

# Evaco Group

## ESG Assessment Report

Sep 2022

## Evaco Group



**Sector : Real Estate**  
**Industry : Real Estate Management and Development**

### CareEdge ESG Grade 3



### ESG Score break-up

Below percentage highlights the company's positioning for each pillar that contributed to its ESG assessment as of Sep 2022.

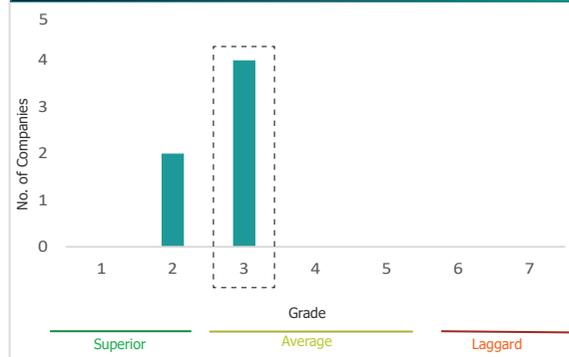


### LAST UPDATE: Sep 2022

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### ESG Grading Distribution for Real Estate entities



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### ESG Grading Summary:

CareEdge Research initiates ESG Assessment for Evaco Group at Grade 3. Evaco Group has evolved from a real estate development company and comprises of four main verticals, namely Evaco Creations (Engineering, Construction, Manufacturing & Design); Evaco Property (Property Development & Real Estate); Evaco Escapes (Leisure & Hospitality) and Evaco Solutions (Consulting & Corporate Services). Their headquarters are located in Mauritius and have operations at both local and international levels for all companies of the Group.

Evaco Group's ESG performance is driven by its moderately strong performance on the social and governance front largely due to their strong adherence to regulatory compliances and policies incorporated. However, its ESG performance is curtailed by its moderate performance on the environment pillar on some of the key performance metrics and long-term plans.

Evaco Group showcases moderately strong governance performance in terms of effective board functioning with adequate independence of the board. The company has code of ethics policies in place with an extension to suppliers as well. While the board composition and ownership structure are well aligned with stakeholder interests, there is scope of improvement with respect to board pay disclosures and integration of ESG into the business operations by having effective board oversight.

Evaco Group also exhibits moderately strong performance on the social pillar driven by effective practices implemented on the product & safety aspects, such as conducting third party audits on their facilities and adequate safety approvals from relevant authorities. The company has adopted best health & safety practices such as safety policies and business continuity plans. However, the company can further strengthen its disclosures on the social front in terms of improving employee diversity and employee engagement plans.

On the environment pillar, Evaco Group depicts commitment towards sustainability by conducting Environmental Impact Assessments for all of their projects thereby, addressing potential risks emanating from biodiversity impacts and water management. However, the company can further strengthen its environment performance by monitoring and disclosing their emission reduction, energy and water consumption levels and net-zero targets.

## Key Drivers to the ESG Score

Pillar		Remarks
Business Ethics	↑	The company clearly discloses its code of ethics policies and extends it to suppliers as well.
Product Safety & Quality	↑	The company conducts third party verifications of its production facilities with the required safety approvals from relevant authorities.
Carbon & other GHG Emissions	↓	The Company lags in disclosing its emissions data and its reduction targets along with net-zero targets.
Oversight on ESG	↓	The company lags in having a strong ESG oversight on its integration within its business processes including reporting and aligning with UN SDG principles.

### Grading model details

Evaco Group is graded based on the Real Estate sector ESG Framework

### Methodology note

Theme level scores are weighted average scores based on indicator scores \* weight for the indicator.

Summation of theme level scores gives pillar level and total ESG scores.

