluding micro/byte sized products)	11% Of retail gross sale	19% Of personal loan disbursements
Retention and Winback	10% Additional renewal premium collected	9% Lift in renewal premium collected	9% Of retail gross sale	3.4x Lift in collections from digital lending/personal loan npas

All metrics are for Q2 FY22 unless specified



Through our digital interventions and innovation capabilities, we are progressing on our sustainability vision. While digital interventions are reducing the carbon footprint of our operations, our product and service

innovations, empowered by our digital drive, are furthering the cause of financial inclusion by enabling for an increasing number of people across India, particularly in its hinterlands,

ready access, product choices, ability to manage money better and gain greater agency over their lives.



Customer centricity

Pushing boundaries to enhance customer experience

Backed by our technological capabilities, we were able to offer a host of value-added services to our customers in FY21. As part of this, we curated offerings exclusively for the elderly, enabling loans at the point of sale as well as including Covid care.

Activ Care for senior citizens

We introduced Activ Care last year as a first-of-its-kind senior citizen product, which not only covers their hospitalisation expenses, but also focuses on providing a 360-degree coverage – prevention, protection and recuperation. We also devised a comprehensive Chronic Management Programme that provides cover to individuals with chronic conditions such as diabetes, hypertension, hyperlipidaemia and asthma. The programme encompasses regular consultations, diagnostic tests and pharmacy expenses.

Our Activ Health platform continues to be a key companion of customers in their health journey, tracking their physical activities, and giving them health scores and rewards by earning health returns. This product offering is attracting healthy lives (largely uninsured) with 100% return on premium products (HealthReturnsTM).



5 years

Average customer age lowered



~3.5 Lakh

Lives impacted



26%

Persistence for highly engaged customers

BNPL (Buy now and pay later)

This attractive cardless payment option lets customers buy now (in real time) and pay later by borrowing interest-free credit. They have the option of repaying the entire loan amount on or before the due date. The primary advantage of this option is to provide instant credit at the point of sale itself. Customers need not log into their account; the transaction can be easily made with the OTP (one-time-password) generated to experience hassle-free purchases.



1 Million+

Customers acquired through BNPL

OLA Covid care package

As part of our continued efforts at leveraging customer acquisition through an ecosystem of partners, our health insurance business tied up with OLA to offer health insurance cover to customers for ₹25,000 per ride by paying a minimal additional amount along with the proposed fare. The insurance's validity is 15 days from the date when the ride is taken.



20 Million+

Policies issued in the first six months of FY21

Co-browse assistance

Assisting customers on digital channels through co-browsing during onboarding and servicing stages is proving to be a new way to enhance completion of journeys. A customer is assisted while they are on our digital channels and handheld to complete the journey.



50%

Conversions achieved by the Health Insurance business onboarding platform through co-browsing tech

Mission happiness

The net promoter score (NPS) helps us capture the voice of the customer (VoC), which enables us to address lapses and enhance the quality of our products and services. NPS is administered both in a top-down and bottom-up approach. Bottom-up NPS is deployed via digital means to understand customer behaviour on an online platform. Top-down NPS is a key market evaluation tool, which helps us understand where we stand against our competitors.

Bottom-up NPS

While we have been tracking NPS for our macro journeys, currently we have begun gathering NPS data for micro journeys as well, across all key touchpoints. This has enabled us to attain actionable insights and assist businesses in re-engineering journeys that have encountered a lower NPS score and higher traffic. We have introduced a common, live digital NPS dashboard, which gives our team the advantage of gaining real-time data and insights.

Top-down NPS

We rolled out NPS for Life Insurance, Health Insurance, Mutual Funds, Personal Finance and Home Finance.

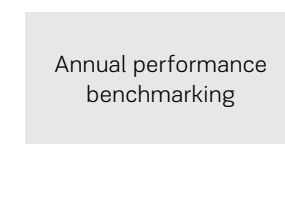
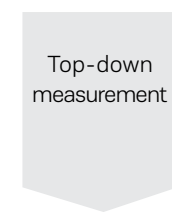


12,000+

Customers reached through top-down NPS of which 5,000 are ABCL customers and 7,000 are category customers

NPS FY22: A holistic diagnosis

Top-down NPS is conducted through a sampling methodology with our own customers as well as our competition's customers to ensure competitive benchmarking

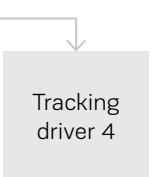
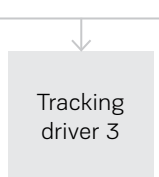
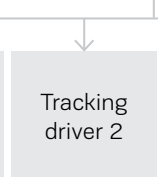
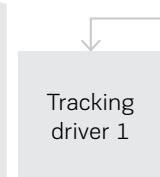


Strategic direction



Tactical improvement initiatives

Bottom-up NPS involves collection of data at the time of customer touch. This is where the survey is targeted towards the customer involved in the transaction.



Continuous operational improvement



Our foundation



Building on the bedrock of our values

Integrity

Acting and making decisions in a manner that is fair and honest. Following the highest standard of professionalism and being recognised for doing so. Integrity for us means not only financial and intellectual integrity, but also encompasses all other forms as are generally understood.

Commitment

On the foundation of Integrity, doing all that is needed to deliver value to all stakeholders. In the process, being accountable for our own actions and decisions, those of our team's and those in the part of the organisation for which we are responsible.

Speed

Responding to internal and external customers with a sense of urgency. Continuously striving to finish before deadlines and choosing the best rhythm to optimise organisational efficiencies.

Seamlessness

Thinking and working together across functional groups, hierarchies, businesses and geographies. Leveraging diverse competencies and perspectives to garner the benefits of synergy while promoting organisational unity through sharing, and collaborative efforts.

Passion

An energetic, intuitive zeal that arises from emotional engagement with the organisation that makes work joyful and inspires each one to give his or her best. A voluntary, spontaneous and relentless pursuit of goals and objectives with the highest level of energy and enthusiasm, that is voluntary and spontaneous.



In this section

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Ensuring all-round accountability and transparency

At ABC, we relentlessly work towards maintaining an ethical business and are committed to demonstrating best corporate governance practices to create value for our stakeholders, ensure seamless business activities while developing an ethical, cultured and transparent organisation.



Governance philosophy

We are firmly committed to sound and effective practices in corporate governance and full and fair disclosure. The Board of Directors and senior management of the Company conduct themselves in a way that ensures transparency and fosters a culture of good decision-making. At the macro level, our governance philosophy rests on the following key principles while ensuring compliance with applicable laws:

- Board accountability towards stakeholders
- Strategic guidance and effective monitoring by the Board
- Protection of minority interests and rights
- Equitable treatment of all stakeholders
- Transparency and timely disclosures

Governance framework

Our corporate governance framework is based on an effective and independent Board, which oversees the implementation of our strategies to ensure a sustainable future. The Board also works through various committees constituted to oversee specific functions. The senior management provides the Board detailed reports on the Company's performance periodically.

Board committees

As per the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities and Exchange Board of India Act, our Board has constituted the Committees of the Board with specific terms of reference. We have established a formal mechanism to evaluate the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. A letter of appointment coupled with an induction kit is given to the Independent Directors at the time of their appointment, setting out their roles, functions, duties and responsibilities.

The Directors regularly interact with the senior management to better understand the organisational set-up, functioning of various departments and internal control processes, among others. The details of the familiarisation programmes can be on our website.

We have adopted the Executive Remuneration Policy. The policy supports the design of programmes that align executive rewards – including variable pay, incentive programmes, long-term incentives, Employee Stock Option Plans (ESOPs), retirement benefit programmes – with the long-term success of our stakeholders. For details, please refer to our Annual Report 2020-21.

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, 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.

Board Committees

Risk Management Committee Chair- Independent	Nomination, Remuneration and Compensation Committee Chair- Independent	Corporate Social Responsibility Committee Chair- Independent	IT Strategy Committee Chair- Independent
Audit Committee Chair- Independent	PIT Regulations Committee Chair- Independent	Stakeholders Relationship Committee Chair- Independent	Asset Liability Management Committee Chair- Independent

Board committee composition

Committee	Committee members	Independent Director	Non-Independent Director	Independent Chairperson
Audit Committee	4	3	1	Yes
Nomination, Remuneration and Compensation Committee	4	2	2	Yes
Risk Management Committee	4	2	2	Yes
Stakeholders' Relationship Committee	3	1	2	Yes
Corporate Social Responsibility Committee	4	3	1	Yes
Finance Committee/Asset-Liability Management Committee	6	1	2	Yes
PIT Regulations Committee	5	2	1	Yes
IT Strategy Committee	11	2	0	Yes
Asset Monetisation Committee	4	2	1	Yes

For more details on Board committees, please refer to our Corporate Governance Report in the Annual Report 2020-21.

Grievance mechanism for investors

The Company Secretary acts as the Compliance Officer of ABC and is also responsible for redressal of investor complaints. Investors can submit their query in the 'Queries' option provided on our website, which assigns the grievance registration number. To access the status/response to the submitted query, 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. There are no investor complaints pending against ABC as on 31st March, 2021.

Relevant disclosures

There has been no instance of non-compliance by ABC on any matter related to capital markets during the last three years and hence no strictures/penalties have been imposed on the Company by the stock exchanges or the Securities and Exchange Board of India (SEBI) or any other statutory authority.

Related party transactions

During FY21, ABC entered into related party transactions, which were on an arm's length basis and in the ordinary course of business. There were no material transactions with any related party as per the provisions of Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI Listing Regulations. There were no material transactions with any related party as defined under Section 188 of the Act. All related party transactions were approved by the Audit Committee.

