

Developing a Sustainable Tomorrow

Sustainability Report 2021-22



Foreword

This journey of bringing smiles on millions of faces began with the inception of Aavas itself, as the values of compassion, kindness and philanthropy were embedded into our core tradition. We have always encouraged a culture of community service and consciousness towards social causes. In fact, during the Covid-induced humanitarian crises, we witnessed commendable voluntarism from our Employees towards mitigating the hardships of vulnerable communities. In 2019, we gave a more concrete and independent form to our social welfare endeavors with the establishment of Aavas Foundation.

The above context becomes more significant in reference the contemporary global trend, where the lines between profit-making and community wellbeing seem to be blurring, more than ever before. It goes without saying that social and environmental footprints would redefine the level playing field among all players in our industry too. As a responsible corporate, we are keen to develop richer understanding of- and a deeper commitment to- sustainability.

Mother Teresa once said, “We know only too well that what we are doing is nothing more than a drop in the ocean, but if the drop were not there, the ocean would be missing something”. Aavas is also playing its part as a social organization, with some small but significant steps towards community wellbeing, and environmental care, in addition to its philanthropic initiatives under CSR.

For top 1000 listed companies by market capitalization, Business Responsibility and Sustainability Reporting is voluntary for financial year 2021-22. However, at Aavas, it was a collective decision to adopt BRSR ahead of the schedule. This Sustainability Report is an expository of how we bring our values to life, and it elucidates our environmental, social and governance (ESG) activities, performance, and approach for financial year 2021-22 in a broader parlance.

We have embedded the UN Sustainable Development Goals (SDGs) into relevant sections of this report where Aavas plays a direct role in making progress toward specific goals. We remain committed towards deepening our engagement with stakeholders as we strive towards bringing unbanked and unserved communities within the periphery of formal credit and increasing home ownership in the country. For more information on Aavas’s ESG initiatives, please visit <https://www.aavas.in/esg-reporting>.



Our Governance

Aavas has been built on the founding principles of transparency, fairness, integrity, and efficiency. We are strongly committed to SDG 16 on peace, justice, and strong institutions. We have adopted various policies for sound governance practices including, Code of Conduct for Employees, Anti-Bribery and Corruption Policy, Prevention of Insider Trading Policy, Whistleblower Policy, Policy on KYC and AML Measures, and Fair Practices Code.



Human rights, dignity and equality are fundamental to our service culture and workspace. Our Fair Practices Code contains special provisions making it easy and convenient for Customers like senior citizens, physically challenged, differently abled or blind and illiterate persons avail our services. Our Human Rights Policy ensures adherence to labor laws and fundamental human rights norms for Employee health, safety, diversity & inclusion. We expect our value chain partners to adhere to the same values and ethics as are upheld by the Company, in all their dealings. We have an Economic and Social Policy whereby we diligently refrain from providing loans for activities like child labour, forced labour, production of harmful substances like alcohol and tobacco, or any other illegal activities.

We have developed a culture where the Directors and Employees feel free to bring to notice any wrongful conduct. Our Vigil Mechanism/Whistleblower Policy allows various stakeholders to report genuine grievances about unethical behavior, which also protects persons raising concerns about any such irregularities within the Company and provides a vigilance mechanism to channelize reporting of such instances. The Company also professes zero tolerance to sexual harassment in any form and its Vishakha Policy lays down a stringent mechanism for redressal in cases of sexual harassment at workplace.

We believe that our ability to survive through and flourish during the toughest of times is also owing to our strong human resource governance. We have stamped for our values and corporate culture with 'Great Place To Work Certification for 2022 – 2023'. This has only been possible because of a genuine inclination towards Employee happiness and satisfaction. Under Equal Opportunity Policy, we ensure that workplace is free from discrimination of any kind and that people from all social, economic, and cultural backgrounds, as also women and differently abled persons, feel welcome at workplace and very much a part of the Aavas fraternity. We also ensure equal pay for equal work and appraisal/promotions based on objective criteria of merit. Lately, we have added another feather in our crown by providing greater opportunities to our Employees to maintain work-life harmony, with Flexible Working Hours Policy, and Parental Leave Policies, which include provisions for not only maternity leave, but also paternity leave.