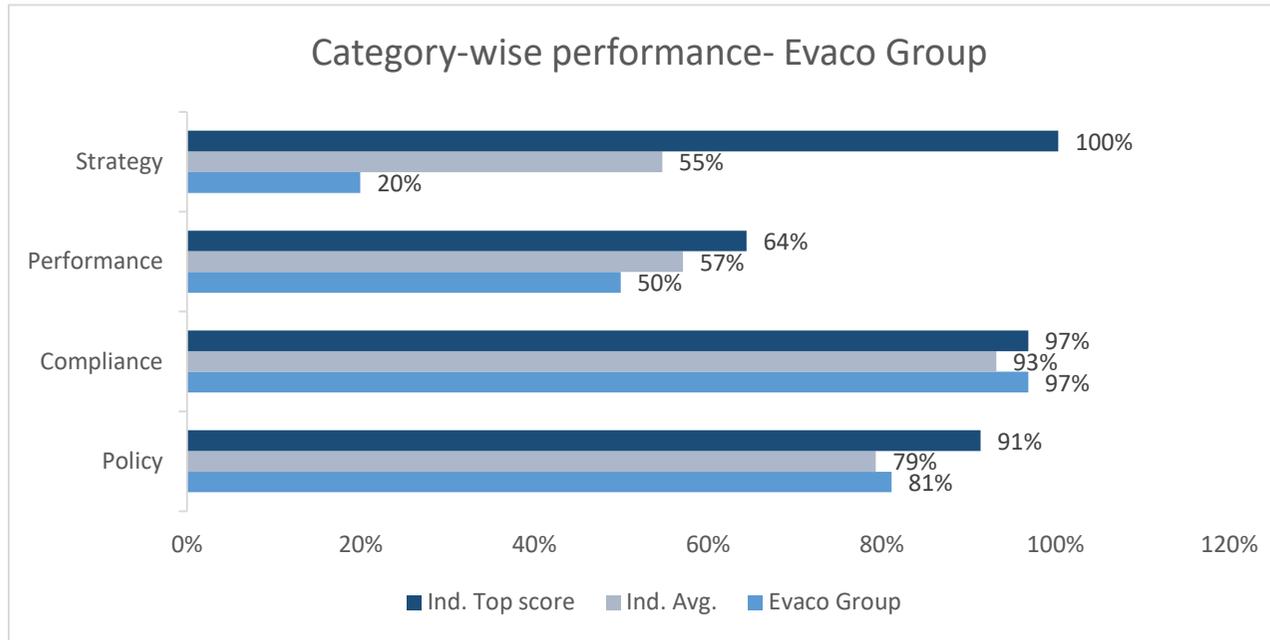
To understand more about approach on data collection and methodology, please visit our website or Contact us at [cart@careedge.in](mailto:cart@careedge.in)

## ESG Grading scorecard

Themes	Evaco Group	Industry Average*	Industry Top Score*
Opportunities in Green Real Estate	7.0	6.9	7.4
Carbon and other GHG Emissions	0.9	3.0	4.3
Energy Usage	2.7	3.8	5.3
Water usage and Management	3.2	2.3	4.3
Biodiversity	2.6	2.4	3.2
<b>Total Environment Pillar</b>	<b>16.2</b>	<b>18.5</b>	<b>22.0</b>
Human Capital	4.3	5.1	6.4
Health & Safety	5.5	5.0	5.7
Product Safety & Quality	4.8	4.5	4.8
Consumer Protection	1.3	2.1	2.7
Labor Management	1.5	1.6	1.6
<b>Total Social Pillar</b>	<b>17.3</b>	<b>18.2</b>	<b>20.9</b>
Disclosures	6.0	5.3	6.0
Board Composition	4.7	4.6	5.4
Board Functioning	6.2	5.7	6.6
Pay	3.2	3.5	5.3
Ownership	6.4	5.9	6.4
Business Ethics	5.1	4.4	5.1
Oversight on ESG	0.3	3.1	4.3
<b>Total Governance Pillar</b>	<b>31.8</b>	<b>32.6</b>	<b>35.5</b>
<b>Total ESG Score</b>	<b>65.4</b>	<b>69.2</b>	<b>76.2</b>

\*Industry averages and top scores are calculated for each theme, each pillar and on overall ESG score across entities falling in the same industry classification.