Corporate governance

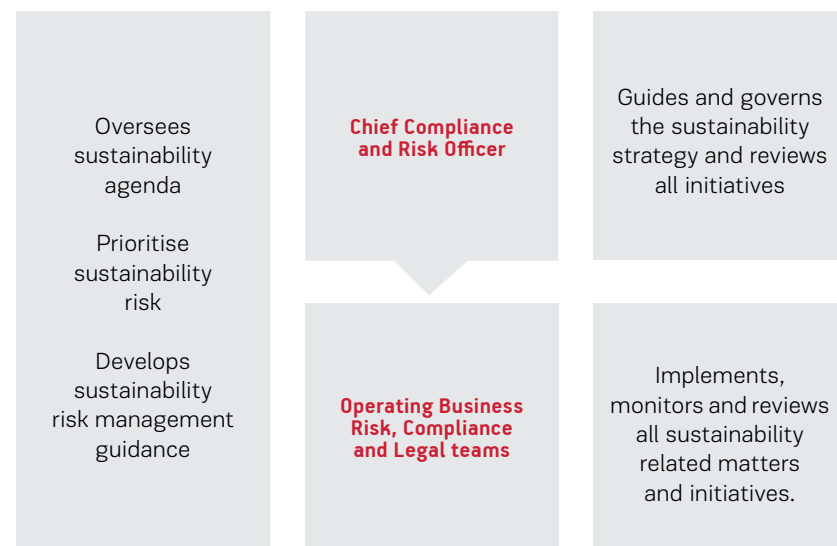


Sustainability governance

Our commitment to sustainability requires us to maintain a strong and committed leadership with a clear futuristic vision. We have effectively established a sustainability governance mechanism which facilitates implementing our sustainability vision across our operation, manage goal setting, reporting processes, strengthen relations with external and internal stakeholders and ensure overall accountability.



Enterprise risk management



Sustainability governance structure

Our 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 the Company. It also oversees our sustainability agenda, which is guided by ABG's sustainability vision. The Company is driven by the expertise of our leadership who manage, implement and govern the ESG agenda of the Company.

The responsibility of implementing and monitoring sustainability practices is undertaken individually by the Company through the Risk, Compliance and Legal teams. Our 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.

Code and standards

A comprehensive Code of Conduct ensures fair and transparent treatment for everyone across the Company. All our employees, including the Board and senior executives are expected to fully adhere to the principles contained in the Code of Conduct, which has been aligned across the Group. We provide regular awareness trainings on the Code and its implications through multiple modes of communication to our management and employees. Also, the Code of Conduct forms an important part of our process of onboarding employees, who are required to sign the Code as part of their employment contract. We also apply this Code of Conduct to our outsourced, contracted personnel and representatives on best endeavour basis.

Anti-corruption

Corruption in the financial services sector involves money laundering, rate-rigging and tax evasion, all of which undermine public trust in financial institutions. Our Code of Conduct stresses on our zero tolerance policy against accepting or giving bribes of any kind. Additionally, it has a robust anti-money laundering rule with an established 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, we follow rule-based approaches and complement 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 to ensure there is no impunity for wrongful behaviour.

Enforcement mechanism

We have a robust enforcement mechanism, which ensures open channels to report any violations of our 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 (comprising three members nominated by the Chairman), and the Chairman of ABG 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.

Any violations are reported to the Corporate Panel, an impartial body for processing all cases of violations in the Group. The members of the Panel are rotated periodically. The Panel conducts preliminary scrutiny, in-depth investigation and takes the suggestion of the Chairman for guidance. These findings and recommended actions are submitted to the Unit Head/ABC Director and finally to the Chairman.

Whistle-blower policy or vigil mechanism

We have 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, besides allowing direct access to the Chairperson of the Audit Committee. 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 our website.

Compliance

Our robust Enterprise Risk Management and internal audit approach verify compliance with the regulatory, operational and system related procedures and controls. We comply with all the regulatory/statutory compliances and financial service sector's general good practices.

Prevention of insider trading

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, ABC has adopted a Code of Conduct to regulate, monitor and report trading by designated persons in listed or proposed to be listed securities of ABC (the Insider Code). The Insider Code aims at preserving and preventing misuse of unpublished price-sensitive information.

We have in place a tracking mechanism to monitor trade in the equity shares of the Company by the designated persons identified under the Insider Code. The Audit Committee reviews compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 confirming that the systems for internal control for the purpose are adequate and operating effectively.

Key memberships

We participate in public policy dialogues through key trade and industry associations, including:

- 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



Board diversity

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Nomination, Remuneration and Compensation Committee of the Company has devised this Policy and is responsible for reviewing and assessing the composition and performance of the Board, as well as identify appropriate qualified persons to occupy the Board. While designing the Board's composition, Board diversity is a significant topic considered from several standpoints, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and service period. It is ensured that the Board has an optimum combination of executive, non-executive and independent directors, including women directors in accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A diverse Board enables the following objectives:

- Drive business results and strategic growth
- Ensure sustainable development and corporate governance
- Enhance quality and responsible decision-making capability
- Enhance the reputation of the Company

Board of Directors

Upholding strict governance standards



Mr. Kumar Mangalam Birla
Chairman and Non-Executive Director



Dr. Santrupt Misra
Non-Executive Director

M M M M M M



Mr. Sushil Agarwal
Non-Executive Director

M M M M



Mr. Arun Adhikari
Independent Director

C C C



Mr. P.H. Ravikumar
Independent Director

C C M M



Mr. S.C. Bhargava
Independent Director

M M M M



Mrs. Vijaylakshmi Iyer
Independent Director

C C C M



Mr. Romesh Sobti
Non-Executive Director (Nominee)

M

M Member **C** Chairperson **■** IT Strategy Committee **■** Audit Committee **■** Nomination, Remuneration and Compensation Committee **■** Risk Management Committee

■ Stakeholders Relationship Committee **■** Corporate Social Responsibility Committee **■** Asset-Liability Management Committee **■** PIT Regulations Committee



Executive management

Leading with integrity and foresight



Mr. Ajay Srinivasan
Chief Executive
Aditya Birla Capital Limited



Mr. Rakesh Singh
Managing Director and CEO,
Aditya Birla Finance Limited



Mr. A Balasubramanian
Managing Director and CEO,
Aditya Birla Sun Life AMC Limited



Mrs. Pinky Mehta
Chief Financial Officer,
Aditya Birla Capital Limited



Mr. A. Dhananjaya
Chief Compliance and Risk Officer,
Aditya Birla Capital Limited



Mr. Kamlesh Rao
Managing Director and CEO,
Aditya Birla Sun Life Insurance
Company Limited



Mr. Tushar Shah
CEO-Infrastructure &
Structured Finance,
Aditya Birla Finance Limited



Mr. Mayank Bathwal
CEO, Aditya Birla Health
Insurance Co. Limited



Dr. Sandeep Dadia
CEO and Principal Officer,
Aditya Birla Insurance
Brokers Limited



Mr. Mukesh Malik
Chief Operating 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



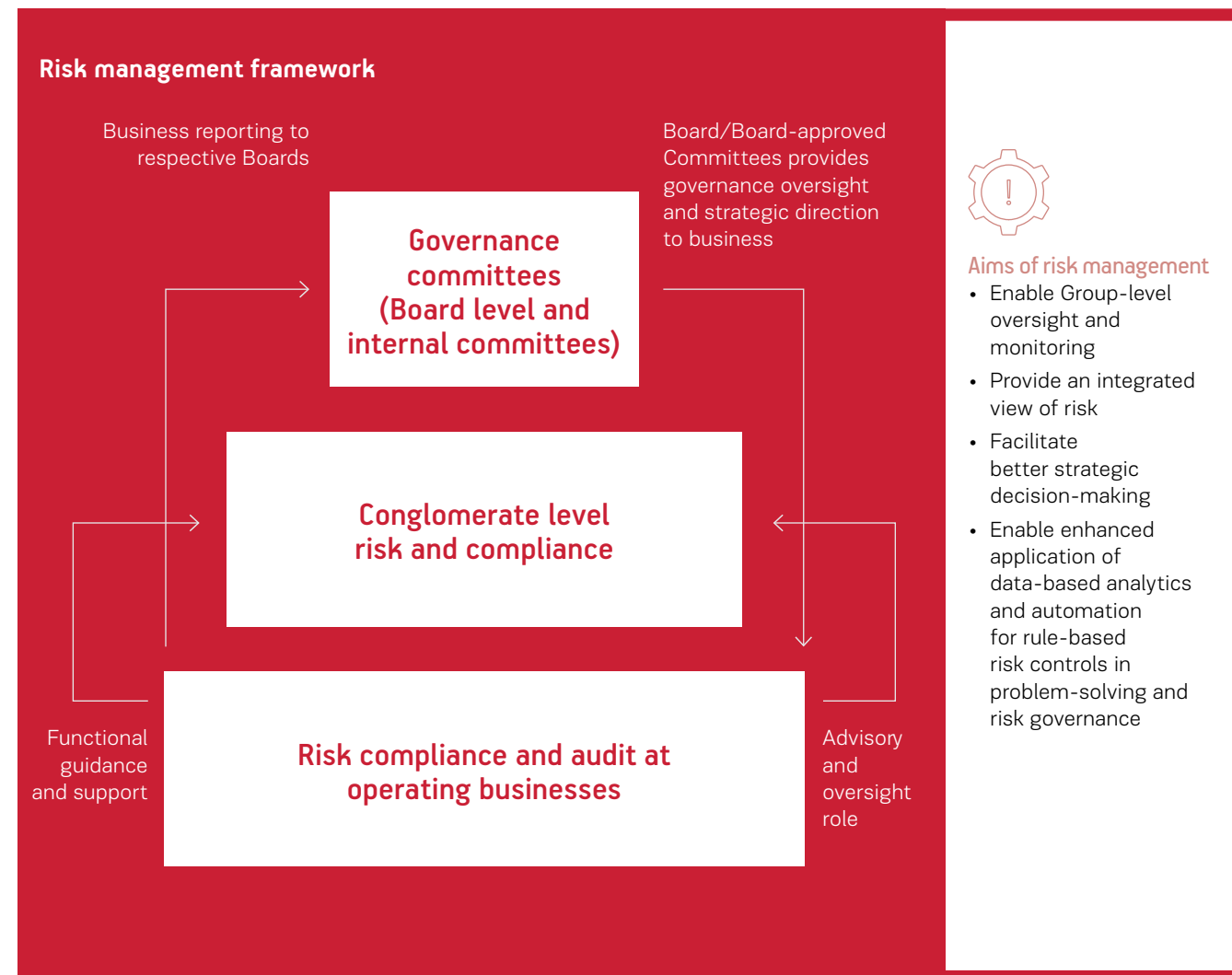
Mr. Subhro Bhaduri
Chief Human Resources Officer,
Aditya Birla Capital Limited



Risk management

Identifying and mitigating threats to sustainable value creation

Our risk management framework helps us anticipate and undertake corrective measures to manage and mitigate potential risks to our business, and enables us to implement our strategies effectively. We are also building in ESG considerations into the risk management framework with the aim of creating long-term value.



