

L&T Finance Limited (LTF)

Sustainability Performance FY 2021-22

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1. ABOUT THE REPORT

Reporting Boundary:

This report sets out the sustainability performance of LTF for the period April 1, 2021 to March 31, 2022. The reporting boundary covers the overall ESG performance of LTF, across 1,713 branches (including the corporate office and 1,524 Micro Loans branches).

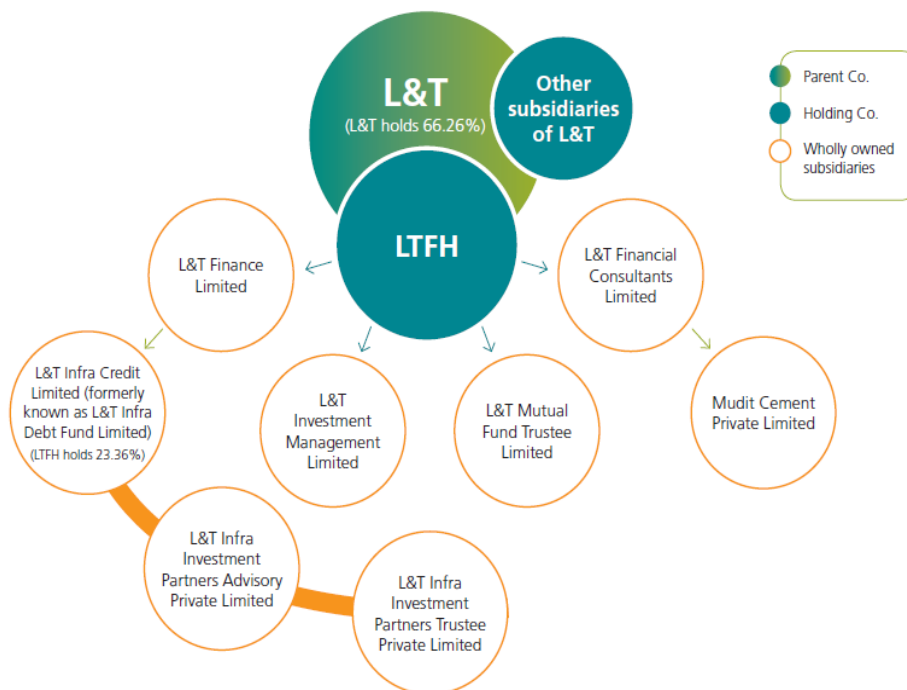
This is the first Sustainability Performance Report prepared for L&T Finance Limited (the “Company” or “LTF”). LTF, is a wholly-owned subsidiary of L&T Finance Holdings Limited (“LTFH”) and a major contributing subsidiary. The total income for LTF as on March 31, 2022 was INR 11,445.16 Cr while that of LTFH was INR 12,323.55 Cr. LTFH and its subsidiary, since 2018-19, have been annually publishing their ESG performance for all their stakeholders through periodic GRI based Sustainability or Integrated Reports.

LTF employs ~98% of LTFH's workforce, contributes significantly to LTFH's overall income, and is subject to all policies of LTFH and its subsidiaries. Since LTF is a wholly owned subsidiary of LTFH, the data presented in this report forms a part of data reported in LTFH and its subsidiaries Integrated Report FY2021-22 and should be read in conjunction with the same.

2. ABOUT LTF

LTF has been incorporated under the Companies Act 1956, on November 24, 1993. LTF is a subsidiary of LTFH and is registered with the Reserve Bank of India (“RBI”) as a non-Deposit taking Systemically Important (NBFC-ND-SI) Companies. As an NBFC-NDSI, the Company is primarily in the business of lending and carries out only such activities as are permitted under the guidelines issued by RBI for NBFC-ND-SI.

