

# Securing a sustainable *future*

Aditya Birla Capital Limited  
Sustainability Report 2019-20



**ADITYA BIRLA  
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING



**MR. ADITYA VIKRAM BIRLA**

*We live by his values.*

*Integrity, Commitment, Passion, Seamlessness and Speed.*

# Core Values

Our core values of **Commitment, Passion, Integrity, Seamlessness** and **Speed** enable us to create greater and sustainable value for our shareholders.

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## 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.

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## 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.

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## 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 and those in the part of the organisation for which we are responsible.

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## 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.

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## 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.

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# Securing a sustainable future

Aditya Birla Capital (ABC), one of India's leading financial services conglomerates, designs and delivers products and solutions that enable its customers to give shape to their future. In the process, we contribute to the nation's inclusive and sustainable development agenda, with a special focus on responsible finance, as well as global sustainability goals. Driven by proven expertise and an unwavering focus on governance, we are embedding sustainability into every lending and investment decision, with a special focus on Environmental, Social and Governance (ESG) parameters.

At ABC, our customers are at the heart of everything we do. We have a diversified presence across the financial services landscape, which enables us to meet the lifetime needs of our customers.

## ABOUT THE REPORT

Through our Sustainability Report 2019-20, we at Aditya Birla Capital (ABC) represent our value-creation story for all stakeholders, incorporating key financial and non-financial aspects, including information on our environmental, social and governance performance. The Report presents information on our performance in the key focus areas and material issues identified for the period from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020.

### REPORTING GUIDELINES

The Report has been prepared in accordance with 'GRI Standards - Core' option for reporting the performance on key non-financial parameters. Please refer to the GRI Content Index for a complete listing of GRI disclosures included in this Report.

### REPORTING BOUNDARY

For all General Standard Disclosures and Specific Standard Disclosures related to the 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 for developing this Report. This Report presents the engagement process

and key issues identified by different stakeholder groups. By engaging with all the 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.

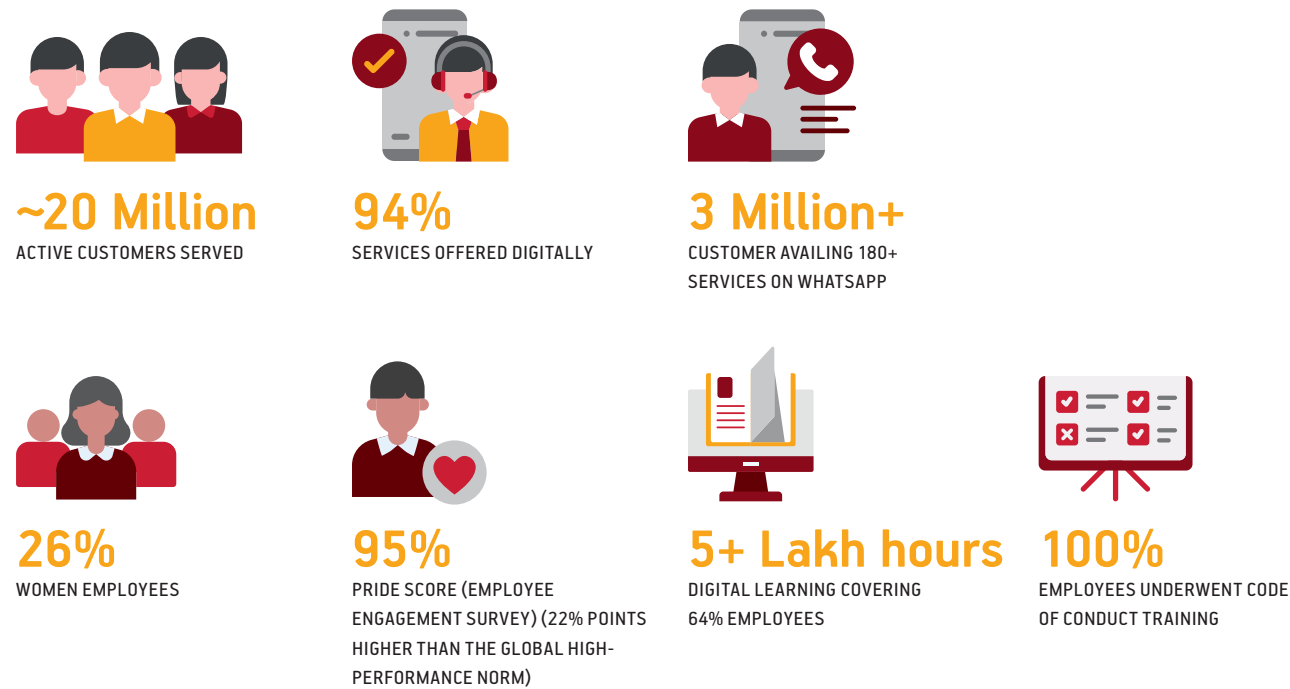
### FEEDBACK

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

E-mail opinions/suggestions at [abc.investorrelation@adityabirlacapital.com](mailto:abc.investorrelation@adityabirlacapital.com)

# Realising our *long-term* objectives

## OPERATING RESPONSIBLY AND TRANSPARENTLY



## FINANCIAL INCLUSION AND SOCIAL IMPACT



## INTEGRATING ESG INTO STRATEGY



## ACHIEVING HARMONY WITH NATURE



AWARDS AND RECOGNITIONS



SERVICE EXCELLENCE

- ABC won the 'WhatsApp Enterprise Solutions for Business' award in the Innovation category at Qualtech in 2019
- Aditya Birla Sun Life Insurance Limited (ABSLI) and Aditya Birla Housing Finance Limited (ABHFL) won two Economic Times BFSI (ETBFSI) Excellence Award 2019 for service and operational excellence
- Project teams from Aditya Birla Finance Limited (ABFL), ABHFL and Aditya Birla Health Insurance Company Limited (ABHICL) won six Gold Awards at the International Convention on Quality Circle in September 2019
- ABHFL won Award for Robotics Process Automation project at Symbiosis Centre for Management's Lean & Six Sigma Excellence Awards 2019
- The Confederation of Indian Industry (CII) bestowed ABSLI with a Silver and a Bronze for two of the projects - 'Enriching Customer Experience by the Customer Service Team' and 'UAT Automation by Team BSG'
- ABSLAMC bagged Bronze at Maddies 2019 in the Gender Equity category for its campaign WoMoneyKiBaat, creating financial awareness amongst women

CORPORATE GOVERNANCE

- ABSLI won Golden Peacock Award for Excellence in Corporate Governance 2019 instituted by Institute of Directors (IOD), Delhi



HUMAN RESOURCES

- ABC secured 12<sup>th</sup> rank at the coveted Association for Talent Development (ATD) '2019 BEST Award' for excellence in Learning and Talent Development Practices
- ABC won the award for Productivity at the New Code of Work Awards organised by PeopleStrong and Wheebox



CORPORATE SOCIAL RESPONSIBILITY (CSR)

- Aditya Birla Capital's insurance broking arm, Aditya Birla Insurance Brokers Limited (ABIBL) won the most coveted Federation of Indian Chambers of Commerce & Industry (FICCI) CSR Award for its project 'Saksham'. The initiative focuses on a holistic and inclusive model for differently abled children and youngsters
- ABIBL was also recognised at the CSR Journal Excellence Award under the category "Promotion of Sports", for its support to the Rahul Dravid Athlete Mentorship Program, which is focused on grooming and nurturing talented athletes in their Olympic journey

SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (UNSDGs) provide an ambitious and urgent call-to-action and a practical framework for businesses to chart their sustainability journey. At ABC, each sustainability initiative is linked to one or more of the UN SDGs. The contribution of ABC's business goals and CSR initiatives to various SDGs is shown throughout this Report.



Please refer page 72 +

# Sustainability – a business imperative for *resilience and relevance*



## Dear Stakeholders,

As we revisit FY20 and a world in the grip of a pandemic towards the year end, we are reminded of the sobering consequences of unforeseen changes. The pandemic continues to evolve, leaving in its wake large-scale adverse impact on life and livelihoods. It has also put to test the resilience of even the supposedly robust businesses, putting sustainability at the core of corporate strategy planning and execution.

In this rapidly changing external environment, focus on the long term is non-negotiable, with profitability being the cornerstone of sustainability and having significant impact on the people and the planet. Challenges would adorn the future as well, and thus, the need to build a more equitable world that believes in inclusive development.

### SOLID PERFORMANCE AMID MACRO CHALLENGES

Despite a challenging operating environment in FY20, ABC managed to deliver solid performance across its business segments. It ranks among the top fund managers in the country with over ₹3,00,000 Crore of Assets Under Management (AUM) across asset management, life insurance and health insurance. The overall lending book—Non-Banking Finance Companies (NBFCs) and Housing Finance Company (HFC)—stood at just under ₹60,000 Crore and gross premium (across Life and Health Insurance) grew to ₹8,882 Crore. ABC's retailisation strategy has enabled the Company to grow its active customer base to ~20 Million. With robust risk management frameworks in place, ABC continues to drive quality growth across businesses while creating sustainable stakeholder value.

### INTEGRATING SUSTAINABILITY IN BUSINESS PERFORMANCE

At Aditya Birla Group (ABG), we aspire to be the leading Indian conglomerate for sustainable business practices across our global operations. Aligned with this Group sustainability vision, ABC has embarked on its own sustainability journey, adopting the global best practices to fuel dreams and, in turn, augment long-term value creation for all its stakeholders.

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Expectations of our internal and external stakeholders are factored into our sustainability strategy, which is also aligned with the United Nations Sustainable Development Goals (UNSDGs). We have started integrating ESG parameters into business decisions. For this, we have developed ESG scorecards to enable our businesses to assess their portfolios' ESG risks and address issues like climate change, pollution management, emissions reduction, economic and societal inequalities, and fair treatment of all stakeholders. The scorecard takes cues from the Equator Principles and the United Nations supported Principles for Responsible Investment (PRI). In addition, we consciously calibrate our portfolio and products to ensure social and environmental good and foster financial inclusion.

### A HEALTHY, SAFE, EFFICIENT AND INCLUSIVE WORKPLACE

Although environmental footprint is not material for a financial services organisation like ABC, we continuously work towards achieving energy and resource efficiency. In this regard, we undertake waste management and recycling of plastics and paper waste in our offices. Most of our offices are installed with LED lights and water-saving taps, making them energy and water-efficient.

At ABC, we have always been passionate about nurturing and developing our talent pool to help create business impact. Our diverse workforce and learning culture reflect our commitment to our people.

The overall wellbeing of our people, customers and other stakeholders remains our utmost priority, which was reflected in the swift digital embrace to deliver seamless services when the nationwide lockdown was imposed. From onboarding customers and distributors to providing services and streamline collections, we leveraged on our strong technology backbone to ensure business continuity while meeting our customer expectations during these unprecedented times. It's indeed a moment of pride for us across the Group.

### LOOKING AHEAD

The pandemic and its after-effects are a short-term blip on the India story. We believe that the financial services sector, including ABC, has a pivotal role to play in reigniting the economic growth engines as well as in shaping the Group's overall strategy. At ABC, we remain steadfast in our commitment to good governance and sustainable growth to become a role model in the sector, as we emerge out of the crisis stronger together. Businesses that demonstrate agility and responsibility will shape the next normal.

**KUMAR MANGALAM BIRLA**  
Chairman

# Paving a path for a *shared and inclusive future*



*We believe the long-term success of any business depends on its ability to evaluate its social and environmental impact. This is critical to building resilient businesses that can withstand future uncertainties and crises. We have thus started applying an ESG lens across our lending portfolios.*

## Dear Stakeholders,

The way we live, work and interact has changed dramatically. Triggered by a once-in-a-century health crisis that quickly turned into an economic one, we suddenly found ourselves—as individuals, businesses, societies and nations—in a defining period in human and corporate history. Never have uncertainties loomed as large; however, one thing remains clear, businesses will need to balance economic growth with environmental and societal interests.

Businesses will not only be characterised by their leadership and business fundamentals, but also by their commitment to their people and surrounding communities, and the conduct of their business ethically and responsibly.

It is against this backdrop, we present our second Sustainability Report. Through this Report, we share our endeavours to align with the Aditya Birla Group's sustainability vision to build better and resilient businesses through leading sustainable business practices. The Report also reflects on our sustainability journey as we navigate through these unprecedented times to emerge as a business with a strong focus in long-term value creation for all our stakeholders.

### ROBUST GROWTH AND PROFITABILITY WITH AMPLE LIQUIDITY

During FY20, ABC reported solid growth, despite making COVID-19 related provisions for our lending businesses. Our aggregate revenue grew 9% y-o-y to over ₹18,000 Crore and PAT was up by 6% y-o-y to ₹920 Crore. Our lending book across our NBFC and HFC businesses stood at just under ₹60,000 Crore, more than several mid-sized banks.

Gross insurance premium for our health and life insurance businesses grew to ₹8,882 Crore, making us a significant player in the insurance space in India. Furthermore, our health insurance business became the fastest growing standalone health insurer in the industry. Average AUM across our life insurance and asset management businesses stood at over ₹3,00,000 Crore, making us one of the largest fund managers in this country.

In a tough market, we raised ₹15,000 Crore of long-term funds, with our 'AAA' rating being re-affirmed. Additionally, we raised ₹2,100 Crore of equity capital in September 2019 through a preferential allotment to the Promoter/Promoter group and marquee investors. As a result, we are now a zero-debt company with ample liquidity to fund growth.

### BUILDING A RESILIENT BRAND CAPABLE OF WEATHERING ANY STORM

ABC's solid performance during these challenging times is a testament to our relentless pursuit of creating a sustainable and resilient franchise. We are committed to ensuring ethical business conduct and adoption of best corporate governance practices. All our employees including the Board and senior executives are expected to fully adhere to the principles contained in our Code of Conduct, which has been aligned across the Aditya Birla Group. Furthermore, we uphold the responsibility of our Board to function independently and fairly in the best interest of our stakeholders.

### ROOTED IN CUSTOMER CENTRICITY

We are constantly striving to enhance customer satisfaction. Our focus remains on acquiring and retaining customers as well increasing our products per customer. We are harnessing the power of technology in all our businesses to re-imagine our customer journeys. This is enabling us to reduce turnaround times and make the process as efficient as possible for our customers. During FY20, our active customer base across our platform reached 20 Million.

At ABC, we have embraced digitalisation. During the lockdown, this enabled us to efficiently onboard customers and distributors, provide services and conduct collections and renewals online. We continue to drive the adoption of next-generation technologies to further enhance efficiencies and improve the experience of our customers and distributors. We are also driving automation across the board with ~200 Robotic Process Automation (RPA) initiatives completed by March 2020. We launched a programme called Bizlabs, for identifying fintechs that can partner with us in different areas.

### CARING FOR PEOPLE, COMMUNITIES AND ENVIRONMENT

Our people are the primary driving force behind our success. We focus on deepening our talent pool, ensuring succession pipelines, upskilling and strengthening diversity and inclusion. At present, our workforce comprises 70% millennials and 26% women. We have embraced differently abled people as an integral part of the ABC family.

We believe the long-term success of any business depends on its ability to evaluate its social and environmental impact. This is critical to building resilient businesses that can withstand future uncertainties and crises. We have thus started applying an ESG lens across our lending portfolios. Also, several of our products and services help bridge economic inequalities, increasing access and providing affordable solutions.