Risk management approach

Dimension	Approach
Sourcing and underwriting	
Underwriting	Committee-based approach with focus on rigorous credit appraisal and cash flows for corporate, projects and structured finance
Product programme based	<ul style="list-style-type: none"> • Small and Medium Enterprises (SMEs), retail and digital lending using robust programmes, systems and analytics • Enhanced use of behavioural scorecards and data analytics for customer selection
Exposure management	
Group-level exposure management	<ul style="list-style-type: none"> • Aggregate exposure limit set for borrowers and groups, and monitored continuously • Exposure concentration across borrowers and groups are managed through defined exposure risk appetite and risk tiering
Event-based and scenario-based regular stress testing	
Portfolio	Sector developments and event-based impact review through financial stress modelling
Liquidity management	Continuous oversight on Asset and Liquidity Management (ALM) and liquidity through diversification and liquidity management
Continuous monitoring to ensure asset quality	
Lifecycle monitoring of exposures	Automation of identified triggers for key exposures
Early warning triggers	<ul style="list-style-type: none"> • Alert mechanism to identify signs of incipient stress • Adoption of AI-based early warning system in lending business to enhance portfolio monitoring approach and data-based triggers
Information security and cyber risks	
Continue to adopt best practices	<ul style="list-style-type: none"> • Adoption of standardised manner to mitigate these risks, which are closely monitored at the Group level with a quick response team in place • Strengthening the data protection environment to enable work from home and mitigate new cyber threats arising from remote working scenario
Legal and compliance risks	
Continue to adopt best practices	Zero-tolerance approach to non-compliance across every subsidiary
Operational risks	
Proactive approach	<ul style="list-style-type: none"> • Early identification of operational risks and building an effective control framework to minimise frauds and operational losses • Data-driven approach to proactively identify operational risks. • Automation in processes and automated controls in new systems are being implemented

For information on ESG integration into risk management framework, please refer page 46.



Approach to sustainability



Putting sustainability at the heart of everything we do

As a leading player in the finance sector in India, we believe 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.

We are committed to reducing the Company's negative footprint — environmentally and socially—in all the operations – internal and external. To achieve this, we have established and implemented mechanisms to encourage, influence or mandate our stakeholders and business partners to conserve natural resources, protect the environment, provide a safe and healthy workplace for their employees and contractual staff as well as restore standards of living for those affected by project operations, wherever relevant and necessary.

We are relentlessly working towards achieving long-term value for our stakeholders by addressing our triple bottom line, and leading with a strong commitment to sustainability.

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External environment

Leveraging our tools to enhance accessibility and affordability

The pandemic has proved to be a game-changer for the financial services industry by amplifying the importance of insurance for the resilience of both individuals and business. It has created new demands and expectations, such as that for hassle-free, transparent services, quick turnaround time in service delivery, and more personalised products.

At ABC, we are redefining ourselves to cater to these emerging needs through product differentiation and technology integration while remaining aligned to our sustainability vision.



Digital transformation

The industry is heavily investing in digital solutions and newer technologies to enhance operational efficiencies, increase speed to market and deliver superior customer experience. With the onset of the pandemic, going digital is no longer an option but a necessity in ensuring business continuity. Financial service providers are investing in self-service digital channels, which are gaining more traction among the customers.

At ABC, we have moulded our operations through accelerated digital adoption. We are one of the first companies in the financial services industry in India to do so. We are re-engineering customer and distributor journeys, transforming office operations through automation, and working with fintechs and ecosystem partners to use technology in improving customer interface and experience. We are also training out staff to be future-ready.

[Read more about our initiatives on page 16](#)



Hyper-personalisation

The one-size-fits-all approach has been debunked and the financial services industry is now segmenting customers into micro groups, which will build customer engagement and lend a competitive edge. Organisations are using data and analytics to anticipate individual needs and drive deeper connect with the customer by offering them curated services, relevant information and advice based on their specific needs and circumstances.

We are using advanced technologies and data to drive hyper personalised services for our customers through the digital channel. Based on insights gathered from data, we can predict our customers' money requirements under cross-sell, across different stages of their life. Basis this, we can offer them 'next-best money solutions', which are automatically generated through such analytics.

[Read more on page 20](#)



User-friendly design and experience

The industry is aware of the significance of creating user friendly interface to streamline product delivery across all their customer segments. There is a deeper understanding of how customers experience the company's offerings at every touchpoint of digital interaction.

We have developed and adopted technologies that ensure smooth customer experience with voice bots, digital KYC and biometrics among others.

[Read more on page 18](#)



Deeper financial inclusion

Countries with greater financial inclusion or access to affordable, appropriate financial services, have reported stronger GDP growth rates and lower income inequality. In India, financial inclusion has been on the rise, partly thanks to the government's own push such as the Pradhan Mantri Jan Dhan Yojana (PMJDY), which is believed to have led to an 80% rise in the number of adults with bank accounts (Global Findex 2017 Report). The rise of digital means of payment and other services have led to greater access. This could lead to reduction in existing social and economic inequalities as the more the people have recourse to options in education and livelihood the faster they can move towards achieving financial stability.

At ABC, we are playing our part in accelerating this movement through our wide range of services such as affordable housing, micro-SIPs, rural insurance, SME lending and financial literacy among others, fostering financial inclusion and reaching out to India's hinterlands to deliver our services.

[Read more on page 50](#)

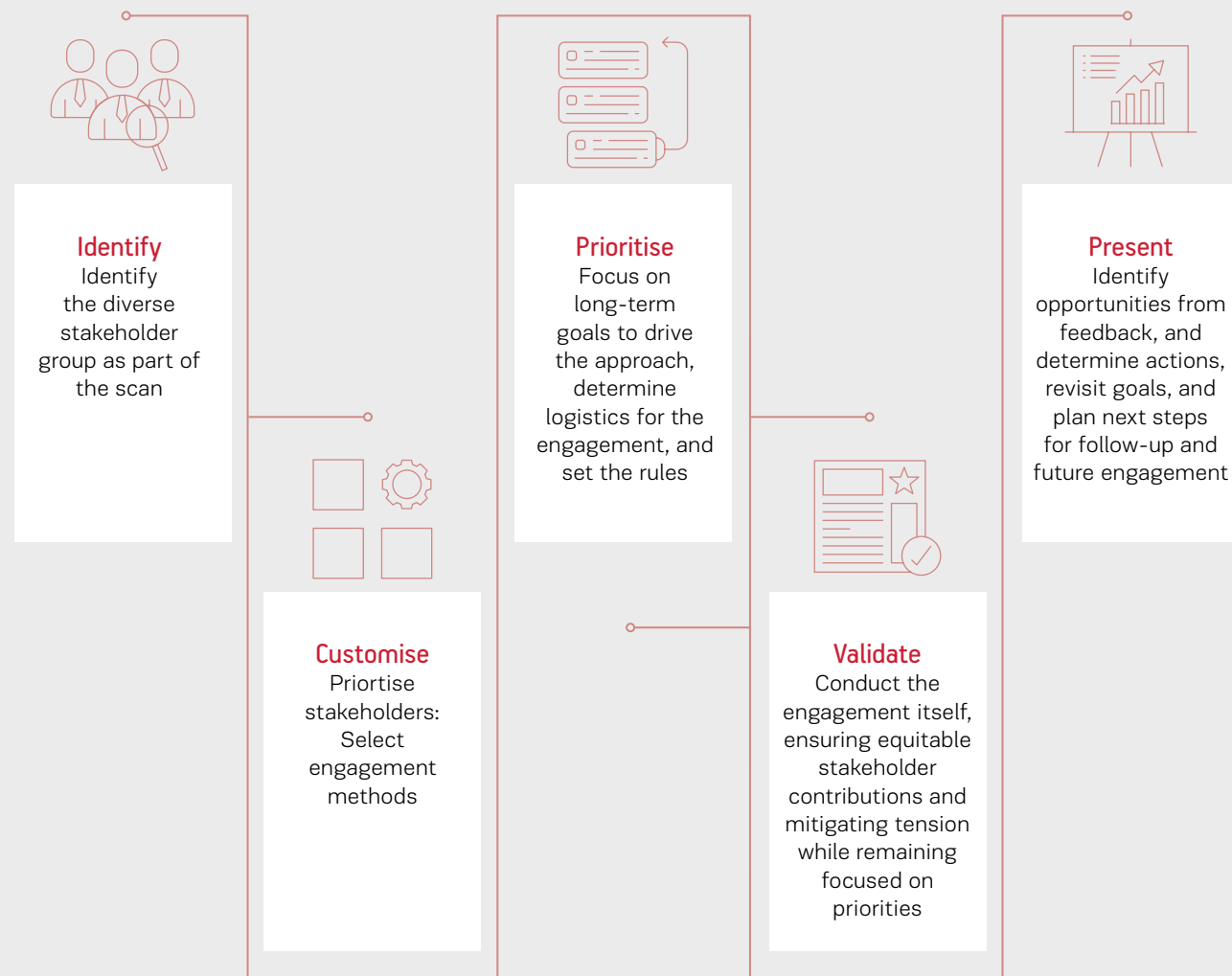


Stakeholder engagement







Forging a deeper connection with those who matter

Regular engagement with our stakeholders not only helps us address their concerns and expectations, but facilitates better understanding of how effectively we are delivering on our set business objectives and strategies. how effectively we are delivering on our set business objectives and strategies.

