

ESG Rating Report

Tourism Finance Corporation Of India

Tourism Finance Corporation Of India

ESG RATING
ESG-RISK 62.2/100

CIN Code: L65910DL1989PLC034812

NIC Code: 64

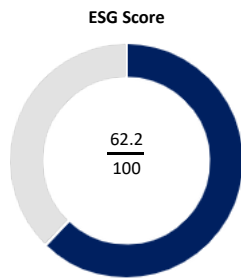
NIC Industry: Financial service activities, except insurance and pension funding

Date: March 13, 2024

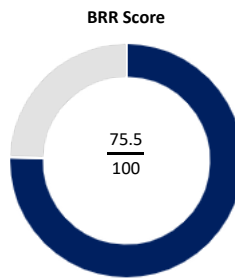
Executive Summary

Rating Overview

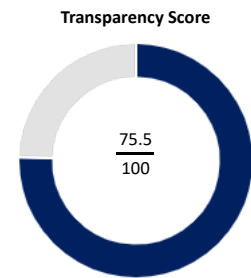
Tourism Finance Corporation of India Limited (TFCI), provides financial and advisory services to the tourism sector in India. TFCI also focuses on providing funding solutions to borrowers, operating in the field of healthcare, education, logistics and pharma. It provides rupee term loans, project loans, corporate loans, loans against securities, bridge loan. As on 31 March 2023, the promoter & promoter group holds 17.96 percent of the total shares, foreign portfolio investors hold 20.44 percent and public shareholders hold 61.60 percent. The company has experienced an improvement in its overall ESG score compared to the last assessment due to an increase in the scores of all three categories.



Company Quartile : ●●●●
Avg Industry Rating : 53.1
Avg Universe Rating : 48.2

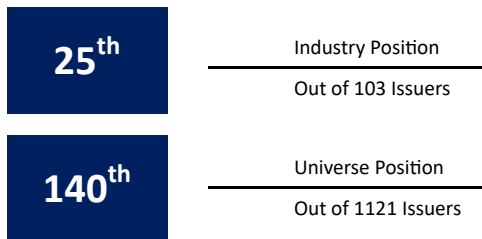


Company Quartile : ●●●●
Avg Industry Score : 71.0
Avg Universe Score : 62.7

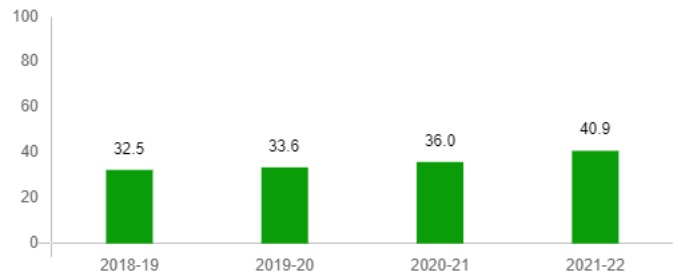


Company Quartile : ●●●●
Avg Industry Score : 69.8
Avg Universe Score : 63.3

ESG Ranking



History of ESG Rating Changes

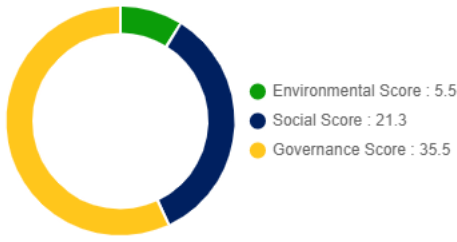


Benchmark: ESG Performance Overall and by Category

Industry Peer Group	Environmental Score	Social Score	Governance Score	Industry Quartile	ESG Rating	Transparency Score
Tourism Finance Corporation Of India	5.5	21.3	35.5	●●●●	62.2	75.5
Aditya Birla Capital Limited	8.3	30.0	32.8	●●●●	71.0	87.4
Edelweiss Financial Services Limited	8.1	29.1	33.0	●●●●	70.2	84.9
IndoStar Capital Finance Limited	2.2	24.8	34.8	●●●●	61.8	77.4
L&T Finance Holdings Limited	9.0	33.9	32.7	●●●●	75.7	93.7
REC Limited	6.1	30.7	31.4	●●●●	68.2	79.2

Quartile Indication: ● Bottom Quartile ●●●● Top Quartile

ESG Scores



Key Strength and Risks

Key Strengths	Score	Industry Median
Community support & development	4.9	↑
Board independence	4.9	↑
Audit committee functioning	4.7	↔
Board diversity	4.7	↑
Data privacy and security	4.7	↑

Key Risks	Score	Industry Median
Product quality	0	↓
Management structure	0.2	↓
Product responsibility	0.4	↔
Water efficiency	0.6	↑
Waste	0.6	↑

Benchmark: Performance Across ESG Key Issues






Category & Key Issues	Industry Weights	Tourism Finance Corporation Of India	Aditya Birla Capital Limited	Edelweiss Financial Services Limited	IndoStar Capital Finance Limited	L&T Finance Holdings Limited	REC Limited
Environmental	10.6	5/0	5/0	5/0	4/1	5/0	5/0
GHG emissions	4.7						
ESG reporting transparency	1.2						
Waste	1.2						
Water efficiency	1.2						
Energy efficiency	1.2						
Social	45.9	3/2	5/0	4/1	4/1	5/0	5/0
Employee development	8.2						
Employment quality	8.2						
Community support & development	8.2						
Equal opportunity	8.2						
Employee safety	4.7						
Corporate Governance	43.5	5/0	4/1	4/1	4/1	4/1	2/3
Management compensation	5.6						
Board independence	4.9						
Audit committee functioning	4.7						
Financial Audit & Control	4.7						
Board diversity	4.7						

● Strength ● Risk

Tourism Finance Corporation Of India

Corporate Governance

Governance Score Card

	Governance Score	35.5
	Score Change	+4.7
	Quartile Universe	●●●●
	Quartile Industry	●●●●
	Category Weight	43%

Governance Ranking

3rd

Industry Position

Out of 103 Issuers

65th

Universe Position

Out of 1121 Issuers

Board of Directors

Does the company comply with Companies Act 2013 requirement on board gender diversity?	Yes
Average term in years that the current members have been on the board	2.34
Percentage of independent board members at the end of the fiscal year	33.33

Key Management Personnel (KMP)

Is the company's CEO/MD compensation linked to total shareholder returns?	NA
Ratio of change in CEO compensation to change in revenue	0.87
Average age of the KMP	57

Related Party Transaction (RPT)

Does the company comply with SEBI listing rules on shareholders approval of related party transactions?	Yes
Does the company have a policy on related party transaction?	Yes
Does the company disclose the presence or absence of RPTs with any of their board member(s)?	Yes
Does the company disclose the presence or absence of RPTs with any of their KMPs?	Yes

Governance Performance Summary

Factors such as business ethics and board independence hold primary importance within this industry. Similarly, financial audit and control and shareholders' rights are other material issues for the industry. TFCI's governance performance has improved from the last assessment on account of implementation of a board gender diversity and equal voting policy in FY23. The company has adopted policies towards board independence and retention of its KMP. The company has also undertaken initiatives to prevent bribery and corrupt practices. TFCI complies with the Companies Act 2013 regulations for board independence & diversity, external auditor rotation and SEBI listing rules on related party transactions and insider trading of securities.