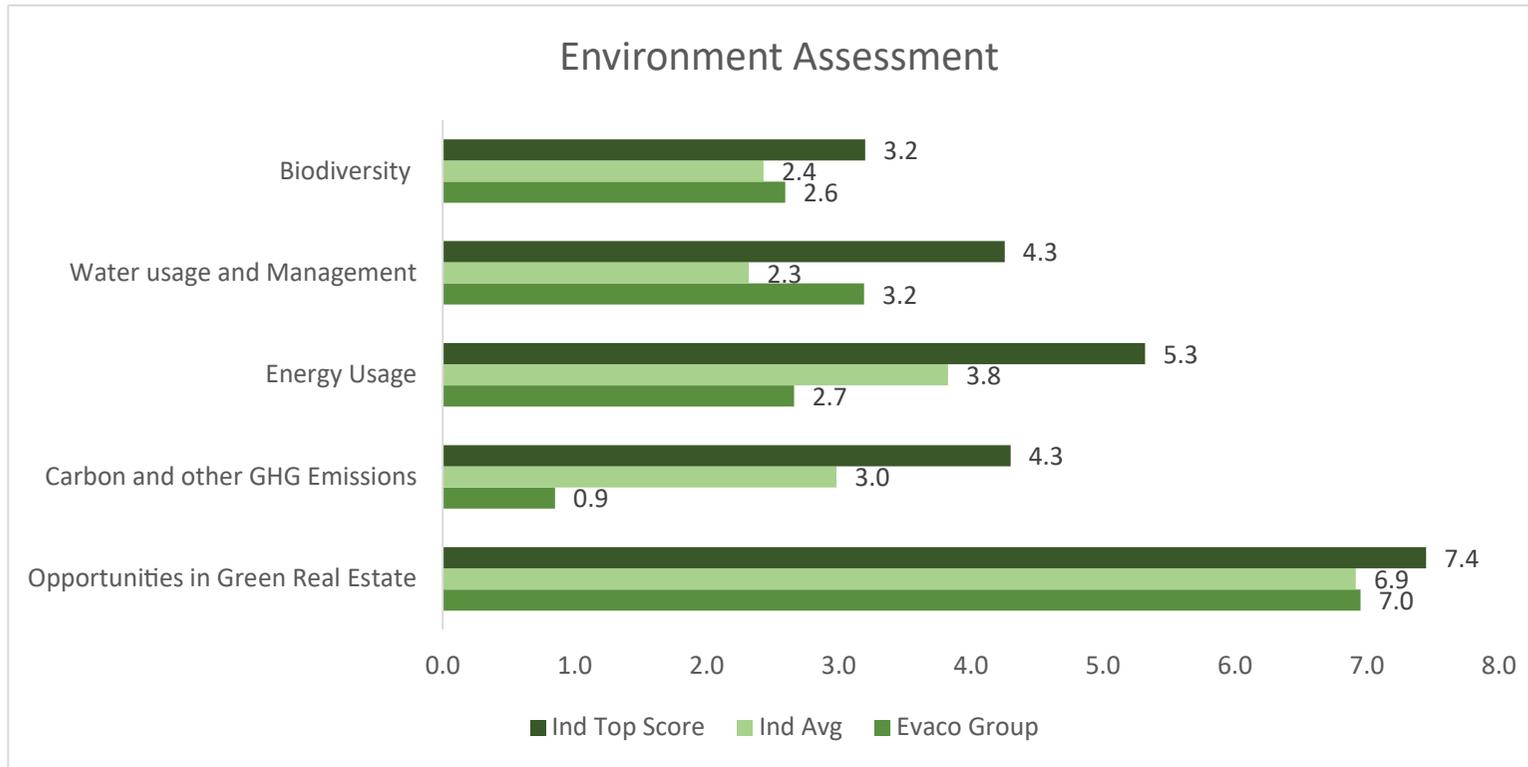
## Category wise performance for Evaco Group



Compliance	Policy	Performance	Strategy
Aligning and complying with laws and regulations for the sector and the country	Adopting best practices through policy documentation and internal practices	Monitoring of performance across key indicators	Integration of ESG into business strategy, philosophy, vision and alignment with country goals

Evaco Group showcases strong performance with regards to adherence to regulatory compliances and adoption of a comprehensive set of policies. On the performance front, the company has conducted biodiversity and water management assessments as well as adopted effective health & safety practices. However, it lags in disclosing some of their key performance parameters such as Y-o-Y changes in energy and water consumption, emission reduction and gender pay gap which limits our ability to gauge its performance. Moreover, the company has not stated future plans in terms of diversity and employee engagement plans, sustainable development goals (SDGs) and net-zero targets.

