



# Sustainable Real Estate for a Changing World

Sustainability Report 2019-2020



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# About the Report

DLF has integrated various facets of environmental, social and governance practices in its operations. We recognize the impact our business can have on the immediate ecosystems. Our sustainability report is a means for us to effectively communicate not only with our key stakeholders but also the society at large. This disclosure is a platform that we at DLF would like to use to endorse our commitment to responsible practices that we have been following in our business operations to positively impact the ecosystem we strive in. The

second edition of our ESG report showcases our approach to sustainability, with a focus on issues material to our organization. This report aims to showcase our ESG initiatives and achievements in the last year. The information disclosed in the report pertains to the period 1 April 2019 – 31 March 2020, unless stated otherwise. This report covers all our operations, businesses and assets of the company that fall under direct operational control. For further details about the report, please write to us at: [sustainability@dlf.in](mailto:sustainability@dlf.in)

## Reporting Boundary for 2019-2020



### Office Spaces

#### Cyber City Gurugram

- Building 5
- Building 6
- Building 7A & 7B
- Building 8
- Building 9
- Building 10
- Building 14
- Cyber Greens
- Gateway Tower
- Forum

#### Gurugram

- Center Court
- World Tech Park
- Horizon Centre
- Amex Building
- ReNew Building

#### Chandigarh

- IT Park

#### Chennai

- Cybercity

#### Kolkata

- IT Park I
- IT Park II

#### Hyderabad

- Cybercity

#### New Delhi

- DLF Center



### Retail Spaces

#### Gurugram

- CyberHub

#### Chandigarh

- DLF City Center

#### New Delhi

- DLF Promenade
- DLF Emporio
- DLF Avenue
- The Chanakya

#### NOIDA

- Mall of India



### Hospitality

#### Gurugram

- DLF Golf & Country Club
- DLF Magnolias Club
- DLF Aralias Club
- DLF Club Vita
- DLF Club 3
- DLF Club 4
- DLF Club 5

#### New Delhi

- Lodhi Hotel
- Hilton Hotel



### Multi-level Car Parking

#### New Delhi

- Capitol Point
- South Square



### Residential

#### Gurugram

- Camellias
- Ultima



### Under Development

#### Gurugram

- Cyberpark
- DLF DownTown

#### Chennai

- Building 11
- Building 12
- DLF DownTown

#### New Delhi

- Midtown Development-Phase I

# Message from Chairman

We are pleased to publish the second edition of our ESG report. The report brings out key aspects which we have adopted to make our operations more sustainable and to drive change by minimizing the impact on our and our clients' operations.

At DLF, we recognize that, as an organization operating in the domain of developing and managing a built environment, we have a significant role to play toward achieving more sustainable and resilient urban areas.

The built environment is estimated to account for more than 40% of the global energy consumption and for approximately one-third of the world's carbon emissions. In line with this, we acknowledge that we have a significant opportunity to partner with our clients to drive sustainable change and deliver long-term impact. We have always believed in providing products and services that are capable of keeping pace with the changing times. We have dedicated ourselves toward the development of ecosystems for India's changing needs, assuring quality while contributing to the growth story of our nation. At DLF, we acknowledge that sustainability comes as a complete package where all our stakeholders need to have equal ownership and commitment to help us realize our goals. Further, we believe that a sustainable business needs a strong foundation of strong corporate governance and a code of conduct that applies to the leadership, employees and all our stakeholders.

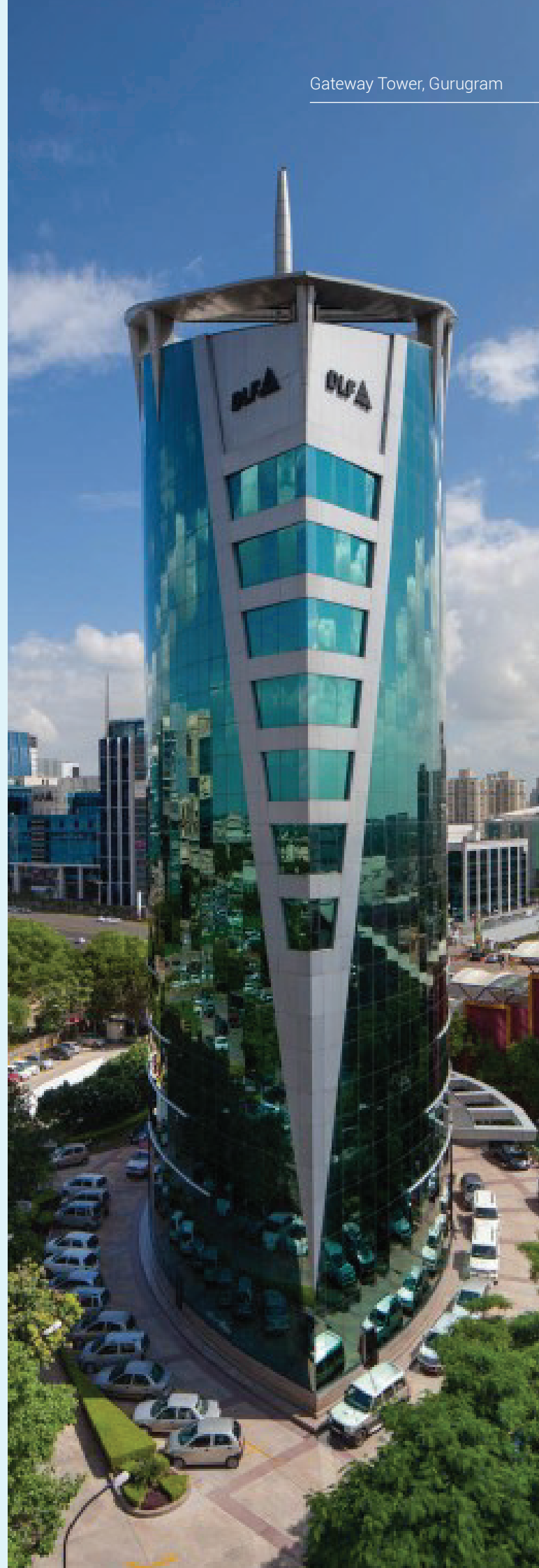
At DLF, we take pride in enacting, exemplifying and exceeding the highest environmental standards, which address the most pressing challenges faced by our nation. Events of extreme weather, pollution and environmental degradation continue to worsen with every passing year. In light of this, we have recognized that we have a real opportunity to provide tangible action to deliver a more sustainable future to all our stakeholders. This vision of a sustainable business aligns with our corporate values and responds to both investor and market expectations. We are regularly trying to improve our processes and the way we function to ensure we become more sustainable.

While we operate closely with communities, we ensure that our initiatives go beyond the business and operational requirements. As an organization, we are focused toward empowering our communities for building a better India. Our community-focused initiatives have touched about half a million lives so far and we aim to only increase our reach.

I look forward to updating you on our progress in next year's report.

**Rajiv Singh**

*Chairman*





# About DLF

DLF is a leading real estate company in India with over seven decades of experience. Its operations span all aspects of real estate development, from identification and acquisition of land to planning, execution, construction and marketing of projects. It has presence in over 14 states in India, with a diverse portfolio of assets, including offices, housing, malls and recreational spaces.

For over seven decades, DLF has been shaping the Indian real estate sector and has been instrumental in transforming urban spaces, shopping and retail complexes, and residential arenas.

With its headquarters in Gurugram, DLF has developed 153 real estate projects across the country. The company has turned into a real estate pioneer in India, specifically in the residential, commercial and retail properties. DLF's asset portfolio is managed under DLF and DCCDL. The organization caters to two major operational models: asset development and asset management.



The Crest, Gurugram

## DLF



### Residential Development

Apartments, Villas & Floors  
Plotted Developments



### Commercial & Retail Development

Corporate Offices & IT Parks  
Malls & MLCP



### Hospitality



### Commercial Lease

Corporate Offices & IT Parks  
Built to Suit Facilities



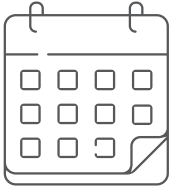
### Utilities & Facilities Management Services



### Retail Lease

Malls

## DCCDL



7 Decades  
of experience



Present in  
14 States



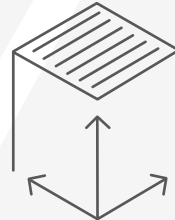
153  
Projects



22  
Cities



32.4 msf  
Rental Portfolio



Over 113 msf  
delivered since  
2007



Over 40  
Tenants are  
Fortune 500  
Companies

The organization structure and governance framework responsible for the overall business operations at DLF includes the leadership oversight for ESG areas as well. Various committees have been formed to independently assess and evaluate the organization's stance on areas critical to our operations. The committees report to the Board of the company to periodically evaluate the risks and opportunities in each domain. The details of the committees have been outlined below:

## AUDIT COMMITTEE

This committee monitors and provides re-assurance to the Board on the existence of an effective internal control environment by supervising the financial reporting process.

## CORPORATE GOVERNANCE COMMITTEE

This committee recommends the best-in-class available corporate governance practices prevailing in the world for adoption and reviewing them as well as audit reports and recommending improvements.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

This committee formulates and monitors Corporate Social Responsibility (CSR) programs of the organization.

## FINANCE COMMITTEE

This committee reviews the Company's financial policies, strategies and capital structure, working capital, cash flow management, banking and cash management, including authorization for operations.

## RISK MANAGEMENT COMMITTEE

This committee focusses on framing, implementing, reviewing and monitoring risk management plan of the Company.

## STAKEHOLDERS RELATIONSHIP COMMITTEE

This committee resolves grievances of the security holders and reviews measures taken for effective exercise of voting rights by shareholders, adherence to the service standards, and measures and initiatives taken to reduce the quantum of unclaimed dividends.



## NOMINATION AND REMUNERATION COMMITTEE

This committee is responsible for determining the remuneration policy of the Company and making recommendations to the Board for the remuneration, whether by way of salary, perquisites, sitting fees, commission, stock options, sweat equity or in combination thereof, or otherwise.

## SECURITIES ISSUANCE COMMITTEE

This committee undertakes all necessary steps and actions for issuing of securities by the Company.

# Performance Highlights



**30.4 msf** LEED Platinum  
Certified in Operation and Maintenance  
from USGBC



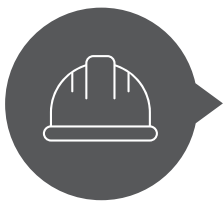
**₹ 169 crore** spent on CSR and  
other Philanthropic initiatives



**100% sites** are zero water  
discharge across rental portfolio since  
last two years



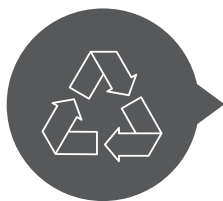
Over **50-55%** savings in total  
water consumption in rental business  
due to treated waste water and low  
flow fixtures.



**ZERO** Workplace fatalities  
recorded in FY 2019-20



Recipient of **13 British  
Safety Council's  
Sword of Honour** in a  
single year (FY 2019-20)



**100%** non-hazardous waste  
generated from our Rental Business is  
utilized as compost



DLF Foundation was awarded  
**'Sustainable  
Education Strategy  
Award'** by Responsible Business  
Awards



# United Nations Sustainable Development Goals

India has adopted the UN Sustainable Development Goals (SDGs) to ensure that the country is on a more responsible and inclusive path to development. DLF has recognized that these goals are the universally accepted language for sustainable practices across different levels, and the private sector has a very critical role in realizing these goals by 2030.

The 17 SDGs that cover a broad range of topics that would help the world move closer to a more sustainable future. Addressing all the 17 goals requires a collaborative approach; therefore, DLF

acknowledges its role in driving this agenda forward. As we grow and expand our business, we have identified a number of goals where our business can make a significant contribution.

With this in mind, DLF has opted to focus its efforts on those SDGs that are most relevant to our business. Last year, we took cognizance of our operations and the SDGs we can best impact, going forward. The mapping of the SDGs to the business is a step forward toward ensuring that our footprint expands in alignment with these goals.

## We have identified 9 Goals which we directly impact through our business operations as well as through our CSR philosophy.

### SDGs directly linked to DLFs business goals



#### RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns



#### INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



#### REDUCE INEQUALITY

Reduce inequality within and among countries



#### SUSTAINABLE CITIES AND COMMUNITIES

Make cities and human settlements inclusive, safe, resilient and sustainable



#### DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



#### CLIMATE ACTION

Take urgent action to combat climate change and its impacts

### SDGs directly linked to DLFs CSR agenda



#### GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all at all ages



#### QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities



#### GENDER EQUALITY

Achieve gender equality and empower all women and girls

# Accomplishments

DLF has been working relentlessly in the area of real estate development and management. Over the last seven decades of our operations in India, we have earned the recognition of being industry front runners. The awards and recognitions that we

received in the last year is a testimony to our work – for not only ensuring a fulfilling experience for all our customers but also showcasing our commitment to sustainable business.

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## DEVELOPER OF THE YEAR

ET Now Real Estate Awards

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## DEVELOPER OF THE YEAR (NATIONAL)

Golden Bricks Awards

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## DEVELOPER OF THE YEAR – LUXURY & RESIDENTIAL

Golden Globe Tiger Award

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## WORLD TECH PARK ENVIRONMENT FRIENDLY PROJECT OF THE YEAR

11th Estate Awards

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## TWO HORIZON CENTER LUXURY PROJECT OF THE YEAR (COMMERCIAL)

ET Now Real Estate Awards

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## THE MAGNOLIAS SMART BUILDING INITIATIVES

CMO Asia awards for Excellence

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## DLF CYBER HUB BEST RETAIL & LEISURE DEVELOPMENT

CMO Asia & BTVI

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## KING'S COURT LUXURY PROJECT OF THE YEAR

ET Now Real Estate Awards

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## DEVELOPER OF THE YEAR

11th Realty+ Excellence Awards

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## BEST GATED COMMUNITY OF THE YEAR

The Times of India DesignX

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## DLF CYBERCITY, HYDERABAD SUSTAINABLE PROJECT OF THE YEAR

ET Now Stars of Industry Awards for Excellence in Real Estate

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## TWO HORIZON CENTER BEST DESIGN PROJECT OF THE YEAR

CMO Global

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## THE CREST LUXURY PROJECT OF THE YEAR

ET Now Real Estate Awards

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## DLF MALL OF INDIA SHOPPING CENTRE OF THE YEAR

CMO Asia

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## THE CHANAKYA BEST LUXURY PROJECT OF THE YEAR

ET Now Star of the Industry Awards

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## DLF CYBERCITY, HYDERABAD SUSTAINABLE PROJECT OF THE YEAR

ET Now Stars of Industry Awards for Excellence in Real Estate



# Our Approach to Sustainability



To realize our business vision, we strive to excel in the triple bottom- line parameters. In order to do that, we have mapped the issues material to our business and stakeholders. The materiality assessment has been centered around three pillars i.e. Growth, Environment and Management.

At DLF, we have constituted a specialized ESG Committee that deals with all ESG-related matters such as keeping checks on social and environmental compliances, The Committee is headed by a whole-time Director. The committee has laid down the following ESG objectives:

1. Ensure minimizing any negative impact to the environment
2. Improving resource efficiency including energy and water optimization
3. Enhancing greener energy in the energy mix
4. Ensuring health and well-being of all stakeholders, including our employees, tenants & customers and the communities

**5. Compliance with all the regulatory requirements**

**6. Ensuring board oversight on ESG specific aspects**

In alignment with these objectives, we conduct a materiality assessment which helps us engage with our stakeholders in a more effective manner and address the concerns of each stakeholder segment.

While we focus on expanding our footprint and increasing our revenue, it is imperative for us to continuously assess and monitor the risks and opportunities. This includes assessing the emerging trends and addressing climate change as we move forward.

Therefore, our approach to sustainability includes monitoring our growth in alignment with our targets and commitments as we advance on the journey of development.

We believe that our values form the foundation of this process, while we engage in a more responsible business model. The mission and vision govern our decisions as we evolve.

## Our Values





# Stakeholder Engagement

DLF has a robust mechanism for the identification of both internal and external stakeholders, as well as a thorough process of engaging with these groups.

Key stakeholders are identified through a prioritization exercise undertaken in consultation with our company's management.

We remain engaged with our stakeholders throughout the year and continuously strive to address any concerns raised by them. The table below provides an overview of our stakeholder engagement process, including our mode of engagement with them and the issues raised by the group.

Apart from the stakeholders that have been mapped in the table, we have been actively engaging with industry associates to strengthen our position in the real estate sector. These associations have been strategically leveraged for the growth of our business and to operate in a more responsible manner.

The Company does work for the advancement of public good along with other industrial players. Such work mainly involves creating a framework of policies for urban development and inclusive development in the industry.