Governance Performance Overview

Strategy	Performance
Does the company have a policy on board independence?	Yes
Does the company have a policy on board gender diversity?	Yes
Is the company's compensation policy geared towards retention of its KMP?	Yes
Does the company have policy on shareholder engagement?	Yes

Initiative	Performance
Do the company's shareholders approve its board's compensation plan?	Yes
Does the external auditor issue an unqualified opinion on the company's financial statements at the end of the fiscal year being evaluated?	Yes
Does the company's internal auditor report to the audit committee?	Yes
Does the company have a whistle blower protection program?	Yes

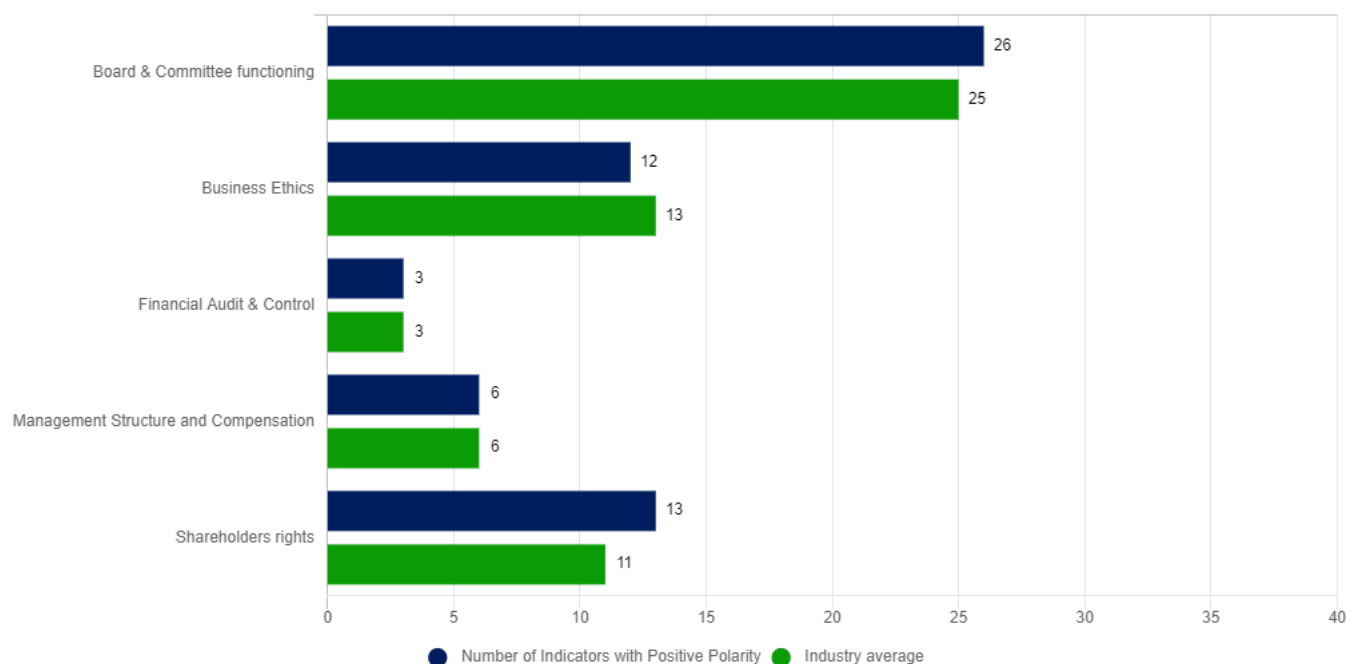
Result	Performance
Number of independent members in audit committee at the end of the fiscal year	2
Total board compensation (INR)	15,713,720
Total number of board members who are female or persons identifying as females	1
Percentage of non-audit fees to total audit and non-audit fees	24.55

Governance Key Issues and Score Changes

Key Issues	Score	Score Changes	Industry Quartile
Antitakeover mechanism	1.0	0	● ● ● ●
Audit committee functioning	4.7	0	● ● ● ●
Board compensation	3.2	+1.6	● ● ●
Board diversity	4.7	+0.9	● ● ● ●
Board independence	4.9	+0.2	● ● ● ●
Board structure and functioning	1.2	0	● ● ● ●
Business Ethics	4.0	0	● ● ● ●
Committee Functioning	1.2	0	● ● ● ●
Financial Audit & Control	3.6	-0.3	● ● ●
Management compensation	3.0	+1.1	● ● ●
Management structure	0.2	0	●
Shareholders rights	3.7	+1.2	● ● ● ●

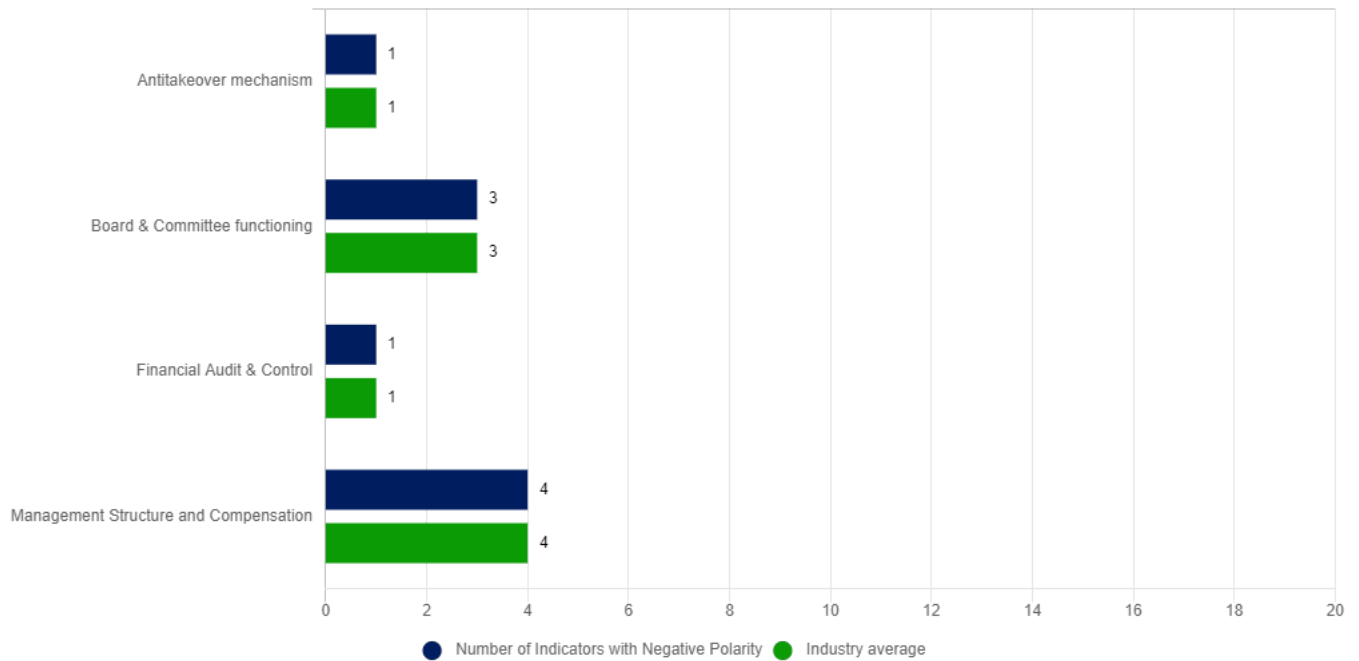
Quartile Indication: ● Bottom Quartile ● ● ● ● Top Quartile