## Environment Assessment

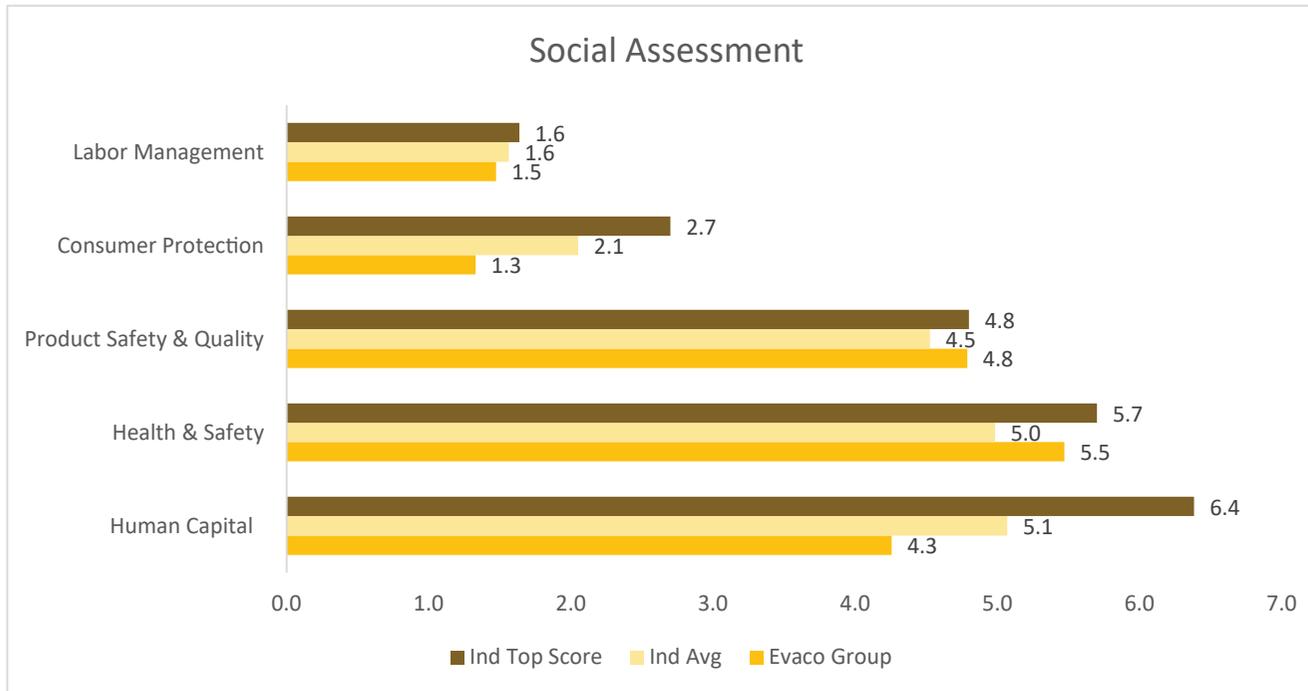


Evaco Group exhibits moderately strong performance in this pillar. The company has conducted biodiversity and water management assessments through their Environmental Impact Assessments (EIA) which are carried out for all of their projects and cater to on-site impacts on biodiversity, water and waste. They have showcased commitment towards sustainability by aligning with the Mauritian Government to transition towards low carbon emissions. Their energy management systems align with BS standards; however, energy and water consumption levels have not been disclosed. The company also lags in disclosing emission reduction and their net-zero targets.

## Evaco Group’s Performance on Environment Themes

Environment Themes	Theme Overview	Evaco Group's performance
Opportunities in Green Real Estate	Theme checks for the company's sustainable practices and specific targets for reduction in resource consumption and emissions in its portfolio. It also includes certifications in green buildings from relevant authorities.	Adequate disclosures on adoption of sustainable practices and transitioning towards low carbon footprints in alignment with the Mauritian Government. Their green certifications are aligned with BS standards.
Water usage and Management	This theme pertains to initiatives adopted by the company to monitor the water withdrawals and and water consumption levels. This theme also assesses their exposure to water-related risks and methods to conserve the same in the operations.	The company has monitored water withdrawals and their related risks through their Environmental Impact Assessments (EIA). However, their water consumption levels have not been disclosed.
Energy Usage	Energy usage theme checks mechanisms adopted by the company to manage energy consumption in the operations and their reduction disclosures. This theme also includes usage of renewable energy as a part of their energy requirements.	The company has efficient energy management systems aligned with BS standards and consumption of renewable energy in its operations. However, data around energy consumption have not been disclosed.
Carbon and other GHG emissions	Theme checks about the company's performance on scope 1,2 and 3 emissions intensity and targets to reduce the same and commitment to Net Zero.	Evaco Group has disclosed some commitment towards emission reduction by replacing all their company cars by hybrid or electrical vehicles by 2030. However, they have not reported their carbon emissions nor net-zero target disclosures.
Biodiversity	Theme pertains to biodiversity policies, risk assessments and impacts, operation in areas of high historical values/IUCN species red list and addressing natural resources.	The company has biodiversity policies in place and conducts their assessments through Environmental Impact Assessments (EIA). Although the company operates in biodiversity impacted areas, they have abated all negative biodiversity impacts of their real estate projects.