The Company deals with multiple trade bodies, chambers and associations such as the Federation of Indian Chambers of Commerce and Industry (FICCI), Confederation of Indian Industry (CII), the Associated Chambers of Commerce of India (ASSOCHAM), PHD Chamber of Commerce and Industry (PHDCCI), Asia Pacific Real Estate Association (APREA), Confederation of Real Estate Developers Association of India (CREDAI), National Real Estate Development Council (NAREDCO), World Travel & Tourism Council (WTTC), and Rajasthan State Real Estate Development Council (RAJ REDCO).



# Materiality Assessment

DLF aims to improve resource efficiency, while mitigating the impact on the environment. We at DLF believe that this can reduce operational and reputational risk, while improving the return on investments. Our aim is to strive for excellence across the different verticals of the business in collaboration with national and international players.

At DLF, we believe that organizations operate in a dynamic environment. The assessment of material topics is an ongoing process, which enables the organization to determine the critical topics for value creation in the business. The selection of material topics includes understanding best practices to determine the common issues in the industry.

DLF's material topics have been prioritized based on the inputs from internal and external stakeholders. The process of prioritization involves considering the risk and opportunities, potential impacts on the business and a realistic timeframe to ascertain the most material topics affecting the organization. These topics form the foundation of our Company's operating strategy.

A materiality assessment exercise is undertaken to identify material topics for the company. The detailed list of material topics is identified as an outcome of the stakeholder engagement process. During the process, stakeholders, both internal and external, provide their feedbacks and highlight the important topics relevant to them. These topics are then

prioritized through consultation with the senior management in view of the business objectives, risks and opportunities and the market scenario. Therefore, inputs received from the senior management and stakeholders are used to map the topics of greater significance to our organization. In addition, we have adopted the 'GEM' approach this year.

We are committed to paving a shared growth journey with due consideration to the concerns of our stakeholders. With the adoption of the 'GEM' approach, we have evaluated and integrated ESG metrics, material to DLF, into our operations and business model. These topics have been assessed based on the criticality to our different stakeholders as well as to the industry we operate in. Based on this evaluation, along with the material issues identified by the Global Reporting Initiative (GRI) sector supplement for construction and real estate sector, the senior management deliberated on the identified aspects to assess the likelihood and severity of impact corresponding to each material aspect.

The graphic below incorporates all material topics for DLF that have been categorized based on the 'GEM' approach to sustainability. We measured 'Growth' in terms of economic growth, employee engagement and development; 'Environment' in terms of utilization and impact on natural resources; and 'Management' with regard to health, safety and security, business ethics and other governance parameters.

## Our materiality assessment for FY 2019-20



## STAKEHOLDER CATEGORY

## HOW DID WE ENGAGE WITH THEM?

## WHAT ARE THE TOPICS OF CONCERN/MATERIAL TOPICS FOR THIS GROUP?



Investors

- Annual stakeholder meetings
- Quarterly investor presentation
- Investors conferences and meets
- Press releases and newsletters

- Economic performance and growth
- Competition, market and other risks
- Dividend payments



Employees

- Employee newsletters
- Intranet portal
- Trainings
- Performance review meetings
- Emails, and other written communication
- Cultural events
- Various functional committee meetings

- Career advancement opportunities
- Health and safety
- Training and development
- Transparent communication and grievance redressal
- Performance evaluation
- Rewards and recognition



Customers

- Direct customer calls
- Complaint handling and feedback

- Assured quality
- Timely delivery
- Grievance redressal



Community

- Community meetings and visits
- CSR interventions and initiatives
- Awareness camps

- Land degradation
- Local infrastructure facilities
- Providing employment



Contractors

- Periodical reviews
- Meetings
- Regular interaction

- Pricing and payment terms
- Delivery time



Government

- Annual report
- Communication with regulatory bodies
- Formal dialogues

- Regulatory compliance
- CSR activities and compliance of spending

# Risk and Opportunity Management

DLF understands that the changing dynamics of the business environment can impact customer expectations, regulatory updates and economic volatility. We continue to evolve and adapt to the risks posed due to the changes, as well as strive to recognize and address the opportunities that arise alongside the risks. Sustainable development and value creation are a product of our strength to leverage the opportunities and manage the risks effectively.

The Company's Board of Directors has formed a Risk Management Committee that frames, implements and monitors the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the areas of financial risks and control.

The major business and process risks are identified on a regular basis by functionals heads. These identified risks are systematically addressed through an internal control mechanism as well as appropriate actions from time to time. The Company has established a risk management framework,

which enables the risks to be identified, assessed and mitigated appropriately. Risk management forms an integral part of the management's policy and is an ongoing process integrated deeply into everyday operations.

To address these changes, the risk management framework has an established process of identifying and managing our corporate risks. Through this process, and with the help of an external agency, we carry out an assessment of risks periodically.

In alignment with the framework, we have a Risk Management Committee (RMC), which reviews key risks and corresponding mitigation programs. The RMC meets quarterly to discuss emerging risks and deep dive into mitigation strategies. We have aligned our risk monitoring structure in line with other committees. Further, to address the dynamic nature of the external environment, we perform periodic evaluation of the key risks to the business.



DLF World Tech Park, Gurugram



# Emerging Risks

## Meeting future customer and societal demands

TYPE	DETAILS	POTENTIAL IMPACTS
<b>Demand Risk</b>	With changing customer preferences and community expectations, our ability to meet future customer demand and remain competitive may be subject to risk in the coming years. With the changing demographics in India and increasing population of more environmentally and socially conscious millennials, our products need to continually evolve to deliver experiences that meet the changing mindsets and lifestyles	We acknowledge the need to develop assets that meet future customer and societal demands. This is crucial to the sustainability of our business, and the inability to do so will directly impact our market share and financial performance

### MITIGATION MEASURES

**Strengthening our culture of innovation and deepening our customer insights to stay up to date with customer demands and lifestyle choices.**

**In order to do so, we have undertaken the following measures:**

- Conducting periodic comprehensive customer studies to capture and analyze customer feedback, benchmarking against leading/ best-in class practices, measuring quality and identifying specific improvement areas

**Following a formal process for customer management, which includes:**

- Customer touch points, communication and response procedures (prospect, handover and operational requirements Service Levels/ Turn-around time defined to respond to customer queries/complaints as part of our robust customer complaint handling and escalation management process
- Defining emergency response procedures and testing them on a periodic basis
- Formalizing the process for cross-functional reviews on customer issues, not only for their timely resolution, but also for devising strategies for their minimization
- Creating sustainable communities and assets, resilient to changes in climate
- Enhancing our design excellence and providing greater functionality and value for money that meet the demands of our diverse customer groups
- Strengthening measures to account for the socio- economic impact of our development projects on the community in the planning and pre-construction phases. For instance, assessing Livability score for our portfolio



# Climate Related Risks

We understand that the real estate sector is at a relatively greater risk of being impacted by extreme weather conditions induced by climate change. These risks need to be assessed in light of our growing portfolio. These assessments will ideally include understanding the projections around

flooding, impact of sea level rise and saltwater and growing water stress. As per our assessment, risks related to climate change can significantly impact our business in the next 5-7 years.

TYPE	DETAILS	POTENTIAL IMPACTS
<b>Transition Risks</b>	<p><b>Policy and Legal Risk</b> Regulations to address climate change are fast evolving and can pose more stringent requirements such as emission reporting obligations, tougher building standards, carbon pricing etc. which might interfere with the realization of our operational, financial and compliance objectives</p> <p><b>Market Risk</b> The risk stems from the possibility that markets vulnerable to climate change will become less desirable over time - coastal areas, for instance</p> <p><b>Risk of Resource Availability</b> Changes in the availability of key resources such as energy and water, including water scarcity</p> <p><b>Reputational Risk</b> Growing stakeholder preference to work with companies incorporating climate risk into investment decisions, and consumer preference for real estate properties incorporating climate mitigation</p>	<ul style="list-style-type: none"> <li>• Increased operating costs due to increased regulatory and compliance requirements, such as new disclosure requirements</li> <li>• Additional capital investment to comply with stricter regulation</li> <li>• Reduced economic activity in vulnerable markets</li> <li>• Reduced occupier demand for properties and reduced asset value</li> <li>• Increased costs and reduced net operating income due to higher prices</li> <li>• Additional capital expenditures to adapt buildings to operate with alternative resources</li> <li>• Risk to company brand and reputation if no action is taken</li> <li>• Lower liquidity and/or reduced attractiveness of assets that have not incorporated climate mitigation</li> </ul>
<b>Physical Risks</b>	<p><b>Catastrophic Events</b> Increased severity of extreme weather events such as floods, cyclones, earthquakes etc.</p> <p><b>Changes in Weather Patterns</b> Rising mean temperatures, rising sea levels and increase in precipitation</p>	<ul style="list-style-type: none"> <li>• Costs to repair or replace damaged or destroyed assets; value impairment</li> <li>• Property downtime and business disruption</li> <li>• Potential for increased insurance costs or reduced insurance availability</li> <li>• Increased wear and tear on or damage to buildings, leading to increasing maintenance costs</li> <li>• Cost of investment in adaptation measures, such as elevating buildings or incorporating additional cooling methods</li> </ul>

## MITIGATION MEASURES

We realize the considerable negative impact that climate change can have on our business, and have begun taking efforts to better understand, prepare for and respond to the risks posed by climate change. As part of our mitigation strategy, we aim to map physical risks for current portfolios and future development projects, followed by the incorporation of physical adaptation and mitigation measures for assets that might be at risk. In addition, we aim to incorporate climate resilience as key criterion in site selection.

**Following are some of the measures that we have taken to mitigate both transition and physical risks arising from climate change:**

- We design our buildings to comply with the **LEED Green Buildings norms** and be energy efficient. At the same time, we have incorporated the use of greener energy for the operations, including solar energy, wind energy and natural gas through our central energy center in Gurugram
- We have adopted **green energy solutions** through installation of rooftop solar panels
- We have reduced **our energy consumption** through measures such as use of energy efficient lighting and equipment, use of HVAC systems, etc.
- All our buildings are designed for a seismic zone higher than the zone of the area that they are built in, to ensure **greater resilience in the event of an earthquake**
- Smart grid / smart building technologies
- Automation system upgrades / replacements
- Installation of high-efficiency equipment and appliances, such as replacement of conventional lights with LED lights
- Wall / roof insulation
- Systems commissioning or retro commissioning

The other major risks identified along with the mitigation strategies from the assessment performed in FY 2019–20 are detailed below:

RISK	MITIGATION STRATEGY
Regulatory Compliance	<ul style="list-style-type: none"> <li>DLF engages with professional consultants to evaluate the existing systems and processes in accordance with the applicable laws and regulations to identify gaps and areas for improvement for strengthening compliance</li> </ul>
Land title/ Safeguarding	<ul style="list-style-type: none"> <li>DLF has in place detailed procedures for background verification, due diligence, document management and patrolling of landholdings for physical security of assets</li> <li>There is a specialized team engaged in documentation, digitization and management of land records</li> </ul>
Customer Management	<ul style="list-style-type: none"> <li>DLF employees undergo specialized trainings on international standards and practices for ensuring that customer expectations are fulfilled</li> </ul>
Debt Management	<ul style="list-style-type: none"> <li>Promoters infused a sum of ₹ 11,250 crore through fresh issue of equity, followed by placement of equity to institutional investors of ₹ 3,173 crore. These sums were utilized for reduction of Company's debt</li> </ul>
Project Management (Schedule, Cost & Quality)	<ul style="list-style-type: none"> <li>DLF engages with national and international organizations to ensure that the quality, cost and timelines of projects are maintained</li> <li>DLF also conducts routine audits to ensure that project modalities are in line with organizational commitments</li> </ul>
Health, Safety & Environment Performance	<ul style="list-style-type: none"> <li>The Company has a partnership with DuPont to strengthen system and processes for reducing safety incidents</li> <li>Most projects implemented by the organization are LEED- Platinum certified to ensure minimal environmental impact</li> </ul>
Cyber Security	<ul style="list-style-type: none"> <li>Data privacy</li> <li>Key IT applications have been hosted on Azure cloud</li> <li>Key functions such as finance and IT have been developed in-house</li> </ul>
Succession Management	<ul style="list-style-type: none"> <li>The succession planning policy was at a development stage under the guidance of the Nomination and Remuneration Committee</li> <li>Key personnel were selected and trained in important aspects to enable them to undertake leadership roles in near future</li> </ul>
Change Management	<ul style="list-style-type: none"> <li>The HR team facilitates conducting of training sessions on the latest technical and behavioral knowledge</li> <li>A diverse governance structure at DLF ensures Triple Bottom Line performance, proactively mitigating risks and leveraging opportunities</li> </ul>

We aim to harness all significant opportunities such as for enhancing our economic performance and develop a strategy for leveraging the same.

OPPORTUNITY	LEVERAGE STRATEGY
Economic Performance	<ul style="list-style-type: none"> <li>DLF caters to multiple customer groups through product offerings, including premium, luxury and super luxury categories</li> <li>Debt reduction has been made possible by diversifying into rental business and sale of few projects</li> <li>DLF has a healthy stock of projects across various geographical locations for wide-ranging economic benefits</li> <li>A skilled team for customer outreach facilitates better customer engagement and reduces information asymmetries and reliance on third parties</li> </ul>

# Targets and Commitments

We at DLF recognized the need for validating our commitments with the targets for different parameters to ensure that we create the shared growth story as we envision it to be. These targets are in alignment with the local and national needs. Considering that we operate in a sector which is resource

intensive and requires shift of land use patterns, we have defined our targets to ensure that we operate in a more responsible manner. The table below presents the targets taken up by DLF.



We aim to ensure **zero harm** each year, i.e. zero fatalities resulting from our operations including both rental and development business



By 2025, **reduce water intensity** in our rental assets (fresh water consumption per square foot of rental portfolio) by **10%** using FY 2019-20 as baseline



By 2025, **increase renewable energy** intensity in our rental assets by **20%** using FY 2019-20 as baseline



By 2030, ensure that **90%** of our **total portfolio is LEED Certified** by US Green Building Council



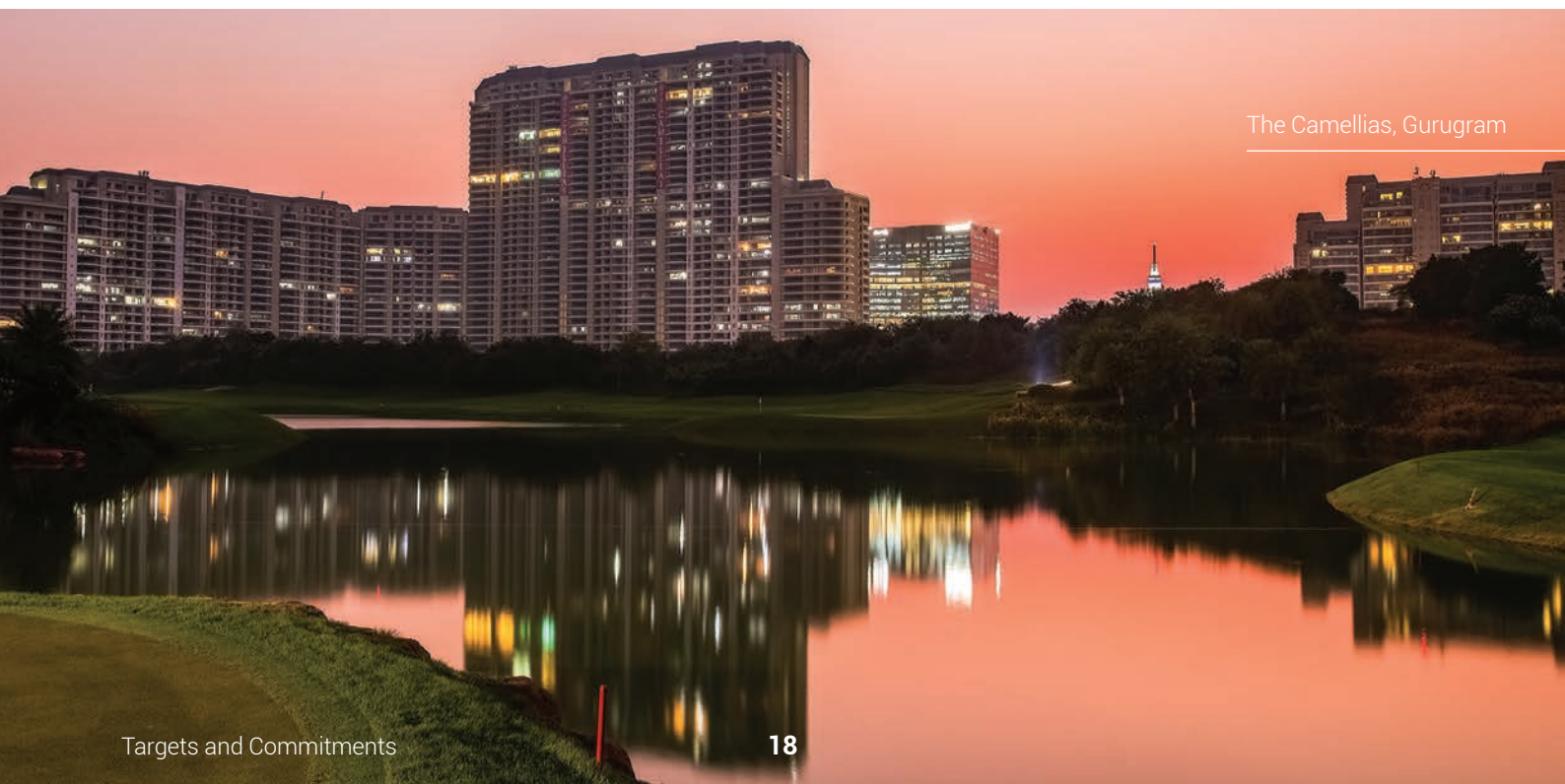
By 2030, to **reduce energy intensity** in our rental assets (energy consumption per square foot of rental portfolio) by **15%** using FY 2019-20 as baseline



We aim to ensure that we are compliant with the **GRIHA guidelines** while designing and developing new buildings



We ensure **100% compliance** with all regulatory requirements



The Camellias, Gurugram



Growth





# Economic Performance

DLF's vision is to operate responsibly while creating value for all its stakeholders. The value creation has to be complementary to our portfolio growth in the Indian real estate sector. On a consolidated basis, the revenue for FY 2019-20 was ₹ 6,888 crore, a decline of 24 percent over the previous year's revenue of ₹ 9,029 crore. The profit after tax (PAT)/(Loss) attributable to shareholders and non-controlling interests for FY 2019-20 and FY 2018-19 was ₹ ( 590 ) crore and ₹ 1,314 crore respectively.