Here are some of the key highlights of how our products are effecting positive change:

- **Our affordable housing loan book grew six-fold over two years (~₹2,250 Crore) – a testimony to our commitment to fulfilling people's dreams of owning homes**
- **Our Micro SIP products, with transactions starting from as low as ₹100, provides small-ticket savings options to those decisions of doing so**
- **Our life insurance business reached over 60% business from non-metros, securing the financial future of even the smallest households**

Supporting the underserved communities is part of our organisational DNA. Under the Money for Good banner, we have identified four focus areas for CSR interventions: Healthcare, Education, Women Empowerment & Sustainable Livelihoods and helping create future sports champions. During FY20, our community initiatives in partnership with 36 NGOs made a positive and meaningful difference to the lives of over 2.25 Lakh people across 12 states.

At ABC, we are cognisant of the impact of our operations on the environment and strive to reduce our carbon and water footprint, along with waste. During FY20, we doubled the waste we recycle and continued our efforts in water and energy conservation by installing water saving-devices and energy-efficient LED lights across our offices. We are also a proud participant in the World Business Council for Sustainable Development's (WBCSD) WASH Pledge, ensuring access to safe water, sanitation and hygiene at the workplace. Seven of our offices scored above 95% (3 scoring 100%) in the WASH Pledge survey in FY20. Further, through our subsidiaries we have financed renewable energy projects worth over ₹3,300 Crore, which contributed to India's renewable energy capacity target of 175 GW by 2022.

### NAVIGATING A NEW WORLD WITH DETERMINATION

As the world emerges from the crisis, we are confident about capitalising on the emerging opportunities and contributing to an inclusive economy, and wide social and environmental goals. To achieve these objectives, we are significantly relying on the hard work and dedication of our employees, and the trust of our customers, partners and shareholders. Together, guided by our prudent and well-defined strategies, strong values and robust financials, we will continue to fulfil aspirations, and focus on sustainable value creation for all our stakeholders.

**AJAY SRINIVASAN**  
Chief Executive

# Fulfilling aspirations for life

Aditya Birla Capital (ABC) is a leading financial services conglomerate in India, offering a comprehensive suite of solutions that caters to the lifetime needs of its customers. Aligned with the sustainability vision of the Aditya Birla Group (ABG), we constantly endeavour to create long-term value by factoring in environmental and social factors in our lending and investment decisions.

## ABC IN NUMBERS

**~20 Million**  
CUSTOMERS SERVED

**21,000+**  
EMPLOYEES

**850+**  
BRANCHES

**2,00,000+**  
CHANNEL PARTNERS

## OUR SOLUTIONS

### 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 Markets and Loan Syndication

## KEY STRENGTHS



### DIVERSIFIED OFFERINGS

Our well-diversified portfolio across lending, insurance, asset management and other services caters to a wide range of customer segments, channels and geographies. In addition to driving sustained growth, this acts as a natural hedge against downcycles in any particular business segment, geography or asset class.



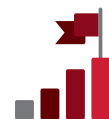
### WIDE REACH

Our extensive branch network enables us to stay close to our customers. We have strategically invested in our digital capabilities to complement and expand our physical reach, as well as drive efficiency and enhance customer experience.



### MOTIVATED WORKFORCE

Our people play a crucial role in our growth story. We strive to provide a vibrant and productive work environment that celebrates diversity and promotes social and environmental consciousness. Further, we engage with our channel partners regularly that feeds into efficient delivery of services.



### STRONG PARENTAGE

Being a part of the storied Aditya Birla Group, we enjoy a distinct competitive edge by deriving synergistic benefits and leveraging the Group's proven track record in creating long-term stakeholder value.



### INTEGRATED RISK MANAGEMENT

Our sound governance structure, effective risk management, and ethical and transparent practices provide a robust platform for long-term value creation. We have a rigorous market scanning and risk review process in place to facilitate prompt corrective actions.



### TECHNOLOGY AND DIGITAL CAPABILITIES

Our digitalisation initiatives are aimed at enhancing customer experience, driving process efficiencies across all our functions and providing our people with digitally empowered and seamless processes.

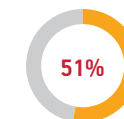
## THE WORLD OF ABC



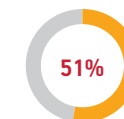
**NBFC**  
Aditya Birla Finance Limited



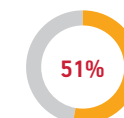
**Housing Finance**  
Aditya Birla Housing Finance Limited



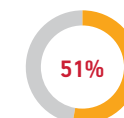
**Life Insurance**  
Aditya Birla Sun Life Insurance Company Limited<sup>1</sup>



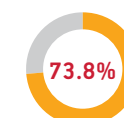
**Asset Management**  
Aditya Birla Sun Life AMC Limited<sup>1</sup>



**Health Insurance**  
Aditya Birla Health Insurance Co. Limited<sup>1</sup>



**Wellness**  
Aditya Birla Wellness Private Limited<sup>1</sup>



**Stock and Securities Broking**  
Aditya Birla Money Limited (Listed)



**General Insurance Broking**  
Aditya Birla Insurance Brokers Limited<sup>2</sup>



**Private Equity**  
Aditya Birla PE Advisors Private Limited



**Digital & Technology Services**  
Aditya Birla Capital Technology Services Limited



**Asset Reconstruction**  
Aditya Birla ARC Limited

<sup>1</sup> Indicates a Joint Venture (JV)  
<sup>2</sup> 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.

## ADITYA BIRLA GROUP

The Aditya Birla Group (ABG), a US\$48.3 Billion corporation, is in the league of Fortune 500 companies, and is rooted by an extraordinary force of over 120,000 employees, from varying nationalities. Over 50% of its revenue flows from its overseas operations spanning 34 countries. ABG is a leading player in aluminium, cement manufacturing, Viscose Staple Fibre (VSF), carbon black, chemicals, copper, financial services, telecom, branded apparels, fertilisers, viscose staple yarn and insulators.







# Simplifying *access,* delivering *happiness*

At ABC, we aspire to be the trusted financial partner to our customers for life. It begins by understanding their needs and manifests in our efforts to provide the right money solutions. We ensure optimal flexibility and convenience that goes into building long-term relationships.



## ELEVATING CUSTOMER EXPERIENCE

We are pushing the boundaries continuously to facilitate access to a wider customer base and ease delivery of financial services.

### DELIVERING CUSTOMER WELLNESS

At ABC, we have created a differentiated business model through Aditya Birla Health Insurance Co. Limited (ABHICL) on the philosophy of 'health first' – moving away from the traditional 'buy and forget' to 'buy and engage' policy. This serves as an enabler and an influencer for customer health, in addition to fulfilling the primary role of funding healthcare expenses.

Our incentivised wellness programme has been designed to reward consumers for being active. On the model of 'incentives driving engagement', we have created a unique proposition of 'health returns' through real-time tracking and rewarding health activity on a monthly basis. This enables consumers to earn up to 30% of their premium back.

**8.3 Million**

LIVES COVERED

**6,500+**

NETWORK HOSPITALS

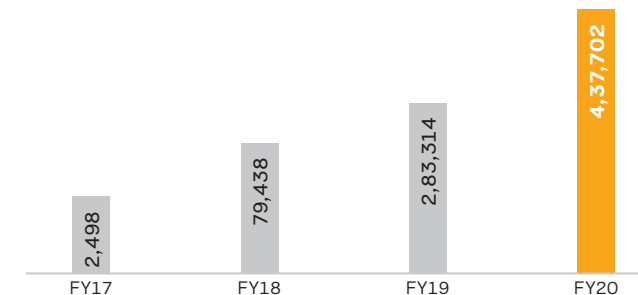
**2,000+**

CITIES

**46%**

CUSTOMERS INITIATED HEALTH JOURNEY WITH ABHICL

### Policies issued



### FOCUSING ON PRODUCT SOLUTIONS

#### Activ Care and Chronic Management Programme for Senior Citizens

We introduced Activ Care in May 2019 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.

Further, we have devised a comprehensive Chronic Management Programme that provides cover from Day 1 to individuals with chronic conditions such as diabetes, hypertension, hyperlipidaemia and asthma. The programme encompasses regular consultations, diagnostic tests and pharmacy expenses. The offering enables consumers to lead a healthy life through periodic management and long-term care of chronic diseases while addressing a significant unmet need in health insurance.

#### Care Manager for counselling and support

To address challenges faced by customers in availing cashless hospitalisation services, we introduced Care Managers. They have so far assisted customers through 1,200+ hospital visits and 40,000+ calls; the value is reflected in our Net Promotor Score, which is one of the best in the health insurance industry.

#### Rakho Poora Khayaal Campaign for women's health

At ABHICL, we carried out a study to understand the role of women in financial planning of a household. Although women are the real custodians of the family's health (taking care of diet, exercise, medicines, etc.), they usually stay away from financial decision-making such as purchasing health insurance.

#### Our study concluded that women in general:

- Lack awareness about health insurance
- Not involved proactively in insurance purchase decisions
- Feel the corporate cover provided by their employer or the spouse is sufficient for the family
- Not aware of the EMI options available so that 'it fits her monthly budget'

Based on our findings, we designed a campaign to create more awareness and to influence women to have a bigger role in the decision-making process. We also created an engagement tool 'Khayaal-0-Meter' to make them realise how they can take complete care of their family's health.

**End-to-end digitally enabled journey**

Based on customer feedback and its unique business proposition, ABHICL also realised the need to have a more customer relevant mode of communication at every stage.



**Policy Issuance**

- Policy document
- Future instructions



**Renewal**

- Prompt reminders
- Due dates
- Modes of payment
- One-click renewal



**Engagement**

- Activ Health app download communication
- Health assessment booking



**Self Service**

- Track your policy
- Track your claim
- One-touch policy download

The team envisioned to shift maximum possible activities to digital platforms, which the customer can directly access across various channels such as Activ health app and website, WhatsApp, Chatbot.

**DIGITAL INNOVATION**

**WhatsApp for Business**

WhatsApp for Business was launched as the first step towards engaging with consumers, making ABHICL the first standalone health insurance company in India to leverage the communication platform for customer acquisition as well as retention.

**CUSTOMER EXPERIENCE AND COMPLAINT REDRESSAL MECHANISM**

To get a real-time understanding of the customer's experience of ABC's product quality, ease of transactions, and service support, we measure the Net Promoter Score (NPS). It enables us to assess customer satisfaction at key stages of their journey with us and undertake improvement initiatives. We also have a well-structured mechanism to address customer complaints. During FY20, all customer grievances/complaints were addressed and resolved successfully.

**MISSION HAPPINESS**

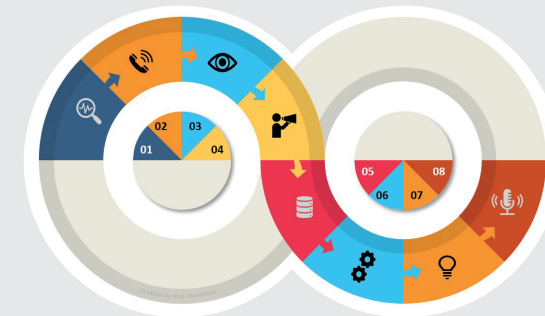
**Net Promoter Score (NPS)**

NPS helps capture the Voice of Customer (VoC) through a top-down as well as a bottom-up approach. Top-down NPS is a key market evaluation tool to understand where we stand against our competitors. This facilitates strategic action to address the source of a perceived pain point and convert it to a perceived delightful experience. This, in turn, drives prioritisation of new products, process improvements and service enhancements. Bottom-up NPS is deployed along various digital touchpoints to gain a better understanding of the customer's online behaviour, preferences, pain points and views.

NPS provides comprehensive insights into customer feedback on products, as well as their experience at each stage. For non-critical processes, we reach out to distracted customers to better understand the reason for dissatisfaction. For critical processes, we follow up with the detracted customers as well as a cross section of those providing a passive or a positive rating.

We analyse NPS ratings to arrive at the main themes impacting overall customer experience. This feedback is also shared periodically with the front-line teams as well as management. Quality tools are deployed to identify and address the negative drivers while innovative upgrades are designed to further strengthen the positive drivers.

**MISSION HAPPINESS – CLOSED LOOPING**



**1. Measure:** Measure NPS at frontline level through contact with consumers (e.g. Branches, Call centre, Website, Chatbot, etc.) and analyse the sentiments.



**2. Reach out:** Reach out (On-call/Digital) to the customers to find out why they are satisfied or not.



**3. Analyse:** Collate reactions, analyse them and take action.



**4. Communicate:** Communicate feedback to frontline and management. Fast-track feedback when needed.



**5. Root causes:** Use scientific tools to analyse root causes coming from consumer feedback (inner circle).



**6. Action:** Brainstorming sessions (Huddles) to come up with actions and prioritise them through workshops by engaging cross-functional managers.



**7. Improve:** Implement structural improvements based on insights and analysis from closed loop feedback.



**8. SteerComs:** Communicate about the improvements that have been made to close the loop to customers, senior management and employees.

**~1 Million**

NPS RESPONSES FROM CUSTOMERS AND PARTNERS

**84%**

RESPONSES THROUGH DIGITAL CHANNELS

**LISTEN, UNDERSTAND, ACT**

Our NPS processes have been crucial in improving our customer satisfaction ratings. For example, during FY20, ABSLI saw an encouraging 13% improvement in its NPS scores. Basis the VoC for the business, the need to improve self-service and digitisation options were identified and acted upon.

**Factors contributing to the improvement:**

**93%**

SERVICES AVAILABLE ON DIGITAL CHANNELS

**96%**

CUSTOMERS ONBOARDED DIGITALLY

**83%**

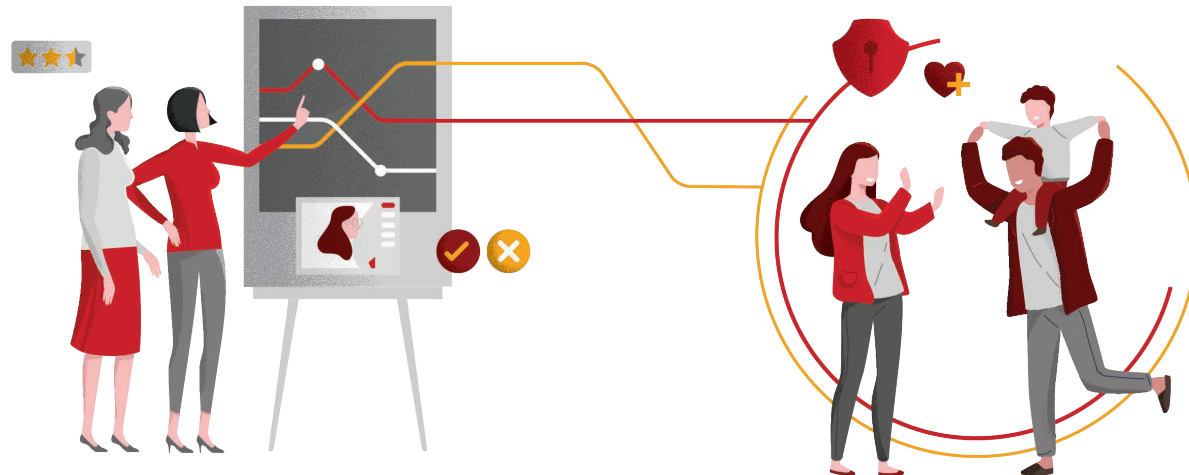
POLICY RENEWALS DONE DIGITALLY

**Industry 1st WhatsApp**

BOT IMPLEMENTATION FOR CUSTOMER SERVICE

**TRANSPARENT COMMUNICATION, RESPONSIBLE PRACTICES**

Across ABC, we believe in utmost transparency while communicating with our customers. Further, our relentless focus on compliance – regulatory and otherwise has helped us emerge as one of India's most trusted NBFCs. We also adhere to Advertising Standards Code of India (ASCI) and Insurance Regulatory and Development Authority of India (IRDAI) guidance. This approach enables us to continue augmenting our goodwill quotient, which gets reflected in the sizeable repeat and referral businesses. During FY20, there were no complaints against ABC regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.





