

BUSINESS RESPONSIBILITY REPORT

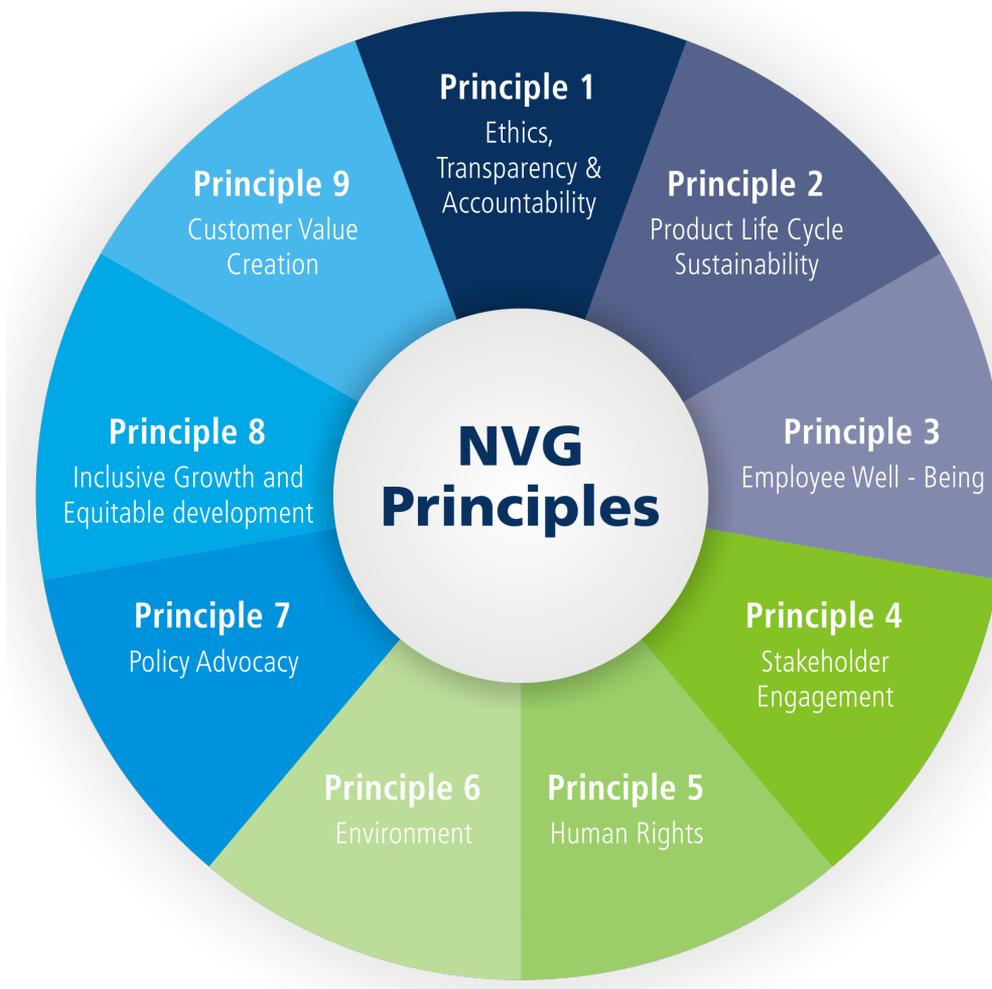
L&T Finance Holdings Limited (“the Company” / “LTFH”) is the holding company for the Larsen & Toubro Group’s financial services business. LTFH is regarded as one of India’s leading and well-diversified NBFCs with a strong presence across lending and investment management businesses. LTFH is a financial solutions provider catering to the diverse needs of its customers across various sectors, including Rural Finance (farm-equipment finance, two-wheeler finance, micro loans and consumer loans), Housing Finance (home loans, loan against property and real estate), Infrastructure Finance and Mutual Funds. These businesses offer diverse products and services that help customers secure both financing needs as well as their future, even in the un-served and under-served segments of the society.

Respect and integrity for its people, environment and

other businesses have always been at the heart of your Company’s Corporate Responsibility. Your Company believes in conducting its business activities in a responsible and sustainable manner and strives to deliver long-term sustainable growth.

The Business Responsibility Report (BRR) is aligned with National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business, issued by the Ministry of Corporate Affairs (MCA), and is in accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company’s business performance and its impact are disclosed based on the 9 principles as mentioned in the NVGs.