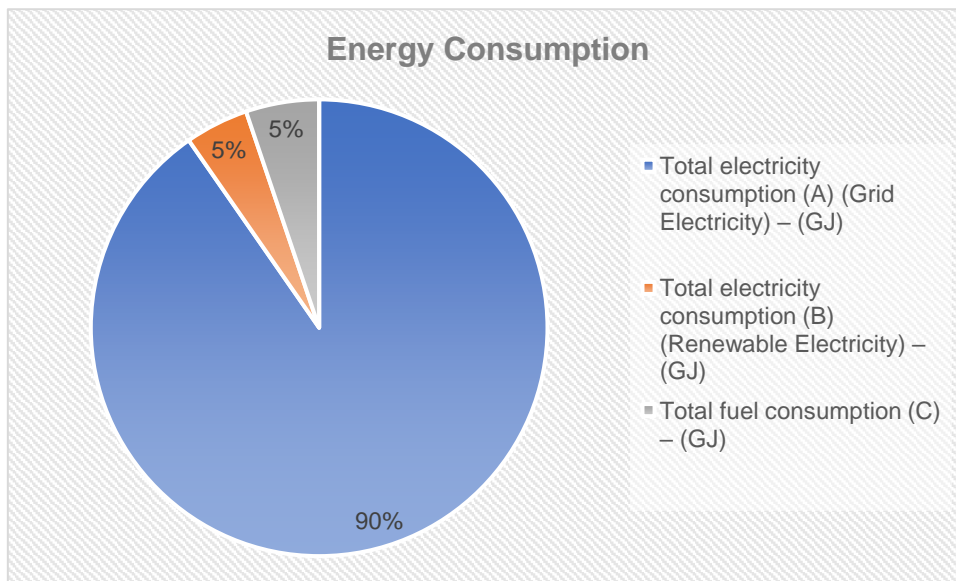
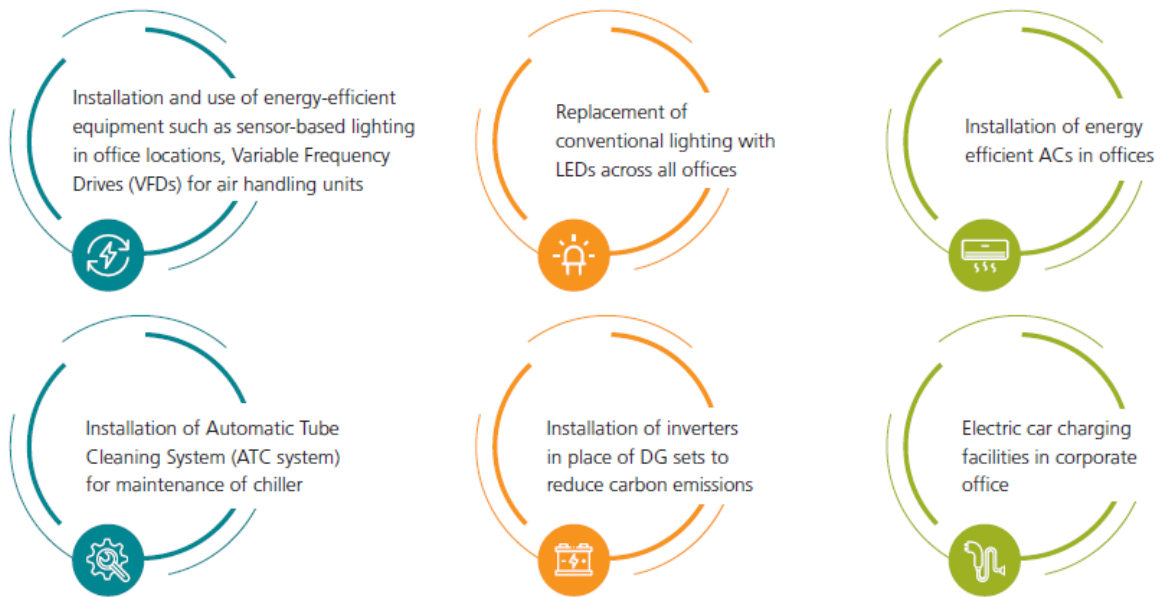
Organisational Structure