# Improving efficiency, augmenting *experience*

We have successfully integrated all systems and processes into digital platforms for both customers and employees, thereby elevating customer service quality and improving productivity. We are leveraging Big Data analytics and deploying best available digital tools.

**BENEFITS**

Provides streamlined approval and documentation processes; reduces incidence of error

Allows employees across our branch network to collect and feed data to a centralised management system, providing senior management with prompt operational data and treasury management

Helps to operate the business in a centralised manner and develop better credit procedures and risk management

**FY20 INITIATIVES**

**ONBOARDING CUSTOMERS AND ADVISORS**

**Direct digital onboarding/purchase**  
Leveraging biometrics and KYC technologies

**Advisor-assisted digital onboarding**  
Paperless purchases done by customers through mobile apps and tabs

**Onboarding advisors digitally**  
Implemented 'office in a box' digital solution to meet advisors' needs across the entire lifecycle

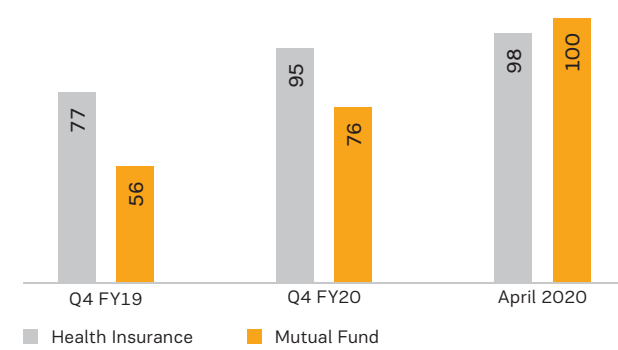
**SERVICING CUSTOMERS**

**Websites/mobile apps**  
Expansion of digital self-service channels for all customer requests and transactions

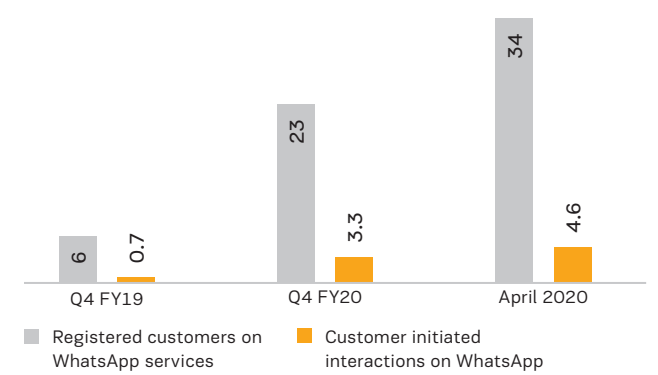
**Chatbot**  
Serving over 2 Lakh customer requests/queries per month

**WhatsApp**  
Integration of WhatsApp into 200+ services to enhance engagement experience

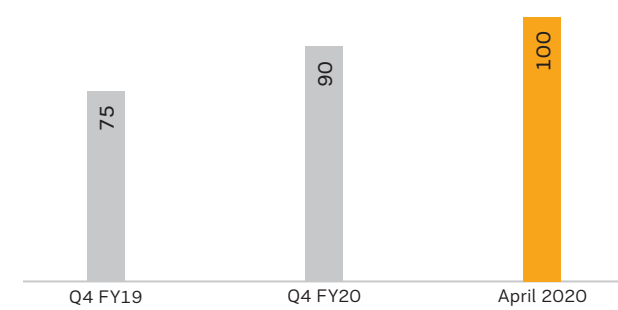
Customers onboarded digitally (%)



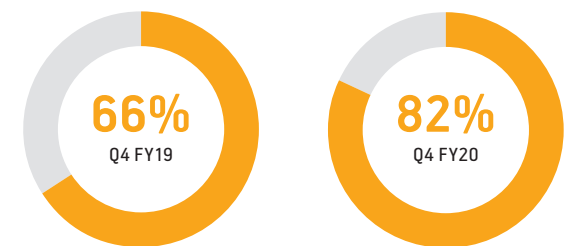
Increasing customer engagements on digital channels (in Lakh)



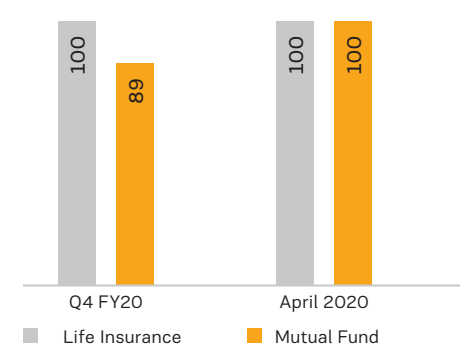
Life Insurance policies sourced through tablets/mobile app by advisors (%)



Health Insurance policy renewal through digital channels



Advisors onboarded to digital platforms (%)



**Robotics Process Automation (RPA)**

Robots enable scalability, productivity and agility in processes and reduce human independence.

**200+**  
RPA INITIATIVES IMPLEMENTED

**LEVERAGING DATA ANALYTICS**

Big Data analytics examines large swathes of data to uncover patterns, correlations and other insights. With today's technology, it is possible to analyse data and derive actionable insights almost in real time. One of the key aspects of ABC's digital transformation is harnessing the power of data analytics to drive critical business decisions.

The ABC analytics team utilises its enterprise data warehouse, along with partnerships with external data and decision platforms like credit bureaus, to build an analytics-based cross-sell recommendation engine to offer the 'next-best money solutions' to our customers. The logic used by the analytics engine is based on predicting the customer's money needs across different life stages.

We believe the integration of data analytics into operating models, risk management and decision-making processes is crucial to maintain a competitive edge. We will continue to invest in cutting-edge deep-learning Artificial Intelligence (AI) algorithms to deliver hyper-personalised experiences to customers across touchpoints through AI-powered 'relationship managers.'

**ENSURING INFORMATION SECURITY AND DATA PRIVACY**

The increasing penetration of digital technologies and resultant high degree of interconnectedness have exponentially enhanced the need for ensuring data privacy and information security. As an organisation that is constantly leveraging digitalisation to drive business growth, ABC has instituted cyber hygiene requirements like Network and Web Application Firewalls along with Intrusion Prevention System to detect and eliminate cyber threats. We adhere to the industry standard practices, conduct regular risk assessments and aggressively test the resilience of our digital infrastructure to external threats.

**Information security process**



**Information security controls**



ABC adopts the best practices from various international standards like ISO 27001 and ISO 22301. We have a comprehensive policy designed to comply with privacy and data protection legislation (Indian Information Technology Act 2008) and notification (dated 11<sup>th</sup> April 2011) on the protection of sensitive personal information. At ABC, every employee is responsible for ensuring information security and data privacy. Ongoing training through various internal and external programmes is designed to equip staff at all levels to meet the demands of their respective positions without compromising data integrity and security. In addition, various guidelines have been created to ensure teams are equipped to handle any cyber crisis incident. We follow a Defense in Depth (DiD) approach for control deployment as per identified cyber/information risks at each layer, along with a strong emphasis on IT application, lifecycle security. This ensures robust information security controls at every stage across business processes and reduces risks of data leakages.

**BUSINESS CONTINUITY**

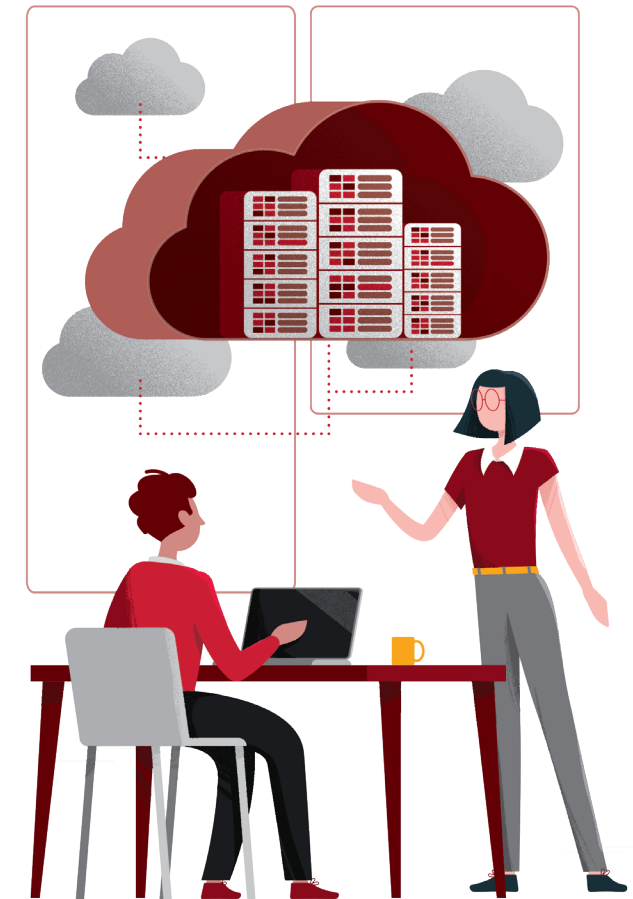
Our business continuity team focuses on preparing for potential business disruptions due to unforeseen circumstances such as natural disasters. The goal is to ensure that critical operations continue, and data remains secure during emergencies. We have adopted global standard ISO 22301 framework practices to ensure people safety along with building a resilient business environment against any disaster or crisis.

In fact, a few weeks prior to the actual lockdown, our leadership team had directed the Risk team to realign the Business Continuity Plan (BCP) with the evolving pandemic situation. As soon as the nationwide lockdown was announced, we could swiftly move 100% of our people to a remote work environment through secured access tools and deliver seamless services to our customers. To manage the impact of the pandemic on ABC, we formed a Crisis Management Team (CMT) comprising members of our leadership team and chaired by the Chief Executive Officer. The implementation was managed by the Head – Risk Management. The Risk team coordinated with various business functions to ensure seamless transition to remote working for employees without compromising on controls and service standards.

We constantly identify the new threats and deploy secure solutions to maintain our risk exposure at acceptable levels, which includes basic hygiene like Anti-Virus (AV), Advanced Threat Protection (ATP), Security Patch (SP) and Data Leakage Prevention (DLP). In addition, we have increased vigilance through our Cyber SOC for any potential security events.

**DATA INFRASTRUCTURE**

We use cloud computing for data storage and access. We have a data centre on our premises, which allows us to deploy applications in multiple regions in just a few clicks with lower latency.

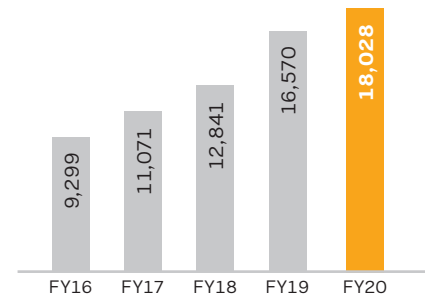


# Delivering sustainable returns

## REVENUE<sup>1</sup>

(₹ in Crore)

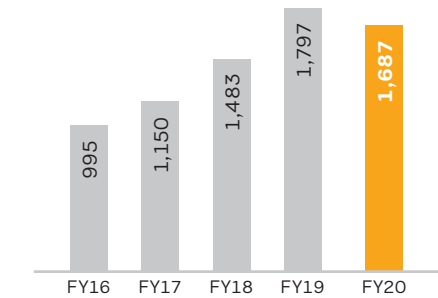
18% ↑



## AGGREGATE PROFIT BEFORE TAX

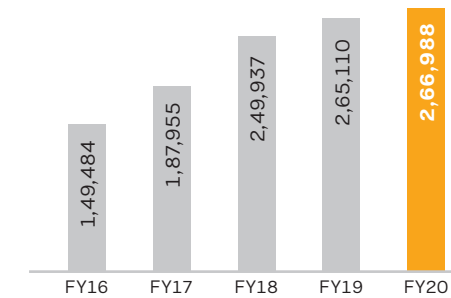
(₹ in Crore)

14% ↑



## AVERAGE ASSETS UNDER MANAGEMENT (AAUM)<sup>2</sup>

16% ↑



## GROSS PREMIUM (LIFE & HEALTH)

(₹ in Crore)

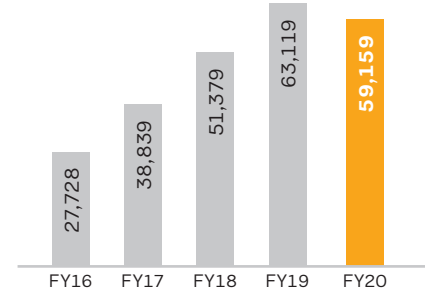
12% ↑



## LENDING BOOK (NBFC&HFC)

(₹ in Crore)

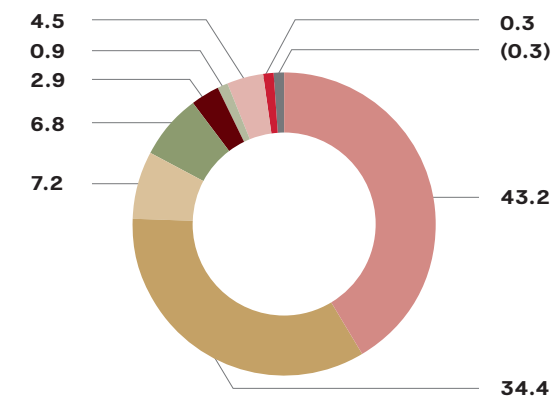
21% ↑



## SEGMENT REVENUE MIX

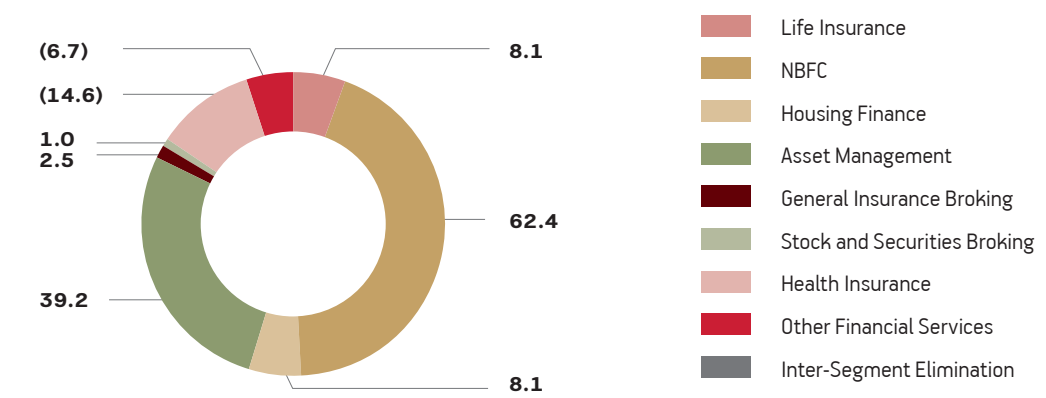
(%)

### SEGMENT REVENUE MIX



## SEGMENT PROFIT BEFORE TAX (PBT) MIX (%)

### SEGMENT PBT MIX



↑ 5 Year CAGR

<sup>1</sup> 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 1<sup>st</sup> April 2018. The financials for FY18, FY19 and FY20 are Ind AS compliant.

<sup>2</sup> Annual average assets under management of asset management business

# Putting *sustainability* at the heart

We remain committed to sound and effective practices in corporate governance, as well as full and fair disclosures. Our relentless pursuit to achieve higher standards drives us and leads to greater transparency and integrity in our actions.

Our reputation as an ethical and transparent organisation has enabled us to build a strong foundation of trust with our stakeholders, on which we aspire to propel a sustainable future. At a macro-level, ABC's governance philosophy rests on five tenets.