Section A: General Information about the Company

1. Corporate Identification Number (CIN) of the Company:

L67120MH2008PLC181833

2. Name of the Company:

L&T Finance Holdings Limited

3. Registered Office:

Brindavan, Plot No. 177, C.S.T Road, Kalina, Santacruz (East), Mumbai – 400098.

4. Website: www.ltfs.com

5. E-mail ID: igr@ltfs.com

6. Financial year reported: March 31, 2021

7. Sector(s) that the Company is engaged in (industrial activity code-wise): Non-Banking Financial Institution – Core Investment Company (NBFC-CIC) NIC Code – 64200

8. List three key products/services that the Company manufactures/provides (as in balance sheet):

The Company is registered as a Core Investment Company under RBI regulations and it is not carrying out with any business activity other than investment in its subsidiaries.

The subsidiaries are engaged in the following businesses:

- Rural finance business comprising farm equipment finance, two-wheeler finance, micro loans and consumer loans;
- Infrastructure finance business;
- Housing finance business comprising home loans, loans against property and real estate finance; and
- Mutual fund business

9. Total number of locations where business activity is undertaken by the Company:

- Number of international locations (provide details of major 5)

Nil

- Number of national locations

The Company (through its subsidiaries) caters to the business requirements of its growing customer base through a nationwide network of 197 branches and 1,395 meeting centers.

10. Markets served by the Company : Domestic (India)

Section B: Financial Details of the Company

1. Paid up Capital (₹):

As at March 31, 2021, the paid-up equity share capital of the Company stood at ₹ 35,93,54,57,040 comprising of 2,46,94,45,704 equity shares of ₹ 10 each amounting to ₹ 24,69,44,57,040 and 11,24,10,000 preference shares of ₹100 each amounting to ₹ 11,24,10,00,000.

2. Total Turnover (₹ in Cr):

For the financial year ended March 31, 2021, the total turnover of the Company on a consolidated basis was ₹ 14,080.10 Cr and on a standalone basis was ₹ 191.42 Cr.

3. Total profit after taxes (₹ in Cr):

For the financial year ended March 31, 2021, the net profit of the Company on a consolidated basis was ₹ 266.85 Cr and ₹ 116.05 Cr on a standalone basis.

4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):

The Company was not required to contribute any amount towards CSR activities during FY 2020-21 as per the provisions of Section 135 of the Companies Act, 2013 (“the Act”).

The overall budget for the CSR activities across all its subsidiaries for FY 2020-21 was ₹ 23.15 Cr and the contribution to PM Cares Fund in FY 2019-20 was set off against the budget.

5. List of activities in which expenditure in 4 above has been incurred:

The subsidiaries of the Company have primarily undertaken CSR activities in areas like Digital Financial Inclusion, Disaster Management and other programmes like Integrated Water Resource Management, Road safety and Healthcare.

Section C: Other Details

1. Does the Company have any subsidiary company/ companies?

The Company conducts its business through its subsidiaries in various business segments. As at March 31, 2021, the Company had 10 subsidiaries (including step-down subsidiaries).

Effective April 12, 2021, three of the wholly-owned subsidiaries of the Company i.e., L&T Infrastructure Finance Company Limited, L&T Housing Finance Limited and L&T Finance Limited got merged post completion of regulatory formalities. Thus, as on the date of this report, the Company had 8 subsidiaries (including step-down subsidiaries).

2. Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

The Company is a holding company and as such carries out its business through its wholly owned subsidiaries (directly or indirectly). The Company along with all its subsidiaries forms L&T Financial Services (“LTFS”). The policies and processes adopted across all the companies within LTFS are uniform except as required basis applicable regulations and / or market practice. Thus, the subsidiary companies participate in the BR initiatives of the parent company.

3. Do any other entity/entities (e.g., suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company endeavors to encourage its suppliers/ distributors (wherever possible) to participate in the initiatives towards business responsibility and to adopt practices which would help them to carry out business in a fair manner.

Section D: Business Responsibility Information

1. Details of Director responsible for BR:

- a. Details of the Director responsible for implementation of the BR policy/policies

The details of CSR and ESG Committee (CSR

Committee was renamed as CSR and ESG Committee w.e.f. April 24, 2021) and their roles and responsibilities are elaborated in CSR Annual Report and Corporate Governance Report forming part of this Report.

