Environmental Social and Governance (ESG) Report

At Edelweiss, ESG is a natural extension of our commitment to go beyond growth and address societal and environmental imbalances. We are conscious of the fact that sustainable and responsible growth is the only acceptable model for our business. In a world of accelerated social change and pressing environmental concerns, backing our customers and their communities, has become more significant than ever before.

As a leading organisation in India’s financial services sector, we have a unique opportunity to be a positive influencer. Delivering value to our stakeholders has always been paramount and we fulfil this promise by investing resources, both financial and non-financial in ways that address environmental and societal challenges, supporting the communities where we work and live, and fostering a vibrant, inclusive culture of service among our people.

Early adopters of the Sustainable Development Goals (SDG) developed by the United Nations, we have embraced nine of the seventeen goals. Our Environmental, Social and Governance Report 2018-19 details the progress we’ve made over the last year.

Edelweiss ESG Pillars
Aligning with the United Nations Sustainable Development Goals

- Affordably and Clean Energy
- Responsible Consumption
- Climate Action
- Economic Growth and Decent Work
- Reduced Inequality
- Gender Equality
- Quality Education
- Good Health and Well-Being
- Peace, Justice and Strong Institutions
Protecting the Environment

**AFFORDABLE AND CLEAN ENERGY**

- **78%** of the power consumption at Edelweiss House met by renewable sources
- **62%** of energy consumption through energy efficient LED lighting

**Target:** 70% by 2025

**Target:** 100% by 2025

**Renewable energy capacity**

- **2.5 MW** FY19
- **1.2 MW** FY18

**Renewable energy generated**

- **3.7 million units** FY19
- **1.1 million units** FY18

**RESPONSIBLE CONSUMPTION**

- Practiced sustainable management and efficient use of natural resources for a cleaner environment

**Maximised resource efficiency by recycling 23% of organic waste generated at Edelweiss House, Kohinoor House and Fountainhead**

**Target:** 65% by 2025

**Reduced water consumption by 21% through rainwater harvesting and installation of smart water metres**

**Target:** 20% by 2025

**11,463 kg of e-waste** collected and responsibly recycled

**Strengthened policy guidelines to encourage socially responsible procurement**

**Reduced carbon emissions at Edelweiss House by 71% via effective carbon management initiatives**

**Target:** 50% by 2025

**Reduced green-house gas emissions** by planting 185 trees at the Fountainhead Leadership Centre in FY19

**Target:** 800 by 2025
CLIMATE ACTION

Positively benefited 158,000 people through climate change interventions via EdelGive Foundation’s implementing partners

Brought relief to 900 community members across 3 villages in Maharashtra via watershed interventions, helping them attain self-sufficiency in their water needs, through AROEHAN

Empowered 275 farmers in Chattisgarh by supporting the watershed management programmes of Action for Food Production

Mobilised 1,885 community members in Odisha to take up natural resource management and develop low-cost watershed structures to enable effective irrigation via Sambandh

Impacted 4,500 direct beneficiaries through a community-led drought mitigation program in 10 villages in Rajasthan, Uttar Pradesh and Uttarkhand via Gramin Vikas Vigyan Samiti

Worked with over 6,000 households on natural resource development, sustainable agriculture and climate change adaptation in Odisha via Pragati
Contributing to Society

Employment and growth opportunities to over 11,000 employees across over 400 offices

Over 22,000 jobs protected through revival of nine sick companies under the Edelweiss Asset Reconstruction Company mandate

Over 27,000 entrepreneurs financed through SME loans, indirect employment to over 95,550 people

Over 64,000 people employed on projects financed under our real estate financing and advisory practice

Self-employment opportunities created for over 77,000 Direct Sale Agents, Personal Finance Advisors, Agents and other Channel Partners

Employment and growth opportunities to over 11,000 employees across over 400 offices

Financing homes for aspiring first time homeowners and self-employed who do not have easy access to finance

Over 100,000 homes completed under our real estate finance portfolio, which focuses on self-employed persons

Provided affordable housing – 77% of homes in the mid-income residences category

Providing access to housing finance for the under-served, over 34,000 disbursements with median ticket size of loans being around ₹1.5 million

Improved access to affordable housing across 65 non-metro cities in the country

Contributed to the national agenda for job creation by resurrecting businesses, financially empowering enterprises and individuals
Advanced financial inclusion and advocated financial well-being amongst our customers, entrepreneurs, businesses and India’s sporting heroes.

- Reached over 1.2 million customers, majority of whom are under-served, by providing access to finance and enabling them to create assets, generate wealth and protect incomes.
- Encouraged over 27,000 small businesses, enterprises and women entrepreneurs across the Indian hinterland through SME unsecured loans with a median ticket size of about ₹1.25 million.
- Over ₹130 billion unlocked by our asset reconstruction businesses.
- Personal loans provided against property - median ticket size ₹2 million.
- Helped over 485,000 mass affluent families create wealth.
- Protected financial wellbeing of over 300,000 families through insurance.
- Provided nearly 790 athletes of the Indian contingent to the Asian Games and Commonwealth Games with insurance protection of ₹5 million each.
- Provided each of our six women sports champions with a life insurance cover of ₹10 million, a health insurance cover of ₹1 million and an investible corpus of ₹0.5 million.

Investing in our people by inculcating a performance-driven culture and ensuring a safe and engaging work environment.