Stakeholder engagement process



Strengthening stakeholder engagement

Stakeholders	Concerns/Areas of interest	Mode of engagement	Frequency of engagement
 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 	Annual
 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 	Annual
 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 	Quarterly and annual
 Regulatory bodies – RBI/SEBI	<ul style="list-style-type: none"> Performance reports shared with SEBI and RBI Compliance reports Industry bodies 	<ul style="list-style-type: none"> Direct engagement Hosted events Participation as panelists 	As required
 Rating research agencies	<ul style="list-style-type: none"> Financial performance Quarterly results Industry bodies 	<ul style="list-style-type: none"> Analyst meets Investor presentations Quarterly and annual reports 	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 	Continuous monitoring and evaluation

Material topics

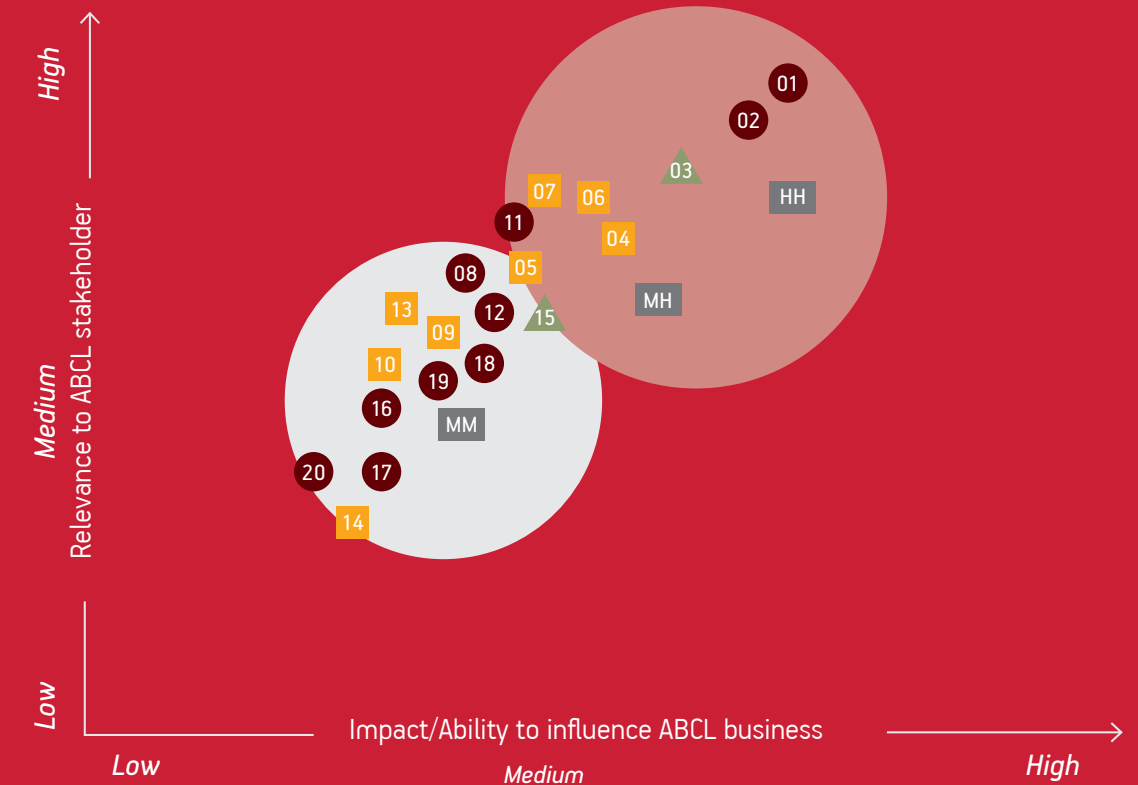
Identifying issues that are integral to sustainability

Issues that have the potential to impact our business are considered as material to us. Materiality assessment enables us to identify the concerns that are of utmost significance to our stakeholders.

Materiality process



Through this process, the following issues were identified as material to the Company. This Report tries to capture our performance on each of these issues.



- | | | |
|-------------------------------------|--|--|
| ● Economic | ■ Social | ▲ Environmental |
| 1 Digitalisation | 4 Product and service labelling | 3 Compliance related to legal, environmental and social requirements |
| 2 Economic performance | 5 Employment | 15 Climate change |
| 8 Financial crisis/shocks | 6 Financial inclusion | |
| 11 Product responsibility | 7 Social responsibility | |
| 12 Cyber incidents | 9 Diversity and equal opportunity | |
| 16 Brand reputation | 10 Customer privacy | |
| 17 Combating financial crime | 13 Government initiatives and missions | |
| 18 Market presence | 14 Responsibility towards customers safety | |
| 19 Representation with regulators | | |
| 20 Shareholder participation rights | | |



Responsible financing



Abiding by an inclusive and sustainable strategy

The Aditya Birla Group has been a signatory to the United Nations Global Compact (UNGC) since 2003, spearheading sustainability, and driving thought leadership at home and overseas. We are guided by the Group Sustainability Framework, with its three strategic pillars of Responsible Stewardship, Stakeholder Engagement and Future Proofing, which form the foundation of our sustainability strategy.

Responsible Stewardship

Create a framework to move towards international standards and migrate our impact on externalities

Stakeholder Engagement

Gain knowledge to understand how fast 'external factors' will change and when disruptions will occur as we approach to two-degree sustainable world

Future Proofing

Modify our strategies business plan to include additional mitigation and adaptation to changes in external factors

Each of our sustainability initiatives is also linked to one or more of the UN SDGs, which provides a practical framework for businesses to chart their sustainability journey.



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ESG integration

Linking performance with crucial growth parameters

Our efforts at integrating ESG considerations into our business, across all operations, into risk management, and practically in every decision we make, is informed by our sustainability strategy, which is aligned to the Group's sustainability vision.

The three pillars of our sustainability strategy are underpinned by four focus areas.

Operate responsibly and transparently

We uphold the highest levels of ethics and governance to ensure responsible and transparent business operations. We have established policies and measures towards this purpose.

Integrating ESG into strategy and operations

With an increasing focus on ESG and the risks associated with it, we have integrated ESG into our core strategy to safeguard our business against potential liabilities and reputational damage.

Financial inclusion and social impact initiatives

Creating an inclusive and sustainable economy is of utmost importance to financial institutions such as ours in order to ensure our long-term viability. Through our diverse products and services such as affordable housing, micro SIPs, rural insurance, SME lending and financial literacy among others, we actively contribute to this agenda.

Harmonising business practices with environment and nature

We are cognisant of the negative impacts of anthropogenic activities and how it affects climate change and in turn, businesses. We are effectively contributing towards mitigating climate change through green financing initiatives, promoting the use of renewable energy and energy conservation.



ESG scorecards

We have implemented ESG scorecards to assess ESG risks to our portfolio across businesses. These scorecards are guided by international best practices such as the Equator Principles and the United Nations-supported Principles for Responsible Investment standards (UNPRI).

This covers sector specific and ESG material issues for calculating the risk rating of the assessed company, based on which a hierarchical approval mechanism is established, which further requires high-level approvals. Through such a robust framework, we ensure informed decision-making on our part and minimum negative impact on the environment.

We have implemented this ESG risk management framework in the infrastructure financing business and are committed to replicating the efforts across all our businesses.

We are integrating ESG considerations into our investment decisions, credit risk assessments and monitoring processes.



Highlights of FY21

- Launched an ESG focused equity fund through Aditya Birla Sun Life Asset Management Company (ABSLAMC)
- Driving huge retail participation and access to money, investments and insurance protection to a large unbanked and under penetrated population
- Sustained commitment and focus towards financing renewable energy projects



₹1,000 Crore

Funding received from International Finance Corporation (IFC) to finance renewable energy projects in India

Renewable energy financing

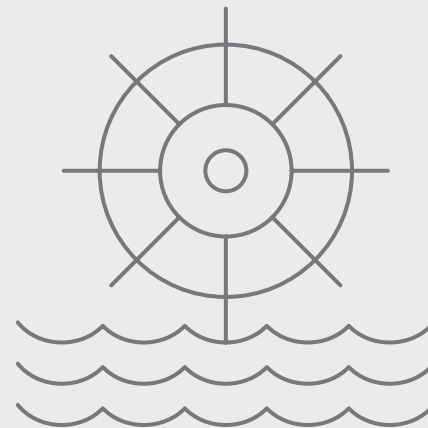
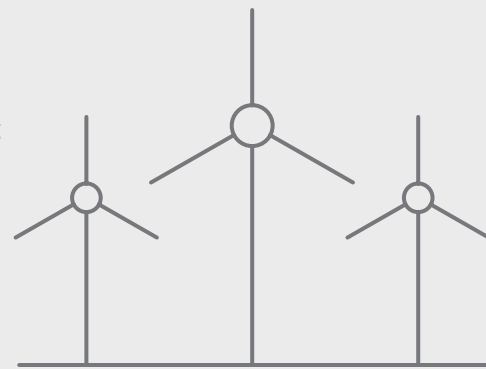
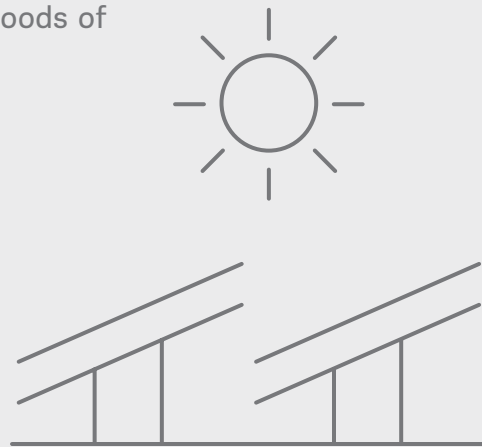
Powering the way towards a greener future

Achieving India's Net Zero ambitions requires steep growth in capacity additions as well as investments, which will make this possible. At ABC, we are focusing on green financing to mitigate climate change, and minimise its threat to the life and livelihoods of the marginalised who face the brunt of climate impact.



Through ABFL's infrastructure finance vertical, we have been a key financier for renewable energy companies, facilitating their business and providing debt funding to mitigate climate change. In alignment to the Intended Nationally Determined Contributions (INDCs), we are doing our bit to contribute to achieving the target of 175 GW of renewable energy capacity by 2022.

In the past eight years, we have provided financial assistance to the tune of ₹7,100 Crore towards financing 3.5 GW capacity projects for solar and wind energy.



₹2,900 Crore

Outstanding loan book in green energy
(Up by 40% in 2017)
*As on 31st March, 2021

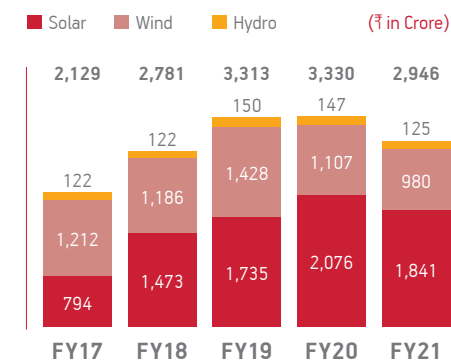


₹75 Crore

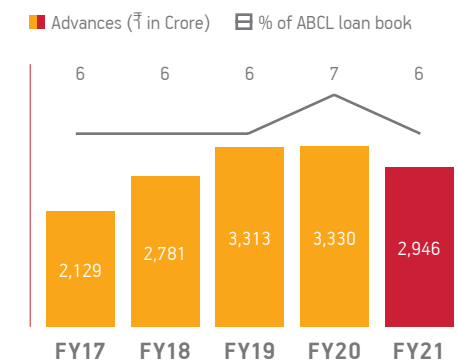
Funds sanctioned for electric vehicles projects



Renewable energy financing



Share of renewable energy financing in loan book





Fostering financial inclusion

Enabling economic independence and stability

By providing financial services to people, including underserved communities, we are helping secure their savings, improve their earning potential, enhance their opportunities to access education, healthcare and essential services that allow them to lead more dignified lives. We are contributing to more equitable and sustainable social and economic growth, which is both a national and international development goal.