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	03545900
2	Name	Mr. Dinanath Dubhashi
3	Designation	Managing Director & Chief Executive Officer
4	Telephone number	022 6212 5000
5	Email id	igrc@ltfs.com

- b. Details of the BR head: Ms Apurva Rathod, Group Head - Secretarial & CSR and Sustainability

2. Principle-wise (as per NVGs) BR Policy/policies:

- a. Details of compliance (Reply in Y/N)

Sr.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	N.A.	Y	Y	Y	Y	Y	Y	N.A.
2.	Has the policy being formulated in consultation with the relevant stakeholders?	All policies have evolved over a period of time through consultation with stakeholders including benchmarking with the industry players.								
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies adopted by the Company are in conformity with the applicable rules and regulations.								
	Has the policy being approved by the Board? * Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies wherever stated have been approved by the Board / Committee of the Board / Senior Management of the Company and followed across entities within LTFS. Further, all the policies are subject to regular review (at least once a year) by Board / Committees of the Board / Senior Management.								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	-	Y	Y	Y	Y	Y	Y	-
6.	Indicate the link for the policy to be viewed online.	As per regulatory requirements the policies of the Company have been uploaded on the website of the Company i.e., www.ltfs.com/investors.html								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	Y	Y	Y	Y	-
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	-	Y	Y	Y	Y	Y	Y	-
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	-	Y	Y	Y	Y	Y	Y	-
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	-	Y	Y	Y	Y	Y	Y	-

- b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable

3. Governance related to BR:

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year.

The BR performance of the Company is reviewed on an annual basis. A dedicated Sustainability Team has been put in place for regular monitoring and reporting to the Managing Director and CEO at regular intervals.

- b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes a BR report in accordance with the guidelines specified by SEBI. The BRR is reviewed and published on an annual basis.

Additionally, on a voluntary basis on an annual basis, the Company has been publishing Sustainability Report since FY 2018-19 and the report has been prepared in accordance with the Global Reporting Initiative ('GRI') Standards (2016) – core option. Additionally, the Sustainability Report has assured by an external independent firm i.e., Ernst & Young Associates LLP.

The BRR and the Sustainability Report are hosted on the website of the Company at www.ltfs.com/investors.html and the link of the same has been provided in the Annual Report of the Company for easy reference.

Section E: Principle-Wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Corporate governance is appropriately maintaining a fine balance between economic and social goals and between individual and collective goals. The objective is to align the interests of people, business and communities as closely as possible. Corporate governance structure at LTFH harmonises the interests and expectations of stakeholder groups such as shareholders, regulators, employees, customers and the broader community, in developing and distributing value. The governance practices at LTFH, at all times, emphasize the Company's core principles of Pride, Integrity, Discipline and Ambition and is built on the foundation of Assurance. While this comprises of checks and balances that allow the Board of Directors to be in charge and exercise good control, the management incentives are calibrated to align with the interests of the stakeholders. LTFH's corporate governance framework is driven by the sharp focus on implementing best practices and complying with the applicable regulatory requirements.

LTFH is an integral part of India's leading conglomerate – Larsen & Toubro Limited. The Company adheres to the governance practices aligned to its parent and thus endorses and protects the brand legacy, prestige and position of the parent at all times. Larsen & Toubro Limited imparts strategic insights to the Company via its representation on the board of LTFH. The parent also has its representation on the critical committees like audit, nomination and remuneration, asset-liability, credit and risk management. All entities of LTFH follow the same governance principles and structures.

The governance processes embraced by the Company enables representation of different stakeholders' interest and balances the distribution of generated value. The Board actively guides and helps reaffirm the values and strategy of LTFH.

Code of Conduct

LTFH values its integrity and commitment and considers them as a foundation for all actions and decisions. This has led to a set of standards for the organization and for employee conduct.

A Code of Conduct ("CoC") is applicable to all the employees and Directors and it emphasizes value propositions such as ethics, fair employment practices, safe and healthy working environment, anti-money laundering, whistle-blower policy, and avoiding conflict of interest. Additionally, LTFH also has an independent CoC for its non-executive directors which focuses on upholding professional competence and avoids any conflict of interest.