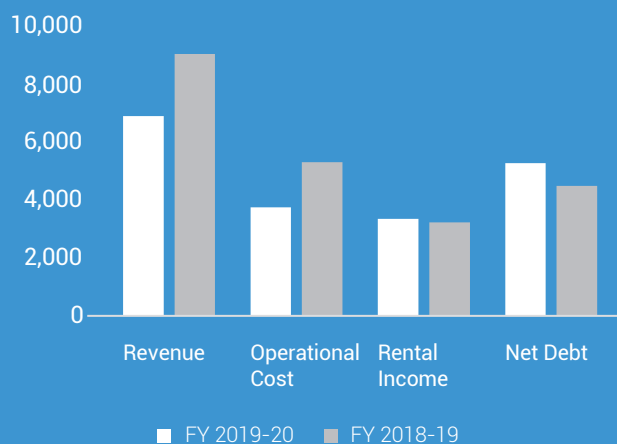
- The revenue decline was largely on account of change in the product mix of the completed properties delivered by the Company during the financial year
- There was a one-time DTA reversal of ₹ 1,916 crore, upon adoption of a lower-tax rate. After considering the one- time DTA reversal, the Company reported a loss of ₹ 590 crore.
- Final Dividend of ₹ 0.80 per share declared over and above the previously declared interim dividend of ₹ 1.20 per share making it ₹ 2.00 per share dividend for FY 2019-20.
- Near term development pipeline, 18 million sq. ft. (approx.) commercial (incl. DCCDL) and 29 million sq. ft. (approx.) residential.
- DLF has been assigned A+ rating with stable outlook by ICRA.
- The Company maintains a strong and healthy balance sheet with net worth of ₹ 34,465 crore.
- DLF has a healthy leverage ratio owing to low leverage of the group maintaining net debt to equity ratio of 0.16.

GIC is the strategic partner of DLF in its rental platform, DCCDL, being one of the largest commercial portfolios in the country. In addition to this GIC has also partnered with DLF on a residential project in Delhi.

DLF had partnered with Hines for a marquee project, One Horizon Center, Gurugram. Recently, Hines and DLF joined hands to develop a commercial project in Udyog Vihar, Gurugram.

ECONOMIC PERFORMANCE INDICATORS (in ₹ crore)	FY 2019-20	FY 2018-19
Revenue	<b>6,888</b>	<b>9,029</b>
Operational Cost	3,737	5,303
Rental Income	3,346	3,219
Net Debt	5,267	4,483
Charities & Donations	<b>168.9</b>	<b>65.9</b>

## Economic Performance (in ₹ crore)



SHAREHOLDER	SHAREHOLDING PERCENTAGE
Promoters	75%
FII's	18%
Public	4%
Mutual Funds & UTI	2%
Bodies – Corporate	1%

# Business Strategy

DLF Limited has leveraged its experience in the construction and real estate sector to transition towards a supervisory role from an implementation one. The services of project management company and the general contractor company enables DLF Limited to focus on holistic performance of each project including the social and environmental aspects.

We believe that ESG is critical to the business. We have incorporated the same in the business strategy through different policies and SOPs around environment, governance and, health and well-being.

- We have a dedicated policy on environment along with targets.
- We have engaged DuPont to train our employees and workers on occupational health and safety which has helped us significantly reduce injury rate across all our sites.
- We have enhanced our green product portfolio and target to have about 90% of our portfolio to be LEED certified.
- As a part of our social engagement, we have incorporated ways to engage more effectively with the communities and customers.
- Our governance framework is supported by a gamut of policies, including code of conduct, whistle blower policy, nomination and remuneration, corporate social responsibility and human resource manual.



Continue to develop and grow the DCCDL platform and aim to increase our rentals in respect of certain expiring leases



Attain a conservative capital structure with the aim of significantly reducing net debt for our development platform operated by DLF and its subsidiaries (except DCCDL)



Leverage recent policy announcements that will benefit our residential real estate development business in the long term



Continue to focus on building holistic business districts and commercial zones



Improve our execution capabilities



Continue to rationalize our Land reserves and increase our presence in strategic locations



DLF Cybercity, Gurugram

# Key Differentiators for DLF



## WORLD-CLASS PARTNERSHIPS

Long-term partnerships spanning across multiple years and projects, with globally recognized organizations in design consulting, building-safety and facility management.



## MANAGEMENT TEAM

Highly reputed professionals with strong business acumen  
Strong mix of experience across sectors and professional practices  
Periodic upgradation of learning and development program to keeping pace with evolving market demand



## STRONG TRACK RECORD OF HIGH-QUALITY EXECUTION

Over 7 decades of experience in real estate development, with over 331 msf of area developed



## ASSURANCE FRAMEWORK

Statutory audit and internal audit by renowned audit firms  
Mandatory pre-audit for all payment transactions beyond a certain threshold value



## RESTRUCTURED BALANCE SHEET

Reduced debt through infusion of additional equity, thereby mitigating risks related to debt and volatile interest rate environment



## BEST-IN-CLASS GOVERNANCE PRACTICES

17 Board members, including nine Independent Directors of eminence  
Skilled audit committee consisting entirely of Independent Directors  
Two female Directors

## Growth Drivers for our Rental Business



### CONTRACTUAL ESCALATION

~15% rent escalation every 3 years built into our existing leases



### MARK TO MARKET LEASE RENTALS

Embedded upside from mark to market rental resets for expiring leases



### ASSETS UNDER CONSTRUCTION

Near term development at established locations. Development opportunity given FAR upside and pre- dominantly freehold land



### INORGANIC GROWTH

Potential opportunities for inorganic growth and expanding to attractive locations

## Growth Drivers for our Development Business



### COMPLETED / NEAR COMPLETE INVENTORY

₹ 8,944 crore of complete / near complete inventory ready to be monetized



### ANNOUNCED PROJECTS

Focus on execution of announced projects in established locations



### DEVELOPMENT PROJECTS UNDER PLANNING

New projects being designed and planned



### DEVELOPMENT POTENTIAL

Land reserves in strategic locations like DLF Phase V with development potential of ~ 50 msf Strong development potential including FAR upside



# Employee Engagement and Development

At DLF, we believe that our organization's growth critically depends on the employees' capabilities and their dedication toward fulfillment of our vision and mission. In line with this view, we consider our employees as our greatest assets. One of the major components of our people management policy is the emphasis on diversity in the workforce. DLF is dedicated to developing and upgrading skills and performance of its employees. Our commitment toward creating a culture of excellence for our staff is reflected in our robust system for rewards and recognition and performance feedback.

An organization's work environment can be measured by the trend of the total employee turnover and new joiners' turnover. DLF believes that the work environment should be conducive for its employees to easily adapt and tune themselves to the organization's goals. All 4 new joiners in senior management stayed with the organization for over 12 months after joining. However, 1 out of 7 new joiners in middle management and 20 out of 76 new joiners' in junior management did not continue their employment with DLF.

We promote inter-generational and gender-diversity. The remuneration given to the employees is based on their role and the job description and doesn't include any gender bias.

During 2019-20, there was one female employee who was eligible for parental leave.

Furthermore, to ensure our employees have a continuous learning at workplace we have a learning and development path designed for all our employees. These trainings span across technical, behavioral and safety trainings. Some of the topics on which trainings were conducted included Time Management, Business Communication, Presentation Skills, Microsoft Excel, and Digital Marketing.

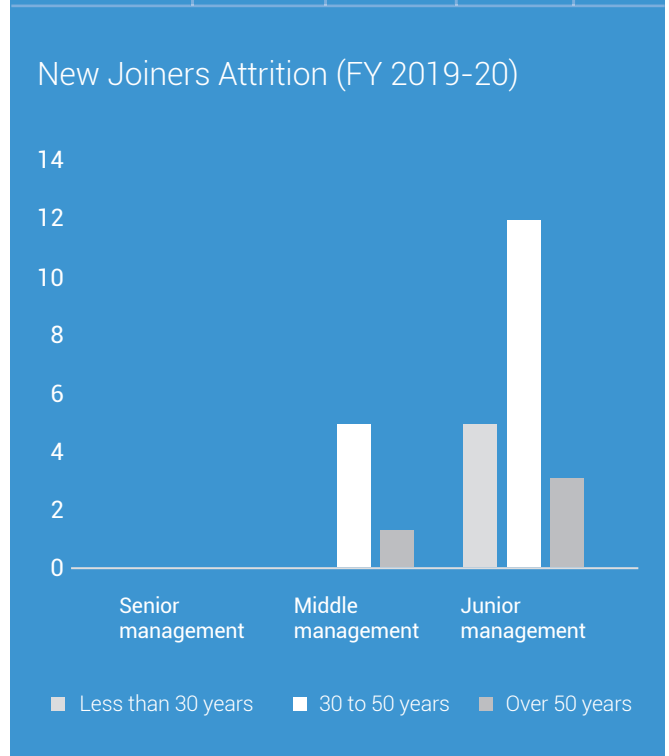
Apart from the work- place health and well- being, several employee engagement activities to improve awareness on safety and well- being were conducted including a road safety week.

**The company allows employees to avail flexible working hours and work from home arrangements on a case to case basis.**

In FY 2019-20, we conducted an employee satisfaction survey in collaboration with 'Great Place to Work' to assess overall satisfaction.

WORKFORCE	
Senior management	20
Middle management	374
Junior management	1143
Workers (permanent)	124

NEW JOINERS ATTRITION (FY 2019-20)	LESS THAN 30 YEARS	30 TO 50 YEARS	OVER 50 YEARS	TOTAL
Senior management	-	-	-	-
Middle management	-	5	1	6
Junior management	5	12	3	20



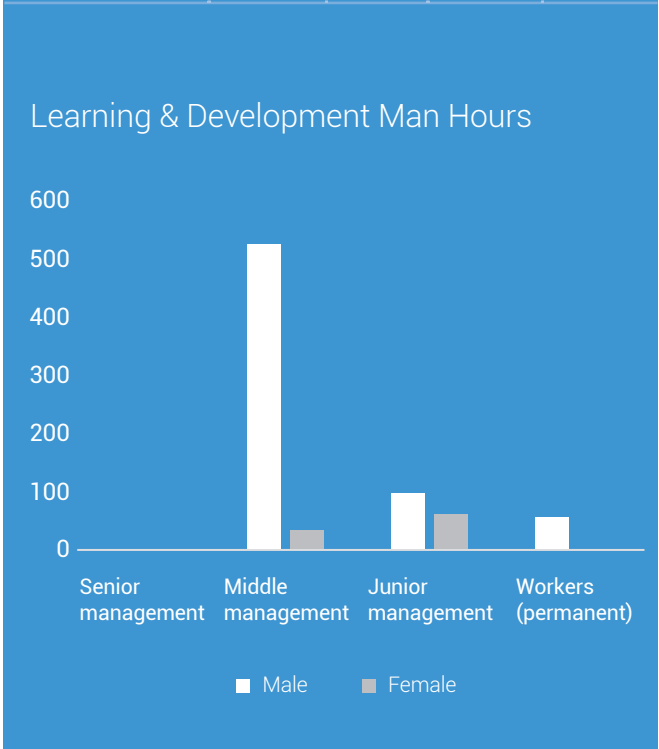
Another mechanism for employee development and career advancement is the system of regular performance feedback and career development review for employees. During the reporting year FY 2019-20, all our employees received performance feedback and career advancement review via the Company's appraisal system.

DLF undertook employee engagement activities during the year, including health and well-being camps, sports events and other activities to promote cultural diversity. Employee engagement activities are carried out throughout the year. These include celebrating various cultural events and activities to promote leadership and work-life balance. As a part of the health and well-being initiatives, the organization has responded to the emerging needs of the employees to enhance their understanding of ergonomics at workplace and annual health check-ups. These include eye check-up camp, blood donation camp, general health check-up, physiotherapy, dental check-up camp and yoga camp.

DLF's employee-centric cricket tournament is an annual event where employees from different business verticals compete in friendly matches with each other. This year, 10 teams competed for the DLF EPL Trophy.



LEARNING & DEVELOPMENT	MALES		FEMALES	
	NUMBER	MAN-HOURS	NUMBER	MAN-HOURS
Senior management	0	0	0	0
Middle management	136	536	8	24
Junior management	28	84	18	62
Workers (permanent)	18	54	0	0



PERFORMANCE FEEDBACK	MALES	FEMALES
Senior management	19	1
Middle management	346	28
Junior management	995	148
Workers (permanent)	122	2



# Environment



As an organization with a footprint across the country with land resource over millions of square feet, it is imperative for us to consider the impact we have on the environment across our value chain. The fundamental need for a business like ours to be sustainable is to safeguard the environment. As we grow our footprint, we recognize the growing impact we can create in protecting and enriching the environment by improving resource efficiency and enhancing our efforts in minimizing the negative impacts. These efforts, in our understanding, will help us not only strengthen growth parameters but also help us

create a shared value in the areas of our operations.

Our Environment Management System is in alignment with ISO 14001, ISO 9001 and ISO 45001 which is audited by TUV SUD.

For the purpose of this report, we have taken into account the environmental performance indicators (energy, water and waste) for the common areas in each of our rental assets. For the development business, we have considered the assets that were in construction phase during the reporting period.

## Our Environmental Policy holistically explains the following aspects



Commitment of DLF towards **energy and resource efficiency** across all the business units.



Commitment of DLF towards **biodiversity management and responsible site selection** while developing and managing.



Commitment of DLF towards **waste management** including **waste recycling** and **reduction of waste to the landfill**.



Commitment of DLF towards climate change adaptation and mitigation through **green product portfolio**.





# Climate Change Impacts

Over the last decade, climate change has emerged as a credible risk to almost every business sector, including real estate. At DLF, climate change risks are considered an integral part of enterprise risk management, wherein different business lines account for climate change related risks in their specific business risk portfolio. In a more pro-active approach, DLF is in the process of developing and managing its asset portfolio in a way that it becomes greener with each passing year.

We understand that real estate sector is at a relatively greater risk of being impacted by extreme weather conditions induced by climate change. These risks need to be assessed in light of our growing portfolio. These assessments will ideally include understanding the projections around flooding, impact of sea level rise and salt-water intrusion, and growing water stress.

Further, in order to make progress, it is necessary that we understand the material financial implications of climate change on businesses and investments, DLF has become a signatory to the Taskforce on Climate-Related Financial Disclosures (TCFD) recommendations as the first step toward estimating the implications of climate change on our operations.

**As we step into a new year, we will try to grow and adapt our operations in accordance with the recommendations of TCFD, as well as assess the risks and opportunities related to climate change.**



# Water and Wastewater Management

Scarcity of usable water resources has increasingly become a global concern. Being a real estate company, water also forms an important input in construction activities, and therefore DLF recognizes the significance of utilizing water judiciously. One of

our major initiatives in this regard is rainwater harvesting. Moreover, we have installed sewage treatment plants in all buildings and the treated water is used for horticulture, toilet flushing and in cooling towers for HVAC and DG sets.