Disclosure Count of Governance Indicators Postively Impacting Rating



Performance on Governance Indicators Positively Impacting Rating	Performance
Do the company's shareholders approve its board's compensation plan?	Yes
Does the company have a policy on board independence?	Yes
Does the company comply with Companies Act 2013 requirement on board independence?	Yes
Does the company comply with Companies Act 2013 requirement on board gender diversity?	Yes
Does the company have a policy on board gender diversity?	Yes
Does the company comply with Companies Act 2013 requirement on its external auditor rotation?	Yes
Does the external auditor issue an unqualified opinion on the company's financial statements at the end of the fiscal year being evaluated?	Yes
Does the company's internal auditor report to the audit committee?	Yes
Is the company's compensation policy geared towards retention of its KMP?	Yes
Does the company have policy on shareholder engagement?	Yes
Does the company have policy on Equal Voting?	Yes
Does the company have a whistle blower protection program?	Yes
Does the company have any initiative, programs for improvement of business ethics?	Yes
Does the company have any initiative, programs to enhance fair competition?	NA
Does the company disclose the presence or absence of RPTs with any of their board member(s)?	Yes
Does the company disclose the presence or absence of RPTs with any of their KMPs?	Yes
Does the company have any initiative, programs to prevent bribery, anti-corruption and/or money laundering?	Yes
Number of company shares held by KMP	0
Total number of women or persons identifying as women, forming part of the KMP	0
Does the company have any mechanism to enhance shareholders rights?	Yes

Disclosure Count of Governance Indicators Negatively Impacting Rating



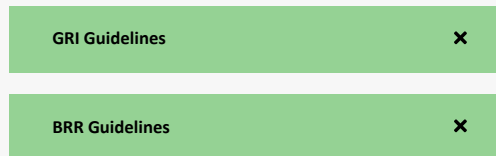
Performance on Governance Indicators Negatively Impacting Rating	Performance
Total board compensation (INR)	15,713,720
Percentage of non-audit fees to total audit and non-audit fees	24.55
Total number of defence mechanism in place	1
CEO pay gap with company average pay	6.14
Ratio of change in CEO compensation to change in revenue	0.87
CEO compensation in INR for the fiscal year under evaluation	18,067,066
Total KMP's compensation in INR	15,674,673
Is the same person both CEO and Chairman?	No
Has the company's non-executive chairman previously held the position of CEO/Managing director in the company?	No

Governance Compliance

SEBI and Companies Act 2013 Compliance Standards

SEBI and Companies Act 2013: Mandatory Compliances	Performance
Does the company comply with Companies Act 2013 requirement on board independence?	Yes
Does the company comply with Companies Act 2013 requirement on board gender diversity?	Yes
Does the company comply with Companies Act 2013 requirement on its external auditor rotation?	Yes
Does the company comply with SEBI listing rules on shareholders approval of related party transactions?	Yes
Does the company comply with SEBI listing rules on audit committee approval of related party transactions?	Yes
Does the company comply with SEBI regulation 2015 requirement on prohibition of insider trading of securities?	Yes
Does the company comply with SEBI listing rules on the percentage of its audit committee's independent members?	Yes
Does the company comply with SEBI listing rules on the meeting frequency of its audit committee?	Yes

Compliance with Reporting Standards



Compliance Transparency



No Non-Compliant Indicators

Level of Governance Reporting (Transparency)

Key Issues	Tourism Finance Corporation Of India	Aditya Birla Capital Limited	Edelweiss Financial Services Limited	IndoStar Capital Finance Limited	L&T Finance Holdings Limited	REC Limited
Antitakeover mechanism	100%	100%	100%	100%	100%	100%
Audit committee functioning	100%	100%	100%	100%	100%	100%
Board compensation	100%	100%	100%	100%	100%	100%
Board diversity	100%	100%	100%	100%	100%	100%
Board independence	100%	100%	100%	100%	100%	100%
Board structure and functioning	100%	100%	100%	100%	100%	100%
Business Ethics	86%	93%	100%	100%	100%	86%
Committee Functioning	100%	100%	100%	100%	100%	100%
Financial Audit & Control	100%	100%	100%	100%	100%	100%
Management compensation	62%	85%	62%	62%	85%	46%
Management structure	75%	75%	100%	100%	75%	75%
Shareholders rights	82%	82%	82%	82%	82%	82%

Tourism Finance Corporation Of India






Environment Performance

Strategy	Performance
Does the company have a policy or strategy to reduce greenhouse gas (GHG) emissions?	Yes
Does the company have a policy or strategy to provide more environmentally responsible products or services?	Yes
Does the company have a policy or strategy to reduce waste?	Yes
Does the company have a policy or strategy to reduce water usage?	Yes
Initiative	Performance
Does the company have programs or initiatives to reduce greenhouse gas (GHG) emissions?	Yes
Does the company report its environmental, social and corporate governance performance?	Yes
Does the company support the United Nations Sustainable development Goals (UN SDG) ?	NA
Does the company have products or services (including financing) that help develop clean or renewable energy?	NA
Result	Performance
Amount of GHG emissions (scope 1+ scope 2) in tCO2e, for the fiscal year under evaluation	NA
Volume of water withdrawn in m3, for consumption in the fiscal year under evaluation	NA
Total amount of waste generated in metric tonnes, for the fiscal year under evaluation	NA
Total renewable energy consumption in Kwh, during the year	NA

Environmental Performance Summary

The environmental risks associated with this industry are GHG emissions and energy efficiency. Issues such as green services and waste management are also critical to the industry. The environmental performance of TFCI has improved since the last assessment due to an increase in the scores of GHG emissions, energy efficiency and green services. The company has adopted policies and undertaken initiatives to reduce its carbon footprint, generation of waste and consumption of water. The company utilizes renewable energy in its operations. Additionally, the company evaluates projects based on environmental factors before providing funding.