Vigil Mechanism and Whistle-Blower Policy

LTFH has formulated a vigil mechanism for Directors and employees to report their concerns. The Company has adopted a Vigil Mechanism Framework, under which the Whistle-blower Investigation Committee has been set up. The objective of the framework is to establish a redressal forum, which addresses all concerns raised on questionable practices and through which the Directors and employees can raise actual or suspected violations. The Vigil Mechanism Policy empowers all levels of employees including top management to raise voice against actual/ suspected violations. The implementation of the framework is monitored through the Whistle-blower Investigation Committee which meets on a quarterly basis and all cases are discussed in detail before it is presented to the Audit Committee. It addresses all concerns raised on questionable practices. The framework ensures protection to the whistle-blower to avoid any sort of unfair or prejudicial employment practices. The Chairperson of the Audit Committee has direct access to all complaints raised through the framework.

Anti-Bribery and Anti-Corruption Policy

The Company prohibits any form of corrupt work practices. LTFH believes that corruption negatively impacts the business and economy and must be eliminated to build a sustainable, inclusive and transparent society. Adhering

to the same, the Company has formulated an anti-corruption policy which helps employees identify and avoid situations that could potentially violate anti-bribery and anti-corruption laws or create any appearance of impropriety. An e-module has also been designed to train the employees on this matter. All businesses of the Company are assessed for risks related to corruption. There were no concerns regarding corruption raised during the reporting period. There are no incidents of anti-competitive behaviour and violations of antitrust and monopoly reported in FY 2020-21.

The Group also has an exhaustive manual on human resources which covers all aspects pertaining to terms and conditions, roles and responsibilities in relation to employment with LTFH which encourages principles of ethics, transparency and accountability.

The Group has also adopted necessary procedures and processes to ensure compliance with relevant regulatory guidelines.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

LTFH believes that its long-term sustainable growth hinges on aligning with sectors which are growth engines of the Indian economy and are major GDP contributors. This philosophy is embodied in LTFH's core business model of lending and non-lending businesses.

With a vision of 'Growing together', LTFH investments into Renewable Energy is in keeping with the imperatives of climate change and increasing energy demand in India. The Company is very sensitive to the needs and aspirations of rural India and prudently lend to catalyse development as also manage the risk.

The rural finance sector at LTFH comprises agriculture and allied services as a major lending area. The housing finance sector focuses mainly on products related to the construction sector as per the need be. The needs of the infrastructure sector are taken care by LTFH infrastructure business segment. The Indian economy's saving potential part is dealt by the brand's asset management initiatives as also via investment propositions. This prioritization of various areas has helped LTFH to align its business goals with national priorities, this in turn has aided in a long-term value creation for the relevant stakeholders. The Company's belief in sharing common goals and vision with its stakeholders via its diverse product portfolio across businesses, boundaries and varied customer base has resulted in generation of holistic and self-sustaining business models which can stand strong in periods of uncertainties.

LTFH have adopted strategies, policies and actions to reduce or eliminate adverse impacts on a range of environmental, social and governance issues and bringing analytical and digital intelligence into the business approach.

In some of LTFH businesses viz. Infrastructure and Debt Fund,

ESG frameworks similar to IFC's performance standards are followed. Further, LTFH does not invest in coal-based power generation projects. All the lending contracts of LTFH have covenants covering Environmental Social & Governance requirements to be adhered to by the investee company/project.

Principle 3: Businesses should promote the well-being of all employees

LTFH believes in the promotion of health and wellbeing as one of the critical factors for the sustainable development of its staff and business, and also as a significant contribution to raising the level of health of the society as a whole. LTFH ensures ergonomic workplace design, proper sanitation facility and regular health check-ups. To protect its employees from work-related hazards, every workplace at LTFH is subject to a systematic, multi-step assessment that includes illumination, noise, indoor air quality, humidity, and temperature. Clear minimum requirements are defined for each factor and measures to redesign the workplace are taken if these requirements are not met. In addition, LTFH offers a range of benefits designed to enhance the work-life balance of its employees. LTFH also conducts safety training for women employees, who are trained on situation reaction and self-defence, and are updated on legal provisions relevant to their safety. Educative content on Health, Safety & Environment (HSE), women's safety, and road safety are circulated periodically on the intranet. To help workers re-energise and continue to perform well, they are urged to take a minimum number of annual leave days every year.

