

L&T Finance Holdings Ltd. releases its first Integrated Annual Report

The report highlights sustainability strategy and performance along with financial performance of the Company

- **The theme of the report is:**
 - 'Accelerating towards Lakshya – Retail, Digital and Sustainable'
- **Report covers the key indicators of business sustainability performance like:**
 - Financial and Intellectual Capital
 - Manufactured, Social and Relationship Capital
 - Human and Natural Capital

Mumbai, August 08, 2023: L&T Finance Holdings Ltd. (LTFH), a leading non-banking financial company, has released its first Integrated Annual Report (IAR) with the theme 'Accelerating towards Lakshya – Retail, Digital and Sustainable'. The theme describes the journey of LTFH towards creating an organisation which is retail, digital in nature and sustainable. The Company's strategic plan Lakshya is focused on delivering robust business performance along with contributing in the Environmental, Social and Governance (ESG) areas, thereby creating value for all its stakeholders.

The IAR is a natural progression for the Company as it makes sustainability a strong driver in the Company's strategy and growth story. The report is a vital part of the dialogue with stakeholders, and showcases the Company's commitment to transparency, sustainability, and long-term value creation. The report highlights the Company's path of becoming a top-class, digitally-enabled, retail finance company moving from a 'product-focused' to a 'customer-focused' approach, while simultaneously concentrating on the strategic goals of Lakshya 2026 which were unveiled in 2022. To maintain consistency in approach, the Company's IAR and Business Responsibility and Sustainability Reporting (BRSR) have been assured by an Independent Third-Party Assurance provider and will provide stakeholders with a comprehensive view of its performance, strategic objectives, environmental impact, corporate governance, and social initiatives undertaken.

Mr. Dinanath Dubhashi, Managing Director & CEO, L&T Finance Holdings Ltd. said, "I'm delighted to present our first Integrated Annual Report, which delves into the Company's performance and value creation model for our stakeholders. The report reflects our commitment of emerging as a leading digitally-enabled, retail finance company where the strategy rests on the pillars of sustained profit and growth engine, demonstrable strength in risk management, creating Fintech@Scale and integrating sustainable future growth through ESG in business operations. The report also provides an overview into the external environment and how LTFH intends to meet its short to long-term goals. By embracing integrated reporting, the Company aims to foster trust, enhance stakeholder engagement, and drive sustainable growth."

From the environmental perspective, LTFH has created a positive impact through measures such as optimal resource utilisation, energy efficiency, and water conservation. In line with its decarbonisation strategy, in FY23, the corporate head office operated on 100 percent green power. Additionally, 6 branches were switched to green power leading to an ~30 percent reduction in carbon footprint. In FY23, LTFH is not only water-neutral, but has turned water-positive by replenishing 111x (times) of water consumed in its operations. Under the project 'Prakruti', LTFH planted over 50,000 saplings adding to its existing carbon sinks.

In FY23, LTFH has taken significant strides towards achieving the Lakshya 2026 goals. FY23 was a year of strong performance for the Company owing to a focused retail business strategy, strengthened digital prowess, demonstrable risk management practices and an enhanced ESG plan. LTFH not only made bold sustainability/ ESG commitments to create a sustainable organisation, and it also performed significantly well against the 22 sustainability targets set for FY23.

Going forward, LTFH will continue its journey of retailisation and grow at a minimum of 25 percent Compound Annual Growth Rate. Considering these aspects, the IAR is a natural progression for LTFH as it makes sustainability a strong driver of strategy and growth story. It has also adopted 23 sustainability / ESG targets for FY24.

LTFH invites all stakeholders, to study the report and gain greater insights of the Company's sustainable business practices. The IAR is available for download on the Company's website and the link to the same is: https://www.ltfh.com/docs/default-source/financialresult/annual-reports/LTFH_IAR-2022-23

About L&T Finance Holdings (LTFH):

L&T Finance Holdings Limited (LTFH) (<https://www.ltfh.com>), a leading Non-Banking Financial Company (NBFC), offers a range of financial products and services through its subsidiary L&T Finance Ltd. (LTF) under the L&T Finance brand. Headquartered in Mumbai, the company has been rated AAA — the highest credit rating for NBFCs — by four leading rating agencies. It has also received leadership scores and ratings by global and national Environmental, Social and Governance (ESG) rating providers for its sustainability performance. The company has also won many prestigious awards for its flagship CSR project – “Digital Sakhi” which is focused on women empowerment and digital and financial inclusion. Under Right to Win, being in the ‘right businesses’ has helped the company become one of the leading financiers in key retail products. The company is focused on creating a top-class, digitally-enabled retail finance company as part of the Lakshya 2026 plan. The goal is to move the emphasis from product focus to customer focus and establish a robust retail portfolio with quality assets, thus creating a Fintech@Scale while keeping ESG at the core. Fintech@Scale is one of the pillars of the company's strategic roadmap - Lakshya 2026. The company has over 2.1 crore customer database, and this database is being leveraged to cross-sell, up-sell as well as identify new customers.