Environment Score Card

 Environment Score	5.5
 Score Change	+4.9
 Quartile Universe	●●
 Quartile Industry	●●●●
 Category Weight	11%

Environment Ranking

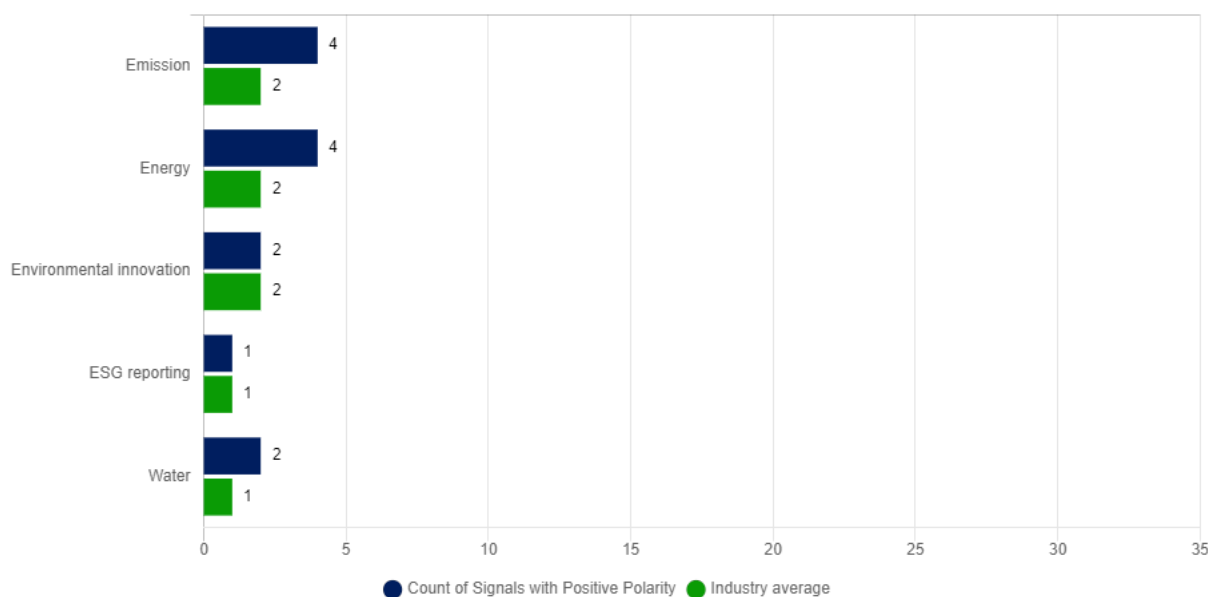
25th	Industry Position
	Out of 103 Issuers
732nd	Universe Position
	Out of 1121 Issuers

Environment Key Issues Overview and Score Changes

Key Issues	Score	Score Changes	Industry Quartile
Energy efficiency	0.6	+0.6	●●●●●
ESG reporting transparency	0.6	0	●
GHG emissions	2.4	+2.4	●●●●●
Green product/service	0.8	+0.8	●●●●●
Waste	0.6	+0.6	●●●●●
Water efficiency	0.6	+0.6	●●●●●

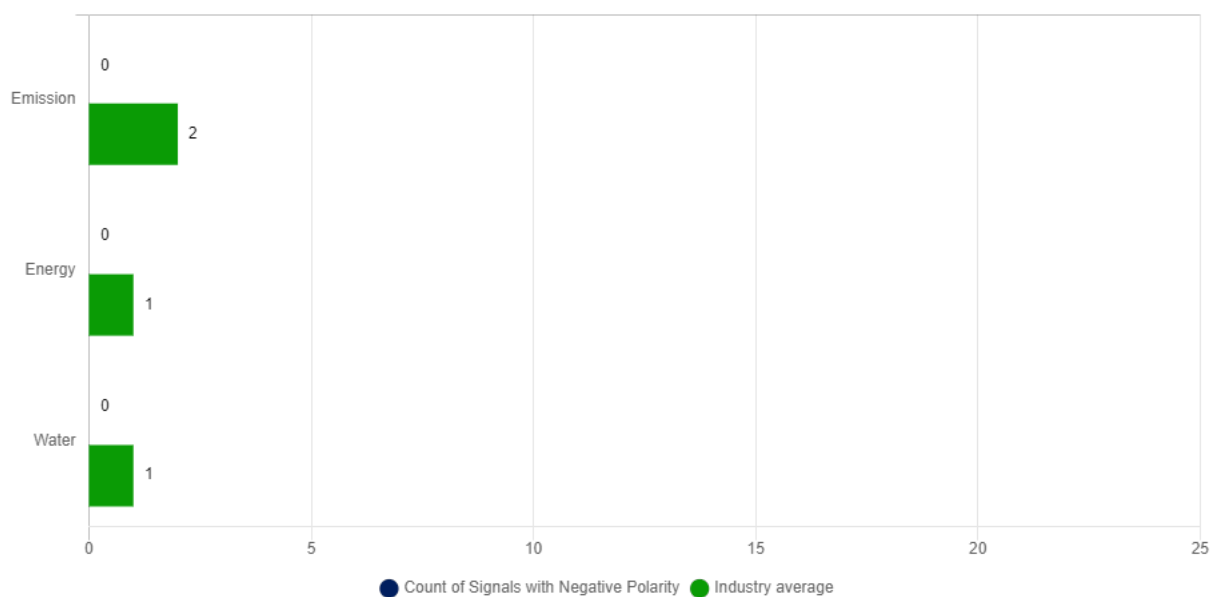
Quartile Indication: ● Bottom Quartile ●●●● Top Quartile

Disclosure Count of Environment Indicators Postively Impacting Rating



Performance on Environment Indicators Positively Impacting Rating	Performance
Does the company have programs or initiatives to reduce greenhouse gas (GHG) emissions?	Yes
Does the company have a policy or strategy to reduce greenhouse gas (GHG) emissions?	Yes
Does the company report its environmental, social and corporate governance performance?	Yes
Does the company support the United Nations Sustainable development Goals (UN SDG) ?	NA
Does the company have products or services (including financing) that help develop clean or renewable energy?	NA
Does the company evaluate projects based on environmental or biodiversity risks prior to providing funding?	Yes
Does the company have a policy or strategy to provide more environmentally responsible products or services?	Yes
Does the company have programs or initiatives to reduce water usage?	Yes
Does the company have programs or initiatives to reduce any types of waste?	Yes
Total renewable energy consumption in Kwh, during the year	NA
Does the company have a policy or strategy to reduce waste?	Yes
Does the company have programs or initiatives to reduce overall energy usage?	Yes
Does the company make use of renewable energy in its operations?	Yes
Does the company have a policy or strategy to reduce water usage?	Yes
Does the company have a policy or strategy to reduce overall energy usage?	Yes
Does the company have a policy or strategy to increase renewable energy usage?	Yes

Disclosure Count of Environment Indicators Negatively Impacting Rating



Performance on Environment Indicators Negatively Impacting Rating	Performance
Amount of GHG emissions (scope 1+ scope 2) in tCO2e, for the fiscal year under evaluation	NA
Volume of water withdrawn in m3, for consumption in the fiscal year under evaluation	NA
Total amount of waste generated in metric tonnes, for the fiscal year under evaluation	NA
Total amount of energy consumed in Kwh, for the fiscal year under evaluation	NA

Compliance with Environmental Disclosure Standards

BRR Guidelines	✘
CDP Water Disclosure	✘
GRI Guidelines	✘
TCFD Signatory	✘

Compliance Indicators	Performance
Does the company have a policy or strategy to reduce greenhouse gas (GHG) emissions?	Yes
Does the company have a policy or strategy to provide more environmentally responsible products or services?	Yes
Does the company have a policy or strategy to reduce waste?	Yes
Does the company have a policy or strategy to reduce water usage?	Yes
Does the company have a policy or strategy to reduce overall energy usage?	Yes
Does the company have a policy or strategy to increase renewable energy usage?	Yes

Level of Environment Reporting (Transparency)