- Largest Employee Stock Ownership Plan pool in the non-banking financial services space, inculcating a culture of ownership.
- Opportunity to grow through the Edelweiss Leadership Program, which comprises of about 6% of the employee base.
- Over 8,400 employees undertook behavioural and functional training – over 31,000 hours of employee training in FY19.
- Education assistance provided to 51 employees’ children to pursue higher education.
- Enhancing work-life balance via Edelcare; 42% of employees engaged in various initiatives including fitness, health, sports and hobby pursuits.
- Safety and security of employees - 24x7 incident monitoring and reporting system and quick emergency response mechanism through Topsline services.

Protected financial wellbeing of over 300,000 families through insurance.
Contributing to Society

**REDUCED INEQUALITY**
- Impacted over 158,000 lives via water and livelihoods programmes
- Advanced financial inclusion for over 1,943 women from diverse communities, providing them with credit, remittance and social protection services
- Advanced financial inclusion via 83 Self Help Groups and 56 Joint Liability Groups with 1,157 women beneficiaries
- Upskilled over 5,100 farmers through various capacity building training programmes in sustainable agricultural techniques
- Enabled over 600 youth to identify viable career opportunities through experiential learning, soft skills development and internships

**GENDER EQUALITY**
- Empowered and promoted the social and economic inclusion of farmers, women and youth
- Equipped over 42,500 women and girls to protect themselves against violence; involved over 360 men and boys to address the issue of violence openly
- Empowered over 700 survivors of violence to re-enter society and live a life without stigma and shame
- Provided over 1,729 women and girls with access to legal aid, onboarding over 1,129 lawyers/paralegals on field

**REDUCED INEQUALITY**
- Joined forces with EdelGive Foundation’s implementing partners to protect women’s rights

Enabled and promoted the social and economic inclusion of farmers, women and youth.
16% employees participate in health and wellness initiatives organised across the Group.

Supported the development of sporting talent through an association with Olympic Gold Quest and the Indian Olympic Association.

Encouraged young girls to adopt sports by supporting and sharing inspiring stories of six of India’s iconic women sports champions including Rani Rampal (women’s hockey captain), Hima Das (sprinter), Heena Sidhu (shooter), Manika Batra (paddler), Mirabai Chanu (weightlifter) and Dipa Karmakar (gymnast).

Health Insurance cover provided to employees.

16% employees participate in health and wellness initiatives organised across the Group.

Supported the Government’s agenda for building a sporting nation and advocated good health and well-being practices internally.

QUALITY EDUCATION

Reached over 1 million vulnerable children via 17 education programmes with 13 implementing partners across India.

Trained over 26,000 teachers, anganwadi workers, master trainers and facilitators.

Supported over 6,800 schools and learning centres.

Engaged with over 450 government functionaries.

GOOD HEALTH & WELL-BEING
Responsible Governance

**Responsible Governance**

**PEACE, JUSTICE AND STRONG INSTITUTIONS**

**Board** – Diversity, Effectiveness & Accountability

- 13 member board, which includes seven independent directors and three women directors provides invaluable guidance in policy design and strategy
- A balanced and rich board composition with over 350 man years of experience
- Independent directors have oversight on key subsidiaries and head strategic committees

**Management & Employees** – Demonstrating the governance culture

- An organisation wide Code of Conduct which reflects general principles to guide employees in making ethical decisions
- Regular awareness and mitigation programmes conducted for employees, building a strong risk and compliance culture
- Whistleblower policy provides a secure channel to report unethical behaviour and code of conduct violations
- Compliance and risk consciousness amongst employees is fostered through an annual recognition programme
Internal Controls & Processes

- The Internal Control Framework of Edelweiss endeavours to strengthen the overall assurance practices, processes, controls, sharing of best practices, conducting periodic assessments, establishing and overseeing control dashboards.
- The mandatory online SHIELD module helps in aligning employees to policies and ensures best compliance practices.
- External audit to provide an independent, objective and reasonable assurance on the adequacy and effectiveness of the organisation’s risk management, control and governance processes.

Stakeholders – Engagement and disclosures promoting transparency

- Shareholders & Investors – Annual Report, annual/quarterly results, AGM, analyst calls, investor meets, exchange communication, investor grievance redressal.
- Customers – branches, online platforms, toll free helplines, customer care centres, website, mobile apps, SMS/emails for transactional & corporate announcements, customer surveys.
- Employees – workshops, townhalls, help-desks, intranet, knowledge forums, DilKiBaat – an anonymous channel to share feedback & ideas with the Chairman.
- Regulators – Exchange filings, reporting and disclosures with regulators on all compliance matters. Consultative participation in committees and forums to influence policy.
- Vendors & Partners – Online portals, mobile apps, partner meets, workshops.
- Society – community interventions, knowledge forums, seminars, website, mobile apps, social media.
- Stakeholders – Engagement and disclosures promoting transparency.

Cybersecurity

- ISO 27001:2013 certified information security initiatives to enhance security of the IT infrastructure and maintain integrity and privacy of customer and organisational data.
- Heightened awareness of data security threats amongst employees through education and simulation modules that trigger behavioural change.

Risk Management

- Holistic approach to risk management led us to embrace Enterprise Risk Management (ERM), strategically benchmarking our practices to the best in class.
- The ERM Framework facilitates dynamic risk identification and management of risk across 11 clearly defined risk vectors.
- Analytics-driven approach enables early detection and derailment of potential risks.

Organisation – Following best practices

- Internal Controls & Processes
- Risk Management
- Stakeholders – Engagement and disclosures promoting transparency
- Cybersecurity