3. NATURAL CAPITAL

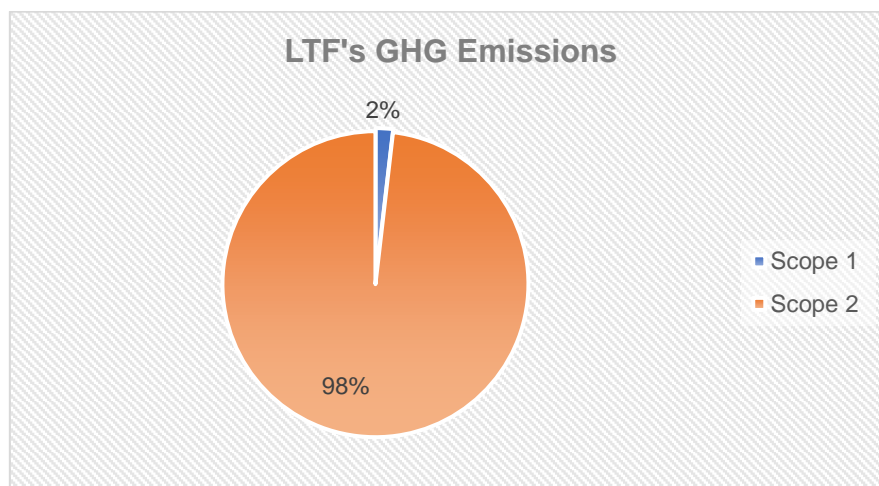
3a. Energy Management

Achieving energy efficiency is at the heart of the Company’s decarbonisation strategy. LTF continuously identifies and assesses avenues to reduce its energy consumption. During the year, a detailed exercise was carried out to optimise branch office space and accordingly, 24 branches were relocated, thereby achieving better energy efficiency. The Company has also deployed several technological solutions to save electricity and increase efficiency which includes:



Parameter	FY 2021-22
Turnover (INR Crore)	11,445.16
Total electricity consumption (A) (Grid Electricity) – (GJ)	20,322.17 ¹
Total electricity consumption (B) (Renewable Electricity) – (GJ)	1,041.01
Total fuel consumption (C) – (GJ)	1,075.41
Energy consumption through other sources (D) – (GJ)	0
Total energy consumption (A+B+C+D) – (GJ)	22,438.59
Energy intensity per rupee of turnover (Total energy consumption / turnover in INR)	0.00000020

3b. Carbon/GHG Emission Management



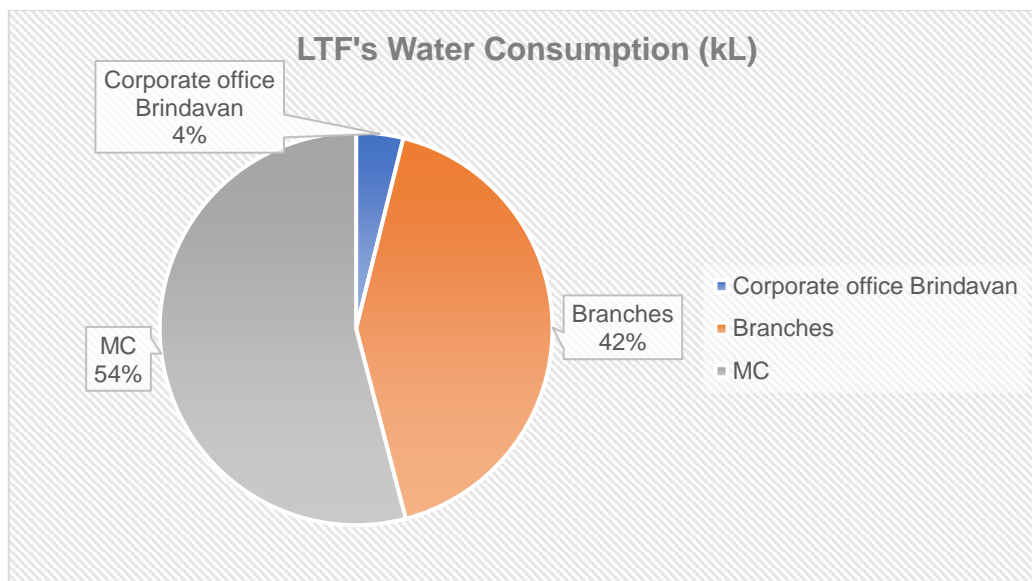
Emissions	Office	Units	FY 2021-22
Scope 1	Corporate office	tCO2e	31.08
	Branches	tCO2e	48.01
	Micro Loans Branches	tCO2e	0
Scope 2	Corporate office	tCO2e	0 ²
	Branches	tCO2e	2,206.69
	Micro Loans Branches	tCO2e	1,327.72

Total Emissions (Scope 1 + Scope 2)	tCO2e	3,613.52
Scope 1 and 2 Intensity / employee	tCO2e / employee	0.15
Total Scope 1 and Scope 2 emissions per INR of turnover	tCO2e / per INR of turnover	0.0000000316

¹ Electricity consumption data is prorated on LTF fulltime employee (FTE) basis for corporate office.

² Carbon emissions from corporate office excluded as part of operational control approach

3c. Water Management



Offices	Water consumed (kL)
Corporate office Brindavan	7,982 ³
Branches	86,716
Micro Loans Branches	1,11,459
Total Water Consumed	2,06,158

The corporate office has a Sewage Treatment Plant that enables treatment and recycling of water. In FY 2022, 1,441 kL of water was recycled and reused.