Our Customers

10 REDUCED INEQUALITIES



The Company caters to the financing needs of the unbanked, unserved, and underserved groups, who, despite having some regular source of income, are unable to secure finance due to lack of income proof documents. Our mission is to enable these people to realise their dreams of owning a home and over the years, we have become the bank of choice for first time homeowners in semi-urban and rural areas of India. The Company not only provides affordable home loans, but also directly engages with these Customers, and encourages them to open bank account, get insurance, and provides them information on possibility of linkage with government subsidies. In this way, the Company is helping unbanked communities come under the umbrella of formal credit.

5 GENDER EQUALITY



We always encourage at least one female member of the family to join as one of the co-borrowers across majority of our portfolio. The Company raised Rs. 360 crore social bond from CDC group and became the first NBFC in India to list their social masala bond on NSE IFSC at Gift City in Ahmedabad, Gujarat. Proceeds of the bonds will be used to finance women-owned property loan portfolio and thereby address gender inequity in asset ownership in India. This represents the first social bond for the Company, building on its commitment to scaling inclusive and sustainable impact in India.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Differently abled persons are treated with humanitarian approach and given priority over other visiting clients at the branch in attending his/her queries/application. Company takes special efforts to make it easy and convenient for Customers like senior citizens, physically challenged, differently abled or blind and illiterate persons while providing service. The Company has a Customer Grievance Redressal Policy available on its website at <https://www.aavas.in/resource/grievance-redressal-policy> which provides a mechanism for simple, easy and timely redressal of customer complaints.

11 SUSTAINABLE CITIES AND COMMUNITIES



We are committed to our Customers to fulfil their dream of house even in unfortunate scenarios such as death of a Customer by encouraging them to get insurance. Due to pandemic, insurance companies had been overflowing with insurance claims and the claim settlements are getting delayed. As a responsible corporate, we extended help to families of our deceased Customers by filing claim documents as early as possible and with proper documentation.



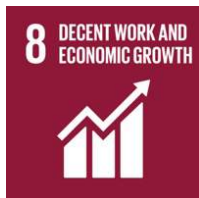
Our Employees



The Company is constantly searching for ways to stand up for its workforce in the best possible ways and ensuring proper work-life balance. For us, it is a matter of pride that we are now certified for Great Place To Work, with a wide range of Employee wellbeing initiatives, taking care of social security, physical and mental wellbeing of Employees as well as their families. The Company has developed a culture which welcomes diversity and abstains from any form of discrimination on grounds of gender, race, ethnicity, caste, language, disability etc. The Company has incorporated stringent guidelines to Prevent Sexual Harassment at Workplace (POSH). The Company has a work environment which promotes Employees to freely discuss any concerns or grievances and has also put in place a Grievance Redressal Mechanism for speedy and effective redressal of Employee grievances.



Employee Health, Safety & Wellbeing



Our Human Rights Policy contains detailed provisions on Employee health, safety, and dignity at workplace. During Covid Second Wave outbreak, the Company prioritized safety of its Employees, by allowing them to work from home and take care of themselves and their families. The Company empaneled a doctor who was readily available on call for Employees seeking medical advice. The Company also offered cashless medical facilities in cases where an Employee or an Employee's family member tested positive for Covid. The Company also made sincere efforts to reach out to its Employees and enquire about their wellbeing through direct calling. The Company also issued regular mailers regarding Covid safety and urged its Employees to get vaccinated.

The Company provides benefits to all eligible Employees under the Employees' State Insurance Scheme (ESIC), which includes medical benefits, maternity benefits, disablement benefits etc. and arranging for their ESIC cards. The Company has a Group Term Life Insurance Policy which provides mandatory insurance to all eligible Employees, ensuring adequate safeguard to families of deceased Employees. The Company covers medical expenses, if any, and in addition, may also offer alternate employment to spouse/dependent of the deceased Employee. Benefits like provident fund, gratuity, Employees' deposit linked insurance, as applicable, are settled on a priority basis for deceased Employees. Further, Employee stock options granted immediately vest with the deceased

Employee's family or person nominated by the Employee and, Company assists the family in exercising such options.

Training and Career Development

Company provides induction training to all its new recruits to help them better understand the mission, vision, and values of the Company and to help them align with its culture.

'Gurukul Monday Morning Learning Hour' is a ritual within the Company for dissemination of new process upgrades, product launches, motivational webinars, and POSH trainings. Besides these, the Company organizes several other training programs across different departments and cadres, such as the Training the Trainer Program, the Branch Head Orientation and Onboarding Program, the Step-Up Program for frontline sales team, the RO Nurturing Program etc. The Company also offers advanced career development opportunities to its Employees at reputable institutions such as IIMs, Harvard etc.