## Social Assessment

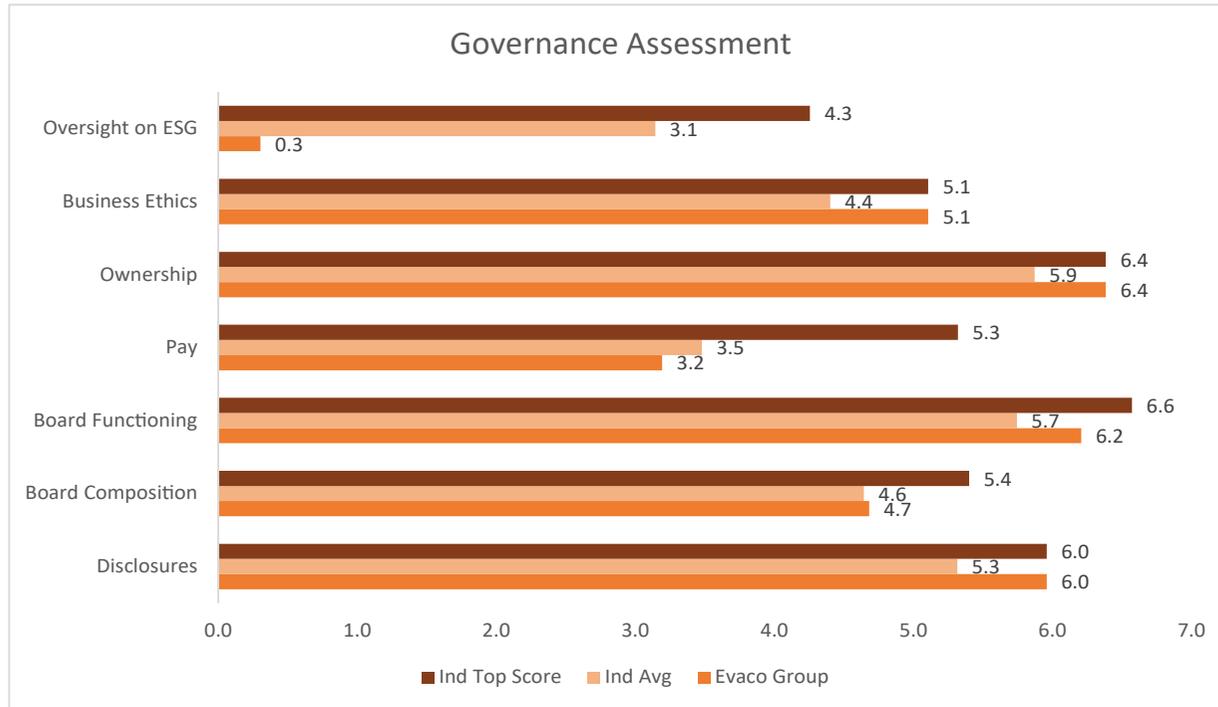


Evaco Group depicts moderately strong performance in terms of health & safety and product safety & quality aspects. The company has a health & safety policy in place along with business continuity plans. They have conducted third party verifications for their production facilities and have the required safety approvals from relevant authorities. They have a high workforce diversity (28.64%). However, their employee turnover ratio is on the higher side which can be improved. Diversity plans, employee engagement practices and employee associations have not been disclosed.