To formalise the informal economy, we undertake the following:

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

Promoting the affordable housing mission

Given India's accelerated urbanisation, affordable housing is one of our key focus areas under financial inclusion. The Government of India is pushing for 'Housing for all', including the low-income segment through the Pradhan Mantri Awas Yojana – Urban (PMAY-U). To bridge the stark demand-supply gap, the government is providing subsidies to further promote affordable housing.

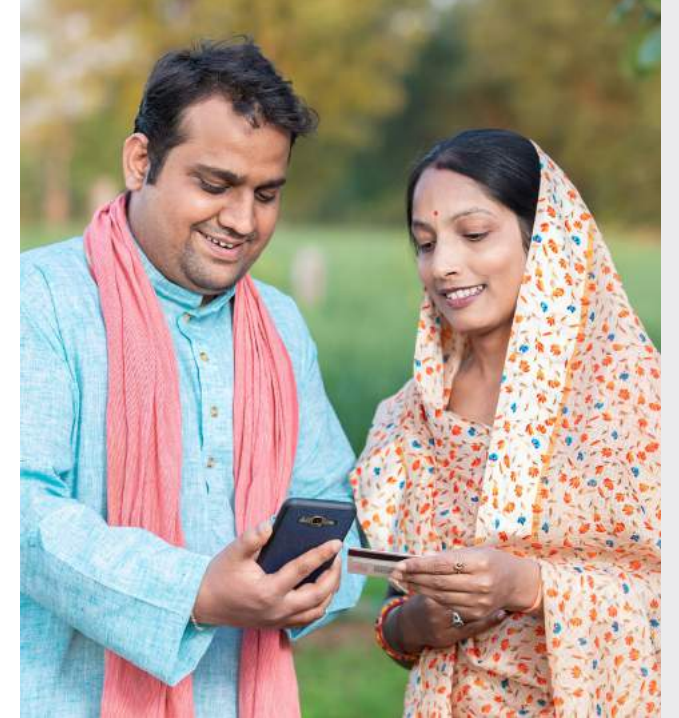
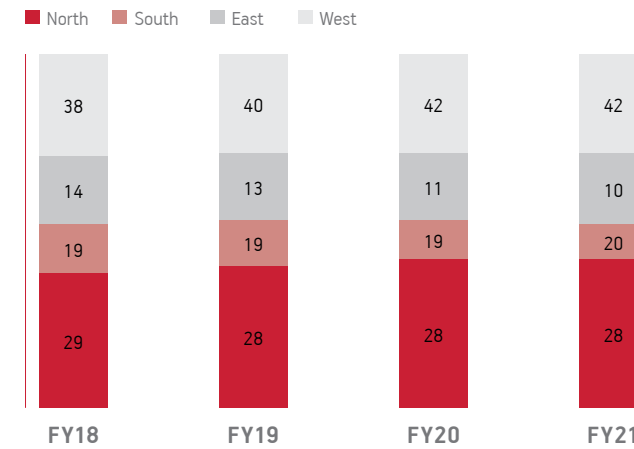
In 2021, it extended additional tax benefit of ₹1.5 Lakh on interest paid on affordable housing loans by one year till March 2022, similar to what it had done the previous year. Through Aditya Birla Housing Finance Limited (ABHFL), we offer a comprehensive range of housing finance solutions for both salaried and self-employed individuals. We also extend financing to developers of affordable housing projects. We have built strong momentum in affordable housing segment, with targeted book mix of 35-40% by March 2022.

FY21 highlights

- Added 10,000+ (72% in affordable segment) unique customers, taking total active customers to 36,000+
- Affordable housing loan book grew more than 2x over last two years to ~₹3,209 Crore as on 31st March, 2021
- At least two products per customer, i.e. either life or health insurance, along with affordable home loan to cover future contingencies; 98% of customers have insurance cover
- Affordable insurance penetration as a percentage of disbursement at 3.3%
- 18% of affordable home loan portfolio backed by Indian Mortgage Guarantee Corporation; PMAY subsidy of ₹37 Crore passed to 1,550 customers in FY21.

Diversified geographic mix (%)

ABHFL continues to focus on geographic diversification. With the scaling up of its affordable housing loan book, it will further expand into Tier-II, Tier-III and Tier-IV cities. The non-metro loan book mix was at 47% of the overall loan book.



Attractive micro systematic investment plans (SIPs)

Our mutual fund business, the Aditya Birla Sun Life Mutual Fund (ABSLMF) is one of the few companies that offer MF schemes with the minimum investment amount being low as ₹100. This option is made available in select long-term plans and for first-time investments as well, such as Micro SIPs. We have also reduced the minimum investment amount in Aditya Birla Sun Life (ABSL) Liquid fund to ₹500 from ₹1,000.

The objective of Micro SIPs is to reduce the entry level barriers most customers face, especially in Tier III and IV cities, where household income leaves limited headroom for savings. These schemes also give an opportunity to the disadvantaged sections of society to achieve financial independence through MFs. These are largely utilised by the digital-focused players like

GROWW, ET Money and PayTM Money, with 20-25% of their initial purchase transactions falling under the purchase band of ₹100-500.

ABSLAMC has strengthened its distribution mix with presence across 284 locations and over 75% of its locations in B-30 cities. To increase its reach, ABSLAMC has tie-ups with ~100 banks. It has empanelled over 87,000 Independent Financial Advisors (IFAs) and over 240 national distributors, besides growing partnerships with a large digital ecosystem. This step has contributed to expanding reach and access to various investment options in smaller cities, which has increased our outreach across semi-urban and rural areas. According to CRISIL research the share of financial assets as a proportion of net household savings is expected

to increase over the next five years. This rise will further boost investments under MFs.

Given the increasing significance of leveraging technology in AMCs, ABSLAMC has many digital assets, positioning it as one of the leaders in the market. Our digital share of overall transactions increased to 88% in FY21 against 78% in the previous year.

Way forward in FY22

- Continue to expand footprint in B-30 cities through branch expansion, tie-ups with large ecosystem and digital partnership
- Enhance customer engagement activities to make service a differentiator
- Increase active IFAs

Fostering financial inclusion

Increasing financial literacy

According to the National Financial Literacy and Inclusion Survey 2019, only 27% of the Indian population is financially literate, indicating both a large gap and potential for the growth of financial services industry. Recently there has been a rise in financial literacy due to increased mobile penetration, awareness,

and government schemes, which are helping bring more people under formal banking. With rise in formal banking, there is a demand for financial products and services especially in the semi-urban and rural areas. We consider financial literacy to be an important aspect of financial inclusion and economic stability.



350 towns

Across which ABC is pushing its financial literacy initiatives

Investor education and distributor development programmes

Goal	Target group/Beneficiary
<ul style="list-style-type: none"> Transparency Diversify funding resources 	Investors and distributors

Created investor education portal with e-learning module

Goal	Target group/Beneficiary
Educating investors/prospective investors	Investors

Adopted over 100 schools

Goal	Target group/Beneficiary
<ul style="list-style-type: none"> Educate school students and provide exposure to financial literacy. Formal education, along with financial literacy module 	Youth groups, youth, school students

Adopted 10 districts as part of District Adaptation Programme of Association of Mutual Funds in India/SEBI

Goal	Target group/Beneficiary
Financial inclusion through financial literacy	Low-income individuals

Created 12,000+ certified goal planners

Goal	Target group/Beneficiary
<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

Partner training programmes

Goal	Target group/Beneficiary
Educating partners about the products and benefit plans	Financial institutions, partners and distributors

A unique initiative to educate passengers of Shatabdi Express trains in Indian Railways

Goal	Target group/Beneficiary
Financial literacy	Indian Railway passengers

Reached out to various towns and cities for educating prospective customers

Goal	Target group/Beneficiary
Customer education drives	Potential customers, underprivileged group of people

Improving rural insurance

Rural India is one of the biggest customer segments for us. We offer Group solutions under our rural insurance division for customers who face potential life risks. ABSLI, which already has a strong foothold in Tier II and III cities, is expanding and aiming at making the rural insurance segment

completely digital. It is thus focusing on building tie ups and partnerships with micro-lenders, small credit societies apart from rural focused banks like Ujjivan Small Finance Bank, among others. The short-term goal for us is to reach as many micro-lenders and credit societies as possible.

The aim is to give cover to as many individuals as possible under the ABSLI Group solutions to ensure that basic life risks for the rural population are mitigated and their families are left with a basic corpus for survival.

Rural insurance geographical and demographic break-up

Gender	Rural		Urban		Total individual business	
	Policies	Premium (₹ in Crore)	Policies	Premium (₹ in Crore)	Policies	Premium (₹ in Crore)
Male	49,755	224	1,36,461	1,218	1,86,216	1,442
Female	13,896	66	56,715	66	70,611	66
Transgender	26	0	703	22	729	22
Total	63,677	291	1,93,879	1,786	2,57,556	2,077

Giving a fillip to SME lending

SMEs contribute to the economy at a large scale, especially in terms of output, exports and employment. ABFL offers its customers personalised lending and financing solutions with a strong focus on SME lending, recognising it as one of the largest opportunities to drive value.

ABFL's strategic priorities are also shaped in a way that upscales its product distribution across geographies, with an enhanced digitalisation process, to penetrate Tier II, III and IV cities.

As part of its SME lending, ABFL also offers Supply Chain Finance (SCF), targeting small suppliers/Micro,

Small and Medium Enterprises (MSMEs), which do not have the requisite skills to maintain proper financial data or which lack the ability to offer collateral security. Our journey of building a robust, end-to-end digital MSME platform is taking shape, which enables sourcing from across the value chain.