**We apply the 4R (Reduce, Recycle, Reuse and Replenish) Principle across all our projects to ensure water efficiency.**

## Water usage

We have seen a constant reduction in water usage across our rental business. **The overall reduction in water usage in the last 3 years is about 31.8%.**

We ensure water is recycled and reused wherever we deem fit. The water recycling and reusing mechanisms have been adopted in our recently developed projects and is now considered a critical design element while designing and planning new projects.

**We operate all our assets as zero water discharge sites. All our wastewater is treated through Sewage Treatment Plants (STP) at various sites.**

Water Consumption by Source	Municipal	Borewell	Tanker	Total (KL)
Rental business	2,027,651	419,798	103,077	2,550,526
Development business	-	-	29,001	29,001
Hospitality Business	82,559	55,098	125	137,782





**We have undertaken various measures to conserve water at our sites. Following are some of the important water conservation initiatives undertaken::**

- Installation of meter and sub meter on every consumption point.
- Close monitoring of water consumption pattern on regular interval.
- Fixing of leaks and overflows were attended on priority.
- PRV settings were fixed between 1.5- 2 kg/cm<sup>2</sup>
- Aerator for maximum flow of 2.8 litre per minute installed in wash basin taps.
- Aerator for maximum flow of 6 litre per minute installed in pantry taps.
- Regular cleaning and maintenance of all plumbing fixtures were carried out.
- R.O. plant at optimum efficiency was ensured through reject recirculation.
- Regular briefing and awareness to staff on water conservation with special emphasis on use of dual flow flush.

DLF5 is the fastest growing location in Gurugram. DLF has established an STP plant of 15 MLD to reuse wastewater through recycling. Earlier, the plant was based on Sequential Bio Reactor (SBR) technology (9 MLD). However, keeping pace with latest technology, the renowned Membrane Bio reactor (MBR) technology (6 MLD) was added to the plant.

The recycled water (8 MLD) is used in Golf Lake for replenishment and irrigation. Multiple buildings at DLF5 possess the dual flushing system which utilises recycled water. The sludge generated is processed through the centrifuge system. Since this dried sludge contains high nutrients essential for plant and vegetation growth, it is then applied as manure to the green cover at DLF5.

DLF Rental business buildings have 97 rainwater harvesting pits. The collected water is recharged into the ground through rainwater harvesting pits, which helps in raising the groundwater level.

We have installed sewage treatment plants across 16 sites that run at an average efficiency of 91%.



# Procurement Practices

DLF, as a part of the sustainable business practices, engages with suppliers in the local regions to reduce the carbon footprint. Further, we apply stringent measures while empaneling the vendors to ensure they resonate with the

standards and environmental prerequisites. As part of the due diligence process, we have a policy to not engage and associate with companies blacklisted by the government/other agencies.

**Our supplier code of conduct specifies sustainable procurement practices specifying standards for all our suppliers. These include:**

- **All our suppliers should ensure compliance** with all national and local environmental laws, regulations and permits, as applicable to their business operations, and should strive toward implementing an **Environmental Management System based on international standards such as ISO 14001**;
- Suppliers should work toward establishing procedures for environmental improvement such as minimizing emissions through their operations, increase the share of renewable energy, reduce the production of waste and treat waste produced through operations, reduce water consumption and adopt measures for water conservation etc.; and
- **Suppliers should strive to have their own sustainable procurement policy** in place and strive to ensure sustainable procurement of raw materials

At DLF, our business strategy revolves around fostering mutually beneficial relationships with all our stakeholders, including our suppliers and contractors. We have designed an effective supply chain strategy, which is crucial to meet our business objectives, serve customers better and stay ahead of competition. Our strategy hinges on collaboration with suppliers and contractors who, in addition to providing goods/services at best quality, on-time delivery and high response time, have a strong focus on innovation, risk mitigation and agility to evolve with the dynamically changing customer needs. We procure FSC- certified wood wherever required. Moreover, we believe in procuring locally extracted and recovered material to the maximum extent possible.

We partner with suppliers whose products/services adhere to our codes of business conduct and quality standards.

## Supplier Selection and Categorization

- Our **suppliers and contractors undergo screening** at the time of selection through a comprehensive due diligence process to ascertain the commercial feasibility of collaboration and ensure compliances to statutory laws such as the labor laws (working conditions, minimum wages and benefits, etc.) and evaluate the suppliers on parameters such as price competitiveness, quality, response time and ESG criteria such as health and safety, environmental standards, working conditions etc.
- Apart from this, **adherence to DLF's Supplier Code of Conduct** is also evaluated, which consists of guidelines on health and safety, human rights, environmental protection, sustainable procurement, etc. Such ESG practices are paramount to ensure our business sustainability and enable us to contribute toward sustainable development. Hence, we outline such contract clauses before enlisting any supplier/contractor and target to empanel 100% suppliers through these contract clauses each year.
- **Health and safety are of significant priority** in our own operations, as well as in our value chain. Therefore, contractors engaged for construction of our properties are required to adhere to our Health and Safety Manual and appoint a Site Safety Officer to implement a Site Safety Plan. Periodic safety audits are also conducted to ensure adherence to all safety guidelines, which have helped us to ensure prevention of safety incidents and injuries at our construction sites. We aim to ensure zero harm for our contractors, i.e. zero incidents, resulting in lost-time injuries or fatalities each year.
- Further, the contractors are required to **develop and implement a Site Environment Plan**, including measures to reduce adverse environmental impact from our operations such as minimizing air pollution, waste management and protection of biodiversity.
- We primarily source from local suppliers, i.e. most of our suppliers are based in India. The following table depicts an overview of our suppliers in the reporting year.



Category of Suppliers	No. of suppliers	Spend (₹ crore)
Construction Contractors	11	621
Other Contractors & Suppliers	1,142	1,123
Material Suppliers	21	123
Project Management Company	12	61
Consultants	450	166
<b>Total</b>	<b>1,636</b>	<b>2,094</b>

We identify **critical suppliers** that are strategic to our performance, competitive advantage and market success. These are mainly suppliers with whom we have a long-standing engagement and that meet our requirements in terms of time, cost and quality of service. Largely, these include suppliers providing:

- a. High Value Goods and Services
- b. Critical/Core Products and Services

In 2019-20, DLF engaged with 1,636 tier-1 suppliers, out of which 35 were critical suppliers accounting for 74% of total procurement spent.

## Supply Chain Risk Assessment

We closely monitor the performance of our suppliers, especially contractors engaged for construction and project management. These suppliers are required to provide data around various ESG factors, such as health and safety, labor management, resource consumption and waste generation, which are monitored at periodic intervals. Further, regular supplier assessments are undertaken through site audits for identification and assessment of any risks in the supply chain.

**Our approach to supplier risk assessment is derived from our enterprise risk management framework, as depicted below:**



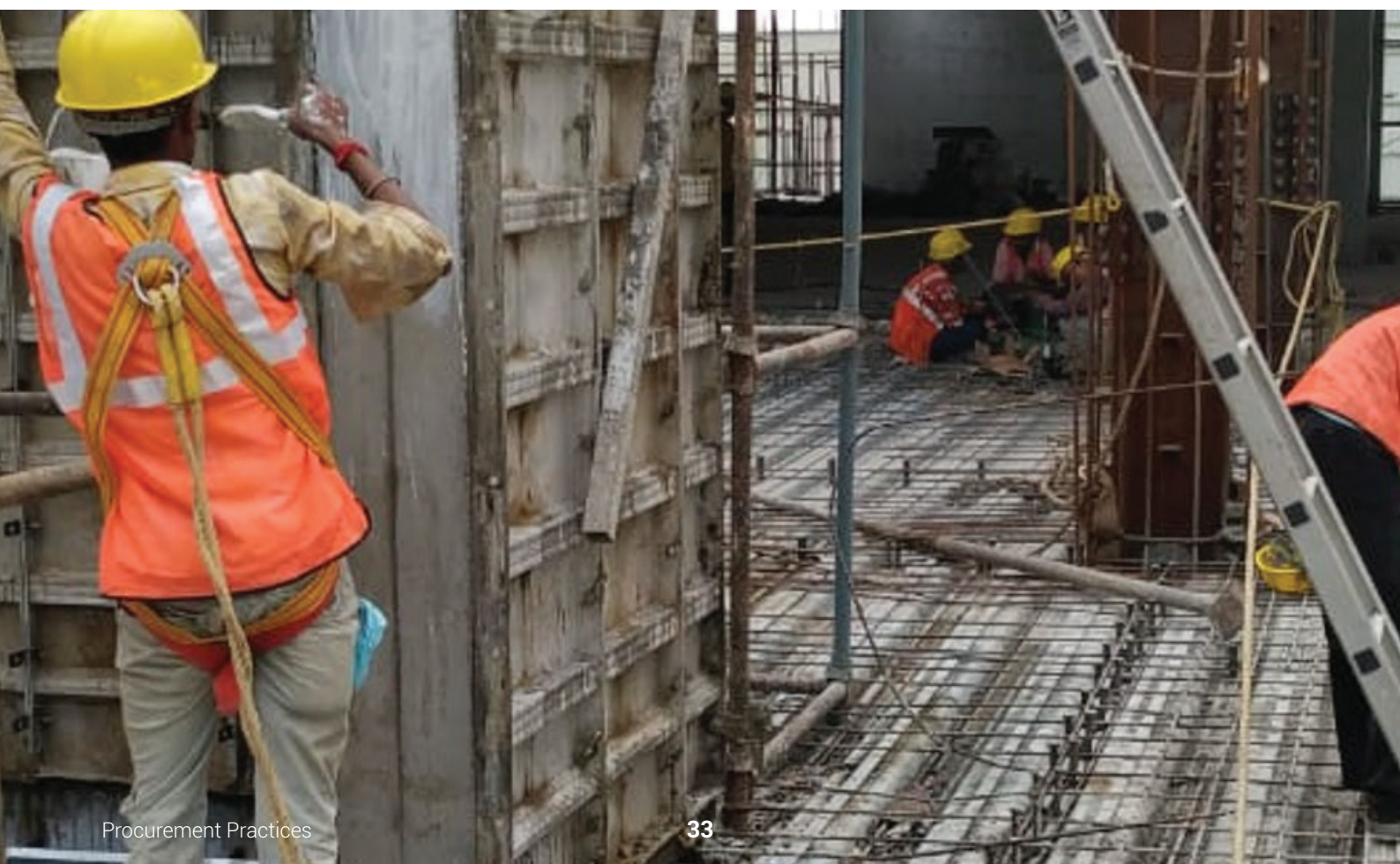
### Supplier Risk Assessment Approach

At DLF, we identify potential risks in supply chain through undertaking a review of entire business environment and evaluating the existing regulatory, market, environmental and socio-economic trends in the sector and geographies where our key suppliers operate. These risks are classified in terms of nature, probability of occurrence and severity of impact. The prioritized potential risks are then periodically reviewed through supplier audits. Some of these potential risks include on-site health and safety, compliance to labor laws, environmental protection, waste and wastewater management.

Periodic supplier audits are conducted through site visits, which include risk assessments to ensure compliance to statutory requirements, DLF's Supplier Code of Conduct and the ESG criteria outlined in supplier contracts. Any non-compliances identified are addressed through

implementation of corrective action plans, which are then periodically reviewed. In order to ensure prudent risk mitigation and ensure sustainable operations, we target to assess 5% of our total tier-1 suppliers through sustainability risk assessments by FY 2020-21.

Raw Material	Units	FY 2019-20	FY 2019-18
<b>Welding rods</b>	MT	199	63,146
<b>Cement</b>	MT	1,750	33,598
<b>Ready mix concrete</b>	MT	152,207	62,535
<b>TMT</b>	MT	5,776	10,275
<b>Bricks (Fly ash bricks)</b>	'000	-	5,323
<b>Ply Board</b>	Sq.M.	472,073	5,504
<b>GI sheet</b>	Sq.M.	-	101,456
<b>Glass</b>	Sq.M.	54,338	40,630
<b>Sand</b>	Sq.Ft.	104,911	1,500
<b>Mortar</b>	M3	-	1,343
<b>Steel structure</b>	MT	7,576	1,264
<b>Solid Blocks</b>	'000	10,464	85
<b>Fly Ash Blocks</b>	'000	-	550



# Energy Optimization

DLF understands that the real estate development and management requires significant dependence on natural resources, including timber, water and energy. To grow in a more sustainable and responsible manner, DLF is committed toward decreasing dependence on the conventional sources of energy and increasing the share of renewable energy in the

energy mix, every year.

While we lay emphasis on adopting greener sources of energy, optimizing energy use is also a priority. We have designed our buildings to proactively address energy efficiency through conservatory initiatives and deploying renewable energy.

## Energy - Rental Business

Energy Sources	Total Consumption (MwH)
Diesel	21,275
Natural Gas	18,105
Electricity Consumption (non-renewable electricity purchased)	273,379
Total Non-Renewable Energy Consumption	312,759
Total Renewable Energy Consumption	54,847

## Energy - Development Business

Energy Sources	Total Consumption (MwH)
Diesel	10,254
Natural Gas	-
Electricity Consumption (non-renewable electricity purchased)	6,955
Total Non-Renewable Energy Consumption	17,209
Total Renewable Energy Consumption	31

## Energy - Hospitality Business

Energy Sources	Total Consumption (MwH)
Diesel	2,467
Natural Gas	8,011
Electricity Consumption (non-renewable electricity purchased)	24,293
Total Non-Renewable Energy Consumption	34,771
Total Renewable Energy Consumption	-



# GHG and Air Emissions

We acknowledge that one step at a time is enough to decelerate the pace of climate change. In alignment with this, we have adopted a holistic approach to reduce emissions while designing, building and managing urban spaces. Our comprehensive approach to integrate sustainable business planning into decision making has led us to create a strategic

balance across social, economic and environmental considerations. We follow various processes and practices with the aim to reduce carbon and other toxic emissions. Due to the expansion of our business and operational footprint, our scope 1 and scope 2 emissions have increased significantly for our rental business.



Solar Plants of capacity 2.68 MW are installed on the roof top across DLF Rental business buildings. We are working toward further enhancement of capacity of solar plant.

	Rental Business	Development Business	Hospitality business
Scope 1	0.009	0.003	0.002
Scope 2	0.227	0.006	0.020

*Data is reported in million tonnes of CO2*



**Wind Power is being used at IT Park Chennai to cater to 48% of the total electrical load requirements resulting in low carbon emissions.**

Our energy consumption at DLF Cybercity is through a captive power plant that is fueled by the natural gas to produce clean energy. This center helps us ensure that clean energy is supplied and consumed, while we try to enhance our dependency on non-conventional sources of energy as well.



Further, in our endeavor to move toward a greener growth path, we have adopted greener transportation alternatives near our projects.

To lay a stronger emphasis on reducing emissions, we encourage our employees to carpool to work. In addition, we have also implemented efforts to reduce emissions associated with employee commutes through the introduction of shared transportation and strengthened last mile connectivity with the public transportation system. These initiatives include Rapid Metro, Zeebee and Quick ride. We have also initiated the installation of "PLUG N GO" stations to encourage the use of EVs. To promote green transport, E-vehicles are engaged for last mile connectivity between DLF buildings and nearest metro in Cybercity, Gurugram. Electrically operated Rapid Metro runs in Cybercity, Gurugram that directly connects people to various parts of Delhi-NCR through the link with Delhi Metro. This transport system has led to a significant reduction in vehicular pollution in and around Cybercity, in addition to facilitating convenience.

Skywalks have been introduced in Cybercity, Gurugram that connect the entire Cybercity with metro stations and encourage the visitors to walk the last mile to and from metro stations. These also ensure a safe and sustainable transit.



Monitoring and reducing the carbon footprint are important aspects of limiting our business operations' impact on the environment. We monitor and try to minimize the air emissions in alignment with government regulations. A snapshot of this has been presented.

### Responsible Construction Practices

As a real estate company, we need to ensure that our construction practices are responsibly handled across all the sites. This includes complying with safety standards as well as minimizing our impact on the immediate environment. Construction sites tend to add more air pollutants to the air. We ensure that all our construction sites take measures to reduce pollution. These measures have helped us maintain the air quality within the permissible limits.





- Water spraying has been adopted in areas where construction work was being undertaken to reduce the impact of air pollution.
- Water is regularly sprinkled on transportation corridors within the site so as to avoid air pollution due to vehicles.
- The entire site has been barricaded with a minimum 3 meter site barricading, and geo-textile fencing has been used as and when required to suppress dust particles.
- The vehicles taking construction waste materials outside the site have been covered with fabric to minimize dust caused due to vehicular movement.
- Wheel washing facility for material carrying vehicles is kept at the entry/exit of batching plant area to minimize the dust going out of site.
- All DG sets chimneys have been placed at a height and orientation, such that the smoke will not cause harm to any flora and fauna and construction work force working on the site.
- The speed limit for construction vehicles is restricted to a maximum of 10 KMPH within the construction boundary. This is being monitored by security guards.
- All the loose construction materials are covered to prevent air pollution.