The COVID-19 crisis has forced many companies to relook at workforce health and safety initiatives. LTFH recognises that employees and frontline staff health can be impacted due to COVID-19. During this pandemic, the LTFH HR department diligently tracked employee health and well-being by maintaining an employee tracker with daily status updates to senior management. Furthermore, LTFH provided comprehensive health programmes for their workforce regarding financial, medical, and mental health benefits designed to help employees through this crisis. The offerings include additional services, like free telemedicine consultations, tailored to this specific crisis. LTFH collaborated with Practo - an app-based medical consultation which covered both - employees and their families. The Company stands along with the families of employees who have lost their lives to COVID-19. Though the loss of a life can never be filled, but LTFH has taken steps to support the journey of the family while coping with the loss. The Company will sponsor the education of the deceased employees' children till they graduate. One-time ex-gratia payment of ₹ 2 lakh will be given to the family as an immediate financial support along with continuing paying monthly salary to the nominee of the employee for a period of two years, also provide spouse's education assistance up to graduation for enhancing employability.

To ensure that the employees were continuously engaged in these times, various contests during the festive seasons

were organised. LTFS also provided its employee with an opportunity to lend their skills and support the students/ youth impacted due to lockdown through virtual volunteering mediums.

Ensuring the safety of people is a vital part of LTFS business operations. The Company organises periodic training sessions to ensure that there is complete awareness with regard to health and safety practices across the organisation. Regular mock evacuation drills are also conducted to ensure preparedness in case of fires, earthquakes and other natural disasters. LTFS believes that employees are asset to the organization. Most of the LTFH workforce operates in field-based roles that involve a lot of road travel along with communication between home and office. LTFH takes full responsibility for protecting field employees' safety and health and provides various benefits to employees. The Company also runs an extensive campaign of safe driving for its employees to fulfil its responsibility of protecting all its employees, including field staff and people around them, while contributing to safer roads. Therefore, all the employees are covered under unlimited medical insurance at all levels in the organization.

LTFS employs a large workforce having the desired qualifications, skill sets and capabilities to meet its diverse business requirements. Workforce dashboards reflects mandatory courses required by the employees and also enable their managers to see the training status of the respective employees. These dashboards provide a rich, overall picture of the employee's learnings and have training materials and various other resources. These dashboards are used for understanding the performance gap and provides insights to reduce the gap.

LTFS takes cognizance of changing business landscape and workforce in delivering various benefits to its employees. LTFS constantly innovates and evolves its benefits programs to meet the needs of its workforce. LTFS provides all its regular (full-time) employees a wide range of benefits including gratuity, health care coverage, insurance (medical, accident and life), parental leave, leave encashment, ESOPs, pension, and provident funds. All employees are eligible to participate in the Matching Grant Scheme (MGS), a wealth-creation opportunity in which the organization matches (subject to limits) the investment made by the employee Company's own Mutual Fund scheme(s).

LTFS have devised very a progressive and family-friendly parental leave. Employees are entitled to parental leave as per the Company policy. LTFS under the policy provides workshops and other services like flexible working hours, career management support etc. for staff returning from parental leave. The program also enables its female employees to integrate their personal and professional commitments seamlessly during this period.

LTFH is committed to the prohibition of sexual harassment at workplace, and endeavours to provide easily accessible reporting channels for every employee. LTFH has adopted the 'Policy for Prevention, Prohibition and Redressal of

Sexual Harassment at Workplace' to ensure the safety and security of its women employees. To ensure that our women employees feel safe and secure at the workplace, the Company has an Internal Committee in place, headed by a senior woman employee, to address and deal with cases pertaining to sexual harassment. All the cases received in the last year have been closed/resolved - with appropriate actions being taken to protect the complainant.

Total number of employees:

As of March 31, 2021, LTFS had 22,532 permanent employees (across all its businesses / subsidiaries) and there were no employees on a temporary or contractual basis during FY 2020-21.

Number of permanent female employees:

As of March 31, 2021, LTFS had 914 permanent women employees.

Number of permanent employees with disabilities:

There is 1 employee with permanent disabilities.

Employee associations recognised by the management:

There is no employee association at LTFS.

Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

LTFS did not receive any complaint relating to child labour, forced labour, in voluntary labour or discriminatory employment in FY 2020-21. Four complaints of sexual harassment of women at workplace received, investigated and resolved by LTFS during financial year 2020-21.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Mapping of internal and external stakeholders:

LTFS believes in forging a strong relationship with its stakeholders based on trust and delivery. The stakeholders' expectations and concerns offer critical inputs to LTFS management of business and its growth. The key stakeholders include customers, employees, shareholders and investors, regulatory authorities and community. By actively fostering periodic interactions, the Company actively engages with and is in a position to address its stakeholder expectations and concerns in an informed and effective way.

The Company has a Stakeholders Relationship Committee and it comprises of 2 Independent Directors and 1 Non-Executive Director. The Committee addresses the grievances of the security holders of the Company. The Committee also approves / notes / reviews matters pertaining to share allotment, redressal of stakeholders and investor complaints, effective exercise of voting rights as also

reviews and withholds results of any investigation/audit conducted by any statutory authority.

LTFS has identified its internal as well as external stakeholders and engages with each of them through various mechanisms, discussions, including surveys, activities, and events, specifically designed for each group. The internal stakeholders like employees of the Company are reached through regular surveys, interactions, training sessions, annual expectation surveys and regular periodic engagements. The external stakeholders are reached through Customer satisfaction Surveys, regular business interactions, dealer meets and engagement activities, press releases, regular media interactions, Ad campaigns, social media such as press releases, analyst/ investor meets, client events, participation in events organized by various associations, through customer feedback.

Identification of the disadvantaged, vulnerable and marginalised stakeholders:

The organization has also identified marginalized and vulnerable sections of community members in rural areas as key stakeholders for its CSR programs and Company is working for their upliftment through various initiatives which are covered in detailed in Principle 8. Distinctive surveys were created to cater to the nature of the individual stakeholder as also to assess their impact on LTFS' performance, helping it prioritize its stakeholders based on their mutual ability to influence each other for long-term growth.

The vision of the Company is to be an admirable, inspirational and sustainable financial institution, creating sustainable value for all stakeholders of the Company.

Principle 5: Businesses should respect and promote human rights

Coverage of the company's policy on human rights to the company and its extension to the group/joint ventures/ suppliers/contractors/NGOs/others:

LTFS does not discriminate on customer's access to finance based on race, religion, or gender in lending practices. LTFS also conducts robust customer due diligence based on ESG parameters before issuing loans. Through its investment portfolio in infrastructure sector, LTFS ensures that infrastructure projects do not contribute to human rights violations such as forced labour, child labour, working conditions, land rights, displacement, and forced relocations by conducting periodical monitoring on ESG parameters.

Stakeholder complaints received in the past financial year and percentage of complaints satisfactorily resolved by the management:

During the reporting period, there were no known cases of child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

Coverage of the policy related to Principle 6 and its extension to the Group/joint ventures/suppliers/contractors/NGOs/others:

LTFS ensures its operations and investments have a positive environmental impact in line with its Sustainability Policy. The policy has environmental objectives including – (i) Provide products and services that contribute to the sustainable development of the Indian economy while ensuring application of environmentally friendly practices and (ii) Reduce adverse impact of climate change, promote energy efficiency and environmentally friendly operations.

LTFS operates with over 197 branches with the pan India presence. These branches have undertaken various energy management initiatives that enable LTFS to maintain low operating costs besides reducing their environmental footprint. The primary source of energy for LTFS is electricity purchased from the grid for its corporate headquarters; regional offices are also equipped with diesel generators for emergency power requirements.

The Company's strategies/initiatives to address global environmental issues, such as climate change, global warming and more:

Ever increasing oil and fuel prices make it mandatory for companies to become self-reliant in its energy requirements, since a lot of cost can also be saved on the operational front. LTFS has implemented several technological solutions to conserve electricity and enhance efficiency. These include installation of energy efficient equipment like sensor-based lighting in office premises, incorporated solar panels for external lighting at office owned premises, VFD's for air handling units, replacing the existing conventional lighting to LED's and shutting down of air-conditioners beyond operational hours. LTFS corporate headquarters in Mumbai is a Leadership in Energy and Environment Design (LEED), Gold-certified building and have the Sewage Treatment Plant (STP) for treatment of wastewater to be reused for gardening and air conditioning. It also has an electric car charging facilities in basement parking area. Employee awareness is also carried out on a regular basis to create a responsible approach/attitude amongst them about the possible impacts they create on the environment.