SME and SCF loan advances

	SME lending		SCF		
	FY20	FY21	FY20	FY21	(₹ in Crore)
Loan advances	11,385	12,779	Loan advances	1,393	1,328



Sustainability performance



Contributing to building a more resilient society

We are committed to operating in a sustainable manner to ensure the longevity of our business and the generation of maximum value for our stakeholders. Our sustainability strategy makes sure we devolve equal attention to our human capital as well as our environmental and social capital.

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Workforce commitment

Caring for our people



We are supported by a strong workforce that helps us achieve our strategic goals and priorities. Being a people-first organisation, we strive to provide our people with an inclusive workplace that helps them develop both personally and professionally. We feel inspired by our people and believe it is their hard work and abilities that steer the organisation forward.



FY21 witnessed changing norms and work culture, and we seamlessly adapted to the new scenario. Some of the initiatives we undertook to ensure uninterrupted services to our customers were:

- Onboarding of talent in functions of digital and technology
- Strengthened digital talent in middle management through an intake of 35 management trainees from premier business schools across the country
- Infused young tech talent by recruiting from the best engineering colleges in the country



| 22,500+

Employee strength



| 70%

Millennial employees



| 27%

Women employees



| 16.07%

Representation of women in middle management and above roles



Learning and development

We began our digital journey two years ago and today have managed to take most of our processes digital. To create a future-ready workforce, we recruit the right talent and constantly upskill our existing employees. During the national lockdown, our Sales team was trained and could make use of the digital platform to their best advantage.

Key initiatives during FY21



Creating a culture of continuous learning using virtual platform
We are training front-line sales managers and first-line supervisors in the use of virtual platforms. This has helped us optimise costs and increase the frequency of inputs, thus creating a more skilled and motivated sales force. We have also created a self-learning platform for front-line sellers and distributors.



Segmented learning approach for employees and distributors
We made customised learning intervention for front-line sellers and distributors basis their vintage and performance. This has helped us increase productivity and efficiency across various cohorts.



Encouraging proficiency in digital selling
Our salesforce was made proficient in digital selling during FY21. This capability building has also been extended to our distributors and partner employees.



Learning as an integral part of ABC culture
To make learning fun and an integral part of our work culture, every year, we celebrate 'Learning Week' in the month of December.



| 5,000+

Employees engaged during 'Learning Week' in FY21



Workforce commitment

Creating a talent pipeline

Our philosophy of building leaders from within continues to guide our actions towards identifying, developing, and nurturing talent towards becoming leaders across all levels and

functions. With emphasis on futuristic thinking, digital mindset and customer-first approach, we have made some shifts towards developing our people for the future of financial services.

Employee training hours				
	Particular	Male	Female	Cumulative
FY18	Middle Management	33,287	4,658	7,00,610
	Junior Management	1,77,018	38,595	
	Staff on the Field	3,67,694	79,358	
FY19	Middle Management	10,790	2,637	7,00,610
	Junior Management	8,41,859	2,20,074	
	Staff on the Field	43,712	16,121	
FY20	Middle Management	33,198	5,399	17,94,068
	Junior Management	3,31,947	63,979	
	Staff on the Field	10,15,503	3,44,042	
FY21	Middle Management	1,06,979	22,106	16,36,659.56
	Junior Management	4,54,561	88,726	
	Staff on the Field	7,37,497.76	2,26,789.81	



100%

Talent pool covered in various development programmes



~500

Employees across levels have moved into new or more senior roles over the last two years

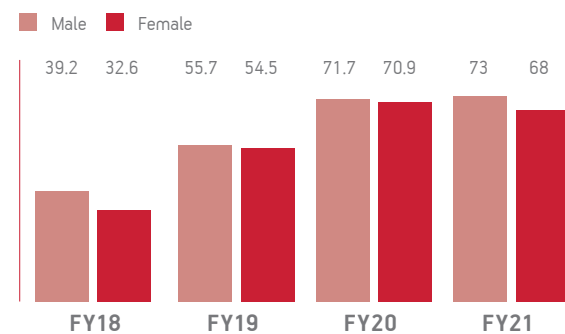


82%+

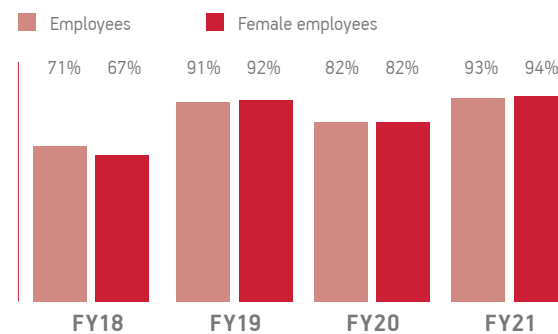
Leadership requirements fulfilled internally

Culture of learning			
	E-learning courses	Video based modules	Employees participated in learning
FY19	1,000+	1,500+	91+
FY20	1,800+	2,900+	82+
FY21			90+

Average training hour per employee



Skill upgradation



Key initiatives in FY21

- Talent development programme for senior leaders focused on strengthening leadership capabilities through comprehensive individual development plans for enhanced leadership roles through self-development, immersive learning experiences and impact focused coaching
- Our year-long intervention to develop middle managers for leadership/larger roles covered 50+ members. The programme focused on enhancing self awareness, business acumen, leadership skills and customer centricity among participants
- Curated and structured programmes for future leaders to gain exposure to areas such as digital and analytics, among others. We are also strengthening key functions such as IT, finance, risk, operations and marketing across the organisation.

We are also working on creating hybrid roles

Our culture

Our work culture is underpinned by the four pillars of FAIR (Focus on results; Accountability with discipline; Innovation and entrepreneurship; Respect and openness). A culture survey we undertake covering 200 leaders, allow them to identify gaps and strengthen our culture based on FAIR.

Employee wellness

Our top priority this year was to ensure that employees and their family members get access to the Covid vaccine in the easiest possible way. We enabled this through various vaccination camps across our larger offices in Mumbai, Thane, Delhi, Chennai and Bengaluru. In smaller locations, we enabled this through

tie-ups with vaccination centres and hospitals.

We also arranged for doctor-on-call services, Covid assistance and medical infrastructure support. We launched an employee wellness programme in partnership with our health insurance business in order to improve employees' health quotient through health assessments, expert advice, and health coaching programmes.

Employee engagement

We regularly interact with our employees through group conversations and webinars. We communicate with trust, integrity, commitment and transparency to ensure that they feel protected and remain strongly connected to the Aditya Birla Group.

Getting the 'vibes'

Our employee engagement survey, known as 'vibes' was completed in the November 2021. This survey seeks to gather employee feedback on areas such as leadership, learning and career opportunities among others.

- 'Opportunity to learn new skills' stands at 87%, which is 7% higher than the high performance norm
- 'Recognition' stands at 79%, which is 6% higher than the high performance norm

Our overall engagement score is 85% and our scores on the following stand higher than the high performance norm:

- 'People of all backgrounds succeed in our business' stands at 92%, which is 13% points higher than the high performance norm

The largest improvements, as compared to 2019, were seen in the organisation keeping promises, offering a contemporary workplace, providing opportunities to learn new skills, empowering people to make decisions, helping achieve career goals, timely feedback and encouragement from managers, among others



5,900+

Management cadre employees participated in the survey



79%

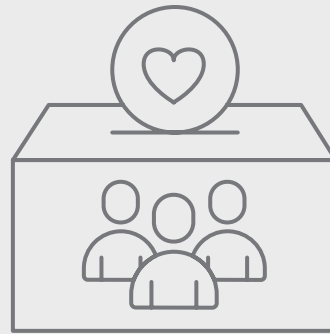
Survey response rate



Diversity and Inclusion

Encouraging everyone to do their best

We are devoted to building an inclusive and safe workplace for our people. We are an equal opportunity employer embracing people from various backgrounds and experiences. We remain committed towards strengthening workforce diversity and building a culture of inclusion. We follow a non-discriminatory policy towards our employees, treating them fairly, irrespective of gender, caste, creed, culture and religion. We hire talent solely on the basis of skillset of candidate and the passion and dedication they are willing to offer towards the role.



₹55,47,485

Total contribution towards A World of Opportunity Foundation (AWOO) from financial services, from 563 contributing employees

Women leadership framework

We root for our women employees and have a framework enabling their speedy development



Onus

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

Springboard

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 them take on leadership roles

Male to female ratio in leadership roles

Headcount	Female	Millennial (between 1981 to 1996)
 22,759 (22,500+)	 6,212 (27.29%)	 16,100 (70.74%)
Middle management count	Female middle management count	
 1,774	 285 (16.07%)	

Particulars	Less than 30 years		Between 30 to 50 years		Greater than 50 years		Cumulative
	Female	Male	Female	Male	Female	Male	
Top management				2	1	13	16
Senior management			5	74	4	25	108
Middle management	16	38	254	1,288	5	49	1,650
Junior management	596	1,453	887	4,401	13	128	7,478
General management	2,035	4,002	2,091	4,323	305	751	13,507
Off Role Employees	311	654	130	689	32	0	1,816

Parental leaves for FY21



Gender	Employees	Employees returned*
Male	603	603
Female	163	163

*All employee returned from leave as of 30th September, 2021



Women-centric initiatives

The ABC Career Restart programme

Launched in FY20, this programme provides opportunities for women to return to the workforce, after having taken a break for various reasons, across ABC and its various units/ LOBs across locations in fulltime, project-based or flexi-time roles. In FY21, we hosted a restart session where we received 78 profiles for roles in the banking and financial services industry. This initiative provided us with the following opportunities:

- To popularise our 2nd careers programme to a larger target audience
- To strengthen internal referrals of career returnees for jobs at ABC
- To further develop our employee connect by offering their families (women) looking to restart their careers, an easily accessible platform to address their concern and queries

The ABC Her Café

We have an Employees Resource Group (ERG) for all women employees at ABC to create an open forum for peers who wish to share a common identity to meet and support one another. It also aims to foster open interaction among women employees across all levels. There are sessions by senior women leaders at ABC, other ABC leaders, sessions by external speakers on a variety of topics to help women strengthen their skills for future roles. The zonal chapters are being formed to provide zonal forums/small ERG to the women so that they can connect. The first Chapters were launched in south, north and east zones.