Along with the standards followed to reduce air pollution we ensure that all our sites are “zero harm” sites. We conduct regular safety trainings for all our site workers and help them understand the protocols to be followed during the construction phase as well as during an emergency. These trainings have helped reduce our injury rate to 0.38 per million hours.

Emission Type	Source	Emission Limit	Actual Emission
Particulate Matter (mg/Nm <sup>3</sup> )	DG Sets	75	57.5
Oxides of Nitrogen-NOx (mg/Nm <sup>3</sup> )	DG Sets	710	288
Sulphur Dioxide (mg/Nm <sup>3</sup> )	DG Sets	NA	47
Carbon Monoxide (mg/Nm <sup>3</sup> )	DG Sets	150	95



# Waste Management

DLF's standard operating procedures around waste management incorporate measures to manage different types of waste that are generated across our operating boundary, given the nature of our operations. We have engaged with authorized vendors to treat hazardous waste, including lube oils and batteries. In addition, we have empaneled vendors to manage e-waste that is generated across our operations.

Biodegradable waste is composted using the organic waste composting machine. To encourage minimum use of paper, we have installed an e-visitor management system to reduce use and wastage of paper. Due to the expansion of our operations and footprint, the municipal waste has seen an increase.

We have undertaken various measures to minimize waste generated from our operations, especially construction and demolition waste from buildings that are a part of our portfolio. We have a corporate policy on waste management and standard operating procedures which guide our efforts toward waste management in construction as well as operation of our assets and are also included in lease contracts.

**Waste management plans are a part of the project design for each of our construction projects, which also include defining project- specific targets for reduction, recovery, recycling and reuse of waste.**

We engage with world-class organizations for undertaking construction and operation of our assets, including general contractors, project management companies and facility management companies. Efficient management of waste, including regular monitoring of waste generated (both

hazardous and non-hazardous waste) is a part of our contract with these parties and, is periodically monitored in contractor performance audits. In addition, it is our constant endeavor to identify recycling opportunities for waste generated during construction of our properties, which can include recycling of materials removed from the site when it is under development, recycling of material and providing re-usable materials during demolition to the local communities. We collaborate with customers and waste contractors to introduce recycling systems within our tenancies. Further, contractors are incentivized to recover, reuse and recycle building materials through avoided costs associated with sending waste to landfill, and allowing contractors to retain revenues and savings from materials recovery. We educate our employees on appropriate waste management measures and support contractors to deliver waste management education at our development sites, if required.



## Waste - Rental Business

Indicators	Waste Generated (Tonnes)
Wet Waste	6,547.5
Dry Waste	6,486.1
E-waste	36.2
Hazardous Waste (used oil)	35.4

## Waste - Development Business

Indicators	Waste generated (Tonnes)
Wet Waste	-
Dry Waste	-
E-waste	-
Hazardous Waste (used oil)	0.7

## Waste - Hospitality Business

Indicators	Waste generated (Tonnes)
Wet Waste	228.5
Dry Waste	145.9
E-waste	0.2
Hazardous Waste (used oil)	2.9

Entire waste generated in our operations including rental, development and hospitality business, is either recycled, reused, composted, treated for energy recovery or sold to authorized recyclers. None of the waste generated in the last three years was disposed, i.e. landfilled or incinerated without energy recovery.

Of the non-hazardous waste generated from our Development Business, **17%** of it is recycled and another **18%** is used as compost. The remaining waste is appropriately treated. **100%** non-hazardous waste generated from our Rental Business is utilized as compost.

At majority of our sites, we have established dedicated waste collection areas and waste separation facilities. For our rental buildings, collection of organic waste is undertaken at source through separate waste collection bins for dry and wet waste. The wet waste is then diverted to the organic waste composter provided on site to generate manure. The manure generated from this process is used as fertilizer in landscaping. The solid

waste undergoes segregation in specifically allocated areas, wherein it is further directed for reuse, recycling, or waste-to-energy plants, depending upon the type of waste. Further, to divert waste from landfill, we strive to procure from or sell to recycled-products exchanges. For instance, we have a buy-back policy for batteries.

Our waste management approach also extends to our customers, an e-waste collection drive was organized at **DLF Cyber Hub** to create awareness on e-waste through games and street play. E- waste collection bins were set up for people to dispose-off their unwanted gadgets.



**Various types of wastes are generated in the building and are disposed as per DLF Standards Operating Procedure.**

- Used lube oil and batteries are disposed-off through authorized vendor
- Three types of wastes are segregated as below and measured in the buildings
  - Green bin – Biodegradable items like Fruits, vegetables etc.
  - Black bin – Non-biodegradable items like sanitary domestic waste, bulbs, tube lights, batteries, etc.
  - Blue bin – Dry Waste / recyclable waste like Plastic, papers, Metal etc.
- Organic waste composting machine is installed to recycle biodegradable waste on site

At the Magnolias, solid waste is segregated and processed at the plant and turned into compost for horticultural use. The kitchen food waste is segregated and processed with sawdust before being turned into manure. Around **350 kg of organic** waste is generated per day.



# Biodiversity

While we operate with land being our primary resource, we aim to ensure that our operations have very minimal impact on the biodiversity due to our business activities. We are vigilant toward the impacts of our operations on the surrounding biodiversity.

Biodiversity risk exposure is undertaken during the due diligence process for site selection and within periodic evaluations.

However, given the location of our developments is primarily in urban areas, there is limited exposure to biodiversity risks and opportunities for biodiversity enhancement. Nevertheless, prior

to construction of any of our assets, we undertake environmental impact assessments to understand the proximity of our properties and associated possible impact on biodiversity. This is followed by development of suitable biodiversity management plans to minimize any adverse impact from our operations, as well as to make efforts toward enhancing the biodiversity around our assets. We have a commitment to not to operate, explore, mine or drill in any World Heritage areas and IUCN category I-IV protected areas, we take steps to protect the biodiversity around our infrastructure/assets.

**74 trees** were transplanted from Sohna Road which were to be uprooted otherwise for a road widening project taken up by the local authorities.

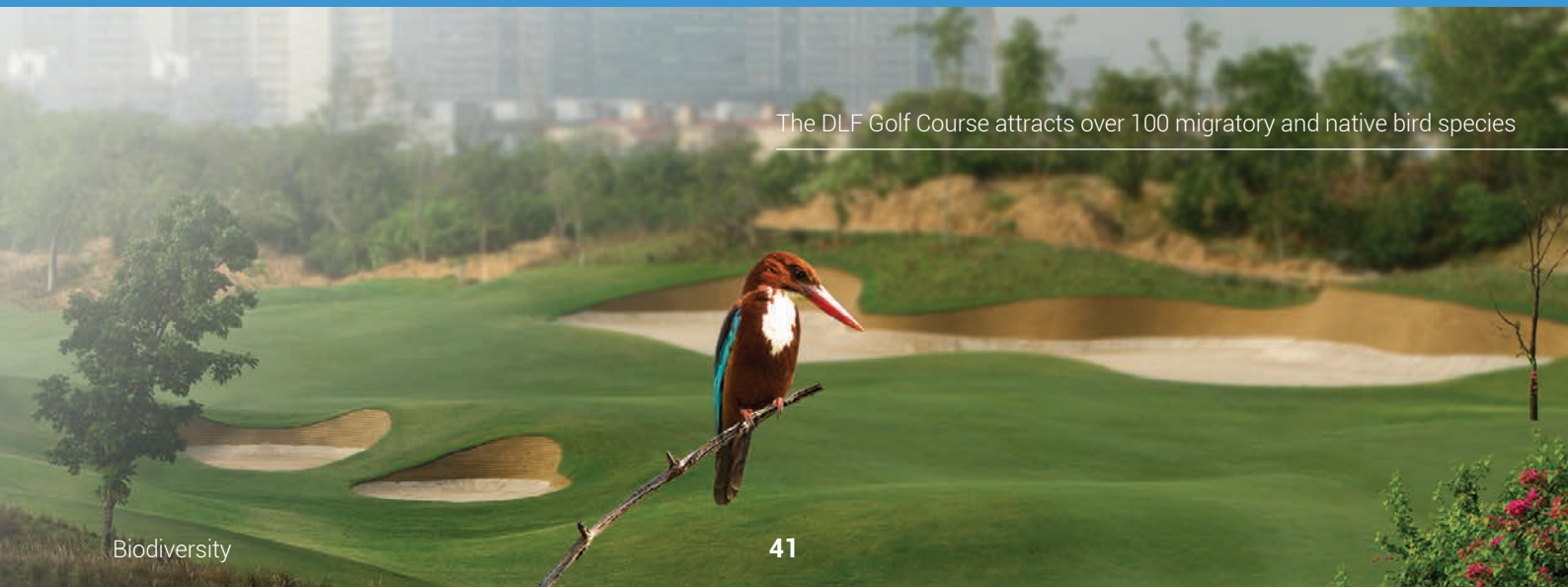
Our approach is to apply the mitigation hierarchy (avoid, minimize, restore and offset) especially if operating in areas with globally or nationally important biodiversity. Though, much of our portfolio exists in highly urbanized areas that generally have not retained their prior biodiversity value. We

seek opportunities to enhance the biodiversity around our assets. For instance, our development teams collaborate with local authorities and other stakeholders to deliver positive biodiversity outcomes wherever possible.

At Cyber Hub, we celebrated the **Aravalli Utsav** in collaboration with the NGO IamGurugram to sensitise the people on the importance of protecting biodiversity as well as spreading awareness on the rich biodiversity in Gurugram.

We also engage with external partners to leverage their expertise in augmenting our efforts toward biodiversity protection. We have adopted multi-pronged initiatives to enhance and safeguard the biodiversity. Our key initiatives include developing the DLF Golf and Country Club which includes soil conservation, water conservation initiatives as well as tree transplantation and habitat preservation. Our building sites have been designed and adapted to serve as a safe habitat for the residential birds as well as the migratory birds. In our pursuit of development, we adopt the practice of transplanting the trees.

As an organization, we take pride in working extensively toward enhancing our footprint in restoring biodiversity. Many native species of vegetation have been planted at the Golf Course to enhance the green cover. Over the years, the golf course in Gurugram has become the home of several migratory bird species apart from over 40 native bird species. The large lakes, waterfalls and shaded areas provide a conducive habitat for fishes, frogs, ducks and many other species. This has grown over the years with the area of the green cover increasing.



The DLF Golf Course attracts over 100 migratory and native bird species





# Management



# Health, Safety and Security

Leadership plays a leading role in the implementation of Health, Safety and Environment (HSE) policy and Safety Management System (SMS), and in driving continuous improvement of Occupational Health and Safety (OH&S) performance. To achieve highest standard of safety, we have the following measures in place:

- Visible and felt leadership
- All levels of management (senior, middle and lower) are committed to implementation and compliance with the Safety Management System.
- Communicating the importance of HSE considerations in all business decisions.
- Promoting positive HSE behaviors continuously.
- Leadership involvement in audits and Inspections.
- Recognizing and celebrating employees' contribution toward ensuring safety of their colleagues

We have a well-defined SMS intended to provide a systematic approach to managing workplace Occupational Health and Safety. Our aim is to achieve "Zero Harm". DLF Rental business has HSE Policy, which the management commitment to safety. Safety is a core value of our business.

The SMS specifies the areas of its implementation in the organization, covering all work related activities, ensuring continual improvement through a logical, stepwise method to decide what needs to be done, how best to do it, monitor progress toward the established goals, evaluate how well it is done and identifying areas for improvement. The concept of the process adopted in the SMS of our organization is based on the principle of the "Plan-Do-Check-Act" Deming cycle (PDCA).

## Central Level Safety Committee

### SAFETY RULES & PROCEDURES

- Develop Safety standards, procedures, SOPs and engineering guidelines
- Frame safety rules
- Audit plan and schedules
- Develop competencies for conducting audits
- Develop checklist & protocols
- Review of safety standards, procedures, SOPs and engineering guidelines

### SAFETY OBSERVATIONS

- Reinforce positive behaviors
- Develop observation schedules
- Tracking closure of safety observation
- Analyse trends in safe vs unsafe behaviors
- Training safety observer
- Motivate people

### COMMUNICATIONS

- Sharing Safety Learnings
- Organizing safety awareness campaigns
- Employee Safety Engagement programme
- Arranging appreciation certificate / reward / trophies
- Organizing national safety week
- Popularize safety suggestion scheme

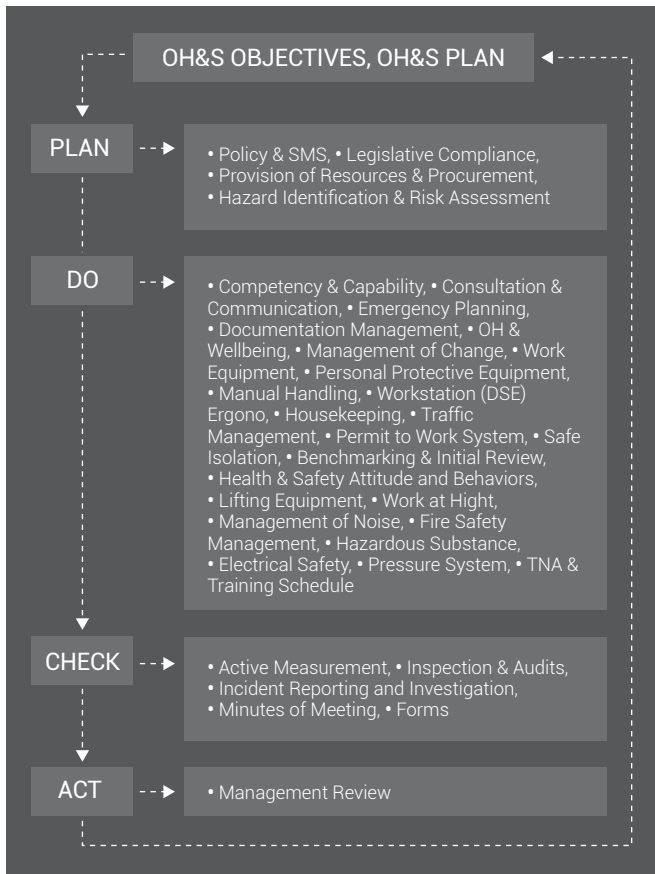
### TRAINING & CAPABILITY DEVELOPMENT

- Develop training modules
- Formulate Training Need Analysis
- Prepare and release training schedule
- Map skill & competency based on job
- Develop competent trainers on safety standards.
- Facilitate Training

### INCIDENT INVESTIGATIONS

- Analysis of Incident metrics
- Analyse incident trends
- Lesson learned to communications
- Sharing incident learnings
- Recommend Safety
- Observation Sub-committee
- Provide necessary information to Rules & Procedures committee
- Monitor progress
- Appraise Apex

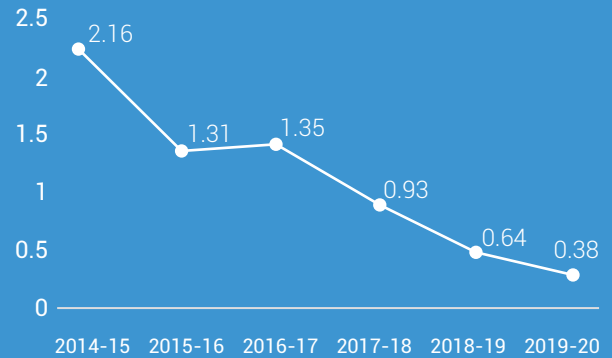
SAFETY COMMITTEE NAME	LEVEL OF THE SAFETY COMMITTEE	NON- MANAGEMENT MEMBERS	MANAGEMENT MEMBERS
Central Safety Committees	Central Level	-	170
Employee Consultation Forum (ECF)	Shop Floor Level	588	104
Operation Head Safety Committee	Facility Level	161	348



Furthermore, in our initiative to ensure health and safety across our managed assets, we have engaged with DuPont to train our employees. In order to prioritize, health and safety management activities, central and site-specific occupational health and safety annual objectives and targets are prepared and implemented at all facilities:

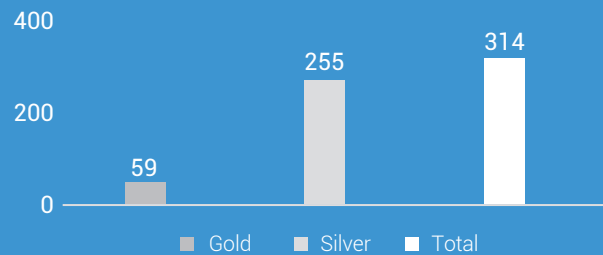
- A central OH&S plan is prepared and authorized by Director – Technical Services.
- The plan at the site level emanates with inputs from the grassroots level (employees) and in turn is dovetailed to meet the central occupational health and safety objectives and targets.
- The approved plan is monitored for compliance on a monthly basis and reviewed in the operational head HSE review meeting.
- Under the guidance of DuPont, DLF has developed various Safety Standards, Procedures, SOPs and Engineering Guidelines which are reviewed and updated by Rules and Procedures Safety Sub-Committee.