## Evaco Group's Performance on Social Themes

Social Themes	Theme Overview	Evaco Group's performance
Labour Management	This theme evaluates the performance on labour management practices which include human Rights practices, employee attrition rate, employee associations, employee harassment policy & grievance handling mechanism.	Evaco Group is in compliance with Human Rights and labor management practices. The company has a high workforce diversity. However, they have not disclosed any employee associations or policies against them.
Health & Safety	This theme evaluates the health & safety practices adopted by the company. This includes health & safety policy, facilities and disclosures towards safety incidents. The theme also evaluates the disaster management programs adopted by the company.	Health & Safety policies are in place. Disaster management plans and work-related injury incidents have been disclosed.
Product Safety and Quality	This theme evaluates adequate facilities, open spaces, security and maintenance services provided by the company. It also validates safety approvals from relevant authorities, third-party audits of facilities and any incidents of non-compliance with regulators.	The company is in compliance with regulatory safety requirements and conducts third party verifications of their facilities.
Human Capital	This theme checks the disclosures around workforce diversity of the company, Gender pay across functions, development programs for employees and any plans to improve employee diversity.	Evaco Group has disclosed data around training hours and instituted a diversity / inclusion policy. Limited disclosures in terms of gender pay gap, diversity action plans and employee engagement programs.
Consumer Protection	Theme checks mechanisms to check on consumer satisfaction, grievance handling and pending customer complaints	The company has not disclosed consumer grievance mechanisms as well as pending grievances.