Key Issues	Tourism Finance Corporation Of India	Aditya Birla Capital Limited	Edelweiss Financial Services Limited	IndoStar Capital Finance Limited	L&T Finance Holdings Limited	REC Limited
Energy efficiency	67%	83%	100%	50%	100%	67%
ESG reporting transparency	50%	100%	100%	50%	100%	100%
GHG emissions	67%	100%	100%	0%	100%	67%
Green product/service	67%	67%	33%	0%	100%	100%
Waste	67%	67%	100%	67%	100%	67%
Water efficiency	67%	67%	67%	67%	100%	33%






Social Performance

Strategy	Performance
Does the company have a strategy or policy on fair compensation?	NA
Does the company have a strategy or policy on training and career development?	Yes
Does the company have a strategy or policy on Community Services?	Yes
Does the company have strategy or policy on diversity and inclusion?	Yes
Initiative	Performance
Does the company have initiatives or programs for training and career development?	Yes
Does the company provide appropriate work-place benefits?	NA
Does the company have initiatives or programs on community services?	Yes
Does the company have initiatives, process or tools to protect data privacy?	Yes
Result	Performance
Employee turnover percentage during the year	10.26
Employees fatalities for the year	NA
Average training hours during the year under evaluation	NA
Average training cost for the year	NA

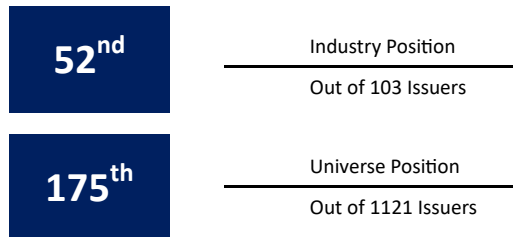
Social Performance Summary

Community support and development, employee development and quality are primary concerns for this industry. Other issues such as data privacy and employee safety are critical to the industry. TFCI's social performance has improved since the last assessment due to an increase in the scores of employment quality, equal opportunity and data privacy & security. The company has adopted policies on diversity & inclusion and data privacy & cyber security. It has instituted a policy and undertaken initiatives on community support & development. Additionally, it focuses on providing training and career development programs for its employees.

Social Score Card

	Score	21.3
	Score Change	+11.8
	Quartile Universe	●●●●
	Quartile Industry	●●●
	Category Weight	46%

Social Ranking

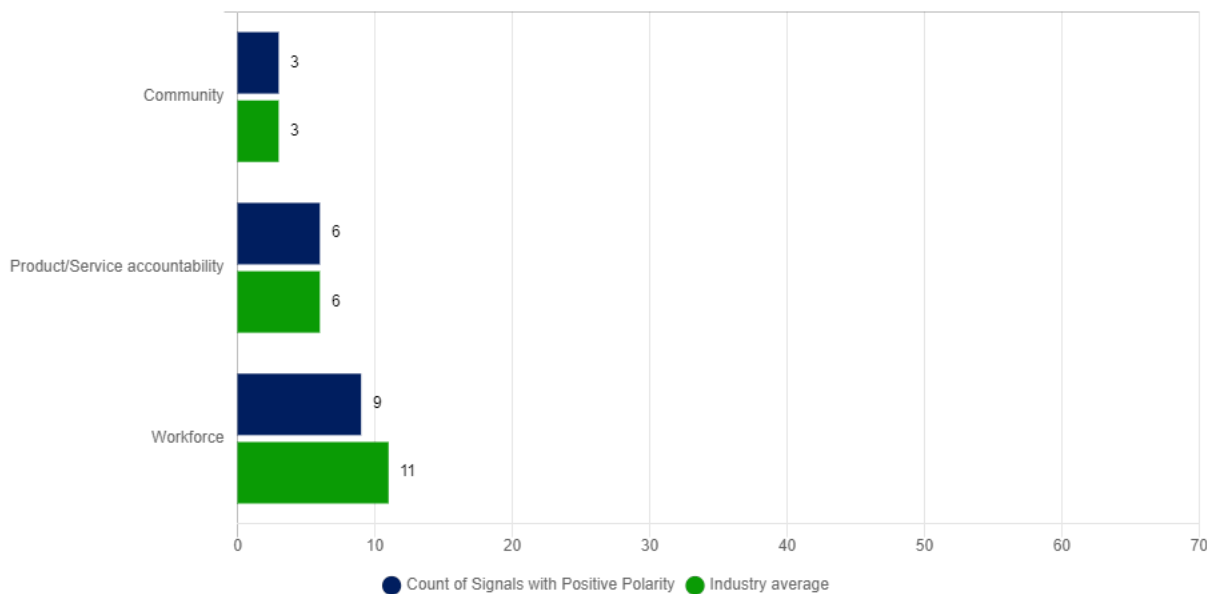


Social Key Issues Overview and Score Changes

Key Issues	Score	Score Changes	Industry Quartile
Community support & development	4.9	+0.5	●●●
Data privacy and security	4.7	+4.7	●●●●
Employee development	4.1	0	●
Employee safety	0.8	+0.8	●
Employment quality	3.3	+3.3	●●●
Equal opportunity	2.3	+1.3	●
Human rights	0.8	+0.8	●●●●
Product quality	0	0	●
Product responsibility	0.4	+0.4	●●●

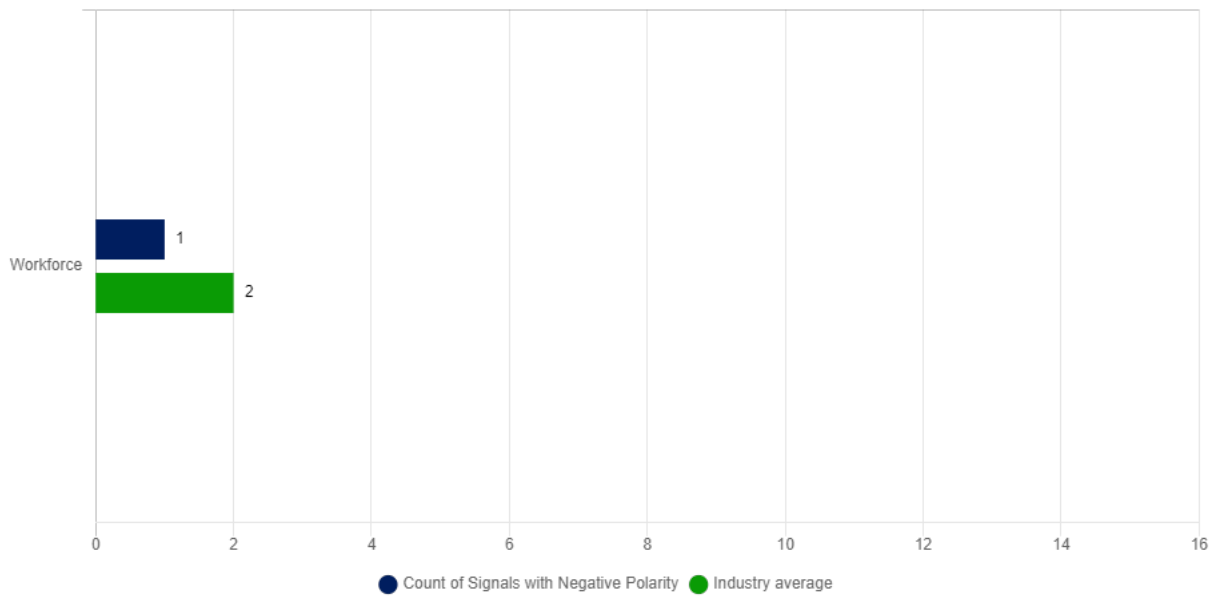
Quartile Indication: ● Bottom Quartile ●●●● Top Quartile

