



Going Beyond Profit

Environmental, Social and Governance Report
2018-2019



Edelweiss
Ideas create, values protect



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



**PROTECTING
THE ENVIRONMENT**

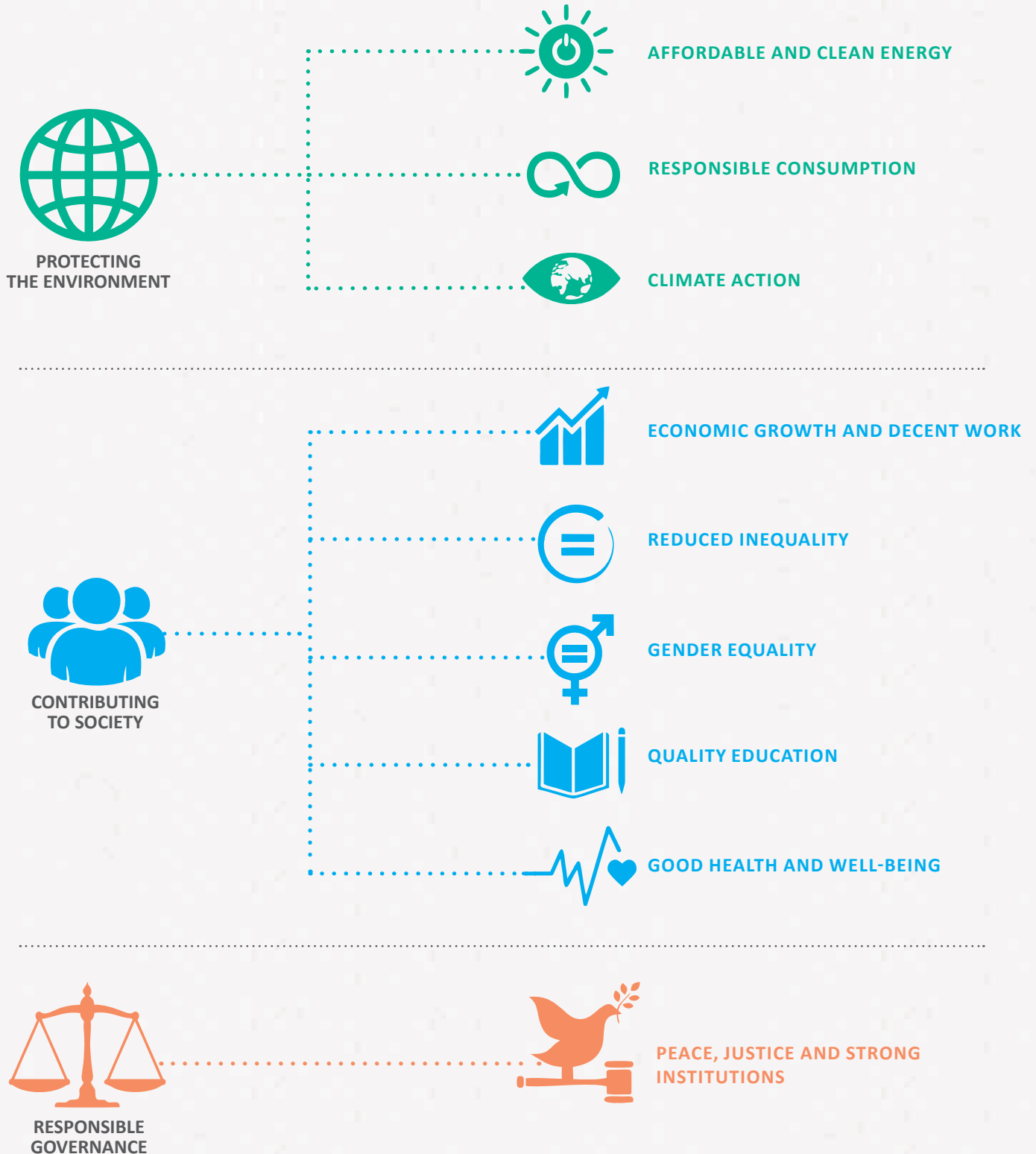


**CONTRIBUTING
TO SOCIETY**



**RESPONSIBLE
GOVERNANCE**

Aligning with the United Nations Sustainable Development Goals



Protecting the Environment



AFFORDABLE AND CLEAN ENERGY

Pursued initiatives to bring about energy efficiency and adopted renewable energy

78% of the power consumption at Edelweiss House met by **renewable sources**



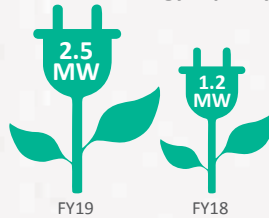
Target: 70% by 2025

62% of energy consumption through **energy efficient LED** lighting

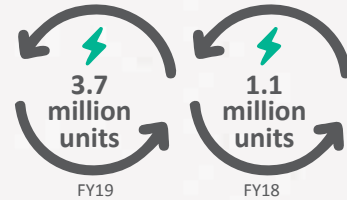


Target: 100% by 2025

Renewable energy capacity



Renewable energy generated



PROTECTING THE ENVIRONMENT



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

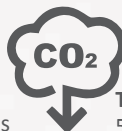


11,463 kg of e-waste collected and responsibly recycled

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



CONTRIBUTING TO SOCIETY



ECONOMIC GROWTH & DECENT WORK

Contributed to the **national agenda for job creation** by resurrecting businesses, financially empowering enterprises and individuals



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

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 business



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 Topline services

...Contributing to Society



REDUCED INEQUALITY

Empowered and promoted the social and economic inclusion of farmers, women and youth



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

Joined forces with EdelGive Foundation's implementing partners to protect women's rights



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



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

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



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

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



Compliance and **risk consciousness** amongst employees is fostered through an annual recognition programme



Whistleblower policy provides a secure channel to report unethical behaviour and code of conduct violations



Mandatory workshops and **sensitisation on Group Policies** – Prevention of Sexual Harassment (POSH), Code of Conduct, ABC of Compliance, Anti Money Laundering, Whistleblower, Prevention of Insider Trading, Information Security and Anti-Fraud

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

Organisation – Following best practices



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



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



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



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