## All Injury Frequency Rate



Owing to these controls, our absentee rate was zero. There were no lost-time injuries or fatalities either for our employees or contractors, during the reporting year FY19-20. However, there were 7 males and 1 female who suffered a minor injury

## DuPont Certified Trainers



### SILVER TRAINER

In order to impart quality safety training, we conduct a 'Train the Trainer' Program through DuPont. It assesses the trainers' capability to deliver training and categorizes successful candidates as 'SILVER TRAINERS'.

### GOLD TRAINER

After a period of conducting training, trainers can appear for upgradation of their trainer category through DuPont and, if successful, they become 'GOLD TRAINERS'.



**DLF engaged DUPONT** in Nov,2011 as Safety Partner for developing safety culture in the organization and following activities are conducted by DuPont .

- Developed and monthly review of Safety sub committees.
- Developing 'Train the Trainer on Safety Standard.
- Developing & Review of Safety Standard & Procedure.

- Training & Audit on high risk activities
- Conducting scenario based tactical exercise
- Training on Lead safety efforts for leaders
- Risk categorization study
- Safety perception survey
- Safe operating procedure based on risk assessment (JSA to SOP)
- Providing guidance to recognize contribution of employees toward safety initiatives.

## FIRE SAFETY MANAGEMENT

To cater to the tenants and customers, we at DLF ensure that all our buildings are equipped with early fire detection alarm systems, along with a public address system. Apart from the inbuilt fire safety systems, we have a dedicated fire station with water tanks. Mock fire drills are conducted in association with the local authorities for the tenants to sensitize them about the procedures of an emergency evacuation. These fire drills are conducted in coordination with the asset managers as well as with prior intimation to the tenants. The fire safety management also includes training of the facility management staff, including the refresher training on special equipment operations.

## FIRE SAFETY TRAINING TO TENANTS

As a part of the fire safety management, we have been engaging with our tenants to ensure that their emergency response teams are aware of the safety guidelines and response plan.

## FIRE SERVICE WEEK

To promote awareness on fire safety across our portfolio, we have dedicated a week toward fire safety service that caters to our rental business in Chennai, Gurugram, Kolkata, Chandigarh and Hyderabad.

**Cybercity has India's first private fire station with fire tender that reaches upto 90 m. DLF's commitment to safety stands out when one considers the fact that no other business district in Gurugram or Delhi is as enabled when it comes to fire safety.**

**Proactively Managing Fire Accidents** As a part of our readiness plan and to mitigate the risks of fire, we had replaced the Aluminum Composite Panels from the facades across all our LEED Certified Buildings.

**This has made DLF the only developer in the country to upgrade the safety standards through strategic interventions in refurbishing the facades.**





# Emergency Response and Disaster Management

We ensure the safety of our customers and visitors through a very detailed and well-defined emergency response standards. All our rental assets have site-specific emergency response plans, which cover roles and responsibilities, command and control, resources and emergency response agencies. The plan covers three levels of response including:

- Building-level response
- DLF fire station response

## SAFETY AT DLF5

- DLF5 has implemented Safety Management System, providing training to the condominium staff by Du Pont trained & certified trainers
- Firefighting training and rescue drills are conducted with residents and condominium staff on fortnightly/monthly basis
- DLF5 has two hydraulic platforms which can reach up to 90 meter height for purpose of fire fighting

## NATIONAL SAFETY WEEK

As a part of the National Safety Week, onsite training program on PPE's and Power Tool Safety, on Electrical Safety and First Aid Awareness was imparted to the workers across our development project sites.







DLF HAS WON THE 'SWORD OF HONOUR' FROM THE BRITISH SAFETY COUNCIL AND BECAME THE ONLY COMPANY GLOBALLY TO GET 13 'SWORD OF HONOUR' AWARDS IN A SINGLE YEAR.

The 'Sword of Honour' is widely considered as the pinnacle of achievement in workplace health and safety management.

32.8 mn sq.ft.

OF COMMERCIAL SPACES HAVE WON SWORD OF HONOUR FROM BRITISH SAFETY COUNCIL IN 2019



DLF Cybercity, Hyderabad

# Diversity and Equal Opportunity

The Company's employees are key business drivers. To enhance productivity and employee satisfaction, we have facilitated the creation of a workplace culture free from unlawful discrimination based on gender, race, caste, creed, sexual orientation, etc. We recognize equal employment opportunity as a social responsibility. We have employed differently-abled people in functions like housekeeping, customer services, operations etc. to provide equal opportunities to enable them to perform to their potential.

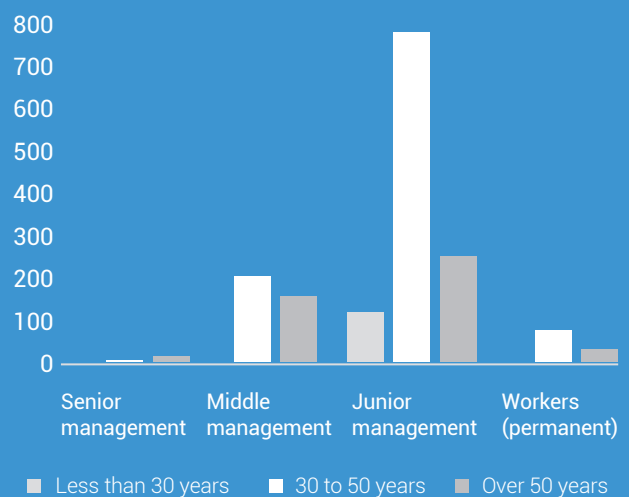
DLF has a streamlined and efficient recruitment-cum-selection process to find and attract the best talents, thereby creating a competitive strength and strategic advantage for the Company. All our senior management personnel are hired locally, i.e. from within India.

Diversity and equal opportunity have been considered as the backbone of a forward-looking organization. DLF ensures that there is an equal representation of all genders at all levels and, as an organization, we are representative of the different ethnicities of the nation. To ensure that we overlook gender while acquiring talent, we ensure that all our job descriptions are gender neutral and only focus on the key abilities that fit the role. In addition, we believe that diversity also strengthens our core business by garnering the professional perspective of our employees from different ethnic backgrounds as well. We are an equal opportunity employer providing equal remuneration for women and men.

Further, there were no breaches to our code of conduct during the reporting year. The table provides a detailed break-up of employees categorized in terms of diversity indicators of age and gender, as of 31st March 2020.

TOTAL EMPLOYEES	LESS THAN 30 YEARS	30 TO 50 YEARS	OVER 50 YEARS	TOTAL
Senior management	-	3	17	20
Middle management	-	205	169	374
Junior management	106	789	248	1,143
Workers (permanent)	-	89	35	124

## Inter-generation Diversity



TOTAL EMPLOYEES	MALE	FEMALE	TOTAL
Senior management	19	1	20
Middle management	346	28	374
Junior management	995	148	1,143
Workers (permanent)	122	2	124



**11%** female employees across all positions

**11.5%** female employees at management positions



It has been our endeavor to create an open and inclusive environment for women employees. Our Maternity Leave Policy and Childcare facilities are designed to contribute toward that objective. To promote a more inclusive culture for new parents, we have made provision for crèche facilities with permission to women employees for four visits to the crèche in a day (including interval for rest).

## INCLUSIVE INFRASTRUCTURE

As an organization, we are constantly trying to be more inclusive in our approach by retrofitting our buildings to accommodate people with special abilities. Our buildings are equipped with special facilities such as ramps at various places

as well as designated spots have been designed for the convenience of the differently-abled. Along with this, we have ensured that our offices are equipped with wheelchairs and other amenities to accommodate the needs of the differently-abled.

## SAFER WORKPLACE FOR WOMEN

We have an internal Prevention of Sexual Harassment at Workplace policy (POSH). All our employees are sensitized to the policy through training. We strive to make our offices safe for women to work by ensuring that there are no breaches to the policy on POSH.



Ramps For Specialty Abled People

# Human Rights

At DLF, we believe that economic value cannot be sustained, unless it is created on a foundation of ethics and responsibility. Therefore, respecting the human rights of stakeholders across our value chain is one of our core priorities, which begins through responsible action at our own operations. DLF is an equal opportunity employer and does not discriminate on the basis of gender, caste, religion or disability. Further, it is our constant endeavor to create a safe and empowered workplace for our employees, that is inclusive, diverse, promotes meritocracy and freedom of expression. We also strive to ensure that our business activities do not adversely impact any of our external stakeholders such as our suppliers, partners, customers and the wider community.

We strive to uphold various aspects of human rights. This is reinforced by our Business Code of Conduct, Supplier Code of Conduct and CSR Policy. These policies are applicable to all employees across the organization. They lay down the operating principles for our business, as well as expectations from our business partners. We uphold human rights across our business and operations, guided by a wide range of international external standards and principles, including U.N. Universal Declaration of Human Rights and International Labor Organization's Declaration on Fundamental Principles and Rights at Work. We believe in non-discrimination, prohibition of child labor, ensuring decent working conditions and protecting labor rights, and health and safety.





Our Company follows the following principles to be more responsible in its approach.

**Equal Opportunity and Non-Discrimination**

All sort of workplace discrimination i.e. in hiring, promotion, and workplace cultural practices based on gender, color, creed, ethnicity, political views, religion etc. is strictly prohibited. These issues shall be addressed through policies, procedures, and trainings related to prevent workplace discrimination and sexual harassment, and by engaging workforce to prevent discriminatory practices. Appropriate disciplinary actions are undertaken in response to any violations.

**Working conditions and labor standards**

Wages, hours of work and social benefits, are based on local laws and regulations as well as prevailing market standards and practices. We treat all our employees fairly and honestly in all our offices and operating sites. All employees and workers are entitled to reasonable rest breaks, access to toilets, rest facilities and potable water at their place of work, and holiday leave in accordance with the legislation. The company may at its discretion allow employees to avail flexible working arrangements on a case to case basis.

**Customer and Employee Privacy**

We protect every data or information related to our customers or employees which may result in human rights violations. We do not disclose information to third parties without explicit consent of our stakeholders, unless required by law to do so. All the collected data is protected through regular security upgrades and adequate employee training is provided to ensure safeguarding of sensitive information. We have an

optimal security system for preventing leaks and incident management. Our Ombuds process allows reporting of data breaches and policy violations.

**Health and Safety**

We constantly strive to institutionalize health and safety processes, that provide a healthy working environment to employees and implement measures to prevent any workplace injuries and ill health, with special focus on emergency response and preventive health and safety measures. We ensure health and safety of our tenants, customers and the local communities surrounding our project sites.

**Child and Forced Labor**

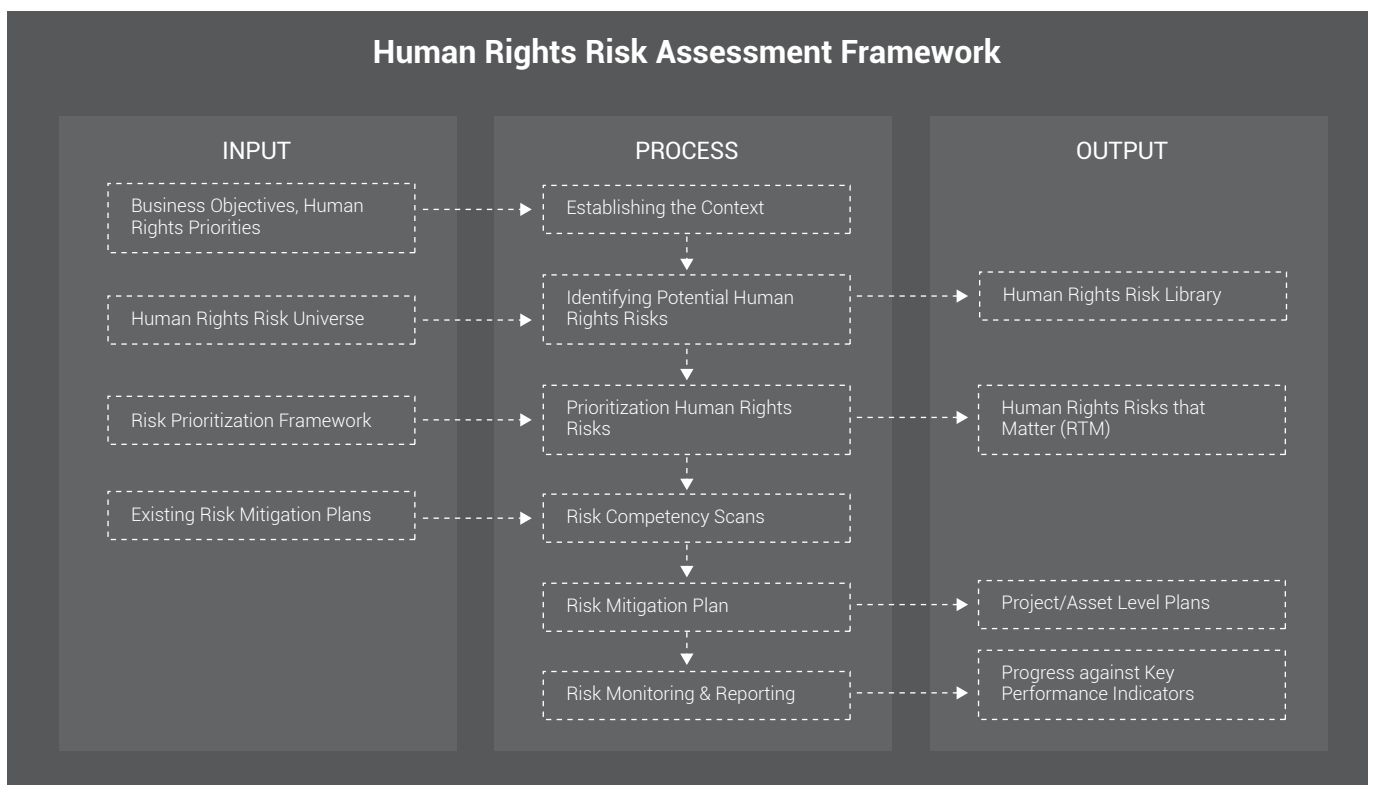
DLF strictly prohibits the use of child labor or forced labor, including bonded labor, slavery and human trafficking, in our offices, branch offices and project sites and requires our suppliers and partners to prohibit the same in their operations.

**Respecting the rights of Local Communities**

DLF strives to respect and uphold the human rights of the vulnerable, disadvantaged and local communities surrounding our offices and project sites. We undertake various social programs on health, education, social infrastructure, skilling and employment for the betterment of the surrounding communities.

**Grievance Mechanisms and Reporting**

We encourage all employees, suppliers and partners to contact the office in case they have encountered any evidence of failure of DLF’s responsibility to avoid any harm of human rights or its involvement in a human rights issue. All stakeholders including





clients, investors, suppliers, partners and public can contact us or make complaints through the Ombuds process as defined in our Whistle Blower Policy. We strive to resolve any human right issue within 14 working days.

### **Human Rights Risk Management**

All employees at DLF undergo training on the Code of Conduct and other DLF policies at the time of induction, as well as an annual refresher training, to ensure that employee behavior is in line with the principles upheld by the Company. This serves as the first step toward our commitment to prevent risks related to human rights.

Further, in order to identify and address potential risks in our operations, we proactively undertake a human rights due diligence process, which is based on our group-wide Risk Management Framework, supported by a robust governance structure. As per the framework, the business unit heads are responsible for implementing the risk management program for their respective business, supported by the office of Company Secretary, through an annual risk assessment as depicted in the figure. Further, they are supported by the department heads who participate in the identification and prioritization of the risks and are responsible for overseeing the development and implementation of mitigation plans for the prioritized risks.

### **Establishing the context**

This includes an annual review of the business objectives along with the business environment, including nature of our business activities, business relationships and the operating context. In addition, our human rights priorities are also taken into account, which the company seeks to safeguard.

### **Preparing a human rights risk library**

The above exercise helps in identifying the existing human rights related risks prevalent in our sector or area of operation, as well as where potential risks can occur in our own operations. This also helps in identification of risks that may result from changes in our business environment, strategy or operations. Based on the identified risks, a risk library is prepared, which categorizes them based on source of risk (internal or external), nature of business and function.

### **Prioritizing risks**

Each identified risk is assessed to identify their relative priority, in order to arrive at key risks for the business or 'Risks That Matter' (RTM). This is undertaken through a risk mapping exercise which includes evaluating the potential impact and likelihood of occurrence of the risk, to rate each risk as high, medium or low.