Let's Connect

Launched for women in middle management of the Company, these sessions allowed them to connect with the Head of D&I. The purpose of these conversations was to provide a platform to women to share their experiences, discuss their concerns and openly express their aspirations.

ABC Sampark

This is an exclusive virtual engagement event where talent acquisition consultants joined in. We conducted this in June and October of FY21 with the purpose of strengthening partnerships with our hiring consultants. The two events were organised with panel discussions on the topics of 'the trends that will shape the Financial Services industry in the future and its impact on the nature of jobs and the workforce' and 'The emerging workforce landscape'.

Leadership Dialogues – Inclusion and gender sanitisation programme

Leadership Dialogues are interactive sessions with the senior leadership to promote understanding of D&I. The session primarily focuses on the factors that hold organisations back from making the progress they should be doing, despite their best efforts. The intent of the dialogues is to bring out the collective understanding of D&I and reflect on the challenges and derailers that are holding back the pace of progress and ways to build an inclusive culture.

At The Helm – Inclusion programme for managers

This programme, designed for middle management leaders, focuses on the fundamentals of inclusive leadership based on three pillars of empathy, respect and engagement and its application at the workplace.



Internal engagement

Inclusion Week 2021

It was rolled out during Global Diversity and Inclusion month. The theme of the week was Stronger Together. The focus for the week was on inclusion in teams through ABC team stories; leadership posts on social media; and a Grand Finale, where Sjoerd Marijne, former coach for the Indian Women's Hockey team at the Tokyo Olympics, spoke. There were also branch and online activities to promote inclusion and awareness.

Women's Day 2021

Women's Day 2021 was celebrated across ABC on the theme of #ChooseToChallenge.

International Men's Day

The International Men's Day was celebrated for the first time with pan-India online activities and leadership posts on topics relevant to various issues related to employees. There was increased social media engagement by CEOs and senior leaders on Inclusion and International Men's Day.

Branding and communication

- Acknowledgement on ABC LinkedIn handle for specific Diversity related days e.g International Day for Persons with Disability, International Men's Day, Inclusion Week (team stories)
- Active presence on various panel discussions on D&I – Senior Leaders in Line and HR

Prevention of sexual harassment of women at workplace

ABC ensures that its women employees work at their full potential in a happy, safe and secure environment. We have an appropriate policy in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, and an Internal Complaint Committee to address grievances/issues related to sexual harassment. In FY21, 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.

D&I milestones

- We joined a list of global and Indian organisations as a signatory to the UN Women Empowerment Principles programme. This endorses our commitment to strengthening gender equality in our organisation and the communities in which we operate
- We were cited as one of 100 Best Companies for Women in India 2021 by the Avtar and Seramount Working Women Study

Environmental stewardship

Advancing towards our vision of zero harm



Environmental responsibility is built into our sustainability strategy, through which we ensure sustainable practices across our operations. This strengthens our focus on the long-term well-being of our employees, customers and the community at large. Through proper water, waste and energy management, we ensure that we are able to reduce our environmental footprint and minimise the use of natural resources.



Water management

Water is essential to sustaining life, and we conserve and preserve freshwater while efficiently managing water usage and discharge across our operations. As part of the Group, we have signed the WASH pledge (Water, Sanitation and Hygiene) and implemented it across our workplace to ensure that all our employees have access to safe water, sanitation and hygiene at the workplace. We have also retrofitted water saving devices at all our office washrooms and pantry areas, thereby reducing water usage by 50%.



| 1.92 (96%)

WASH pledge self-assessment compliance score

Innovation at the workplace: Auto Power Generated and Conserved System (APGC)

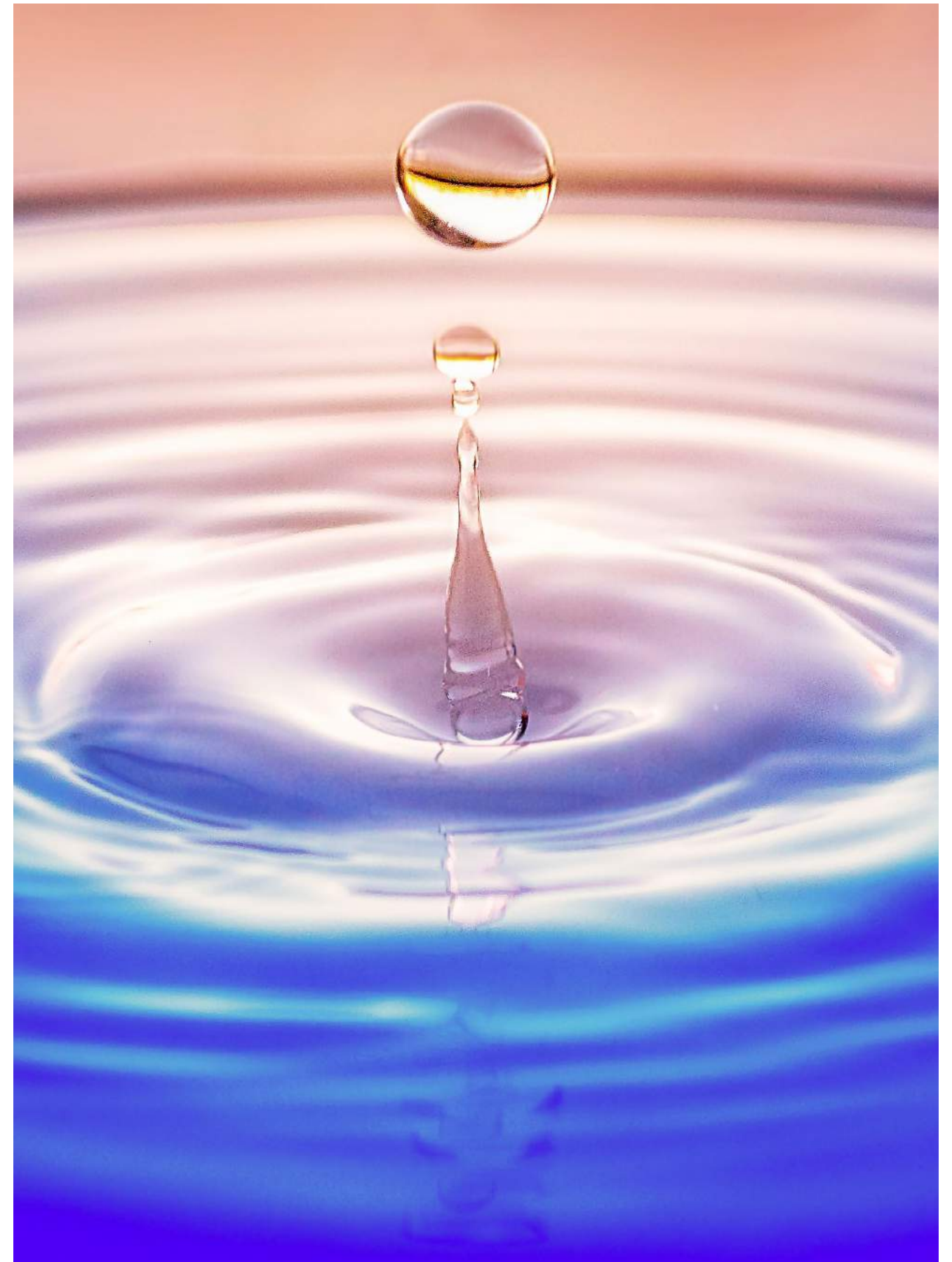
APGC has been installed in office urinals, replacing old battery-powered sensors. Through this initiative, the power required to operate an automatic urinal flushing system is auto generated by the flushing system itself. The disbanding of battery-powered sensors is helping us cut down on heavy battery consumption as well as electric power consumption. APGC conserves power through an advanced micro-chip technology that enables 24x7 continuous and steady power supply for the system to function. This helps save both water and power for the touch-free and hygienic urinals. We are in the process of obtaining green certification for the system.

Savings due to APGC sensors



| ₹1,79,200

Savings in batteries in the urinal systems for 4 years



Waste management

Reduce, reuse and recycle is a principle we strongly adhere to. We not only minimise the amount of waste generated, but also ensure to recycle products for further use.

Some of our key initiatives that enable effective waste management are:

- Waste segregation through a strategic tie-up with ViaGreen, which helps us earn points to implement the Swachh Bharat Mission objectives. These points are redeemed by obtaining recycled notepads, potted indoor desk plants and cloth bags, among others. The wet waste of the cafeteria is turned into compost by the composting machines installed at two of our corporate offices in Mumbai. The compost is used as manure for plants in the vicinity of the premises
- We have reduced plastic waste in the form of drinking water bottles and jars by installing RO machines at our offices
- We use green chemicals to clean our premises and provide sufficient training to the staff in the handling of these chemicals
- Awareness sessions are conducted to minimise usage of paper. We also use eco-friendly bags and biodegradable plates during events
- ABC and its subsidiaries have procedures for the disposal of e-waste in accordance with the applicable laws

Collaboration with ViaGreen

We have tied up with ViaGreen for all our waste management and recycling initiatives. The agency acts as an intermediary between corporate waste management team and local waste collectors such as scrap dealers and waste business owners. In exchange for the waste collected, ViaGreen awards points (Swachh Bharat Points), which can be exchanged for environmentally-friendly office stationery made of recycled materials, contributions towards charitable causes and tree plantation drives, or cash. In FY20, we earned 62,350 Swachh Bharat Points (as per ViaGreen assessment).

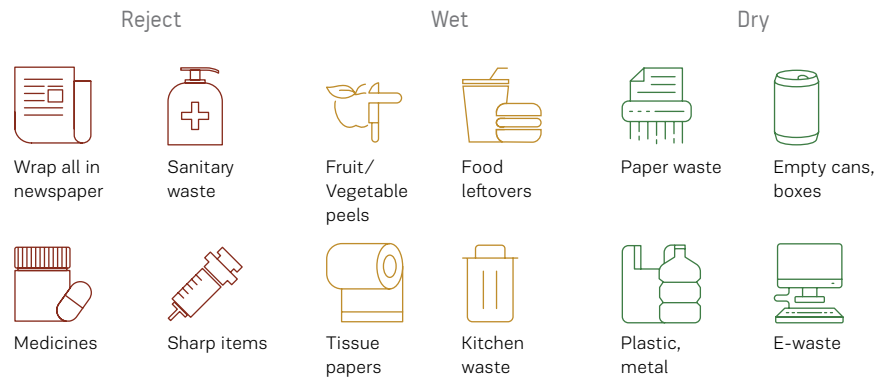


5,183 kg
Dry waste avoided



16.2 MTCO₂
Carbon emissions avoided

Segregation via green recycles



Waste collected and recycled (kg)

	Paper	Cardboard	Plastic	Metal	Glass	Cumulative
FY21	1,666	2,358	617	378	164	5,183
FY20	23,370	4,540	320	500	11	29,700
FY19	7,384	1,725	570	345	472	10,496

Energy conservation and emission management

We are minimising our energy use. Our offices have been installed with LED lights to increase energy efficiency and our Bengaluru and Pune offices are equipped with solar rooftop panels. Each panel has a 12 kW and 22 kW capacity, with a 25-year warranty, which saves us close to ₹ 5.5 Lakh per annum.