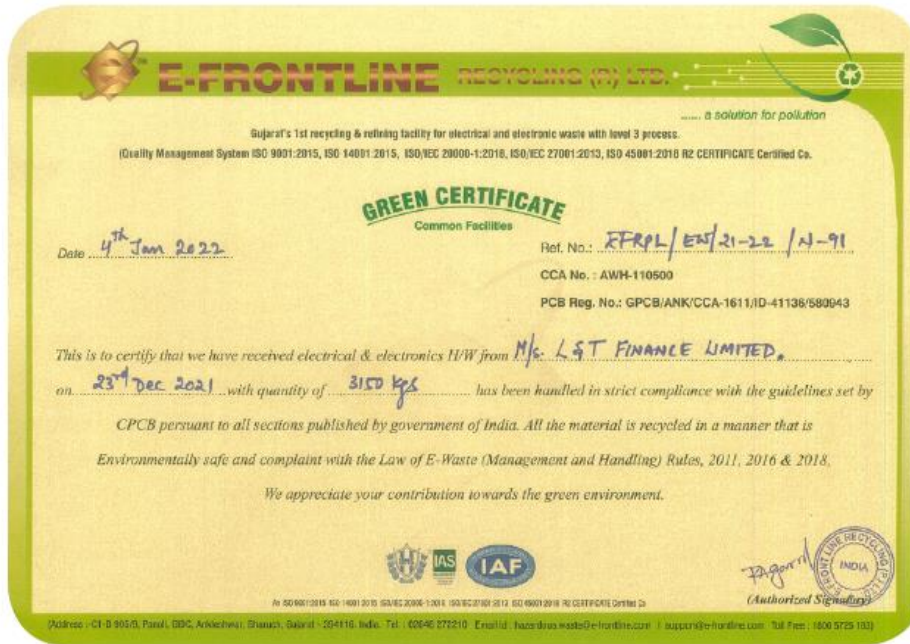
3d. Waste Management

The Company manages all its IT assets in a manner that conforms to applicable environmental norms and regulations especially the e-waste (Management and Handling) Rules, 2011, 2016 and 2018.

E-Waste

The Company carries out regular drives at corporate or zonal levels, to collect e-waste and dispose it off with a registered recycler. This ensures that 100% of the Company's e-waste is recycled and no e-waste goes to landfill.

³ Water consumption data is prorated on LTF fulltime employee (FTE) basis for corporate office.



Paper Waste

Paper continues to be an important resource for operations. However, multiple efforts were taken during the year to reduce consumption of paper. The Company's digitalisation initiatives, enumerated at length in the 'Business' section of this report, played a critical role in reducing paper consumption. The consistent efforts have resulted in ~47% YoY reduction in desktop stationery.

4. SOCIAL

4a. Diverse and Empowered Workforce

Sr. No.	Nos.	Workforce details				
		FY 2021-22 (Gender wise)		FY 2021-22 (Age wise)		
		Male	Female	less than 30 years	30 - 50 years	more than 50 years
Strategic Leadership (SL)	1	1	0	0	0	1
Executive Leadership (EL)	13	10	3	0	8	5
Business Leadership (BL)	57	49	8	0	52	5
Operational Leadership (OL)	268	245	23	4	257	7
First-Line Managerial Leadership (FML)	806	720	86	120	677	9
Foundational Leadership (FL)	4,515	4,327	188	2,032	2,478	5
Foundational Leadership IV (FLIV)	18,630	18,107	523	14,614	4,006	10
Secretary Band (SB)	6	0	6	1	4	1
Total	24,296	23,459	837	16,771	7,482	43

*As on March 31, 2022, the Company had 60 contractual employees, out of which 15 were females

People With Disabilities (PWDs)

Particulars	Total
Permanent	6
Other than Permanent	0
Total PWDs	6

4b. Talent Engagement, Management, and Retention

Employee Turnover (Gender wise)

Category	Total	FY 2021-22	
		Male	Female
Employee turnover	1,781	1,631	150
Employee turnover rate		30%	48%

* Above data excludes Foundational Leadership IV (FLIV) level employees

Category	Total	FY 2021-22	
		Male	Female
Employee turnover	13,731	13,271	460
Employee turnover rate		57%	55%

* Above data includes Foundational Leadership IV (FLIV) level employees

Employee Turnover (Age wise)