Disclosure Count of Social Indicators Positively Impacting Rating



Performance on Social Indicators Positively Impacting Rating	Performance
Does the company have initiatives or programs for training and career development?	Yes
Does the company provide appropriate work-place benefits?	NA
Does the company have initiatives or programs on community services?	Yes
Average training hours during the year under evaluation	NA
Average training cost for the year	NA
Total amount of community lending through microfinance/preferential rate for the fiscal year under assessment	NA
Total CSR spending for the fiscal year under assessment (INR)	20,347,100
Does the company have a strategy or policy on fair compensation?	NA
Does the company have a strategy or policy on training and career development?	Yes
Does the company have a strategy or policy on Community Services?	Yes
Does the company have a target on community services?	NA
Does the company have strategy or policy on diversity and inclusion?	Yes
Does the company have a target on employee diversity and inclusion?	NA
Does the company have initiatives, process or tools to protect data privacy?	Yes
Does the company have initiatives or programs for data security or cybersecurity?	Yes
Does the company have train its staff on data privacy and data security?	Yes
Does the company have initiatives and programs on health and safety?	NA
Does the company have a health and safety team?	NA
Does the company have a strategy or policy on health and safety?	Yes
Does the company have initiatives and programs on diversity and inclusion?	NA

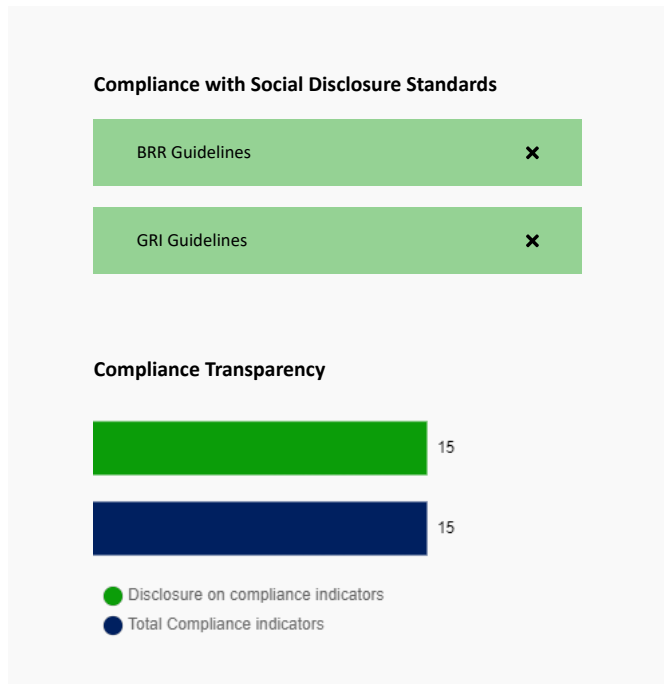
Disclosure Count of Social Indicators Negatively Impacting Rating



Performance on Social Indicators Negatively Impacting Rating	Performance
Employee turnover percentage during the year	10.26
Employees fatalities for the year	NA

Social Compliance

Indicators where Compliant	Performance
Does the company have a strategy or policy on training and career development?	Yes
Does the company have a strategy or policy on Community Services?	Yes
Does the company have strategy or policy on diversity and inclusion?	Yes
Does the company have a strategy or policy on health and safety?	Yes
Does the company have a strategy or policy on data privacy?	Yes
Does the company have strategy on data security?	Yes
Does the company have a strategy or policy on human rights?	Yes



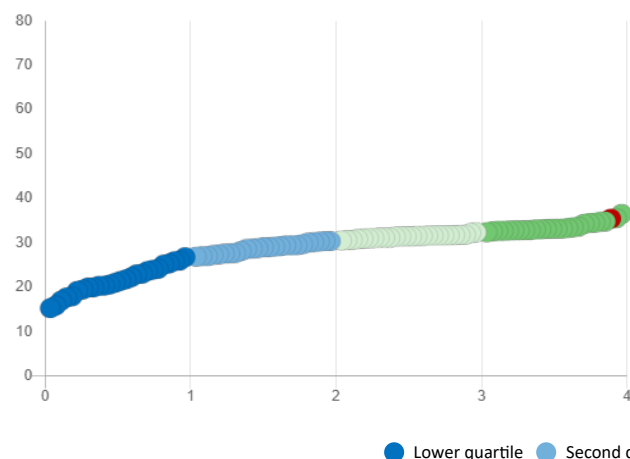
No Non-Compliant Indicators

Level of Social Reporting (Transparency)

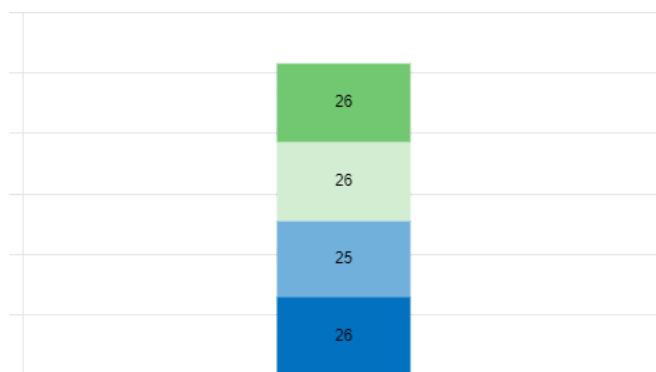
Key Issues	Tourism Finance Corporation Of India	Aditya Birla Capital Limited	Edelweiss Financial Services Limited	IndoStar Capital Finance Limited	L&T Finance Holdings Limited	REC Limited
Community support & development	60%	80%	60%	60%	100%	60%
Data privacy and security	100%	100%	100%	80%	100%	80%
Employee development	50%	75%	75%	50%	75%	100%
Employee safety	25%	75%	75%	75%	75%	75%
Employment quality	33%	67%	100%	100%	100%	67%
Equal opportunity	40%	70%	60%	50%	100%	50%
Human rights	67%	100%	67%	67%	100%	67%
Product quality	0%	67%	33%	0%	67%	67%
Product responsibility	33%	67%	33%	67%	67%	33%

Leaders and Laggards in Governance

Benchmarking: Industry's Peer Distribution by Governance Score



Number of Companies per Quartile



Performance of Leaders and Laggards

Highest Governance Score : Leaders			
Industry Rank	Company	Governance score	ESG Rating
5	Tourism Finance Corporation Of India	35.5	ESG-RISK 62.2/100
6	IndoStar Capital Finance Limited	34.8	ESG-RISK 61.8/100
3	Edelweiss Financial Services Limited	33.0	ESG-RISK 70.2/100
Lowest Governance Score : Laggards			
Industry Rank	Company	Governance score	ESG Rating
2	Aditya Birla Capital Limited	32.8	ESG-RISK 71.0/100
1	L&T Finance Holdings Limited	32.7	ESG-RISK 75.7/100
4	REC Limited	31.4	ESG-RISK 68.2/100

