



Sustainability Policy

L&T Finance Holdings Limited &
its Subsidiaries

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VERSION CONTROL

Version	Date of adoption	Change Reference	Owner	Approving Authority
1.	April 2019	-	CSR & Sustainability Team	Sustainability Committee (Management level)
2.	April 2021	Corporate Social Responsibility Committee has been renamed as the "Corporate Social Responsibility and ESG Committee"	CSR & Sustainability Team	Corporate Social Responsibility & ESG Committee

1. Introduction

a. About LTFH

L&T Finance Holdings Ltd (LTFH) is one of India's most valued and fastest growing non-banking financial companies (NBFC). It offers a diverse range of financial products and services in the rural, housing and renewable power finance sectors. It also offers investment management services. The company is promoted by Larsen & Toubro Ltd, one of the country's largest conglomerates, that has business interests in engineering, construction financial services and technology.

b. Policy principles and purpose

LTFH has clearly articulated its intent of being an Admirable, Inspirational & Sustainable institution. Through its governance practices, the Company aims to conduct business in an ethical manner integrating its growth with the overall economic development of the country. The core values of Pride, Integrity, Discipline and Ambition are embedded into the Company's working culture. These values guide its decision making process at all times, thus, enabling all the employees to take ownership and responsibility for their individual actions.

Sustainability has always been an integral part of the Larsen & Toubro (L&T) Group's legacy, paving the path for our endeavor to contribute to an inclusive future. Our sustainability initiatives and business models are not silos but co-exist and seamlessly blend into each other's realms. We have ensured that basic principle of utilization of various forms of capital, like Financial, Intellectual, Human, Social and Natural, are reflected in the policies and frameworks adopted.

For LTFH, long-term sustainable growth hinges on its alignment with sectors that are the growth engines of the Indian economy and actively contribute to the GDP. This philosophy is embodied in the core business model of LTFH's lending and non-lending businesses. The Company's focus lies in optimizing its performance on a continuous basis in order to contribute to the achievement of national objectives, as well as globally recognized Sustainable Development Goals (SDGs).

As a financial institution, risks are inherently present in most of LTFH's business activities. These risks are related to its reputation, products and services, IT security, operations, credit and lending practices etc. The Company believes that investing in sustainable businesses and practices can act as a robust tool to effectively manage these risks.

2. Extending Sustainability across the value Chain

LTFH strongly believes in closely engaging with all its stakeholders to ensure the propagation of LTFH's core sustainability principles and its alignment with that of our stakeholders. LTFH further encourages our supply chain to cascade the practices to their supply chain and there by enable a sustainable value chain in true spirit.

3. Applicability and objectives of the policy

This policy has been developed by LTFH and is applicable to all of its operations and its subsidiaries.

Key planks of policy:

1. Adopt principles and practices that enable long-term value creation.
2. Embrace and embed the theory of 'profit with purpose' across business operations.

3. Prepare for and align to national 'net zero' target by working on parameters across impacts of climate change, energy efficiency and environmentally friendly operations.
4. Adopt a relevant sustainability charter that is tightly integrated with the business charter. Develop the underlying strategy, plan goals, periodic milestones, and risk mitigation measures to achieve its stated objectives.
5. Promote integrated thinking and reporting.
6. Adopt Global frameworks and Standards to always be a BEST PRACTICE ENTITY.
7. Provide products and services that promote financial inclusiveness and contribute to the sustainable development of the Indian economy while ensuring application of environmentally friendly practices and propagating financial inclusion.
8. Propagate LTFH sustainability principles and seek compliance by supply chain stakeholders.
9. Subsume Corporate Social Responsibility into the defined sustainability charter and principles by establishing strong correlation between the two.
10. Promote inclusive and equitable business practices ensuing fair treatment and equal access to opportunities and resources and preventing discrimination of any kind across the value chain.
11. Promote diversity across stakeholders by representing varied identities and differences across gender, race, ethnicity, culture, skills, disability, sexual orientation etc.
12. Establish a working environment that ensures the safety and mental health of all humans associated
13. Establish a working environment that aids in nurturing employees and contributes to their overall professional development.
14. Prevent Human Rights violation and promote respect for Human Rights.
15. Work towards enhancing customer satisfaction.
16. Foster the development of in-house learning, management capacity and leadership on sustainability topics.
17. Develop partnerships that foster sustainable development with all stakeholders.

4. Governance Mechanism

The responsibility of governing sustainability rests with the Board of Directors. However, specific activities have been delegated to committees as deemed appropriate. The Corporate Social Responsibility / ESG Committee is responsible for formulating and executing the strategy for sustainability, which is reviewed and discussed with senior management annually.