Category	Total	FY 2021-22		
		<30 years	30 - 50 years	> 50 years
Employee turnover	1,781	677	1,103	1
Employee turnover rate		31%	32%	3%

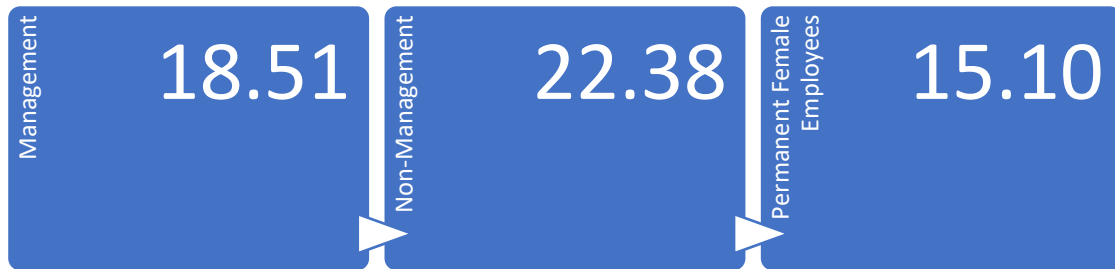
* Above data excludes Foundational Leadership IV (FLIV) level employees

Category	Total	FY 2021-22		
		<30 years	30 - 50 years	> 50 years
Employee turnover	13,731	10,350	3,379	2
Employee turnover rate		62%	45%	5%

* Above data includes Foundational Leadership IV (FLIV) level employees

4c. Training and Development

Average Hours of Training Per Year Per Employee



Employees Training

Category	Total (A)	On Health and Safety Measures No. (B)	% (B/A)	On Skills upgradation No. (C)	% (C/A)
Male	23,459	13,442	57%	16,349	70%
Female	837	364	43%	379	45%
Total	24,296	13,806	57%	16,728	69%

Employees Training on Human Rights Issues and Policies of The Company

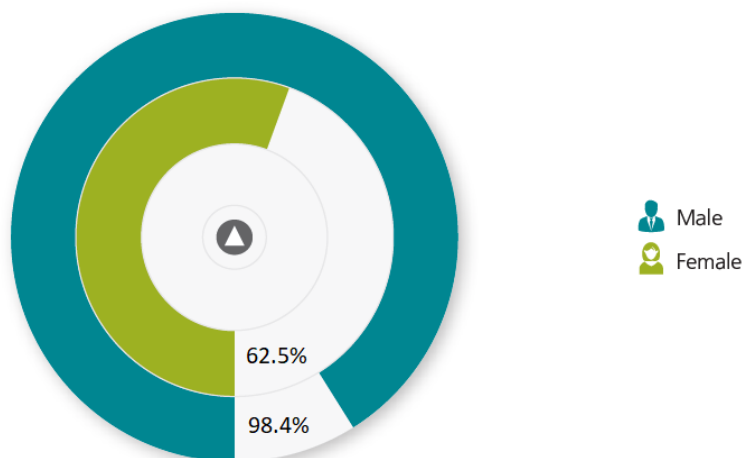
Category	Total (A)	No. employees / workers covered (B)	% (B / A)
Permanent	24,296	17,706	73%

4d. Employee Benefits

Parental Benefits

Parental Benefits	Number of employees entitled to parental leave		Number of employees that took parental leave			Number of employees who returned to work after parental leave ended	
	Male	Female	Male	Female	Male	Female	
Total No. of Employees	23,459	837	131	40	129	25	

Return to Work Rate



Employees Covered Under Benefits

Benefits	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Y
Gratuity	100%	NA	Y
ESI	79%	NA	Y

Employees Covered Under Insurance

Category	Total (A) as on 31st March 2022	% Of employees covered by			
		Health insurance		Accident insurance	
		Number (B)	% (B/A)	Number (C)	% (C/A)
Male	23,459	23,459	100%	23,459	100%
Female	837	837	100%	837	100%
Total	24,296	24,296	100%	24,296	100%

Links

- LTF Annual Report 2021-22 (includes all LTFH subsidiary companies)
https://www.ltf.com/content/dam/Int-financial-services/home-page/investors/documents/annual_reports/2021-22/LTFH-Subsidiary-Annual-Report-FY22.pdf
- LTFH Integrated Report 2021-22
https://www.ltf.com/content/dam/Int-financial-services/home-page/csr/documents/sustainability_report-2018-19/2021-22/LTFS-Integrated-Report-2021-22.pdf