Employee Engagement

The Company has made recreation an important part of its work culture. The Company engages with its Employees on a regular basis with the help of collaborative group activities, competitions, awareness sessions, fitness campaigns and webinars. During the year under review, many Employee engagement activities were organized such as online marathon, drawing competition, dance competition, make a wish, joy of giving, quiz competition, singing competition, sweet making, women's day fair and Cyclothon. All festivals, including Navratri, Diwali, Christmas, Republic Day, and many more are celebrated by the Company with its Employees to enhance the spirit of belongingness and organizational fraternity.

When Covid Second Wave resulted in widespread fear and insecurity, the Company organized various educative sessions virtually, including a Motivational session on Goal of Life, a Cancer awareness webinar, a Covid awareness webinar, Yoga Nidra and Meditation session, session on financial planning, a webinar on National Pension Scheme, etc.



Our Environment

13 CLIMATE ACTION



The primary business of the Company is provision of housing finance and that is why, it is not directly engaged in activities which are likely to cause substantial adverse impact on the environment. However, as a responsible corporate, the Company remains vigilant of its environmental footprints and is endeavoring to minimize its GHG emissions where feasible.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



The Head Office of the Company has been certified LEED-Gold. We also extensively monitor energy consumption and waste generation as a part of our sustainability roadmap. We have equipped all branches with energy saving IT equipment, power saving lamps, high end copier machines and digitized operations with minimal paperwork. Our web portal as well as Mobile App. facilitate online application of home loans to save time, energy, and resources in disbursal process.



15 LIFE ON LAND



Further, through Corporate Social Responsibility (CSR) initiatives, we are promoting green and sustainable infrastructure with various programs on reforestation, plantations, and solar photovoltaics. We are developing and reviving forest ecosystems under our Green Initiatives. A total of 13,000+ trees have been planted in the last two years and approx. 275 kWh solar panels have been installed. Our two-year long project on Green Affordable Housing in India, in partnership with International Finance Corporation (IFC), aims at addressing self-built homes by urging the community to transition to environment friendly home construction practices through research, dissemination of information, awareness workshops and community mobilization.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



7 AFFORDABLE AND CLEAN ENERGY





Our Community

Aavas Foundation focuses on social initiatives with a three-pronged strategy: engage, enable, enrich. It directly engages with the communities through a team of trained professionals. It collaborates with these communities right from understanding their needs, planning, and implementing the programs, and measuring the values and impact it has created. It also forms strategic partnerships with organizations to bring in synergy to its development initiatives.

At present, Aavas Foundation has completed two years of social service, and every program that we have worked on in the last two years has been a journey, a story. We have touched 16,00,000+ lives with initiatives around three central themes, namely, rural development, education and holistic development and environmental sustainability.

Rural Development

Two signature programs of Aavas Foundation are being run under rural development: Vishwakarma and Gram Siddhi. Under Program Vishwakarma, we are working for safety, security and wellbeing of construction workers and their families, providing them safety kits, safety trainings, social security, and linkages with government schemes. Under Program Gram Siddhi, we are helping rural women with their livelihood upgradation, by providing them employable skill through silai trainings, silai machines, nutrition & hygiene trainings, and entrepreneurship development. We are also providing infrastructure support and basic amenities such as free food, overhead shade, sitting area, drinking water etc. to government hospitals and government schools.

Education & Holistic Development

We are working towards employable skill development and innovative learning for vulnerable children. We are also supporting rural youth who wish to build a future in sports, with provision of sports scholarships, and development of fully fledged stadiums in rural areas, in partnership with local government schools. We are also working towards safety, security, and vigilance of youth with the



help of road safety awareness workshops; we are also running cyber, digital & social media security campaigns in partnership with Sardar Patel University of Police.

3 GOOD HEALTH AND WELL-BEING



50,000+ locally procured masks distributed

5 GENDER EQUALITY




Gram Siddhi: 5000+ women provided silai training

2 ZERO HUNGER




1000+ people provided free food daily

4 QUALITY EDUCATION



1,00,000+ youth supported by endeavours in education and holistic development

8 DECENT WORK AND ECONOMIC GROWTH



Vishwakarama: 3000+ construction workers engaged, 2000+ provided life and accidental insurance

11 SUSTAINABLE CITIES AND COMMUNITIES



13,000+ trees planted, 275 kWh Solar Panels

Total 16,00,000+ lives touched in the last two years!