Leader and Laggards Performance on Key Governance Issues

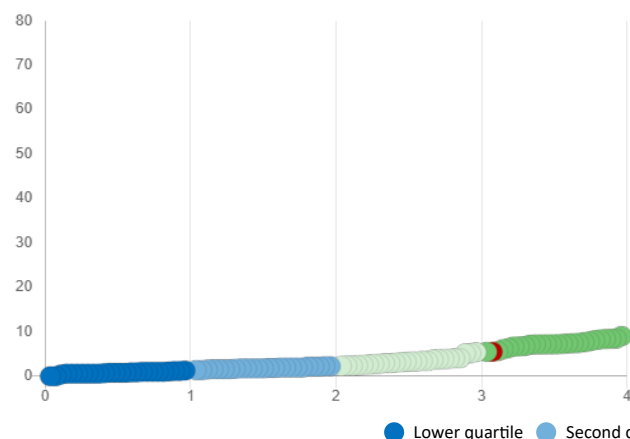
Governance Key Issues	Tourism Finance Corporation Of India	Aditya Birla Capital Limited	Edelweiss Financial Services Limited	IndoStar Capital Finance Limited	L&T Finance Holdings Limited	REC Limited
Antitakeover mechanism	Leaders	Laggards	Leaders	Leaders	Laggards	Laggards
Audit committee functioning	Leaders	Leaders	Leaders	Leaders	Leaders	Leaders
Board compensation	Leaders	Leaders	Leaders	Leaders	Leaders	Leaders
Board diversity	Leaders	Laggards	Leaders	Laggards	Laggards	Leaders
Board independence	Leaders	Leaders	Laggards	Leaders	Leaders	Laggards
Board structure and functioning	Leaders	Laggards	Laggards	Leaders	Leaders	Leaders
Business Ethics	Leaders	Laggards	Laggards	Leaders	Leaders	Laggards
Committee Functioning	Leaders	Leaders	Leaders	Leaders	Leaders	Leaders
Financial Audit & Control	Leaders	Leaders	Leaders	Leaders	Leaders	Laggards
Management compensation	Leaders	Leaders	Leaders	Leaders	Leaders	Laggards
Management structure	Laggards	Leaders	Leaders	Leaders	Leaders	Laggards
Shareholders rights	Leaders	Leaders	Leaders	Leaders	Leaders	Leaders

● Leaders

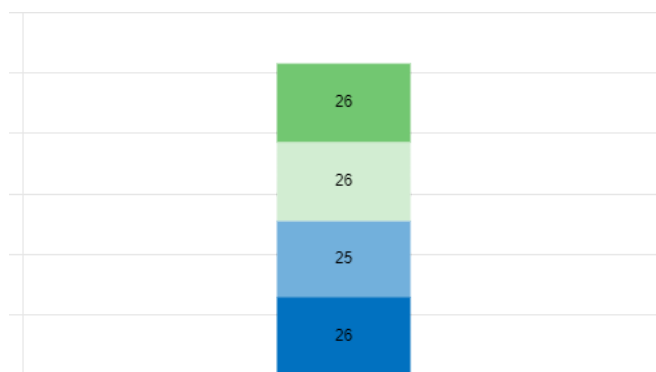
● Laggards

Leaders and Laggards in Environment

Benchmarking: Industry's Peer Distribution by Environment Score



Number of Companies per Quartile



● Lower quartile ● Second quartile ● Third quartile ● Top quartile

Performance of Leaders and Laggards

Highest Environment Scores : Leaders				
Industry Rank	Company	Environment Score	ESG Rating	
1	L&T Finance Holdings Limited	9.0	ESG-RISK 75.7/100	
2	Aditya Birla Capital Limited	8.3	ESG-RISK 71.0/100	
3	Edelweiss Financial Services Limited	8.1	ESG-RISK 70.2/100	
Lowest Environment Scores : Laggards				
Industry Rank	Company	Environment Score	ESG Rating	
4	REC Limited	6.1	ESG-RISK 68.2/100	
5	Tourism Finance Corporation Of India	5.5	ESG-RISK 62.2/100	
6	IndoStar Capital Finance Limited	2.2	ESG-RISK 61.8/100	

Leaders and Laggards Performance on Key Environment Issues

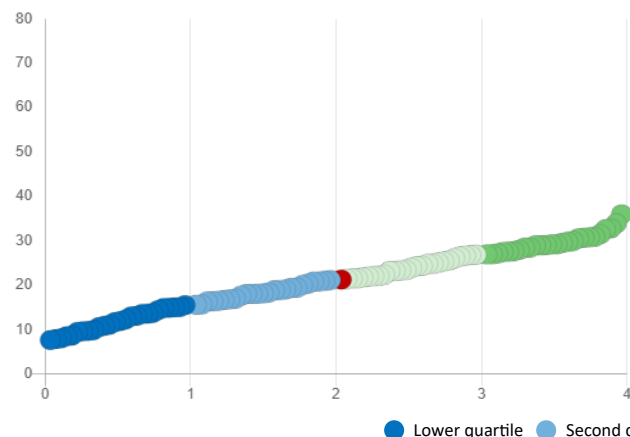
Environment Key Issues	Tourism Finance Corporation Of India	Aditya Birla Capital Limited	Edelweiss Financial Services Limited	IndoStar Capital Finance Limited	L&T Finance Holdings Limited	REC Limited
Energy efficiency						
ESG reporting transparency						
GHG emissions						
Green product/service						
Waste						
Water efficiency						

● Leaders

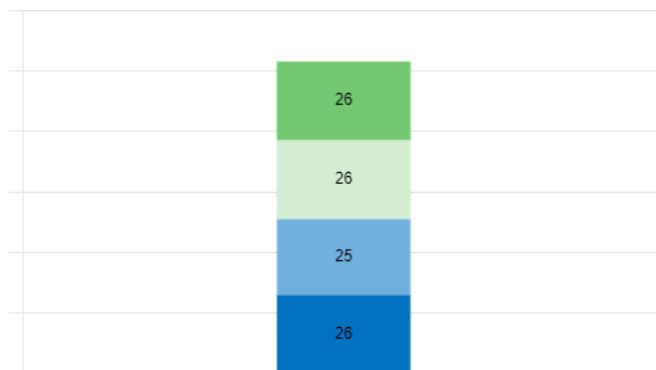
● Laggards

Leaders and Laggards in Social

Benchmarking: Industry's Peer Distribution by Social Score



Number of Companies per Quartile



Performance of Leaders and Laggards

Highest Social Scores : Leaders				
Industry Rank	Company	Social Score	ESG Rating	
1	L&T Finance Holdings Limited	33.9	ESG-RISK 75.7/100	
4	REC Limited	30.7	ESG-RISK 68.2/100	
2	Aditya Birla Capital Limited	30.0	ESG-RISK 71.0/100	
Lowest Social Scores : Laggards				
Industry Rank	Company	Social Score	ESG Rating	
3	Edelweiss Financial Services Limited	29.1	ESG-RISK 70.2/100	
6	IndoStar Capital Finance Limited	24.8	ESG-RISK 61.8/100	
5	Tourism Finance Corporation Of India	21.3	ESG-RISK 62.2/100	