## Five tenets of our governance philosophy

- 1 Board accountability to employees and relevant stakeholders
- 2 Strategic guidance and effective monitoring by the Board
- 3 Protection of minority interests and rights
- 4 Equitable treatment of all Board members
- 5 Superior 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 functions either as a full Board or through various committees constituted to oversee specific functions. The Senior Management provides the Board detailed reports on the Company's performance periodically.

## COMPOSITION OF THE BOARD

Name of the Director	Category	Age	Gender
Mr. Kumar Mangalam Birla (DIN:00012813)	Non-executive, Non-independent	53	Male
Dr. Santrupt Misra (DIN:00013625)	Non-executive, Non-independent	55	Male
Mr. Sushil Agarwal (DIN:00060017)	Non-executive, Non-independent	57	Male
Mr. Arun Adhikari (DIN:00591057)	Independent	66	Male
Mr. P H Ravikumar (DIN: 00280010)	Independent	69	Male
Mr. S C Bhargava (DIN:00020021)	Independent	75	Male
Mrs. Vijayalakshmi Iyer (DIN:05242960)	Independent	65	Female

## BOARD COMMITTEES

The ABC Board has constituted Committees of the Board with specific terms of reference as per the requirements of the Securities and Exchange Board of India (SEBI) Listing Regulations and the Act. A formal evaluation mechanism has been adopted for evaluating the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. A letter of appointment together 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 are familiarised with the Company's businesses and its operations. The Directors interact regularly 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 are available at [www.adityabirlacapital.com/about-us/board-of-directors](http://www.adityabirlacapital.com/about-us/board-of-directors).

We have adopted Executive Remuneration Policy. The policy supports the design of programmes that align executive rewards—including variable pay, incentive programmes, long-term incentives, Employee Stock Ownership Plan (ESOP), retirement benefit programmes—with the long-term success of our stakeholders. For details of the policy, please refer to the Annual Report 2019-20 at [www.adityabirlacapital.com/investor-relations/financial-reports](http://www.adityabirlacapital.com/investor-relations/financial-reports)

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

For details on the committees, please refer to the table below.

## GRIEVANCE MECHANISM FOR INVESTORS

The Company Secretary acts as the Compliance Officer of the Company and is also responsible for redressal of investor complaints. Investors can also submit their query in the 'QUERIES' option provided on the website, which assigns the grievance a registration number. For accessing the status/response to the query submitted, the grievance registration number can be used at the option 'VIEW REPLY' after 24 hours. Investors can continue to put an additional query, if any, relating to the grievance till they get a satisfactory reply. There are no investor complaints pending against ABC as on 31<sup>st</sup> March 2020.

## OTHER 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 the financial year under review, ABC had 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.

## BOARD COMMITTEE DETAILS

Committee	Committee Members	Independent Director	Non-independent Director	Independent Chairperson
Audit Committee	3	1	2	Yes
Nomination, Remuneration and Compensation Committee	3	1	2	Yes
Risk Management Committee	2	1	1	Yes
Stakeholders' Relationship Committee	2	0	2	Yes
Corporate Social Responsibility Committee	3	2	1	Yes
Finance Committee/Asset-Liability Management Committee	2	0	2	Yes
Prohibition of Insider Trading (PIT) Regulations Committee	2	1	1	Yes
IT Strategy Committee	1	1	0	Yes

For more details on Board Committees, please refer to Corporate Governance Report in the Annual Report 2019-20 - <https://www.adityabirlacapital.com/investor-relations/financial-reports>

## SUSTAINABILITY GOVERNANCE

Successful integration and effective management of sustainability requires a committed leadership with a strategic and clear focus. It facilitates in implementing sustainability across our operation, manage goal setting, reporting processes, strengthen relations with external and internal stakeholders and ensure overall accountability.

### SUSTAINABILITY GOVERNANCE STRUCTURE

ABC's Enterprise Risk Management (ERM) function plays a critical role in monitoring and managing the risks and opportunities that stem from the internal and external forces that impact a company. In this light, the ERM also oversees ABC's sustainability agenda, which is guided by the Aditya Birla Group's Sustainability Vision and in line with the UNSDGs.

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

#### Enterprise risk management

Oversees sustainability agenda

Prioritises sustainability risk

Develops sustainability risk management guidance

#### Chief Compliance and Risk Officer

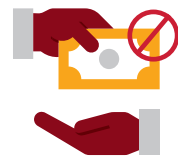
Guides and governs the sustainability strategy and reviews all initiatives

#### Operating Businesses Risk, Compliance and Legal teams

Implements, monitors and reviews all sustainability related matters and initiatives

### CODE AND STANDARDS

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 Aditya Birla Group. Management and employees receive regular awareness trainings on the Code and its implications through multiple modes of communication. 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 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. ABC's Code of Conduct stresses on its zero-tolerance policy against accepting or giving bribes of any kind. Further, we have a robust anti-money laundering rule and have established an anti-fraud process, along with a fraud reporting mechanism in compliance with Monitoring of Frauds in NBFCs, (Reserve Bank) Directions, 2016.

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



#### Enforcement mechanism

ABC has a robust enforcement mechanism, ensuring open channels to report any violations of its Code of Conduct. The immediate senior of an employee, the Unit Head, the ABC CEO, Aditya Birla Management Corporation Private Limited (ABMCL) Director concerned, the Corporate Panel (described below) and the Chairman of 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 mentioned above.

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

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



#### Compliance

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



#### Whistle blower policy or vigil mechanism

ABC has in place a vigil mechanism for Directors and employees to report instances and concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Adequate safeguards are provided against victimisation of those who avail the mechanism, and direct access to the Chairperson of the Audit Committee is provided to them. During the financial year under review, no personnel was denied access to the Audit Committee. The policy is in line with our Code of Conduct, Vision and Values and is available on the Company's website - [www.adityabirlacapital.com/investor-relations/policies-and-codes](http://www.adityabirlacapital.com/investor-relations/policies-and-codes)



#### Prevention of insider trading

In terms of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, we adopted a Code of Conduct to Regulate, Monitor and Report trading by designated persons in listed or proposed to be listed securities of the Company (the Insider Code). The Insider Code aims at preserving and preventing misuse of unpublished price sensitive information.

We have in place, a tracking mechanism for monitoring 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 SEBI (Prohibition of Insider Trading) Regulations, 2015 confirming that the systems for internal control for the purpose are adequate and are operating effectively.

#### KEY MEMBERSHIPS

We participate in various 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



**MR. KUMAR MANGALAM BIRLA**  
Chairman and Non-executive Director



**DR. SANTRUPT MISRA**  
Non-executive Director

**N C S R**



**MR. SUSHIL AGARWAL**  
Non-executive Director

**A N S AL**



**MR. ARUN ADHIKARI**  
Independent Director

**N C R**



**MR. S C BHARGAVA**  
Independent Director

**N C R P**



**MR. P H RAVIKUMAR**  
Independent Director

**A C AL I**



**MRS. VIJAYALAKSHMI IYER**  
Independent Director

**A S AL P I**

**COMMITTEES**

**A** Audit  
**N** Nomination, Remuneration and Compensation

**C** Corporate Social Responsibility  
**S** Stakeholders' Relationship

**AL** Asset-Liability Management  
**R** Risk Management

**P** Prevention of Insider Trading (PIT) Regulations  
**I** IT Strategy





**MR. AJAY SRINIVASAN**  
Chief Executive,  
Aditya Birla Capital Limited



**MR. KAMLESH RAO**  
Managing Director  
and Chief Executive Officer,  
Aditya Birla Sun Life  
Insurance Company Limited



**MR. RAKESH SINGH**  
Managing Director and Chief  
Executive Officer,  
Aditya Birla Finance Limited



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



**MR. A. BALASUBRAMANIAN**  
Managing Director and  
Chief Executive Officer,  
Aditya Birla Sun Life  
AMC Limited



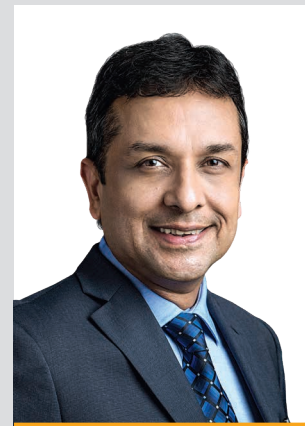
**MR. MAYANK BATHWAL**  
Chief Executive Officer,  
Aditya Birla Health  
Insurance Co. Limited



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



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



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



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



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



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

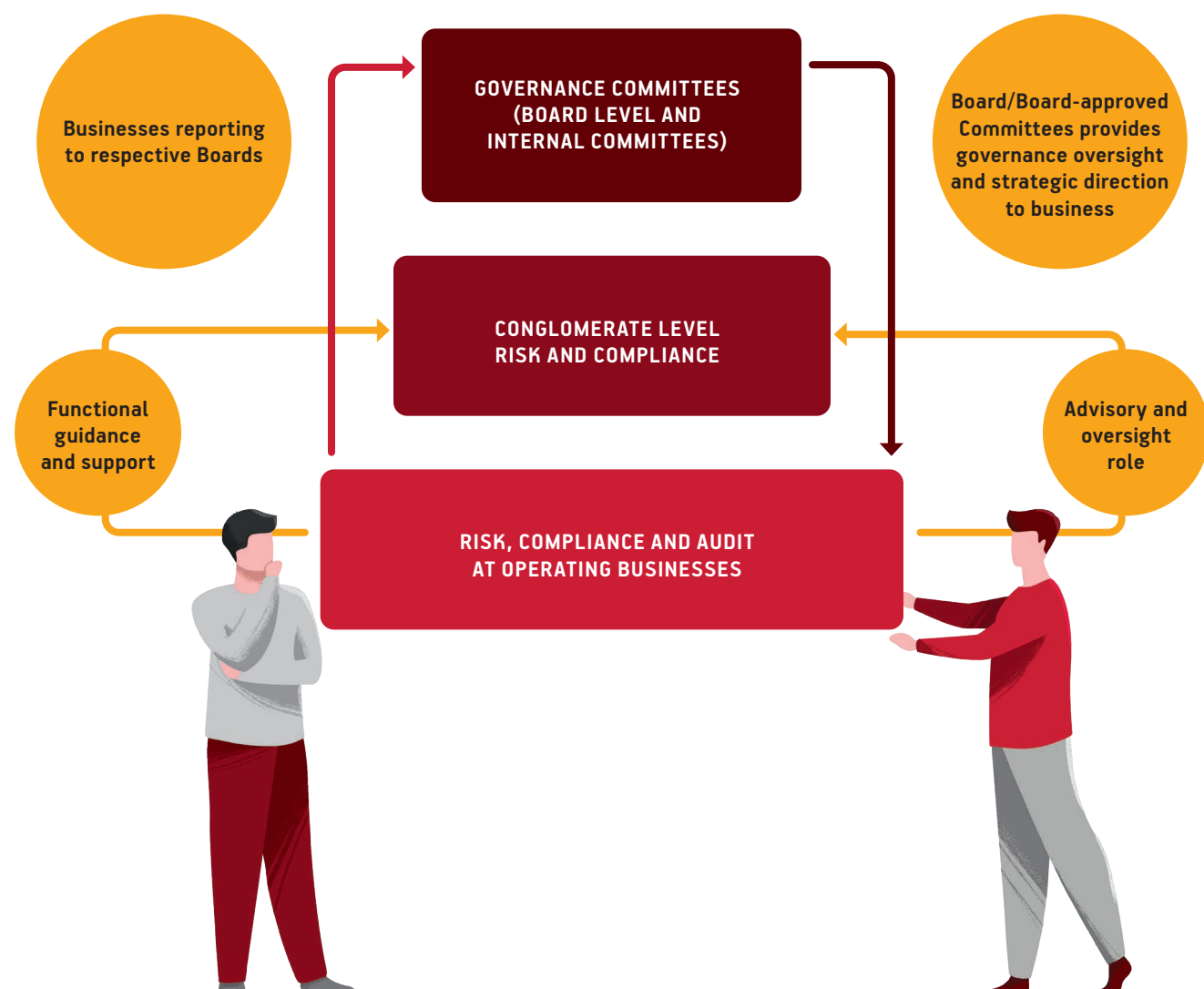


**MR. PRAMO SELVARATNAM**  
President, Strategy and  
Business Development,  
Aditya Birla Capital Limited

# Mitigating threats to value creation

Effective risk management strategies allow us to identify impacts, risks and opportunities, thereby helping us to mitigate risks while executing our business strategies.

## RISK MANAGEMENT FRAMEWORK



### OUR RISK MANAGEMENT APPROACH IS AIMED AT ACHIEVING THE FOLLOWING:

- Enable Group-level oversight and monitoring
- Provide an integrated view of risk
- Facilitate better strategic decision-making
- Enhanced application of data-based analytics and automation for rule-based risk controls for problem-solving and risk governance

### OUR RISK MANAGEMENT APPROACH IS CLASSIFIED UNDER THE FOLLOWING BUCKETS:

#### 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**
  - 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

#### Continuous monitoring to ensure asset quality

- Lifecycle monitoring of exposures**
  - Automation of identified triggers for key exposures
- Early warning triggers**
  - Alert mechanism to identify signs of incipient stress
  - Adoption of AI-based early warning system in lending business for enhancing portfolio monitoring approach and data-based triggers

#### Exposure management

- Group-level exposure management**
  - Aggregate exposure limit set for borrower and group, monitored continuously
  - Exposure concentration across borrowers and groups are managed through defined exposure risk appetite and risk tiering

#### Information security and cyber risks

- Continue to adopt best practices**
  - Standardised manner to mitigate these risks is adopted and it continues to be closely monitored at the Group level with a quick response team in place
  - Strengthening the data protection environment to enable work from home and mitigate new cyber threats arising from remote working scenario

#### Event-based and regular stress testing

- Scenario and event-based stress testing of portfolio**
  - Sector developments and event-based impact review through financial stress modelling

#### Legal and compliance risks

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

- Liquidity management**
  - Continuous oversight on Asset and Liability Management (ALM) and liquidity through diversification and liquidity management

#### Operational risk

- Proactive approach**
  - 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. Drive automation in processes and build automated controls in new systems being implemented

— Dimension    — Approach

ABC is also building in ESG considerations into its risk framework with the aim to create long-term value. For more information on ESG integration,

[+ Please refer page 46](#)

# Doing business in the *right way*

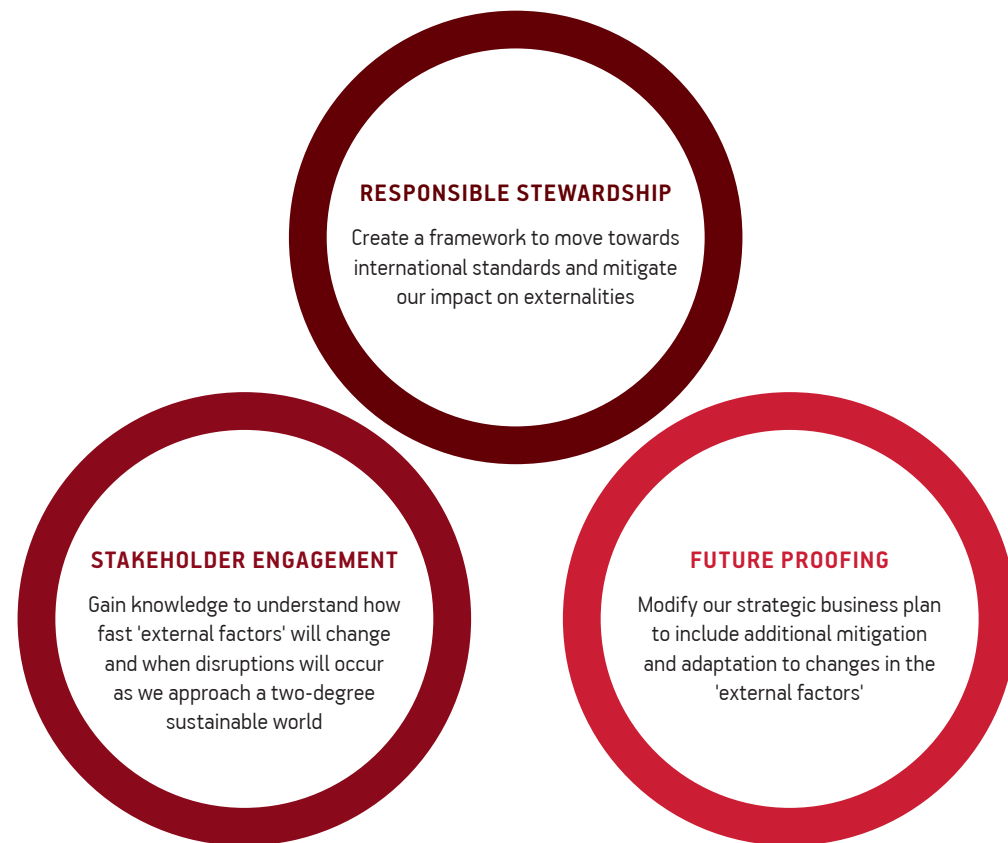
“The Aditya Birla Group endeavours to become the leading Indian conglomerate for sustainable business practices across its global operations, balancing its economic growth with environmental and societal interests.”