## Governance Assessment

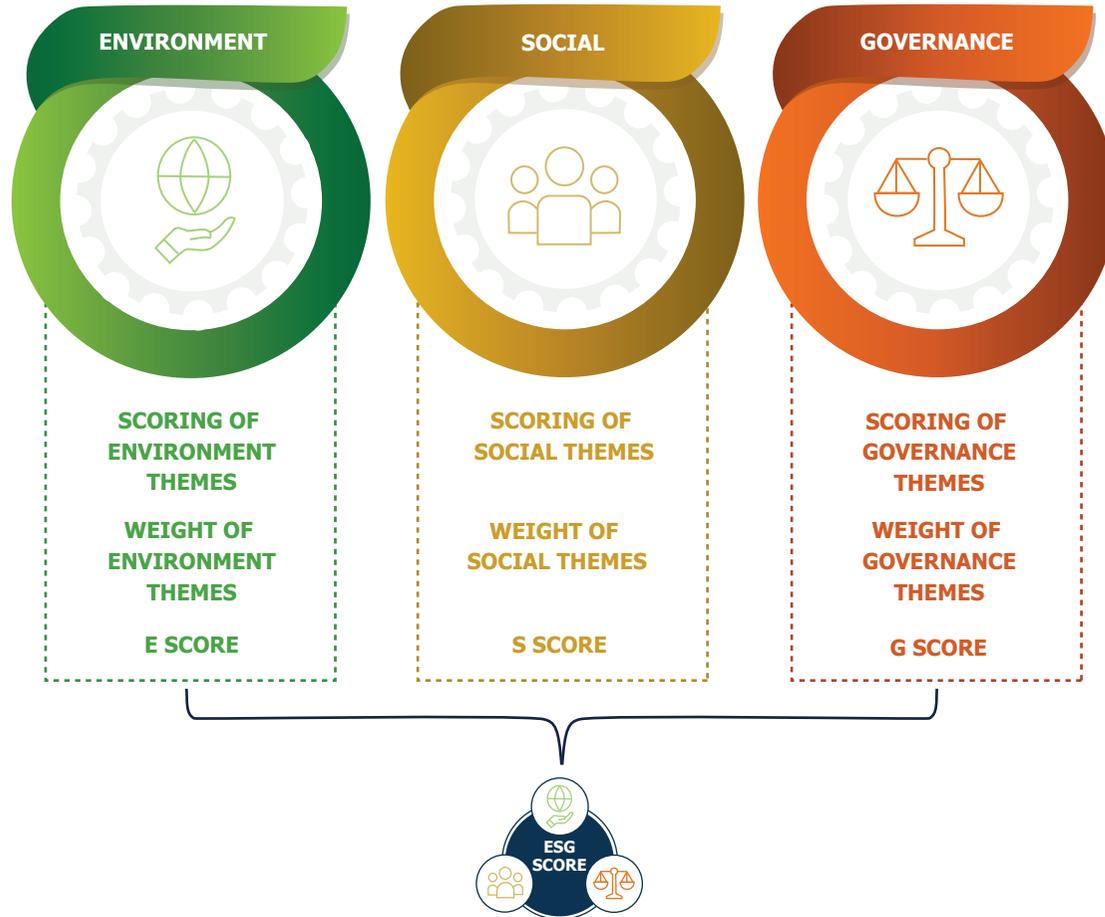


Evaco Group demonstrates moderately strong performance in this pillar with regards to having a transparent ownership structure, business ethics policies and governance disclosures. The company has effective board functioning in terms of separation of the Chairman and CEO roles along with adequate independence of the board and committees. However, their board diversity is on the lower side (14.3%) which can be improvised to bring in a holistic and long-term value to its business. Moreover, pay disclosures with regards to severance agreements, limit on executive bonuses and claw back mechanisms have not been reported. The company also lags in adopting formal mechanisms and practices for integrating ESG into their business which is crucial for sustainable oversight over the operations.

## Evaco Group's Performance on Governance Themes

Governance Themes	Theme Overview	Evaco Group's performance
Disclosures	This theme tracks transparency in disclosures by the company related to taxation, various business risks faced by the company, auditor's opinion, enforcement action against the company, disclosures surrounding audit fees, and political contribution made by the company.	The company's disclosure norms are largely in compliance with regulatory requirements.
Board Composition	Board composition includes composition of directors and key board committees. It also evaluates board diversity policy & its implementation by the company.	Evaco Group has an efficient board composition with adequate independent directors. However, they have not formulated a board diversity policy and their board diversity is low which can be improved to be at par with the global best practice.
Board Functioning	This theme evaluates board functioning in line with best practices, such as separation of roles for Chairman and CEO, and independent assessment of board performance. Further the company's disclosures on governance guidelines, Directors orientation programs and material related party transactions.	The company has depicted efficient board functioning with adequate independence of the board and separation of the Chairman and CEO roles. However, disclosures on average tenure of the board and board evaluation assessments have not been done.
Pay	This theme evaluates transparent disclosures on Pay practices, such as pre-defined metrics relevant for CEO's compensation, Cap limit on Executive's Bonus and the median of the annual compensation of all other employees.	The company provides limited pay disclosures with regards to global best practices, such as clear disclosures on performance metrics driving MD's remuneration and other clauses, including claw back mechanism, limit on executive annual bonuses, severance pay and CEO's annual remuneration to median of the annual remuneration of all other employees.
Ownership	This is related to evaluating the Ownership structure in line with long term shareholders interest, with transparent disclosures on key shareholders, AGM agenda, participation, minutes etc.	The company has disclosed ownership structure transparently. Moreover, details of classes of stock, voting rights and shareholder playing active role in evaluation of directors have further boosted its profile.
Business Ethics	This theme determines the ethical conduct of the company with key aspects like code of conduct, whistleblower mechanism, anti-completion and anti-bribery policies etc.	The company has disclosed the code of conduct policy for its employees and extended it to suppliers as well. The company has a whistleblower mechanism.
Oversight on ESG	Oversight on ESG implies board level oversight on ESG integration with greater thrust on firm level policy, consistent ESG disclosures, validation of data and alignment with UN SDG principles.	Evaco Group has not carried out any materiality assessments and alignment with SDG's have not been disclosed.

## Scoring Methodology & Grading



Our framework also has a negative scoring component for non-compliance of legal and regulatory requirements

### ESG Grades



Grading Symbol	Definition
CareEdge ESG 1	The ESG performance and preparedness across environment, social and governance pillars for this entity is expected to be <b>Excellent.</b>
CareEdge ESG 2	The ESG performance and preparedness across environment, social and governance pillars for this entity is expected to be <b>Very Good.</b>
CareEdge ESG 3	The ESG performance and preparedness across environment, social and governance pillars for this entity is expected to be <b>Good.</b>
CareEdge ESG 4	The ESG performance and preparedness across environment, social and governance pillars for this entity is expected to be <b>Average.</b>
CareEdge ESG 5	The ESG performance and preparedness across environment, social and governance pillars for this entity is expected to be <b>Below Average.</b>
CareEdge ESG 6	The ESG performance and preparedness across environment, social and governance pillars for this entity is expected to be <b>Poor.</b>
CareEdge ESG 7	The ESG performance and preparedness across environment, social and governance pillars for this entity is expected to be <b>Very Poor.</b>

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