### **Performing risk competency scan**

A risk competency scan is performed to identify the extent to which the identified potential human rights risks are currently managed, through evaluation of the existing risk management strategies / techniques. This helps in identification of any gaps in the existing system and determining areas of improvement for reducing the risk.

### **Preparing risk mitigation plans**

Based on findings of the risk competency scans, Risk Mitigation Plans (RMP) are devised in consultation with the Business Heads. RMP can range from risk prevention, such as through awareness sessions and precautionary measures; risk reduction through building capacity and safeguards or risk elimination through modifications in the business process. Each RMP is assigned a risk owner along with responsibilities and milestones, which are then periodically monitored.

### **Risk monitoring and reporting**

The risk mitigation plans are reviewed quarterly by the Business and Department Heads, to assess how well the RTMs are being managed and, if any additional risk has emerged that can adversely affect the business operations. The progress on risk management plans is also reported to the Board on an annual basis.

Undertaking internal group-wide audits is often facilitated by independent third parties and includes a detailed assessment of all our sites, including all business functions, to track performance on various human rights-related subjects such as adherence to applicable labor laws, working conditions, minimum compensation, equal opportunity, health and safety.

These assessments enable us to identify 'risk hot spots' or areas where potential human rights issues can occur in our operations, as well as target group of stakeholders, i.e. groups most vulnerable to the identified risks.

## **RISK IDENTIFICATION IN VALUE CHAIN**

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It is our endeavor to not only prohibit undesirable practices, but to not associate with any partner who is in dissonance with our principles of ethical practices. Prior to selection, every contractor and supplier undergo a comprehensive screening where compliance to labor laws and human rights such as child labor, working conditions, remuneration, health and safety practices etc. is assessed. The suppliers post on-boarding, are assessed at regular intervals to ensure timely identification and addressal of any existing risks. The details of supplier risk assessment are provided in the section on Procurement Practices.

## VIGIL MECHANISM

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We have a robust vigil mechanism established by our Whistle Blower Policy, which allows employees, vendors, customers, community members and any person having dealings with the Company or its subsidiaries to raise a grievance or report instances around unethical and/ or improper conduct or human rights violations without any fear of reprisal. Every complaint is timely addressed through appropriate action.

Over the last three years, 100% of our operations have been assessed for risks related to human rights. As the Company manages a significant portfolio of real estate assets, health and safety is identified as a potential risk for both rental and development businesses of DLF, which may impact tenants, occupants, employees and contractors. Robust mitigation plans have been devised separately for both businesses, which are consistently implemented across all assets. For instance, the rental business of DLF engaged with DuPont to establish and implement a robust EHS framework for its rental assets, including documented standard protocols for health and safety, establishment of five safety committees for monitoring the adherence to protocols, development of appropriate infrastructure and training programs, safety management certifications for assets, in addition to periodic audits by external agencies.

The development business of DLF has undertaken measures such as preparation and implementation of standardized health and safety manual for all sites, monthly reporting by contractors on safety aspects, periodic safety audits at construction sites and deployment of safety engineers.

Further, no incidents, complaints or grievances of human rights violations were received in FY 2019-20, including no complaints around child labor, forced/involuntary labor, or discriminatory employment were reported.

## BUSINESS ETHICS AND TRANSPARENCY

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At DLF, we have a stringent Code of Conduct, which lays the foundation for our ethical standards. The same is applicable to all employees, Directors, subsidiaries, suppliers and

contractors of the Company.

**Below is a brief description of some of the key standards that are part of DLF's Code of Conduct:**

### **Fair Business Practices**

As per the Code of Conduct, all employees must comply with the applicable laws of the country which includes prevention of corruption and bribery, wherein corruption and bribery are punishable offences. The Company's Directors and employees are expected to be aware of applicable laws and shall not offer or accept bribe in any form including improper payments or kickback as well as discourage any improper behavior that seeks to gain an advantage through unlawful means.

### **Fair Treatment of Employees, Working Environment and Child Labor**

DLF is committed to providing a working environment that is free from unlawful harassment and prohibits any sexual harassment and harassment or discrimination based on race, national origin, caste, medical condition, childbirth or related condition, physical or mental disability or any other form of harassment that is unlawful.

## REGULATORY COMPLIANCE

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Regulatory compliance is a material topic for DLF, given the complex array of regulations that apply to our business, and whose non-compliance can lead to substantial fines and penalties. We have in place a robust regulatory compliance framework to track all applicable regulations and statutory obligations relevant to our field of business. In this way, DLF strives to comply with all applicable Central and State government regulations. These include compliance with architectural norms in terms of built-up area and fire safety standards. All our suppliers and contractors are also obligated to comply with all the norms and regulations as defined in the code of conduct and supporting policy documents. We have continuously aimed at not just fulfilling the minimum regulatory standards but also going beyond, as we honor our commitment to function in the best interest of society.



# Customer Engagement

Our management approach includes effectively engaging with our customers and employees alike. We believe that the foundation for risk management is being compliant with the regular laws as well as being transparent with our stakeholders. We aim to effectively engage with our customers, our employees and communities while delivering a shared value to all stakeholders.

Our customer engagement is centered around our commitment to regularly enhance customer experience. While we try and address the concerns of our customers, our operations to produce world-class urban spaces. To enhance the customer satisfaction and engagement as an organization, we adhere by the customer satisfaction policy which highlights the following:

- Acting upon the customer feedback/queries and grievances in a timely, transparent, objective and fair manner while maintaining complete confidentiality;
- Modelling our products to match customer expectations and needs;
- Training our customer service personnel to effectively handle customer feedback/queries and grievances. and to effectively address the expectations of the customers and ensuring the required corrective and preventive action;
- The customer complaints are addressed by a dedicated team of trained customer service personnel.
- Tracking the latest market trends and technological advancements to provide our customers a state-of-the-art experience at all stages of engagement.

We cater to very diverse customer segments ranging from individual customers to organizations. We customize our approach to provide an exceptional experience while ensuring their safety and well-being. In order to help our customers' connect with nature while conducting business or shopping, our buildings and are designed to incorporate indoor green spaces and water features while optimizing the energy use and water consumption.

Along with the optimization in the indoor quality and experience, we at DLF believe that we need to respond to the growing concerns toward energy consumption and transitioning to a greener way of living. Porsche in collaboration with the DLF Emporio Mall and Chanakya Mall has installed E-Charging Stations in the mall for charging E- Vehicles/ Hybrid Cars.

We continue to seek feedback from our customers including

tenants and occupants, to continually improve our products and services. Over the years, we have evolved from a Customer Satisfaction model to the adoption of Net Promoter System (NPS) model. We employ a mix of both Bottom Up and Top Down Net Promoter Score methodology to receive a well-rounded picture on our customer's perception.

In FY 2019-20, a survey was conducted for our tenants, i.e. customers of our rental assets in North and South India, provided an NPS of 50.

In our flagship project The Camellias, 31% (77 out of 244) of the sales are from our existing customers from our other super/luxury projects like The Magnolias and The Aralias. Also, for the residential sales in the last 10 years in Gurugram, 10.35% (in volume terms) and 12.9% (in value terms) is attributed to repeat customers.

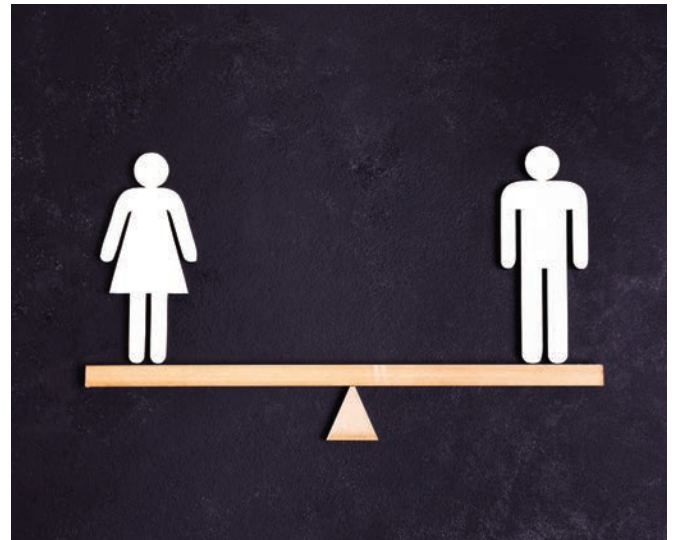




We believe that we need to respond to the needs of the society through our engagement activities with our customers across all our projects. As a part of engaging the customers in a more inclusive manner we have designed initiatives to celebrate inclusivity. Along with these specialized events, all our retail projects have ongoing customer engagement campaigns that are based on a theme that is relevant to the month. For example, we have designed campaigns that resonate with the festivals or with special days such as Mother's Day.

**Our Campaign #EachforEqual focusses on celebrating the women and their achievements of women. The Campaign included offering exclusive offers at the shopping malls during the week of International Women's Day**

Further, we ensure that we monitor the indoor air quality to protect the people using our facilities. In alignment with the same, we have implemented and adopted various initiatives to maintain cleanliness as well as control pollution. These initiatives include monitoring and reporting the indoor air quality, maintaining hygiene through regular sanitation drives across our facilities and assets.



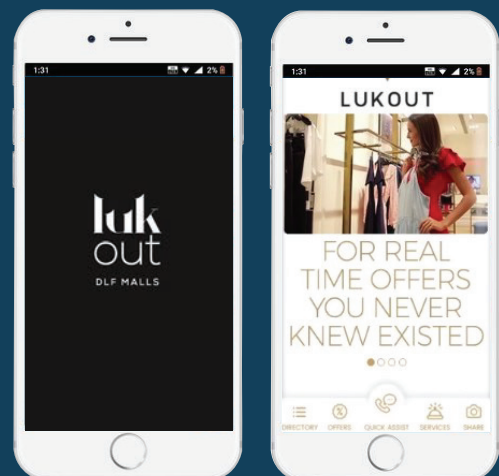
Our facilities are constantly being upgraded to improve the customer experience. In the last couple of years, we have been retrofitting our facilities to ensure seamless services are provided to all visitors.

## RFID Parking Facilities

The parking facilities across our portfolio are being upgraded to ensure seamless service to the visitors. The parking facilities have now been made available on a mobile application to ensure that visitors can assess the parking availability on the go.

## LUKOUT App

The 'Lukout' app has empowered India's top brands across DLF Shopping Malls to embark on this new retail journey while enabling personalized experiences for millions of our consumers as part of our phygital initiative. The app is a one-stop solution that offers personalized proximity-based engaging content in terms of latest looks, trends, real-time location-based offers while providing conveniences like one-touch parking payment, valet, concierge along with having its own social network for millions of consumers.





# Community Management

Our existing customers and communities have always been a very important stakeholder group for everyone at DLF. Our commitment toward facilitating greater transparency and ease of ownership accompanied by our attention to their after-sale service experience has been the bedrock of our corporate customer satisfaction philosophy. This emphasis has been widely recognised and appreciated by our customers.

Furthermore, to effectively address the needs of the communities we ensure that while we build and grow, we also cater to the under privileged section of the society. As a part of our development projects in the housing, EWS housing was developed for the weaker section along with schools and dispensary for all section of society within DLF. Over 700 EWS houses developed by DLF have been allocated by Delhi Development Authority (DDA). Along with the EWS housing, we ensure that the sites we develop enhance the physical infrastructure for the communities living along.

We have installed CCTV cameras along the roads to monitor the safety of all commuters.

We engage with our communities through different platforms and by organizing different events at our housing complexes. These include holding plantation drives, cultural events as well organizing different events.

At DLF5, DLF Limited partnered with the residents on the occasion of Diwali and hand-picked 3 NGOs, namely Earth Savors, Sai Kripa and Vishwas India, representing different causes to give back to those less fortunate.

## SECURITY AT DLF5

DLF5 has a quick response team which monitors community through a 24x7 command centre supported by a well trained security force on ground with local control rooms at various condominium & sites.

## 24X7 MEDICAL EMERGENCY

A 24x7 ambulance, currently in association with Manipal Hospital, stationed at DLF5 has saved numerous lives of the residents and commuters in the vicinity of DLF5.





# Social Integration in New Buildings

We understand the value of integrating social and community initiatives in our new projects. To ensure that our customers as well as communities benefit from our development, we take into consideration the following aspects.



Majority of our assets are situated within walking distance of 10 minutes or less from a transportation hub such as metro train, bus stop, taxi stand etc. Our major development in Gurugram has connectivity of both the Delhi Metro as well Rapid Metro.



Each asset is designed with a clear evacuation plan. Further, we conduct regular evacuation training for tenants and visitors. For example, we have regular drills at all our assets in co-ordination with our tenants.



We strive to incorporate measures to reduce barriers for low-income residents, such as energy efficiency schemes to reduce energy bills, affordable pricing for first-time buyers. We also invest in affordable housing for low-income group of the population. We collaborated with DDA to sell these houses



We have ensured that all our sites are equipped with medical assistance and ambulance has been deployed for any emergency situations.



DLF has incorporated infrastructure in alignment with the GRIHA guideline to enable access for the differently abled. These include providing non slippery ramps, braille and audio assistance in the lifts, special parking spots and wheelchairs. The washrooms have been designed to be more accessible and disabled friendly.



Horizon Centre, Gurugram



# COVID-19 Response

DLF has showcased its strong commitment toward its employees and tenants since the outbreak of the global pandemic. To ensure health and safety of our employees, our offices were closed for four months and all employees were equipped to work from home during the lockdown. Moreover, for the benefit and convenience of our tenants, DLF made all possible arrangements to ensure continued services in terms of safety and security.

Further, we supported all the migrant construction laborers, working on our project sites during the lockdown period. A total of ₹ 5.83 crore was released to various contractors as advances to be paid to workers as monthly salaries. With the help of Akshay Patra Foundation and ISKCON, food and essential items were distributed to about 3,000 workers residing in our labor camps during the COVID-19 lockdown period. Regular medical check-ups were administered in our labor camps across India. After permission was granted to start construction activities, these were carried out with the implementation of social norms in order to stop the spread of virus further.

To improve our business continuity post lockdown, we ensured that all our facilities were sanitized and communication was strengthened with all our tenants to address their concerns as well as inform them about the measures taken across our assets. We initiated the sanitization of the common areas and basements, atriums, lift lobbies and terraces. Regular sanitization checks were being carried out for ensuring surface disinfection at all common touch points to minimize the risk of infection.



At DLF5, to combat the pandemic, DLF Limited initiated stringent protocols of Safety and disinfection to protect its residents and staff members. Measures for community:

- Delivery of all materials after sanitization
- Safety measures taken at the entrance – Arogya Setu app made mandatory, thermal screening, hand sanitization and ensure face mask
- Continued operations with minimum staff
- Delivery of essentials to the doors of residents
- Ensure safety of staff through regular medical checkups and sanitization

## DLF Foundation's response to COVID-19

DLF Foundation partnered with PI Industries to get three Japanese sanitization vehicles equipped with long mechanical moving arms to disinfect large areas as a part of the sanitization drive in Gurugram. The sanitization of the city was carried out with the help and support of the Municipal Corporation, Gurugram, DLF Estates and DLF5.

**DLF Foundation, with the support of the DLF Group and the Government, distributed more than 38 lakh meals to the poor in slums and the migrants stranded in NCR due to loss of livelihood.** In addition, DLF Donated Multiple Diagnostic Machines, Hospital Beds, oxygen cylinders, for setting up a COVID-19 Ward. DLF Foundation partnered with PI Industries,

Municipal Corporation, Gurugram and District Administration to sanitize Gurugram city. The Foundation also provided meals to over 500 stray animals twice a day. CGS Hospital has started Free Tele OPD Consultation for pet lovers.



**64 lakh** cooked meals to the poor and needy in over **240** different locations across **NCR** in Gurugram, Delhi and Noida.



Over **5 lakh** face masks, **4 lakh** examination gloves, sanitizers, full body suits were distributed in multiple cities



Over **5 cr** Donated to relief funds

# Corporate Social Responsibility

DLF accords a similar priority to 'Building Lives' as it does to 'Building India.' Community development has been at the forefront of DLF's agenda. We are committed to create shared value for all our stakeholders. We have spent over ₹ 49 crore under CSR during the FY 2019-20. Our community is an indispensable stakeholder and we endeavor to strengthen our 'social license to operate' through mutually beneficial interventions. The projects aimed at creating socially measurable and sustainable impact have been undertaken through our specialized wing, i.e. the DLF Foundation.