- Mr. Kumar Mangalam Birla  
Chairman

# Our approach to sustainability

Aligned with the sustainability vision of the Aditya Birla Group (ABG), our constant endeavour is to create long-term value for all our stakeholders, while balancing our economic growth with environmental and societal interests.

The Group has been a signatory to the United Nations Global Compact since 2003, spearheading sustainability and driving thought leadership both 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 defining our focus areas.



We are developing policies, technical and management standards and guidelines that conform to international standards such as UN SDGs, UN Principles of Responsible Investment (UNPRI), Equator Principles, International Finance Corporation (IFC), Organization for Economic Co-operation and Development (OECD), United Nations Global Compact (UNGC), International Organisation for Standards (ISO) and Occupational Health & Safety Assessment Series (OHSAS). These policies will steer our business activities towards excellence and become best practices.

At ABC, we strive to make sustainability the core of our business – from integrating ESG considerations into our business decisions and risk frameworks, to fulfilling our customers' needs and engaging with our stakeholders. The four focal areas of our sustainability framework broadly outline our strategy and execution towards operating in a sustainable world.

## SUSTAINABILITY FOCUS AREAS

### 1. OPERATING RESPONSIBLY AND TRANSPARENTLY

Commitment to ensuring ethical business conduct, robust regulatory compliance, strive to enhance customer satisfaction, employee welfare as well as being a responsible corporate citizen are building blocks for long-term growth. At ABC, we have robust systems, policies and measures in place towards achieving this.

- Read more on:
- [Ethical business conduct](#)
  - [Customer satisfaction](#)
  - [Employee wellbeing](#)

### 2. INTEGRATING ESG INTO STRATEGY

Managing material ESG risks allows Financial Institutions (FIs) to secure their return on investment and safeguard against potential liabilities/reputational damage due to ESG issues associated with their portfolios. At ABC, we have started applying an ESG lens while assessing and monitoring risks within our portfolios (ESG scorecard).

- Read more on:
- [ESG integration](#)

### 3. FINANCIAL INCLUSION AND SOCIAL IMPACT

The long-term success of financial institutions (FIs) is predicated on creating an inclusive and sustainable economy. Access to affordable financial services/instruments is key to bridging economic inequalities. At ABC, we contribute towards this agenda through our products and services – affordable housing, micro SIPs, rural insurance, SME lending as well as financial literacy and CSR programmes.

- Read more on:
- [Financial inclusion](#)
  - [Social impact](#)

### 4. ACHIEVING HARMONY WITH NATURE

FIs are increasingly recognising the role they can play in promoting a low carbon economy through their investments as well as realising the negative impact of climate change risks on their portfolios. At ABC, we are contributing towards climate change mitigation through our renewable energy financing, energy conservation and resource efficiency initiatives.

- Read more on:
- [Renewable energy financing](#)
  - [Environmental initiatives](#)

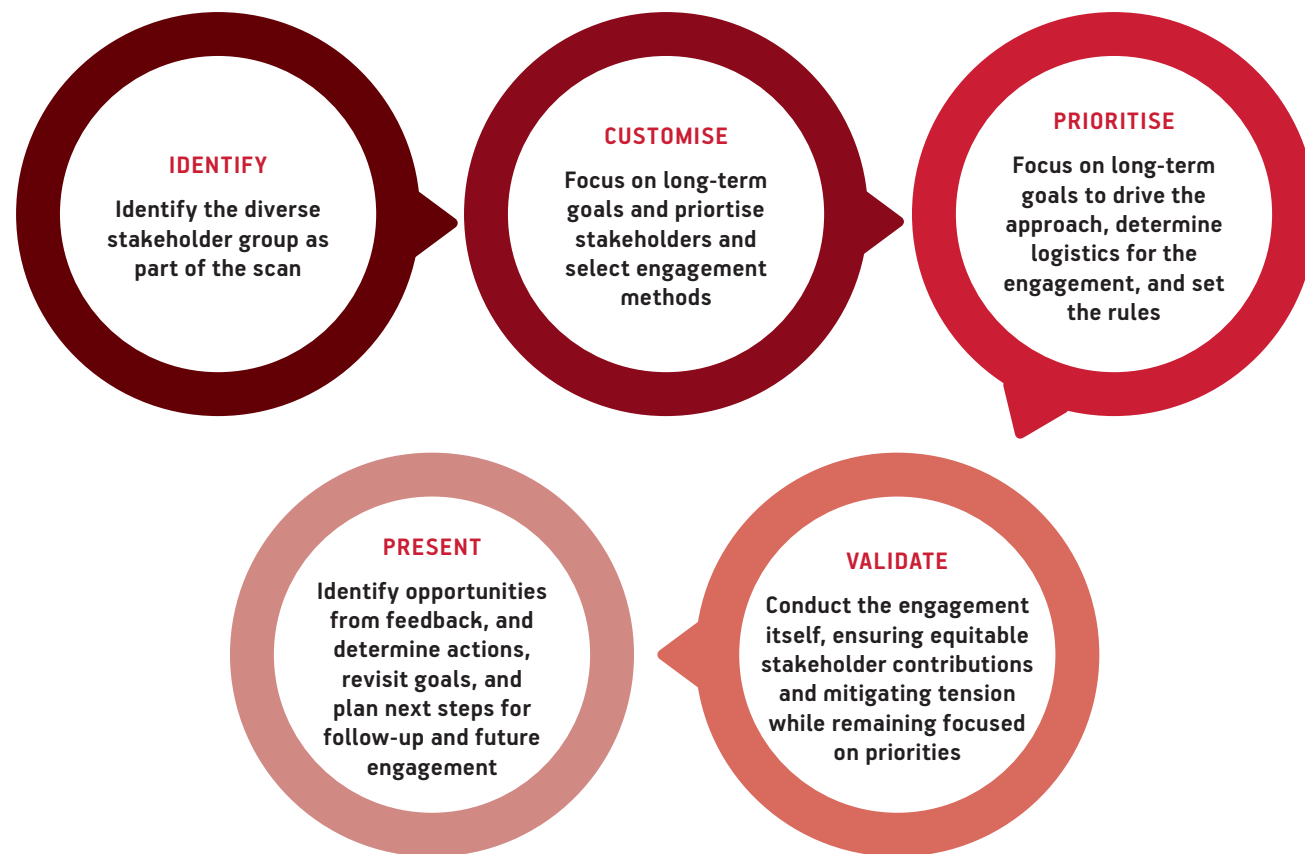
## SUSTAINABILITY POLICY STATEMENT

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

# Building enduring partnerships

Our ongoing dialogue with people, businesses and the wider society is central to building long-lasting partnerships. Engaging closely with our stakeholders is integral to our strategy planning process. It enables us to understand and factor in their expectations and material concerns, which feed into our strategic roadmap.

## STAKEHOLDER ENGAGEMENT PROCESS



## STAKEHOLDER ENGAGEMENT METHODS



### EMPLOYEES

**Frequency of engagement:** On a continuous basis

Concerns/Areas of interest	Mode of engagement
<ul style="list-style-type: none"> <li>Fair wages and rewards</li> <li>Work-life balance training and skill development</li> <li>Career growth</li> <li>Job security</li> <li>Transparent communications</li> </ul>	<ul style="list-style-type: none"> <li>Emails and meetings</li> <li>Internal portals</li> <li>Employee satisfaction survey</li> <li>Training programmes</li> <li>Performance appraisal</li> <li>Grievance redressal mechanisms</li> </ul>



### REGULATORY BODIES – RBI/SEBI

**Frequency of engagement:** As required

Concerns/Areas of interest	Mode of engagement
<ul style="list-style-type: none"> <li>Performance reports shared with SEBI and RBI</li> <li>Compliance reports</li> <li>Industry bodies</li> </ul>	<ul style="list-style-type: none"> <li>Direct engagement</li> <li>Hosted events</li> <li>Participation as panellists</li> </ul>



### CUSTOMERS

**Frequency of engagement:** On a continuous basis

Concerns/Areas of interest	Mode of engagement
<ul style="list-style-type: none"> <li>Post engagement support</li> <li>Grievances</li> <li>Advisory</li> <li>Quality</li> </ul>	<ul style="list-style-type: none"> <li>Customer feedback</li> <li>Customer survey</li> <li>Emails/phone calls/meetings</li> <li>Customer visits</li> </ul>



### RATING RESEARCH AGENCIES

**Frequency of engagement:** Quarterly and annual

Concerns/Areas of interest	Mode of engagement
<ul style="list-style-type: none"> <li>Financial performance</li> <li>Quarterly results</li> <li>Industry bodies</li> </ul>	<ul style="list-style-type: none"> <li>Analyst meets</li> <li>Investor presentations</li> <li>Quarterly and annual reports</li> </ul>



### SHAREHOLDERS

**Frequency of engagement:** Quarterly and annual

Concerns/Areas of interest	Mode of engagement
<ul style="list-style-type: none"> <li>Financial performance</li> <li>Returns/dividends</li> </ul>	<ul style="list-style-type: none"> <li>Press releases</li> <li>Investor/analyst meets</li> <li>Investor conferences</li> <li>Direct investor engagement</li> <li>Investor grievance redressal</li> </ul>



### COMMUNITIES AND NGOS

**Frequency of engagement:** Continuous monitoring and evaluation

Concerns/Areas of interest	Mode of engagement
<ul style="list-style-type: none"> <li>Impact assessment and CSR intervention</li> <li>Monitoring and evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Baseline surveys</li> <li>Focused group interviews</li> <li>Surveys on various assessment</li> </ul>

# Identifying issues material to *value creation*

Material issues are those which have a direct or an indirect impact on our ability to create and preserve economic, environmental and social value. The materiality assessment is in accordance with our sustainability framework to identify the issues and areas that are of utmost significance to our stakeholders.

We identify our stakeholders through stakeholder profiling and stakeholder mapping exercises.

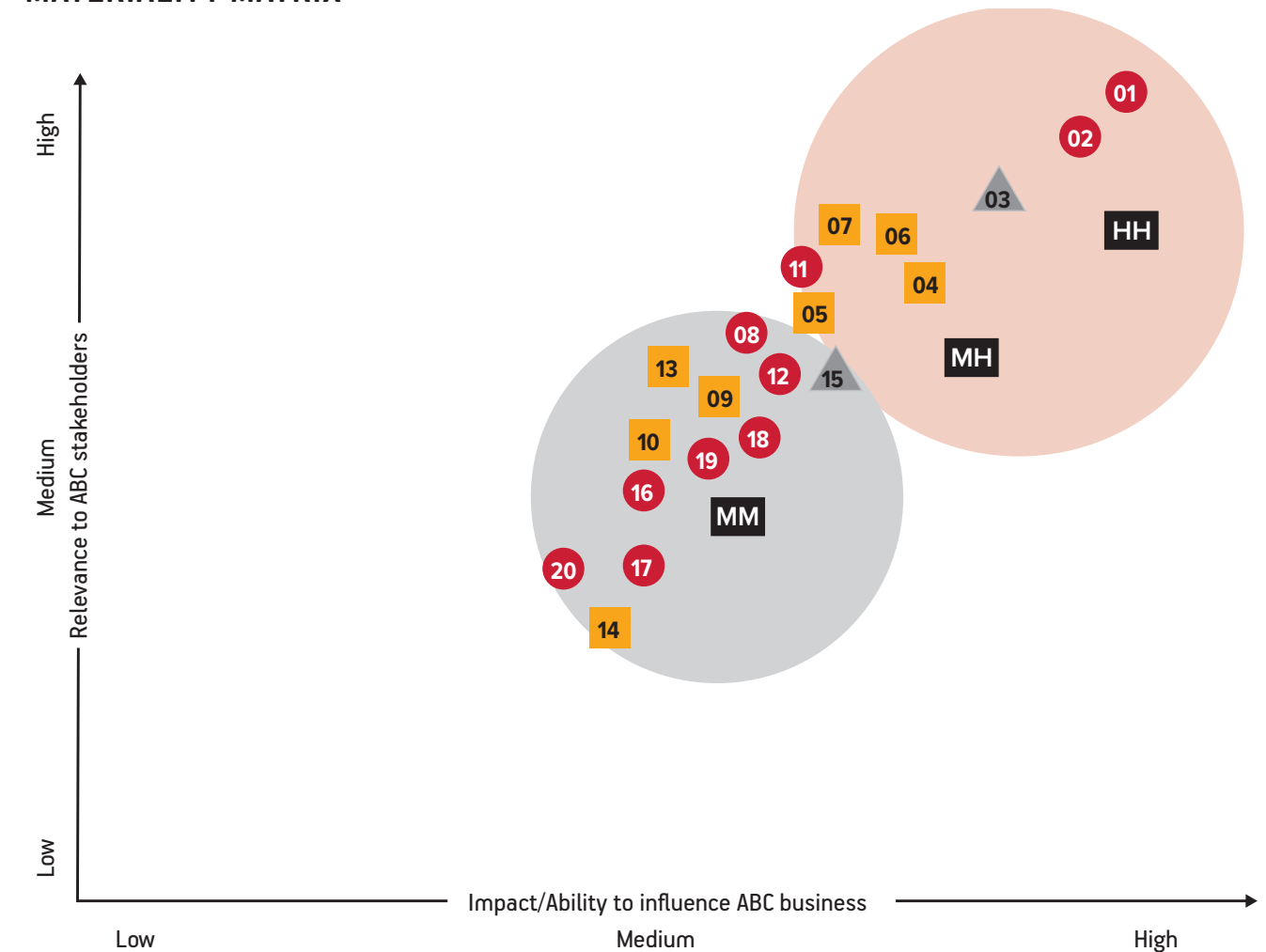
## MATERIALITY PROCESS

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



GRI - Global Reporting Initiative  
 DJSI - Dow Jones Sustainability Index  
 SASB - Sustainability Accounting Standards Board  
 HH - High High  
 MH - Medium High  
 HM - High Medium

## MATERIALITY MATRIX



ECONOMIC	SOCIAL	ENVIRONMENTAL
01 Digitisation	04 Product and service labelling	03 Compliance related to legal, environmental and social requirements
02 Economic performance	05 Employment	15 Climate change
08 Financial crisis/shocks	06 Financial inclusion	
11 Product responsibility	07 Social responsibility	
12 Cyber incidents	09 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 customer safety	
19 Representation with regulators		
20 Shareholder participation rights		

# Responding to challenges with *agility*

The coronavirus outbreak in March 2020 in India and the subsequent lockdowns imposed to contain its spread impacted our operations. However, we were quick to invoke our BCP, prioritising the health and safety of our people and proactively addressed the operational challenges through efficient cross-functional collaborations.