We are planning to upscale this initiative across our other offices in the near future, and are also reducing our y-o-y emissions by increasing our renewable energy portfolio.



30%

Emissions reduced in FY21 vis-a-vis FY20

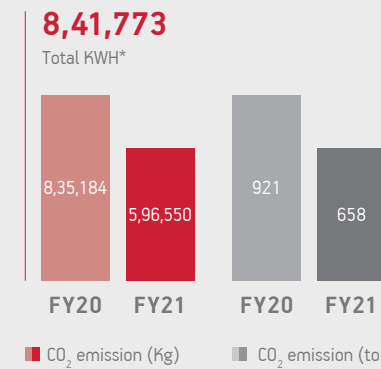


18,000

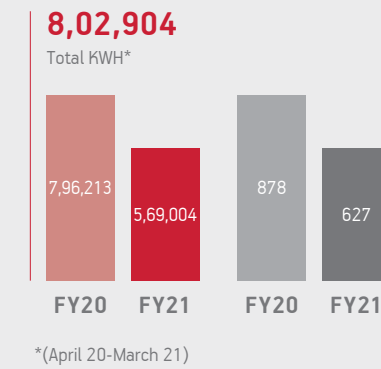
Units of solar power generated

CO₂ Emission comparison 19-20/20-21

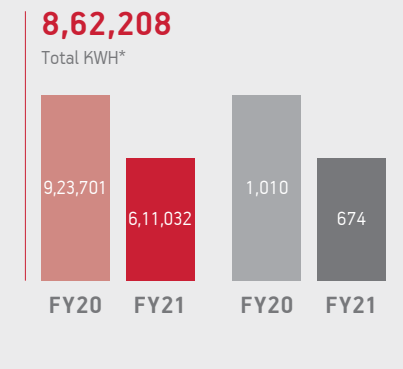
ABFS, IB



ABFS, Rtech



ABFS, G Corp



Observation; In 20-21 CO₂ emission got decreased by ~30% compared to 19-20.

Way forward

We are aiming to achieve zero carbon emissions and zero landfill contribution. We are in the process of recycling sanitary waste, and are working towards eliminating sanitary napkins from ending up in landfills.

We are also using biodegradable garbage bags across our office spaces. Increase in green procurements and installing more solar panels are some of our other initiatives. Enhanced digitalisation of our operations is also contributing to our mission of zero harm to the environment.





Community development

Expanding opportunities for all. Today and tomorrow.



In line with the Group's vision of supporting and caring for the underserved community, we seek to contribute to their well-being and happiness. Social inclusion is about creating opportunities for all people and addressing deep-rooted inequities. Through our CSR interventions, we enable people in having greater access to resources and opportunities that will help them improve their lives.



We carry out our CSR work under the Aditya Birla Centre for Community Initiatives and Rural Development, with Mrs. Rajashree Birla as the Chairperson, and in association with the Aditya Birla Capital Foundation.



| 35

NGO partners



| 2.56 Lakh

Lives impacted



| 36

Projects implemented



Our CSR focus areas are in alignment with the United Nations Sustainable Development Goals (UN SDGs)



Education



Healthcare



Sustainable livelihood and women empowerment



Sports



Education

Inclusive and quality education leads to inclusive societies as it equips people to make use of opportunities that lead them away from poverty and social as well as economic inequalities. One of our focus areas is to promote education for children with special needs. For this, we have set up an Inclusive Child Resource Centre in Bhubaneswar, Odisha.



| 362

Special needs children enlisted under inclusive education



| 6,300+

Students benefited from improved school infrastructure in UP



| 7,200+

Students benefited in the NCR region

We extend scholarships to girl students, helping them pursue higher education and professional courses in engineering, nursing and pharmacy that help them build a better future for themselves.



| 119

Girl students benefited from our scholarships



Community development

Healthcare

We are improving access to affordable healthcare through our various initiatives, including the strengthening of the healthcare ecosystem in rural areas. In an extensive programme for maternal care and childcare, we developed a model that addresses nutrition needs, including mid-course meals. We are also focusing on pre-natal, post-natal, immunisation and nutritional support for mother and child. This programme spans Tamil Nadu, Odisha, Chhattisgarh, Maharashtra and Rajasthan.

We have modernised labour rooms in 25 primary healthcare centres to ensure safe and better delivery for mothers

We have set up a fully equipped operation theatre in a community hospital in Madurai, Tamil Nadu, where close to 600 surgeries are performed annually for the underprivileged. We have also arranged for surgical intervention for 18 children with congenital heart diseases.

Through a cancer care project, we have supported affected children across UP

and Maharashtra with chemotherapy and other forms of cancer treatment. We have also enabled administration of the Human Papillomavirus (HPV) vaccine among young girls to stem the possibility of cervical cancer.



49,000+

Pregnant women in Rajasthan benefited



4,000+

Girls administered with HPV vaccine



1,500+

Children treated through our cancer care initiative



25,000+

Expecting mothers and children (0-2 years) benefited

Sustainable livelihood and women empowerment

One of the most crucial issues in sustainability is to achieve water positivity, or putting more water back into the environment than what is used in our areas of operation. This is one of the major aims of our water management policy. We have helped create 5.4 Lakh cubic meters of water harvesting potential by constructing 131 water harvesting structures in Rajasthan.

Sustainable livelihood and agriculture are also our core focus areas. Through various farm-based interventions and training programmes, we are spreading knowledge about

sustainable agriculture and helping communities improve their agricultural practices. Through various soil conservation projects across 1,600+ acres of land, we have educated farmers, encouraging them to shift towards organic farming and utilising biofertilisers.

In Madhya Pradesh, we helped more than 16,000 farm households attain food sufficiency all the year round, and have supported 6,000 families in improving their household income. With our encouragement and training,

3,000+ women in the interiors of Karnataka have been able to grasp the nuances of formal banking and take up entrepreneurial ventures.

In Jharkhand and Chhattisgarh, we are supporting women in improving their craft of lac making and better the livestock-based value chain. Our initiatives towards capacity building, building market linkages and knowledge-building on scientific ways of ramping up production have impacted these communities in a positive way.



3,000+

Farmers benefited



240+

Self-help groups formed



11,300+

Women benefited in Jharkhand and Chhattisgarh

Sustainable livelihood intervention in association with PRADAN

The Dindori and Mandla districts of Madhya Pradesh are primarily rain-fed areas. The average productivity of all the crops is in the range of one-third to one-fifth of the national average. The districts, in general, receive an average annual rainfall of 1,200 mm but most of the rainwater is lost because of erosion, given the topography of the area. Women of the region also face issues such as social exclusion, and have to live with poverty and food scarcity. Although agriculture is the key source of livelihood in the region, ABC, in association with our implementation partner PRADAN,

launched a project involving three blocks of MP for sustainable livelihood intervention.

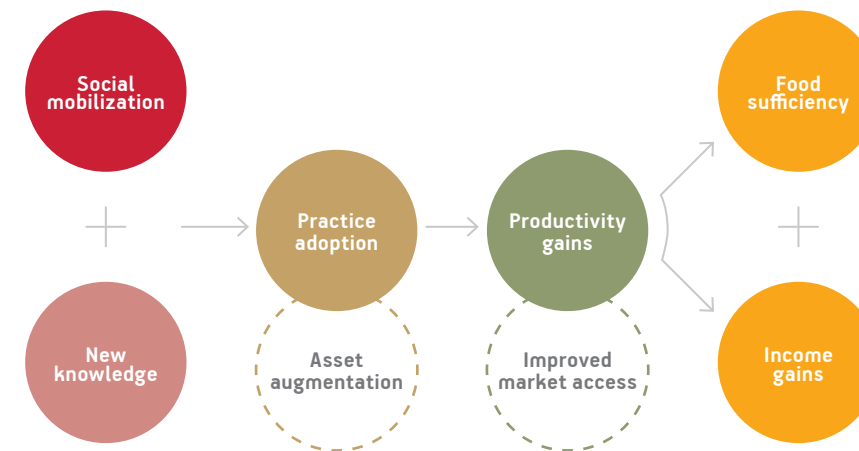
The project is divided into four core components that address the developmental challenges of:

- Social mobilisation and building institutions for women, of women
- Demonstrating context specific prototype for the development of land and water resources
- Farm-based livelihood intervention for food security and income enhancement

- Facilitating participation of community in local governance to ensure the sustainability of the project

The project is designed to work with ~1,800 women and targeted at small and marginal farmer households in the area. Our objective over a period of the next three years is to ensure that 9,000 women attain gross annual income levels of ₹60,000 to help them emerge out of poverty and enter a positive cycle of growth.

Targeted change process:



By end of the second year of implementation of the project (31st March, 2021), over 2,500 women SHGs were formed, which brought 29,000 women together in this movement. Of this number, 15,950 women were part of an intensive farm-based livelihood programme. By the end of FY21, 13,216 women and their families secured 100% food security by various farm and non-farm interventions. Among them, 6,160 women have achieved year-round food security through their own cultivation, in addition to having an average annual income of ₹77,947*.

*The average baseline income before project intervention was ₹30,970

Sports

Sports is an important tool in facilitating all-round growth of young talent and social inclusion. To encourage sports at the national level, we have associated with the Rahul Dravid Sports Mentorship Programme to spawn

and mentor talent that can reach the national and international level. We supported 25 athletes who have participated in national and international tournaments and secured 99 medals for their outstanding performance.



6

Athletes supported by ABC have secured a place in the Tokyo Olympics 2021



















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