We continuously strive toward the upliftment of the marginalized local communities residing in and around DLF projects, as we recognise their contribution in our growth story. Our holistic approach in social development projects ensures that all key elements in the lives of these underserved communities are addressed. In that, we have integrated

aspects related to education, healthcare, women empowerment, social infrastructure and environmental preservation. **DLF's CSR vision and approach have been clearly laid out in the company's CSR Policy document.**

Over the last decade, DLF Foundation has been acknowledged nationally and internationally for its CSR contribution. It has been the recipient of a number of prestigious national and international awards including Responsible Business Award for Best Community Programme Leadership by World CSR Asian Confederation of Businesses, ASSOCHAM Gold Award for Skill Development, Transformational Leadership Award for Sustainability by Global Compact Network, Gold Award for Best CSR – Practices – 2018 by the Hon'ble Chief Minister, Haryana, CSR Initiative of the year Award by ET Now and CSR Initiative of the Year Award by DNA.



## 169 crore

Total Amount Spent in CSR & other philanthropic activities

DLF Foundation was awarded '**Sustainable Education Strategy Award**' by Responsible Business Awards

## CSR Focus Areas



HEALTHCARE



EDUCATION



WOMEN EMPOWERMENT



PROMOTION OF SPORTS



ANIMAL CARE



ENVIRONMENT SUSTAINABILITY

## HEALTHCARE

DLF Foundation has been working in the domain of healthcare to ensure that good quality medical assistance is made accessible to the marginalized and the under privileged section of the society. The following initiatives were taken up during the year to ensure the same.

### **Providing Healthcare by ensuring free emergency evacuation of patients coming from Low income background to nearby Hospitals in Gurugram:**

Under the DLF Foundation's Ambulance Project, a series of Ambulances were deployed at strategic locations in Gurugram targeted at emergency evacuation of poor patients from urban slums and villages of Gurugram to nearby hospitals. This Project ensured immediate medical care for critically ill patients from underprivileged backgrounds and thereby helped in saving lives by ensuring emergency response.

### **Providing Healthcare through a Primary Health Center in Delhi:**

The project aims to address healthcare challenges faced by underprivileged communities in urban slums. DLF Foundation delivered quality healthcare through experienced doctors and paramedics at the DLF primary health center in Delhi. Over 6000 beneficiaries were examined at this primary health center during the year under review.

### **Senior Citizens' Care:**

To provide a platform for senior citizens to interact socially, build a support network, boost self-esteem and lead an active life, DLF Foundation established a Senior Citizen Recreation Centre in DLF Phase-II Community Centre. The Centre organized activities for senior citizens each evening through the year. The project, run in partnership with Dignity Foundation, was received with enthusiasm, attracting the participation of senior citizens.





## EDUCATION

During the year under review, the educational interventions undertaken by DLF Foundation comprised the following:

### **DLF CARES:**

The Nurturing Talent Programme has been relaunched as "DLF CARES" during the year, with the objective of educating, empowering and transforming lives of students hailing from underprivileged backgrounds, by handholding, counseling, mentoring them, by being their 'guardians' and enabling them to grow and make a meaningful difference to their lives. Access to quality education, assessment to ascertain learning gaps and disabilities, subject stream selection, career counselling, personality development, intensive counselling, mentoring, guardianship and goal setting, while at school, became the hallmark of the revised programme. After school students were counselled for admission to colleges, professional and vocational courses, linked to scholarship programmes, internship and job placement. Partner schools and professional organisations have been empaneled to upscale and for better outcomes. The programme focused on all-round personality development, coaching students to become job worthy. Under the In-School Programme, your Company supported 876 students, 46% of them being females; 119 students were supported to pursue their education at graduate and postgraduate levels.

### **Govt. Schools Support Programme, NOIDA:**

With the objective of enhancing the quality of education in 12 Govt. Schools in Noida, your Company upgraded the schools with improved class-room facilities, along with building safe and secure school environment, better school building and various education enhancement initiatives during FY 2019-20. Over 6,416 students benefited during the year through these programmes. The specific initiatives undertaken by the Company in these schools comprised of construction of toilets for girls, boys and teachers, making provisions for safe drinking water (RO system, water cooler), construction of dish washing platforms, waterproofing school buildings, repairing and whitewashing school buildings, fencing school boundary walls, providing school furniture and accessories and a public address systems (among others). DLF Foundation also took up a lead role in channelizing the efforts of 6 NGO partners to undertake also a range of educational initiatives in the form of remedial education, teachers training, English language education and promotion of sports.

### **Digitization of Education:**

To provide digital learning avenues to students in government schools, the DLF Foundation provided facilities for smart learning. The project continues to empower 2,456 students

with digital contents by specially trained teachers loaded with the Laptop, Projector and subject content provided by Extra marks Foundation. The students learn Mathematics and Science subjects with AV aids, 3D animation, Live streaming, and stories. The students are taught as per the syllabus prescribed by the Education Board and it is expected that the project will reduce the learning gap among students, motivate the students to enjoy their lessons and continue their study. The digital learning makes them psychologically strong; develop keen interest in these subjects and give better performance in final examinations.

Periodic review was undertaken for the progress of ease of using the smart classes and learning level assessment of students enrolled in Govt. schools in Noida and Delhi.



## ENVIRONMENT SUSTAINABILITY

DLF Foundation has initiated a Project in Greening and ensuring plantation in Public areas around DLF Projects to upgrade the environment. This year DLF Foundation is undertaking plantation across various belts in Hyderabad, Gurugram and Delhi.

Plantation drives were organized along public roads including the Southern Periphery road and Raghvendra Marg in Gurugram. Two parks in Greater Kailash- 1 spread over nearly 7 acres of land were adopted from the Government under CSR. DLF Foundation will be ensuring plantation and maintenance of these parks over a three years period as per the MOU signed with South Delhi Municipal Corporation. In Hyderabad, DLF Foundation has partnered with the Greater Hyderabad Municipal Corporation for building and maintaining green corridors in the city. These Projects have created tremendous impact in creating green corridors and augmenting the environment.

**Rainwater Harvesting Project was continued this year and a Rainwater Harvesting feasibility study was undertaken in order to develop a sustainable rainwater augmentation plan.**

In order to raise awareness and promote reduction of plastic use, DLF foundation organised a "Say No to Plastic" drive across all different locations, including malls and office locations. This included conducting street plays and community interaction sessions to strengthen the message.

## WOMEN EMPOWERMENT

In order to ensure Women Safety in NCR, DLF Foundation provided 3 Scorpio vehicles to Gurugram Police for patrolling and surveillance specifically to help women in distress and for identifying and taking early preventive action in case of women abuse in public areas in Gurugram. Women Safety Workshops were organized to create awareness on sexual abuse and women safety. The workshops ensured counselling of the attendees on –

- Identifying High risk areas and possible threats
- Action to be taken in case of sexual abuse
- Steps to be taken to prevent sexual abuse

In addition, DLF Foundation installed CCTV Cameras on public roads to ensure surveillance and safety of women.





## PROMOTION OF SPORTS

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To enable budding golfers to realise their full potential and bring laurels to the country at national and international level, the DLF Foundation supported a dozen budding golfers under its Golf Excellence Programme. The Program started in Gurugram, during the year supported 12 junior boys and girls in the age group of 12-18 years who are being supported for their coaching, equipment, fitness, nutrition and participation in tournaments. To conduct regular assessments and to suggest the way forward, reputed and internationally recognised coaches visited the DLF Golf Academy periodically and organized several coaching camps to focusses on individual golf lessons and assessments. It includes short game lessons, on-course planning, lectures on course management and development of an elite player, regular interactions and feedback with parents, fitness professionals and coaches. Some of the trainees represented India in many international tournaments, as a part of the National Squad sent by the Indian Golf Union.

## ANIMAL CARE -CGS VETERINARY HOSPITAL

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The CGS Hospital provides a complete health care solution for dogs and cats in Delhi NCR. The 24 X7 hospital provides quality

veterinary treatment under one roof for companion animals with a footfall of 22,000 cases in 2019-20, of which 15% were stray cats and dogs. CGS Hospital inaugurated the 'Pasha Wing' – for destitute dogs and cats in Nov. 2019. This dedicated unit provides concessional out-patient treatment and free/ concessional surgeries for stray dogs and cats. Highly discounted vaccination and sterilization projects for stray dogs and cats are performed during the year. Apart from pro bono treatment, general awareness of zoonotic diseases, pet care and management information were imparted to pet parents and visiting school children.

Equipped with a fully functional Out-patient department for dogs and cats separately, the hospital offers services in line with latest advancements in veterinary medicine and diagnostics like computerized Radiography, Ultrasonography, Endoscopy, Laparoscopy, minimal invasive orthopedic surgeries, laboratory services are routinely performed at the hospital. The Ophthalmology unit and State- of-the- art CT Scan unit has seen a surge in associated cases. Veterinarians from the hospital have actively participated in numerous National and International Veterinary trainings and Conferences and have won Appreciation awards. Best Multi-specialty Hospital of the Year 2019 Award was conferred on the hospital by World Health Care Achievers Ltd.







## SAVING LIVES THROUGH SAFER ROADS

Gurugram today has large residential, commercial and industrial developments on both sides of the 16 lane Raghvendra Marg. There are currently no facilities for the public at large to cross over and thousands of pedestrians can be seen crossing these high traffic high speed roads on foot leading to both traffic jams and accidents. DLF Foundation has therefore partnered with the Government to construct 5 pedestrians public Footover bridges in Gurugram under the CSR Project "Saving Lives through Safer Roads". This will be a long-term focused Project. Since this is a social Project on Public Roads , permissions are being sought from National Highway Authority of India (NHAI) and Gurugram Metropolitan Development Authority GMDA). While the permission from NHAI has already been received, the permission from GMDA is awaited.

## SAVING LIVES THROUGH SAFER ROADS

In light of the absence of any sizeable crematorium in Gurugram, DLF Foundation is in the process of developing a Crematorium in Gurugram in partnership with the Government of Haryana on a 5.75 acres site belonging to Haryana Shahri Vikas Pradhikaran (HSVP) in Sector 52 A, Gurugram. The vision

is to create a state of the art crematorium imbibing the best in design and tradition to ensure a peaceful and serene experience for all souls. It is visualized that aside from preserving all the traditions and rituals, the crematorium will set benchmarks in terms of aesthetics, functionality, structure and innovation.

An MOU with the Government of Haryana has been executed. DLF Foundation will be developing and constructing the crematorium (with no ownership rights on the land) and will be handing it back to HSVP post development for running and maintenance. DLF Foundation will have majority representation in the Crematorium Committee as per terms of the MOU executed with HSVP. The zoning approval of the site has been received.

The architectural planning and designing of the Crematorium have been completed. This crematorium once developed will be the largest in Gurugram incorporating both Electric and CNG pyres incorporating and the latest ventilation and pollution control technology. Though the planning for the entire crematorium has been done, in Phase-I, DLF Foundation will be completing the first Phase. The Building Plans have been submitted for approval to the Government and upon receipt of all approvals the construction work will be commenced.



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## Independent Limited Assurance Statement to DLF Limited on their Sustainability Report for Financial Year 2019-20

To,  
The Management of DLF Limited,  
Gurugram

### **Introduction**

DLF Limited ('the Company' or 'DLF') has requested KPMG Assurance and Consulting Services LLP ('KPMG', or We) to provide an independent assurance on its Sustainability Report 2019-20 ('the Report').

The Company's management is responsible for identifying its material topics, engaging with its stakeholders and developing the content of the Report.

KPMG's responsibility is to provide limited assurance on the Report content as described in the scope of assurance.

### **Reporting Criteria**

DLF applies its sustainability performance reporting criteria, derived from the 'In-accordance Core' option as per Sustainability Reporting Standards of Global Reporting Initiative (GRI) as detailed in the 'Report scope and boundary'.

### **Assurance standards used**

We conducted the assurance in accordance with

- Limited Assurance requirements of International Federation of Accountants' (IFAC) International Standard on Assurance Engagement [(ISAE) 3000, (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information]. Under this standard, we have reviewed the selected information presented in the Report against the principles of relevance, completeness, reliability, neutrality and understandability.

### **Boundary Scope, and Limitations**

The following is covered under the scope and boundary of the assurance engagement:

The scope of assurance covers the sustainability performance of DLF Limited's sustainability performance disclosures for the period of 01 April 2019 to 31 March 2020, as per the table below.

The boundary of the report includes the data and information from DLF sites as mentioned in the Sustainability Report section – Reporting Boundary:

Data review and validation for the following sites was performed virtually using screen sharing tools:

- DLF IT Park, Kolkata
- DLF IT Park, Chandigarh
- DLF Downtown, Gurugram

Data review and validation for the following site was performed through physical site visits:

- DLF Building No 10, Gurugram
- DLF Cyber Green, Gurugram
- DLF SEZ Silokhera, Gurugram
- DLF Gateway, Gurugram





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The assurance scope excludes:

- Aspects of the report other than those mentioned in the table below;
- The Company's financial performance;
- Data and information outside the defined reporting period;
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company and assertions related to Intellectual Property Rights and other competitive issues;

The disclosures subject to assurance as per GRI Standards were as follows:

Standard Disclosures	Topic-Specific Standard Disclosures
<ul style="list-style-type: none"> <li>• Organizational Profile: GRI 102-1 to GRI 102-13</li> <li>• Strategy and Analysis: GRI 102-14</li> <li>• Ethics and Integrity: GRI 102-16</li> <li>• Governance: GRI 102-18</li> <li>• Stakeholder Engagement: GRI 102-40 to GRI 102-44</li> <li>• Reporting Practice: GRI 102-45 to GRI 102-56</li> <li>• Management Approach: 103-1 to 103-3</li> </ul>	<ul style="list-style-type: none"> <li>• Economic: Economic Performance (GRI 201-1)</li> <li>• Environment: Energy (GRI 302-1), Water (GRI 303-1), Emissions (GRI 305-1 to 305-2), Effluents and waste (GRI 306-2), Compliance (GRI 307-1)</li> <li>• Social: Employment (GRI 401-2), Occupational Health and Safety (GRI 403-2), Training and Education (GRI 404-3), Diversity (GRI 405-2), Non-Discrimination (GRI 406-1), Child Labour (GRI 408-1), Forced or Compulsory Labour (GRI 409-1).</li> </ul>

**Assurance procedures**

We have obtained sample evidence, information and explanations that were considered necessary in relation to the assurance scope and have arrived at conclusions mentioned below. Our work included a range of evidence-gathering procedures including:

- Assessing that the report is prepared in accordance with the GRI Standards: Core option
- Understanding the appropriateness of various assumptions used for estimation of data by DLF.
- Verifying systems and procedures used for quantification, collation and analysis of sustainability performance indicators included in the Report.
- Assessing the systems used for data collection and reporting of the Universal Standard Disclosures and Topic-Specific Standard Disclosures of material aspects as listed in the assurance scope above.
- Reviewing the Report to ensure that there is no misrepresentation of disclosures as per scope of assurance and our findings.
- Reviewing the materiality and stakeholder engagement framework deployed at DLF.
- Testing on a sample basis, the evidence supporting the data and information.
- Holding discussion with senior executives at the sites and at the corporate office to understand the risks and opportunities from a sustainability perspective including the strategy that DLF has adopted to address the same.
- Assessing data reliability and accuracy.
- Verifying select key performance data through site visits to operational locations and corporate office for:
  - Testing reliability and accuracy of data on a sample basis.
  - Assessing stakeholder engagement process through interactions with relevant internal stakeholders and review of related documentation.
  - Limited review of the materiality assessment process.
  - Reviewing the processes deployed for collection, compilation and reporting of sustainability performance indicators at corporate and site level.

Appropriate documentary evidence was obtained to support our conclusions on the information and data verified. Where such documentary evidence could not be collected on account of confidential information our team verified the same at DLF's premises.





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## Conclusions

We have reviewed the Sustainability Report of DLF. Based on our review and procedures performed as described above, nothing has come to our attention that causes us not to believe that the sustainability data and information presented in the Report is appropriately stated, in material aspects, and in accordance with GRI Standards.

We have provided our observation to the company in a separate management letter. These, do not, however, affect our conclusions regarding the Report.

## Independence

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of the ISAE 3000 (revised) standard. Our work was performed in conformance to the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, in relation to the scope of this assurance engagement, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behavior. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. The firm applies International Standard on Quality Control (ISQC) 1 and the practitioner complies with the applicable independence and other ethical requirements of the International Ethics Standards Board for Accountants (IESBA) code

## Responsibilities

DLF is responsible for developing the Report contents. DLF is also responsible for identification of material sustainability issues, establishing and maintaining appropriate performance management and internal control systems and derivation of performance data reported. This statement is made solely to the Management of DLF in accordance with the terms of our engagement and as per scope of assurance. Our work has been undertaken so that we might state to DLF those matters for which we have been engaged to state in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than DLF for our work, for this Report, or for the conclusions expressed in this independent assurance statement. The assurance engagement is based on the assumption that the data and information provided to us is complete and true. We expressly disclaim any liability or co-responsibility for any decision a person or entity would make based on this assurance statement. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above.

Manpreet Singh  
Partner  
KPMG Assurance and Consulting Services LLP  
Dated :13-August-2020

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