## MEASURES UNDERTAKEN DURING LOCKDOWN



### EMPLOYEE HEALTH AND SAFETY

- Identified Flu Prevention Managers across all regions to monitor and report on employee health
- Undertook regular communication around awareness and best practices
- Implemented several virtual training initiatives during the lockdown to upskill

**24X7**

DOCTOR ON CALL AND HEALTH PARTNER SERVICES ONBOARDED

**85%**

BRANCHES OPERATIONAL AS ON 30<sup>TH</sup> MAY, 2020

**5+ Lakh hours**

COVERED 64% (PREVIOUS YEAR: 16%) EMPLOYEES THROUGH DIGITAL LEARNING



### BUSINESS CONTINUITY

- Undertook thorough tests of all systems, contact centres to ensure seamless remote working in early March
- Implemented 100% work from home a week before imposition of the lockdown



### CUSTOMER AND DISTRIBUTOR ENGAGEMENT

- Undertook hyper-personalised digital engagement with existing and prospective customers
- Stepped up online services to provide pre-approved digital products and simplified telesales services to existing customers
- Engaged with distributors continuously

**₹7.4 Crore**

LIFE INSURANCE FIRST YEAR PREMIUM PRE-APPROVED SUM ASSURED (PASA) OFFERS IN MAY 2020

**100%**

ADVISORS FOR LIFE INSURANCE AND MUTUAL FUND BUSINESS ONBOARDED ON DIGITAL PLATFORMS



### TECHNOLOGY READINESS

- Enhanced bandwidth of key systems and ensured access to all users securely
- Increased coverage of self-serve digital channels (web portals, apps, chatbot and WhatsApp)
- Implemented Artificial Intelligence Voice (AI-Voice) bot calling
- Smooth running of 200+ robots in mid- and back-office processes

**94%**

OF SERVICES OFFERED DIGITALLY (AS COMPARED TO 61% IN FY19)

**>3 Million**

CUSTOMERS AVAILING 180+ SERVICES ON WHATSAPP CHANNEL

# Financing *responsible* and sustainable *growth*

“Sustainability at Aditya Birla Capital is part of the group risk function on the premise that environmental and social factors are material to the financial sector from a risk perspective. Having embarked on this journey in FY15, we are still learning the ropes in terms of incorporating sustainability factors in our lending and investment decisions. The challenges are enormous since Sustainable Finance as a subject is still a relatively untrodden path in India and the benefits are slow to materialise. Having said that, we have undertaken various internal and external sustainability efforts and aim to steadily fulfil our Chairman’s vision to be a sustainability leader in our sector.”

- Mr. A. Dhananjaya  
Chief Compliance and Risk Officer





# Making a sustainable impact

With a deep-rooted commitment to responsible investing and financing, ABC has embarked on its journey in integrating ESG considerations into its investment decisions, credit risk assessments and monitoring processes.



We have developed and implemented scorecards to assess ESG risks to our portfolios across businesses. This also enables ABC to contribute towards global goals related to climate change, pollution management, emissions, economic and social inequalities, and fair treatment of all stakeholders, among others.

### ESG INTEGRATION

The ESG Scorecard is guided by international best practices like the Equator Principles and the United Nations-supported Principles for Responsible Investment standards. It covers sector-specific and material issues like status of sustainability permits and approvals and monitoring, emissions mitigation, impact of operations on groundwater and biodiversity, evidence of pollution incidents and its management plan; social issues like workplace-related fatalities, presence of grievance mechanism systems (in case of projects), healthcare plans

for employees and contract labourers; and corporate governance issues like promoter criminal records, board independence, auditor rotation, and internal controls systems like whistle-blower mechanism.

After diligent research by analysts, the scorecard calculates the Sustainability Risk Rating of the assessed company, based on which a hierarchal approval mechanism is put in place wherein decisions concerning high-risk companies would require the highest-level approval. Through this ESG risk management framework, ABC ensures that it is making informed decisions, which include extra-financial sustainability factors and placing adequate mitigatory measures to avoid negative impacts on the environment and the society by their investee companies/projects.

ABC has implemented this ESG risk management framework in its infrastructure financing business and is committed to replicating the efforts across all its businesses.



# Creating shared value

Our sustainability strategy is fundamental to achieving our long-term vision. By embedding sustainability in our business strategy, we can balance risk and deliver strong growth while creating a positive impact on people and the environment.



## ADDING ECONOMIC VALUE TO STAKEHOLDERS

We are committed to doing business the right way, by adopting and adhering to the best corporate governance practices in the industry and continuously assessing our performance on financial as well as non-financial parameters.

### FY20 HIGHLIGHTS

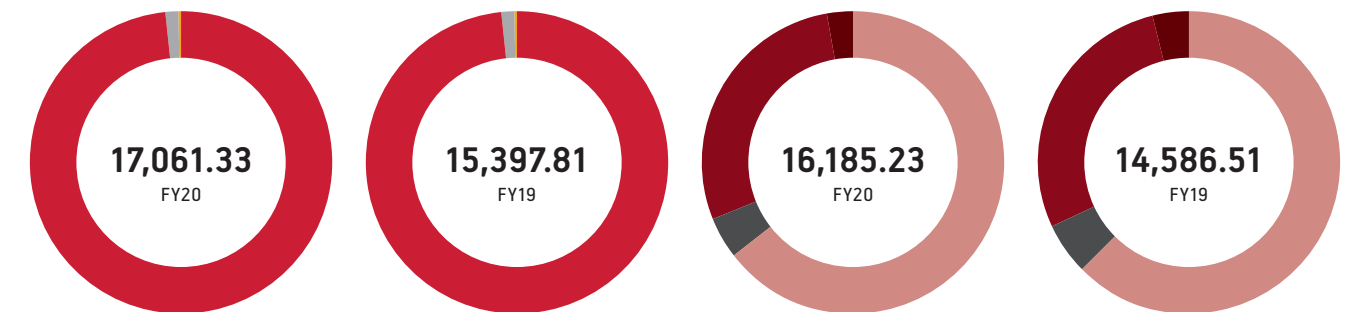
- Ranked among the top fund managers in the country with **over ₹3,00,000 Crore of assets under management**
- Overall lending book (NBFC and Housing Finance) stood at **under ₹60,000 Crore**
- Gross premium across our health and life insurance businesses grew to **₹8,882 Crore**
- Consolidated revenue grew 9% year-on-year to **₹18,028 Crore**
- Raised **₹2,100 Crore** of equity capital in September 2019 through a preferential allotment to the Promoter/Promoter group and marquee investors

### CREDIT RATINGS

CRISIL has assigned a 'CRISIL A1+' rating and ICRA has assigned a '[ICRA] A1+' rating for our Commercial Paper Programme. ICRA has assigned a [ICRA] AAA (stable) rating for issue of ₹800 Crore Non-Convertible Debenture Programme of ABC, if any.

### ECONOMIC VALUE GENERATED AND DISTRIBUTED (EVG&D)

(₹ in Crore)



Economic Value Generated (EVG)	FY20	FY19
Net revenue from operations	16,792.29	15,163.51
Profit from JV companies	250.92	225.84
Other income	18.12	8.46
<b>Total EVG</b>	<b>17,061.33</b>	<b>15,397.81</b>

Economic Value Distributed (EVD)	FY20	FY19
Total operating costs	10,441.19	9,119.65
Employee wages and benefits	723.40	788.45
Payments to providers of capital	4,607.01	4,109.06
<b>Total expenses</b>	<b>15,771.60</b>	<b>14,017.16</b>
Payments to government	413.63	569.35
<b>Total (EVD)</b>	<b>16,185.23</b>	<b>14,586.51</b>

ECONOMIC VALUE RETAINED (EVD - EVG)	FY20	FY19
<b>876.10</b>	<b>811.30</b>	

## FOSTERING FINANCIAL INCLUSION

Financial inclusion is important for the overall economic development of a nation. Our range of financial services – retail home loan, business loan, microfinance, insurance, among others, are designed to address the unmet financial needs of the underserved sections.

### DRIVING ECONOMIC FORMALISATION

To pursue economic formalisation, we:

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



### AFFORDABLE HOUSING

Affordable housing continues to provide significant opportunities, with the government's constant push for addressing the acute housing supply shortage across India in the low-income segments. Rising population and rapid urbanisation are also widening the demand-supply gap. According to ANAROCK research, the share of launches in the affordable segment across the top 7 cities of India rose from 35% in 2013 to 40% in 2019. This share is expected to increase further in the near future owing to subsidies provided by government to promote affordable housing.

The government in 2020 extended additional tax benefit of ₹1.5 Lakh on interest paid on affordable housing loans by one year till March 2021. Also, in order to encourage developers to focus on affordable housing projects, it extended the date of approval for these projects for availing tax holiday on profits earned by one year till March 2021.

ABC through Aditya Birla Housing Finance Limited (ABHFL) offers a comprehensive range of housing finance solutions for both salaried and self-employed individuals. We also extend financing to developers of affordable housing projects.



### FY20 HIGHLIGHTS

- Added 9,500+ (70% in affordable segment) unique customers, taking total active customers to 30,000+
- Affordable housing loan book grew six times over last two years to ~₹2,250 Crore
- At least two products per customer, i.e. either life or health insurance, along with home loan to cover future contingencies; 75% of customers have insurance
- Affordable insurance penetration as a percentage of disbursement at 3%
- 29% of affordable home loan portfolio backed by Indian Mortgage Guarantee Corporation; 49% eligible for PMAY subsidy

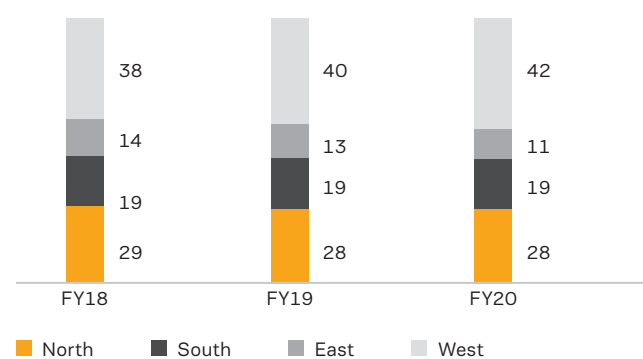
**₹1,040 Crore**

AMOUNT DISBURSED FOR AFFORDABLE HOUSING

**₹102 Crore**

PRADHAN MANTRI AWAS YOJANA (PMAY) SUBSIDY IMPACTING 4,600+ CUSTOMER

### 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. ABHFL's footprint stood at 65 branches as of March 2020. The non-metro loan book mix was at 46% of the overall loan book.



### MICRO SYSTEMATIC INVESTMENT PLANS (SIPs)

ABC's Mutual Fund (MF) business, Aditya Birla Sun Life Mutual Fund (ABSLMF) has joined the club of select asset management companies that are able to offer MF schemes with minimum required investment amount as low as ₹100. This option is available in select long-term plans (8 schemes) for first-time investments as well as SIP commitments (Micro SIP). It has also reduced the minimum investment amount in Aditya Birla Sun Life (ABSL) Liquid fund to ₹500 from ₹1,000.

These schemes were launched with the objective of lowering the entry barrier for retail customers, especially from Tier-III and Tier-IV locations where household income leaves limited headroom for savings. In addition, these schemes influence behavioural change among the disadvantaged and incentivise financial independence through MF investments. They 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.

Aditya Birla Sun Life AMC Ltd. (ABSLAMC) has strengthened its distribution mix with a presence across 310 locations, with more than 75% of its locations in B-30 cities. To increase its reach, ABSLAMC has tie ups with 88 banks. It has empanelled over 80,000 Independent Financial Advisors (IFAs) and over 230 national distributors, besides growing partnerships with a large digital ecosystem. This has also contributed significantly in expanding access to various investment options. In fact, there has been strong spread for the minimum ticket size in smaller cities., boosting our reach across rural and semi-urban locations.

**43,000+**

CUSTOMERS WHO HAVE DONE ₹100 PURCHASE TRANSACTIONS IN FY20

The next big cusp of growth in the industry has come from the digital channel. Leveraging technology and building business would be key for Asset Management Companies (AMCs) to grow to the next level. Currently, ABSLAMC has many digital assets, including mobile apps, customer website and Partner Portal among many others. Our digital share of overall transactions increased to 77% in FY20 against 69% in the previous year.

### WAY FORWARD IN FY21

- 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

SIP performance (book size)	FY18	FY19	FY20
Micro SIP (₹ in Crore)	3.20	3.52	3.22



### RURAL INSURANCE

Rural India is often faced with risks linked to lifestyle of people living there. Until last year, we had two schemes for rural insurance:

1. Micro-insurance (Retail)
2. Group Solutions

This year onwards, however; we are focusing only on Group solutions and Micro-insurance has been discontinued.

In order to reach masses, ABSLI is focusing on tie ups and partnerships with micro-lenders, small credit societies apart from rural focused banks like Ujjivan Small Finance Bank, among others. ABSLI already has strong hold in Tier-II and Tier-III cities and is looking forward to digitise the entire rural insurance piece for greater and faster reach. The clear-cut strategy for the next two years is outreaching as many micro-lenders and credit societies as possible. The aim is giving cover to as many individuals as possible under the ABSLI Group solutions to ensure that basic life risks for rural folks are mitigated and their families are left with a basic corpus for survival. The Rural business has gone down, despite growth in advisors because of discontinuation of micro insurance product in the fourth quarter.

**~22%**

FIRST YEAR PREMIUM FROM RURAL BUSINESS

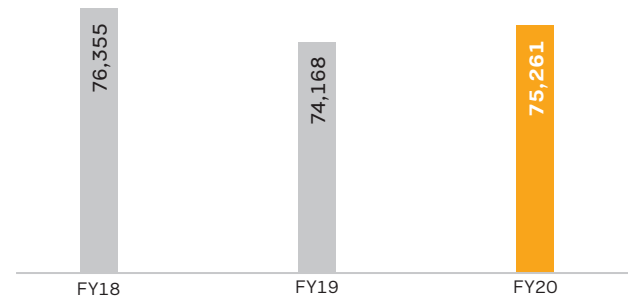
**63%**

CONTRIBUTION IS FROM NON-METRO

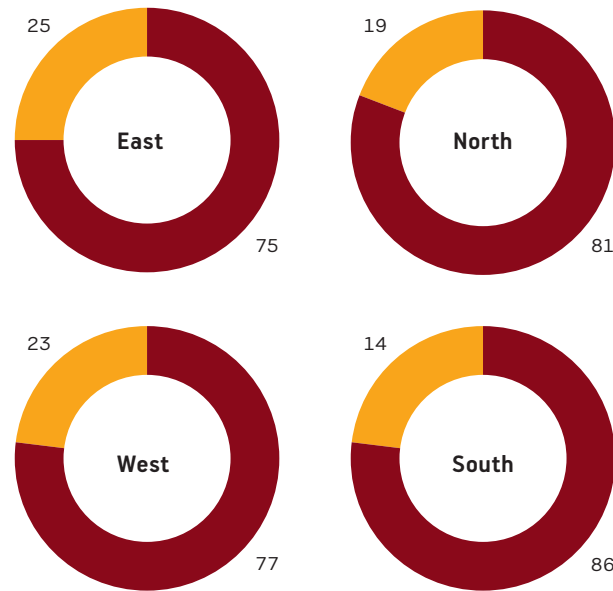


# ECONOMIC PERFORMANCE

## Rural insurance advances



## Policies sold gender-wise (%)



## Policies sold across India (%)



## FINANCIAL LITERACY

According to the report conducted by the Global Financial Literacy Excellence Center, only 24% of the Indian adult population is financially literate. As compared to other major emerging economies, the financial literacy rate of India is the lowest. This is due to inter-state disparities, lack of formal training and awareness. While other emerging economies have better financial literacy rates, there is still opportunity for more improvement. Thus, it is important for the country to optimise its resources and boost the economic and financial backbone of the nation.