Leaders and Laggards Performance on Key Social Issues

Social Key Issues	Tourism Finance Corporation Of India	Aditya Birla Capital Limited	Edelweiss Financial Services Limited	IndoStar Capital Finance Limited	L&T Finance Holdings Limited	REC Limited
Community support & development	Leaders	Leaders	Laggards	Laggards	Leaders	Leaders
Data privacy and security	Leaders	Leaders	Leaders	Leaders	Leaders	Leaders
Employee development	Leaders	Leaders	Leaders	Leaders	Leaders	Leaders
Employee safety	Laggards	Leaders	Leaders	Leaders	Leaders	Leaders
Employment quality	Leaders	Leaders	Leaders	Leaders	Leaders	Leaders
Equal opportunity	Laggards	Leaders	Leaders	Leaders	Leaders	Leaders
Human rights	Leaders	Leaders	Leaders	Leaders	Leaders	Leaders
Product quality	Laggards	Leaders	Leaders	Laggards	Leaders	Leaders
Product responsibility	Leaders	Leaders	Leaders	Leaders	Leaders	Leaders

● Leaders

● Laggards

Controversies (Negative News)

Controversies Impact Intensity

Very High Impact Negative News	0
High Impact Negative News	0
Medium Impact Negative News	0
Low Impact Negative News	0

Impact of Controversies

Negative News Impact Summary

0

No Controversies

Disclaimer

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Kindly also note that the ESG scores taken for benchmarking across a particular industry or the Universe may not necessarily pertain to the same year, given the time gaps in availability of the necessary information.

Glossary of Terms

Abbreviations:

Air pollutant emissions	Air pollutant emissions covers emissions of SOx, NOx, ODS, VOC and Particulate Matter-10
BRR	Business Responsibility Report mandated by SEBI
CIN Code	Corporate Identification Number (CIN Code) - assigned by the Registrar of Companies under the Ministry of Corporate Affairs
CDM	Clean Development Mechanism
CDP	CDP was previously known as Carbon Disclosure Project. It is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.
CPCB	Central Pollution Control Board (CPCB)
CSR	Corporate Social Responsibility
DP	Data point, indicators that are being assessed as part of our ESG taxonomy for their relevance to the industry and the companies performance on the same
ESG	Environmental, Social and Governance
EMAS	Certification under the European Union's (EU) Eco-management and Audit Scheme (EMAS)
FDA	Food and Drug Administration
GHG Emissions	Greenhouse gas emissions (GHG) - in the context of this report includes Carbon Dioxide, Methane, Nitrous Oxide, Sulphur Hexafluoride, Perfluorocarbons, Chlorofluorocarbons and Hydrofluorocarbons, the emissions of other gasses are captured under Air pollutant emissions.
GMO	Genetically modified organisms
GRI	Global Reporting Initiative
INR	The Indian Rupee
IUCN	The International Union for Conservation of Nature is an international organization working in the field of nature conservation and sustainable use of natural resources
KI	Key Issue pertaining to a specific theme under an ESG category
KMP	Key management personnel
LGBT	LGBT or GLBT is an initialism that stands for lesbian, gay, bisexual, and transgender
MT	Million tonnes
NAPCC	National Action Plan for Climate Change
NCAP	New Car Assessment Program
NGRBC	National Guidelines on Responsible Business Conduct
NOx	Nitrogen Oxides - Nitrogen dioxide and nitric oxide are referred to together as oxides of nitrogen
NVG	National Voluntary Guidelines provide a framework for responsible business behaviour along social, environmental and governance aspects
ODS	Ozone depleting substances
OHSAS 18001	Occupational Health and Safety Assessment Series (officially BS OHSAS 18001) - a British Standard for occupational health and safety management systems.
PM10	Particulate matters
SA 8000	Sustainability SA 8000 - Social Accountability Certification SA 8000 is an international certification standard that encourages organizations to develop, maintain and apply socially acceptable practices in the workplace.
Scope 1 Emission	Scope 1 greenhouse gas emissions are the emissions released to the atmosphere as a direct result of an activity, or series of activities at a facility level.
Scope 2 Emission	Scope 2 GHG emissions are indirect emissions from sources that are owned or controlled by the Agency.
SEBI	The Securities and Exchange Board of India - regulator of the securities & commodity market in India
SOx	Sulphur Oxides - Sulfur oxides (SOx) are compounds of sulphur and oxygen molecules
SPCB	State Pollution Control Boards (SPCB)
TCFD	Task Force on Climate-related Financial Disclosures
tCO2e	Tonnes (t) of carbon dioxide (CO2) equivalent (e)
VOC	Volatile organic compounds

Glossary of Terms

Terms:

Report Logic/Guide:

- **Sorting of companies** - In all the tables, the company being assessed is on the top or shown in the first column and all other companies have been sorted alphabetically. Additionally, the company under assessment is highlighted in a different font colour. In graphs, company being assessed is represented by a red dot.
- **Sorting of key issues** - In the tables, where all key issues (KIs) are listed, they have been sorted alphabetically, however when only specific KIs are listed, they have been sorted based on their weights. When KIs are sorted based on weights within the function, the KIs with the highest weights are listed first.
- **Controversies (Negative News) Impact '0'** - This means that the company was not in the news for any controversies.
- **Scores** - The scores are rounded off in each category hence they may be marginally short of 100%.
- **History of score change (graph on pg 2)** - This graph shows history of score changes only and not any other change/update. The dates pertain to the date when the score change took place and not the date when the report was updated.
- **Score change** - this is always reported with reference to the last score update that can be seen in the scoring graph in the executive summary.
- **Category weight** - Depending upon the materiality of KIs & themes, each ESG category is weighted differently for every industry. Category weight percentage shown in the summary represents the percentage contributed by the specific category to the overall ESG score. The absolute score shown in each category is already pre-weighted for easy reference.
- **Industry & Universe position** - On page 2 - This is identified by the 2 digit NIC code and compared with the peers belonging to the same 2 digit NIC code category. Universe position is based on all issuers rated by ESG Risk AI. On page 4 - Industry & Universe position within a specific category indicates how a company performs vis-à-vis industry peers on a specific category.
- **Industry median and reference to industry medians** - Industry medians are calculated for each KI with the two-digit NIC code being used as the industry identifier. Arrows indicate performance of a specific company vis-à-vis the industry median. Strengths are identified when performance on a KI is at/above industry median and vice versa.
- **Compliance transparency graph** - Graph in the governance section represents compliance with SEBI regulations & The Companies Act 2013; graph in the environment & social sections represent disclosures with respect to BRR & GRI standards.
- **Leaders and Laggards graph** - This graph shows performance of the relevant peers by key issues. This will help the readers understand how the industry is performing on all the issues that are material to the industry.
- **Indicators positively impacting rating & indicators negatively impacting ratings** - There are indicators that have positive polarity & indicators that have negative polarity. Reason for providing this graph is to see if the reporting on issues with positive polarity is selectively higher. The graph also helps readers understand the disclosure of a company vis-à-vis its peers and issues that positively and negatively affect the overall scores.
- **Controversy (Negative news) impact on overall scores** - The deduction from overall scores will be greater than the sum of individual controversy deductions, as the corporate governance score deduction also depends on the number of controversies.