Identification and assessment of potential environmental risk

LTFS has built a presence across the country. Each of LTFS's branches have been assigned various energy management initiatives that allow the Company in reducing its environmental footprint. Electricity purchased from the grid continues to be one of the prime sources of energy for LTFS. This electricity is consumed by its corporate headquarters, regional offices, and branches.

The Company has introduced several technological

solutions to save electricity and increase efficiency. These practices include usage of energy-efficient equipment such as sensor-based lighting in office locations, Variable Frequency Drives (VFD's) for air-handling units, substituting the existing conventional lighting with LEDs, and restricting usage of air-conditioners only during operational hours. The Company's corporate headquarters in Mumbai has earned the recognition of being a LEED Gold-certified building. The structure has in place a Sewage Treatment Plant that allows the usage of wastewater for gardening and air-conditioning. Awareness programmes for employees are also implemented regularly to bring in a sense of responsibility regarding the potential impacts they create on the planet. Use of digital tools, for example, for video conferencing has helped reduce air/rail/road travels thereby reducing carbon footprint to a great extent.

At LTFH, there is a continuous effort to decarbonise operations. Though the potential emission reductions in its operations may not be very significant considering its business, it is important for LTFH to embrace best practices. LTFH has installed inverters in place of DG's to reduce carbon emissions. The Company views its investments in technology as part of its commitment to sustainability. The use of multimedia video conferencing reduces the need to travel (air travel), which directly cuts down the operational costs and indirectly reduces contribution towards emissions. LTFH measures and discloses its GHG emissions with complete transparency.

LTFH is committed to being responsible towards the use of available resources. It is the Company's endeavour to continually look for ways to reduce and recycle waste. The Company mainly generates e-waste and paper waste through its operations. LTFH has an E-waste policy which provides a frame-work for collection and disposal of electrical and IT appliances. The Company has appointed various nodal points across India for collection of e-waste where it is handed over to authorised handlers. LTFH complies with the E-Waste Management and Handling Rules and recycles 100% of generated e-waste through registered recyclers. As a part of data protection, degaussing is done before handing over e-waste to authorised recyclers. In simple terms, degaussing is a demagnetising process of erasing data from a hard-drive. No e-waste from LTFH goes to the landfill. Proper certification is received from authorised recyclers. Entire e-waste is shredded (recycled). During FY 2020-21, LTFH generated and disposed 3,842 kg of e-waste.

The procurement of all A4-sized paper is done centrally, which has led to proper tracking of paper consumption of the entire Company across branches. LTFH is making steady and continued progress towards digitalisation of products and processes. Digitalisation has minimised the use of paper in frontline applications. Additionally, business divisions such as Housing, Micro loans are getting digitised, too. This shift has minimised paper consumption overall in all the operations.

As water supply for commercial use (domestic/office) becomes a critical factor, it becomes imperative to adhere

to good practices of rational water usage. The Company has also undertaken various initiatives such as the provision of sensors on urinals and faucets at select branches.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

In its engagement with public authorities, LTFH engages in public and regulatory policy development process through providing suggestions on the draft notifications / circulars issued by various regulators from time to time and also making representation to various bodies / regulators on matters affecting the industry or society at large. LTFH also provides valuable suggestion to various regulators keeping in mind the larger interests of the industry.

Representation in any trade and chamber/association

Our Managing Director and Chief Executive Officer co-chairs the Federation of Indian Chambers of Commerce and Industry (FICCI) Committee on NBFCs. Members of our leadership team are also part of key bodies including the Monetary Policy Consultative Group of Indian Banks Association, Mutual Fund Advisory Committee of SEBI, on the Editorial Advisory Board for Bank Quest Journal of Indian Institute of Banking & Finance, an Honorary fellow of Indian School of Political Economy, Pune and member of the CII Western Region's CEO-Economists Forum 2021-22, through which valuable suggestions for the betterment of the industry at large is provided.

Advocated/lobbied through above associations for the advancement or improvement of public good

The Company also develops white paper with regards to its on ground initiatives on Digital Financial Inclusion and Climate resilient agriculture and shares with external stakeholders, which gives a ground up data and feedback to relevant govt and international development agencies.