ABC considers financial literacy and awareness as crucial to financial inclusion and financial stability of a growing and efficient economy. The organisation's proactive initiatives to increase financial literacy covers over 350 towns in India.

## Investor education and distributor development programmes

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

## Created 12,000+ certified goal planners

Goal	Target group/Beneficiary
<ul style="list-style-type: none"> <li>To assist investors in planning their finances aligned to their life goals</li> <li>Solutions and right products to prospective customers</li> </ul>	Investors

## Created Investor Education portal with e-learning module

Goal	Target group/Beneficiary
Educating investors/prospective investors	Investors

## Partner training programmes

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



## Adopted over 100 schools

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

## A unique initiative to educate passengers of Shatabdi 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

Initiatives towards inclusions

## SME LENDING CONTRIBUTING TO ECONOMIC AND SOCIETAL GROWTH

Small and Medium enterprises (SMEs) play a vital role in the Indian economic structure due to its major contribution in terms of output, exports and employment. ABFL offers customised lending and financing solutions with a strong focus on SME lending, recognising it as one of the largest opportunities to drive value. To this effect, ABFL's strategic priorities in the coming years include expanding its footprint in Tier-II and Tier-III cities to serve more small enterprises with effective implementation of information technology to enhance reach and experience.

As part of its SME lending, ABFL also offers Supply Chain Finance (SCF), targeting small suppliers/Micro, Small and Medium Enterprises (MSMEs) who do not have the requisite skills to maintain proper financial data or who lack the ability to offer collateral security.

## SME and SCF loan advances

	(₹ in Crore)				
SME Lending	FY19	FY20	SCF	FY19	FY20
Loan advances	11,880	11,400	Loan advances	1,891	1,378

**1,142**  
SME LENDING  
BENEFICIARIES FOR FY20

**645**  
SCF LENDING BENEFICIARIES  
FOR FY20





# Promoting *renewable energy* financing

Our key focus is on facilitating renewable energy projects and businesses in the form of providing necessary debt funding to combat climate change.



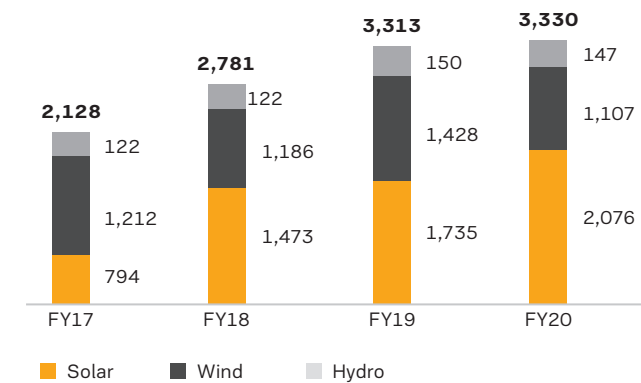
Our key focus is on facilitating renewable energy projects and businesses in the form of providing necessary debt funding to combat climate change. India is committed towards global climate change initiative. As part of its Intended Nationally Determined Contributions (INDC), as per the Paris Climate Agreement, India has committed to installing around 40% of its power generation capacity based on non-fossil fuel resources by 2030. The major pillar in achieving the NDC commitment is the massive renewable energy capacity addition target of 175 GW by 2022.

We aim to support our clients in achieving sustainable and inclusive growth that is aligned to the goals of the Paris Agreement, via the provision of products and services to facilitate transition and adaptation.

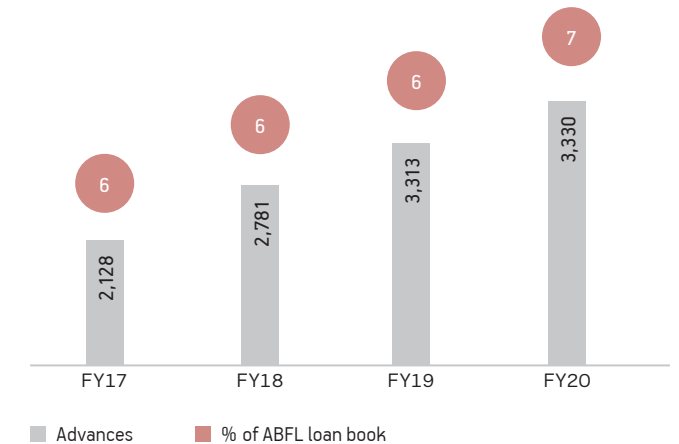
ABC, through ABFL's infrastructure finance vertical, has a large portfolio in the renewable energy sector, with an outstanding loan book as of 31<sup>st</sup> March, 2020 of over ₹3,300 Crore (up 55% compared to FY17) in Green Energy. In addition, in September 2018, ABFL raised ₹1,000 Crore in green loan from International Finance Corporation (IFC), a member of the World Bank Group, to further boost its commitment in financing renewable energy projects.



Renewable energy financing (₹ in Crore)



Increasing share of Renewable Energy Financing in loan book (₹ in Crore)



# Committed to shared *prosperity*

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

- Mr. Ajay Srinivasan  
Chief Executive  
Aditya Birla Capital



# Talent takes us further

We are committed to an inclusive workplace that brings out the best in all of us. We respect all employees for their unique expertise and welcome the ideas they bring from their individual experience, education and training.



We continually strive to make our operations more efficient, while creating a respectful work environment for each member of our team.

FY20 witnessed rapid and unprecedented changes in the socio-economic scenario and business environment. We transformed our ways of working and people processes with agility to meet the demands of the new scenario and ensure uninterrupted service to our customers.

Prominent initiatives implemented during the year include:

- Onboarded 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 from the best engineering colleges in the country

**21,000+**  
EMPLOYEE STRENGTH

**70%**  
MILLENNIAL EMPLOYEES

**26%**  
WOMEN EMPLOYEES

**15.4%**  
REPRESENTATION OF WOMEN IN MIDDLE MANAGEMENT AND ABOVE ROLES

## EQUIPPING OUR PEOPLE WITH THE RIGHT SKILLS

We foster a robust learning culture at ABC that empowers our people to develop critical capabilities for their current roles and career aspirations. Rigour in identification of individual learning needs is a pre-requisite for an effective capability building system. Subsequently, we ensure that the right individuals are allocated to key roles in the development, there is career path for each individual and successors are available for each critical position.

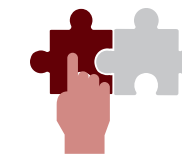
### Key initiatives

- Our sales academy focused on upskilling young professionals to build their career in sales
- Leadership competencies were enhanced through various capability building programmes
- Launched our AI-enabled learning app encouraging 'learning on-the-go' and 'peer-learning'; the app gives employees easy access to personalised content
- Transition to work from home towards the end of last quarter bolstered e-learning and employees were covered under various programmes delivered through digital channels

**1,000+**  
E-LEARNING COURSES

**1,500+**  
VIDEO-BASED MODULES

### Average training hours per employee



### SKILL UPGRADATION

Building our employees' skills through continuous development programmes is an essential component of driving business performance. Our programmes take many forms, from structured learning and formal training, to personal coaching and mentoring. We organise various in-house sessions on a regular basis and sponsor our employees to attend training sessions organised by external professional bodies to facilitate skill upgradation applicable to relevant functions.

### Initiatives

- **Talent development programme for senior leaders** focused on enhancing leadership capabilities for the future through comprehensive individual development plans centred around developing self for greater leadership and business impact, immersive learning experiences, impact focused coaching and outside-in approach. 200+ leaders have been covered in various development initiatives across the year and 15 leaders are undergoing an immersive long-term development intervention
- **Talent development programme for middle managers** covering more than 65 employees
- **Career growth for employees** through role movements resulting in 200+ employees moving to larger/new roles in middle management and above in FY20. 55% leadership positions filled through internal movements
- **High performer development** witnessed more than 320 employees in middle management and above being covered in niche learning programmes curated by ABG (Gyanodaya)

## NURTURING PEOPLE



### DIGITAL LEARNING PLATFORMS

ABC acknowledges the important role that artificial intelligence can play in organisation's future readiness. In 2019, one of our strategic pillars was 'Digital Transformation'. And in our efforts to create a common learning platform to stay swift, collaborative and future ready, our learning team introduced two new apps – Gyanodaya Virtual Campus (GVC) and AB Cap App for our management and front-line employees. The AI-enabled GVC Learning and AB Cap App have transformed our ways of learning and development.

These apps give learners easy access to relevant content, which is curated through AI-enabled filters based on individual areas of interest as well as business needs. The platform is also utilised to increase awareness among our workforce about ABC's wide product portfolio, which plays a crucial role in generating lead referrals and cross-selling.

Together, the apps host 1,883 training modules and 2,993 videos. In FY20, 82% employees used these apps, which reflects our focus on promoting 'continuous self-learning'.

**82%**

EMPLOYEES USED THE TWO NEW LEARNING APPS - GYANODAYA VIRTUAL CAMPUS (GVC) AND AB CAP APP

### EMPLOYEE ENGAGEMENT

In today's dynamic environment, digital literacy and a mindset focused on collaboration, transparency and self-organised learning are crucial. We focus on delivering an employee experience where our people feel strongly connected to the Group and are able to do what they do best, every day. Critical to our success is our capability to identify and attract the right person with the right experience, skills and cultural fit. We invest deeply in the recruitment and interview process to ensure that a candidate's aspirations, values and talents are in sync with that of ABC's.

Our engagement with employees is based on trust, integrity, commitment and transparency. We conduct leadership town halls across businesses where senior leaders travel to multiple locations and engage with employees across levels. We conduct the Vibes survey once in two years to seek feedback from employees to understand workplace enablers and drivers needing attention to improve employee engagement.

ABC understands the significance of engaging employees in corporate social responsibility programmes. Such engagements leverage the capabilities of employees who want to contribute to the greater good and help the workforce remain engaged.

### Key initiatives

- **Culture building initiative to strengthen alignment to our Values and FAIR Framework**—Focus on results, Accountability with discipline, Innovation and entrepreneurship, Respect and openness—involving 360 survey and feedback for 190+ leaders
- **Leadership meet** covering 200+ leaders for alignment to the organisational goals, key business priorities and co-creation of plans for the year
- **Employee wellness and engagement initiatives**, including health check-ups, fitness sessions and expert advice series rolled out across the year covering an average of 1,000 employees in these. Special initiative on career counselling for employees and their children in line with our philosophy of supporting our employees in their professional and personal lives



### EMPLOYEE SATISFACTION SURVEY

Our Vibes survey provides an opportunity to every employee to share their workplace experience. We analysed the survey findings and set in motion an action plan, especially for the areas that were found lagging, along with monitoring mechanisms that clearly defined roles and responsibilities.

We increased 30 items in scores as compared to 2016. The largest improvements as compared to 2016 were seen for empowerment, attracting the best, preparing for changes in the marketplace, making changes to outpace competition, resourcing, recognition and keeping promises.

- **ABC pride score of 95% is 22% points higher than the global high-performance norm**
- **ABC score on recommending ABG as a great place to work is 91%, which is 25% points higher than the global high-performance norm**
- **ABC score on loyalty is 81%, which is 3% points higher than the global high-performance norm**
- **ABC score on employees feeling valued is 84% which is 19% points higher than the global high-performance norm**

**86%**

ENGAGEMENT SCORE

**93%**

PARTICIPATION



### #ABC4GOOD: ENGAGING EMPLOYEES IN SOCIAL CAUSE

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

#### a) Employee-backed cause

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

#### b) Employee association with a cause

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

#### Dhan Utsav, the 'Joy of Giving'

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

#### AWOO Foundation

This is a voluntary initiative by ABG, by the employees for the employees, to support the professional education of children of non-management cadre employees (family income < ₹ 6 lakh) who fall short financially. In FY20, a total of ₹50,61,000 was donated by 660 employees of ABC and its subsidiaries.

#### Engaging employees in CSR Activity

Through our CSR projects, ABC partners with Non-Governmental Organisations (NGOs). If the projects are near the branch area, we encourage employees to partner the cause and give back to society. This has become part of ABC's DNA.

## HEALTH AND SAFETY

We safeguard health and safety of all employees at workplace and ensure that safety tools and processes are in place at all times to combat any mis-happening. Our commitment also improves employee satisfaction and retention, and improved employees' health, increased productivity and reduced absenteeism.

We encourage employees to follow our guidelines and standards at all times. We believe in the saying, 'health is wealth', and therefore, conduct various initiatives to help employees stay fit physically and remain stress-free. ABC conduct periodic training on fire safety and evacuation for employees across offices and branches to sensitise employees about fire safety norms and to demonstrate the use of fire-fighting equipment to their staff. Safety training is also conducted for women employees on aspects such as situation reaction, self-defence and legal provisions relevant to their safety. During the year, 100% employees were given health and safety training.

## DIVERSITY AND INCLUSION

We are committed to growing as a truly diverse and inclusive company. We embrace people of varied culture and encourage different perspectives to build a sustainable business. We believe in valuing our employees and creating high-performing teams of individuals from diverse backgrounds.

ABC is an equal opportunity provider and follows a non-discriminatory policy in recruitment. Remuneration is assessed through a performance management system, irrespective of the employee's gender. We have a number of inclusion and diversity initiatives that help us connect and engage our talent.

### WOMEN LEADERSHIP FRAMEWORK

- **Onus:** Capability development for young women below 35 years of age to enhance career intentionality, workplace adaptability to sustain career aspirations and to prepare future women leaders
- **Sreshta:** Recognising and leveraging inner strengths that contribute to success at work. Building career intentionality and skills to develop a stronger work-life balance
- **Disha:** Building mentoring capability in women at Middle or Senior Management level. Leverage strengths as a leader to inspire and encourage women employees to be strong business contributors, using GROW Coaching model
- **Spring Board:** Nurturing the potential of 'Hi-Po' women at middle management level to address unique challenges faced by them. Development of behavioural and functional capabilities to help take on leadership roles

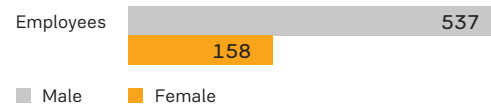


## NURTURING PEOPLE

### Male to female ratio in leadership roles

Particulars	Under 30 years		30-50 years		Above 50 years		Total
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	6	0	10	0	16
Senior Management	0	0	67	9	24	3	103
Middle Management	34	17	1,291	237	57	5	1,641
Junior Management	1,729	742	4,924	954	139	17	8,505
General Management	5,498	2,167	3,959	754	157	13	12,548
Off Role Employees	442	348	814	525	105	42	2,276

### Parental leaves for FY20



All employee returned from parental leave as of 30<sup>th</sup> September, 2020.



### NEW WOMEN-CENTRIC INITIATIVES

#### The ABC Career Restart Programme

ABC's Career Restart programme was launched in March 2020 with the aim to provide opportunities for women to return to the workforce after having taken a break for various reasons. The programme offers career opportunities across ABC and its various subsidiaries, across locations in:

1. Full time roles
2. Project based/Gig roles
3. Shift/Flexi time roles

#### The ABC Her Café

The ABC Her Café is an Employees Resource Group (ERG) for all women employees at ABC. The purpose of ABC Her Café is to create an open forum for employees who share a common identity to meet and support one another in building their community and sense of belonging. It also aims to foster open interaction amongst women employees across levels, participate in session by senior women leaders at ABC, other ABC leaders, sessions by external speakers on a variety of topics and participate in conversation that help build/strengthen their skills for current and future roles.



### PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

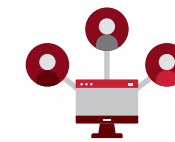
We ensure that our women employees work at their full potential in a happy and safe environment. The organisation makes sure adequate safety measures are in place for women employees working late hours in the premises as well as providing home drop facility. Apart from this, ABC also has an appropriate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

In addition, ABC ensures periodic internal training on Prevention of Sexual Harassment (POSH) to sensitise employees on discriminatory behaviour and sexual harassment, and create awareness on the internal systems and protocols in place to report such incidents. During FY20, 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.



## WORKPLACE OF THE NEW NORMAL

At ABC, our response to COVID-19 was directed towards both our customers and employees. With majority of our workforce spread across the country operating from work and remote locations, we identified three big challenges that needed immediate attention:



Enabling remote working



Employee wellness and employee assistance



Preparing workforce for the new normal

To address these, we took the following approach

- **Awareness of digital platforms:** Mass and team specific tutorials on leveraging Zoom and MS Teams platforms were conducted for more than 3,500 employees covered within the first two months of the lockdown period
- **Assisting employees to deal with anxiety and stress:** We arranged mindfulness and employee wellness sessions in the first month of the pandemic. Our IT and Admin team responded to the required technological and office premise safety, respectively. A safety net was built for all employees who were operating from branches during pandemic by taking all preventive measures and safety protocols strictly
- **Digital skills training support:** Business likes ours, depend heavily on continuous training support. 35 of our Master trainers were certified on Virtual Tools Facilitation to transit from physical way of doing trainings to the new digital format. They further cascaded it to the field. Our digital content got launched with more than 20 functional and 13 behavioural courses that focused on the skills required for 'now' and 'next' with greater impetus on skills required to ace the digital way of doing business and handling remote teams

We were able to achieve a disruption-free transition to a digital way of learning while supporting our front-line teams to deal with the current context. We handpicked initiatives to cater to the current requirements at all the levels. With concerted efforts we could upskill more than 70% of our workforce in the first three months of the lockdown period and enable them emotionally and functionally to cope with the turbulence and produce exceptional results.

ABC employees came together to contribute ₹86 Lakh voluntarily to the PM Care Fund standing together to support the fight against COVID-19.

### Other initiatives

- From a people standpoint, a BCP was developed by the HR function which included:
  1. 800 Flu Prevention Managers across every one of our offices and branches. Their role was to check in daily with each of our employees and report whether they and their families were safe and COVID-19 free. These Flu Prevention managers were also empowered to send people home if they were displaying flu like symptoms and also take decisions to shut down a branch in case of an emergency.
  2. A communications team was also set up centrally whose role was to sift through every piece of information available out there, validate its accuracy and then send out the most accurate and validated information to our employees. This was extremely important given the amount of fake news, which was circulating on COVID-19.
  3. A central team was set up to monitor containment zones on a daily basis and take decisions on opening/closing branches as per guidelines by the government.
  4. Regular communication on precaution, prevention and awareness of COVID-19 was shared with employees. Medical assistance support and helplines were set up to help employees get access to teleconsultation, labs for testing and hospitalisation, should there be a need.
  5. The HR team also released advisories on travel, visitor and health and hygiene protocols.
  6. A dedicated communication portal for weekly messages from the CEO to all employees was also set up.
- The admin team was very proactive in setting up processes and protocols for sanitisation and hygiene across all our offices in line with the guidelines laid down by the Ministry of Health. A standard operating procedure was activated with the sanitisation protocols, including materials to be used, frequency of sanitisation and other measures to ensure that all our offices are safe workplaces for employees
- The HR Team also created a very comprehensive Business Normalisation Plan, which focuses on the process and protocols to be followed for reopening offices, including adhering to guidelines on the number of employees who can be rostered for work, what sanitation measures need to be followed and training all support staff such as housekeeping, security, etc. Strong governance mechanisms have also been put in place to ensure adherence



# Reinforcing commitment to *green practices*

Our sustainability strategy focuses on environmental responsibility, climate protection and continued availability of natural resources. Our operations do not have significant adverse impact on the environment due to the nature of our business. However, the environment has a direct impact on the health and wellbeing of our customers, employees and communities. We, thus, continuously strive to improve and influence responsible environmental practices.

## REDUCING PLASTIC USAGE

To minimise plastic waste in our daily operations, we have reduced the use of disposable mineral plastic water bottles and plastic waster dispenser jars, replacing them with glass water bottles and installed RO machines in place of plastic water dispenser jars.

## WATER MANAGEMENT

With climate change increasingly causing environmental degradation, India is facing a crisis of availability of freshwater. Water conservation is essential to combating the depletion of this precious resource. The availability of fresh water is a growing challenge in some parts of the world. We carefully manage our water use and discharges.



### INSTALLATION OF APGC SENSORS

Auto Power Generated and Conserved System (APGC) has been installed in urinals replacing old battery-powered sensors. APGC is an innovative solution where the power required to operate an automatic urinal flushing system is auto generated by the flushing system itself. Hence, doing away with old battery powered sensors is helping save heavy battery consumption as well as external electric power consumption. APGC conserves power through advanced micro-chip technology that enables the system to function 24x7 with continuous and steady power supply. This also helps save water and power into urinals for touch-free and hygienic flushing. We are in the process of obtaining the green certification for the system.

- **The APGC sensors are designed to operate for 2 million cycles, ~20 years**
- **Uninterrupted and uniform power supply**
- **Lesser possibilities of damage in electronic parts**
  1. No need to change batteries
  2. No need to observe, as power supply is uniform
  3. Gadgets are completely waterproof systems - doesn't get affected by moisture or water spills

### Savings due to APGC sensors

**5,52,000** SAVINGS IN BATTERIES IN THE URINAL SYSTEMS FOR 10 YEARS  
**1.98 Lakh litres** WATER SAVING FOR 10 YEARS

### WASH PLEDGE

ABC participates in the World Business Council for Sustainable Development's (WBCSD) WASH Pledge, which ensures that all employees have access to safe water, sanitation and hygiene at the workplace. 11 out of 15 of our offices participating in this survey scored 1.8/2 (90%) and above, including three offices scoring a 100% and four scoring above 95%.

**3 Offices**

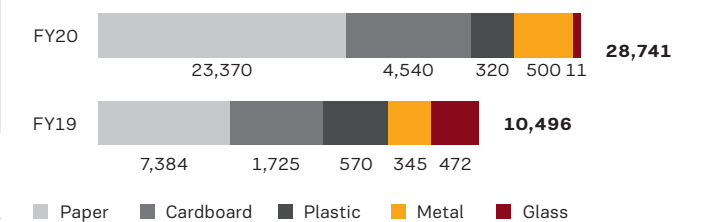
SCORING A 100% AND 4 SCORING ABOVE 95%

## WASTE MANAGEMENT

In any industry, effective waste management and minimisation should be a priority. Our strategy aims to reduce the amount of waste we generate and ensure that what we do produce is reused or recycled – whether for the same purpose or for a secondary use.

ABC has tied up with ViaGreen for waste management and recycling initiatives. ViaGreen acts as an intermediary between corporate waste management initiatives and local/small waste collectors (scrap dealers)/waste business owners. In exchange for waste collected, ViaGreen awards points (Swachh Bharat Points - SBP) which can be exchanged for environmentally friendly office stationery made of recycled materials, contribution towards charitable causes and tree plantation drives, or cash. During FY20, we earned 1,18,111 SBP (ViaGreen assessment), which was used for providing employees with recycled office stationery. In addition, ABC and its subsidiaries have procedures for the disposal of e-waste in accordance with the applicable laws.

### Waste collected and recycled (kg)



**28,741 kg** DRY WASTE RECYCLED  
**85.83 tCO<sub>2</sub>e** GHG EMISSION AVOIDED

## ENERGY CONSERVATION AND EMISSION MANAGEMENT

Our two-pronged approach for energy efficiency involves promoting behavioural changes among associates by encouraging them to save energy, and smart management of lighting, heating and cooling requirements. Initiatives to integrate energy efficiency into overall operations are undertaken through design considerations and operational practices.

Most of our offices are installed with LED lights, making them energy efficient. To reduce our consumption of energy sourced from fossil fuels, we are planning to increase the share of renewable energy by installing several rooftop solar panels across several offices. We have successfully installed our first rooftop solar panel at one of our Bengaluru offices.

### GHG emissions\* (Scope 2)

**36,13,796** TOTAL KWH  
**2,817 tCO<sub>2</sub>e** EMISSIONS

\*Limited to Corporate Head office operations in Mumbai.



# Driving inclusive development agenda

Acting responsibly and giving back to the society are integral to the way we do business. We believe in directing resources to provide practical support and help people improve their lives and livelihoods. Our focused interventions in healthcare, education, women empowerment and sustainable livelihoods and sports have benefited close to 2.25 Lakh people across the country.



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

**Mrs. Rajashree Birla**  
Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development

The CSR work is carried out under The Aditya Birla Centre for Community Initiatives and Rural Development, under the guidance of Mrs. Rajashree Birla. The Centre provides strategic direction, identifies the thrust areas, and ensures performance management.

**OUR CSR INITIATIVES ARE BASED ON THE FOLLOWING FOUR PILLARS:**

- Embedding our social vision in our overarching business plan
- Fine-tuning our razor-sharp strategy for execution, factoring milestones, targets, performance management and accountability
- Getting our CSR work audited by reputed, third-party agencies to ascertain performance on the ground
- Collaborating with government agencies as part of their various development schemes, which foster inclusive growth

**CSR Spending and Beneficiaries**

₹34.71 Crore FY20	2.25 Lakh FY20
₹21.83 Crore FY19	2.30 Lakh FY19
₹13.90 Crore FY18	2.91 Lakh FY18

■ Spend\* ■ Lives impacted  
\*CSR spends of subsidiaries

**IMPROVING HEALTHCARE**

- Over 50,000 expecting mothers and mothers of children below two years have participated in our comprehensive mother and child healthcare programmes. This comprises ante-natal, post-natal, immunisation, anaemia control programmes and more) in Tamil Nadu, Odisha, Chhattisgarh, Maharashtra and Rajasthan
- Supported treatment of 1,766 cancer afflicted patients from economically constrained backgrounds
- Over 5,000 elderly with vision impairment were screened in rural medical camps, of these 971 senior citizens underwent cataract surgery and have regained normal vision
- Our 'Hospital on Wheels Project' in Prayagraj, Uttar Pradesh provided high-quality healthcare services like ENT, dental, oral cancer counselling and prevention, epilepsy and orthopaedic corrective surgeries, plastic surgery to over 9,300 patients
- We have helped revive three government Primary Health Centres (PHC) and 10 Sub Centres benefiting more than 1,19,467 patients in Rajasthan

<b>5,000</b> SENIOR CITIZENS SUFFERING FROM VISION IMPAIRMENT SCREENED AT RURAL MEDICAL CAMPS	<b>1,19,467</b> PATIENTS IN RAJASTHAN HELPED THROUGH PRIMARY HEALTH CENTRES (PHC)
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**ENHANCING QUALITY OF EDUCATION**

- Set up Inclusive Child Resource Centres focused to support Children with Disability (CwD) in Bhubaneswar, Odisha, enabling 362 children to continue their education
- Project 'Knowledge on Wheel' at Mumbai, provided mobile science labs to 52 government schools, benefiting over 5,300 students
- Under our project 'Childhood to Livelihood', 1,014 students from Standard 6<sup>th</sup> to 10<sup>th</sup> in Maharashtra were given various life-skill training, problem-solving, communication training, remedial education
- Helped improve digital infrastructure and learning environment in 40 schools in Uttar Pradesh, benefiting over 20,200 students

<b>5,300</b> STUDENTS BENEFITED THROUGH 'KNOWLEDGE ON WHEEL' PROJECT	<b>1,014</b> STUDENTS IMPACTED THROUGH THE 'CHILDHOOD TO LIVELIHOOD' PROJECT
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### WOMEN EMPOWERMENT AND SUSTAINABLE LIVELIHOODS

- Our 118 Self-Help Groups (SHGs) empowered 2,162 households and brought them under the ambit of formalised banking
- Trained 17,413 rural women in Karnataka in financial literacy, focused on household budget planning, bank account opening and so on
- In Madhya Pradesh, we worked with 3,204 small and marginal women farmers to achieve food security for one year and increase their income through improved agricultural techniques
- Over 600 farmers supported through crop intensity techniques to attain improved agricultural productivity.
- Initiated a water harvesting project in Rajasthan's drought-prone areas with water recharge potential 3.5 Billion litres
- With our support, 40 distressed widows in Nagpur district of Maharashtra, constructed new houses

**3,204**  
SMALL/MARGINAL WOMEN FARMERS  
HAVE BEEN INCENTIVISED THROUGH  
FARM PRODUCTIVITY TRAINING

**3.5 Billion**  
**litres**  
WATER HARVESTING INITIATED  
IN DROUGHT PRONE AREAS IN  
RAJASTHAN



### SUPPORTING SPORTS

Our partnership with GoSports Foundation to improve the performance of athletes has produced 25 national and international level athletes.

### CSR GOVERNANCE

ABC and its subsidiaries are at the forefront in managing its social responsibility initiatives with the progress being measured against defined CSR goals. We, along with our subsidiaries have put in place a policy on CSR to pave the path towards successful CSR initiatives which contribute to inclusive growth and equitable development.

We undertake various programmes/projects with the help of our in-house teams as well as in partnership with NGOs. In all the CSR projects undertaken by our subsidiaries, we endeavour to ensure the sustained impact of the project by making the community a co-owner of the project. Additionally, we conduct independent third-party audits of our key CSR initiatives to ascertain the efficiency and effectiveness of our projects, using a multi-stakeholder model. Our subsidiaries have spent an amount of ₹34.71 Crore during FY20 towards CSR-related activities.

### SOCIAL IMPACT STUDY OF PROJECTS

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

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



### SAKSHAM: ENSURING EDUCATION AND LIVELIHOOD OF CHILDREN WITH DISABILITY (CWD)

Project 'Saksham' aims to empower the children with disabilities (CwD), youth with disabilities (YwD), their parents, and communities to provide equal and equitable growth to one of the most marginalised and excluded groups in the society. It is an effort for creating inclusive environment and empowering the CwDs and YwDs for their better life through education, vocational skill development, livelihood creation, government entitlements, etc.

**328**  
CwD DIRECT BENEFICIARIES

**99**  
YwD DIRECT BENEFICIARIES

Sumitra Rana, 8, has been suffering due to lower limb weakness, a result of medical negligence at the time of her birth. She crawls to move from one place to another. Her father, who works as a peon at a private college, could not bear the medical expenses and discontinued her treatment. In 2016, Sumitra joined ICRC 6. She was given regular physiotherapy, along with academic support. Sumitra has keen interest in music, art and yoga.



Swapna Rani Swain, 25, a resident of the Salia Sahi area, in Bhubaneswar, Odisha stared at a bleak future due to an orthopaedic condition that restricted her mobility. In 2016, she was identified under project Saksham (funded by an ABC subsidiary and implemented by Swabhiman, a Bhubaneswar-based NGO) during its baseline assessment and received goods worth ₹10,000 for setting up a small shop. She was trained to run her small business and was again linked with another support of ₹7,000 from Punjab National Bank (PNB). In the past two years, she has been generating sales of about ₹400 a day (with profits ranging from ₹40-75 per day) from this shop. Today, a confident Swapna is planning to expand her businesses with her savings, by adding more products and a refrigerator.



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