The Research Reports of the Company's Economic Affairs Division providing macro perspectives, insights into agricultural & rural belts, sector-specific research notes on key businesses of the Company & the NBFC sector and impact analysis of monetary & fiscal policies, etc. are regularly shared with the key policymakers and regulators like Reserve Bank of India and various ministries of the Government. The Group Chief Economist of the Company, who was the Member of the RBI Committee on Inflation Targeting Framework regularly contributes to the RBI's Professional Survey of Forecasters and participates in the Pre-Policy Consultative Meetings with the RBI Governor and the Top Management of the Monetary Policy Department of RBI.

Principle 8: Businesses should support inclusive growth and equitable development

Corporate Social Responsibility at LTFH forms an integral part of the organisation's philosophy. The governance of social footprint is administered through a Board-level CSR & ESG Committee. The CSR & ESG committee formulates the guiding CSR policy and stipulates a framework according

to which it functions. The policy outlines the activities to be undertaken by the Company for creating sustainable value for communities.

There is clear alignment with United Nation's global development agenda of Sustainable Development Goals (SDG) particularly 'No Poverty' (SDG 1), 'Gender equality' (SDG 5), 'Sustainable Cities and Communities' (SDG11) 'Climate Action' (SDG 13) and 'Partnership for the goals' (SDG 17). Inclusion of all stakeholders based on a priority matrix is clearly articulated in the CSR policy and all programmes are passed through this matrix before being implemented on the ground for creating maximum stakeholder value. Each programme is deliberated in detail

during CSR committee meetings.

Specified programmes/initiatives/ projects by the Company in pursuit of the policy related to Principle 8

LTFS aspires for an inclusive social transformation of the rural communities and serves by nurturing and creating opportunities for sustainable livelihoods for them.

LTFS' mission is to reach marginalized farmers and women micro entrepreneurs in the rural communities and work towards rejuvenating their eco-systems thereby creating sustainable livelihoods and enabling financial inclusion.

The projects covered under thrust areas are as follows:

Thrust Area	Project/s
Digital Financial Inclusion	Digital Sakhi
Disaster Management	Disaster Relief Project
Other projects:	
Integrated Water Resource Management	Jalvaibhav
Road Safety	Promotion of Road Safety among municipal school children & larger eco system; training and deployment of community youth as traffic wardens.
Healthcare	Access to health services and breast cancer screening

Besides the CSR initiatives of the organization, certain businesses such as micro loans are geared towards financial inclusion of the rural communities and encourage enterprise development within them.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

LTFH believes customer focus is the key to success for any business. In the current competitive world, companies must prioritise consumers' long-term interests. LTFH considers customers to be one of its most important stakeholders. That is why it strives to follow high standards in customer service and product quality.

The financial services sector has become increasingly competitive with sharp focus on client engagement and product innovation. LTFH understands that co-creation in the finance industry is an emerging area of financing and in turn customers bring innovations in services. Therefore, LTFH has developed a co-creation framework along with customers and dealers to help understand emerging needs, thereby bringing in much needed innovation across its product and service offerings. Focusing on customer needs and understanding their requirements helps LTFH develop a bigger pool of loyal customers. Customer satisfaction also requires improving the quality of services as well as increasing operational performance, a key area of focus at LTFH.

LTFH applies a rigorous and effective grievance resolution process, with two levels of verification. Step one in the

redressal process is handled by the customer service (call centres). If it is not addressed in a week, it is sent to the customer service review office i.e., Grievance Redressal Office (GRO). A regular and stringent review of the number of customer grievances and their redressal is undertaken at the top management level, within the organisation. In addition, LTFH also shares complaints data with relevant stakeholders from key operating functions (compliance, business heads) within the organisation.

The Company has formed Stakeholders Relationship Committee of the Board and one of the Independent Directors is the Chairperson of the Committee wherein the status of the investors' grievance is reviewed and the said Committee gives advice to take appropriate steps for resolving the grievances of the shareholders. Shareholders can raise grievance/complaints by writing to the Company directly or emailing at igrc@ltps.com.

LTFH stringently monitor all complaints received, and strive to close any complaints well within stipulated time limits. There are no outstanding complaints as on March 31, 2021.

Business Responsibility and Sustainability Report ("BRSR")

LTFH has been releasing Sustainability Report since FY 2018-19. As a responsible and ESG committed corporate, LTFH has chosen to voluntarily disclose the BRSR related information through cross referencing of the same in its latest Sustainability Report FY 2020-21 titled 'Growing Together'. The Sustainability report can be accessed at the Company's website www.ltps.com/investors.html