

# LIC HOUSING FINANCE LIMITED

## CORPORATE / ORGANISATION CULTURE

### **PURPOSE:**

The Board members are conscious of doing their jobs diligently, challenge management to pursue benchmark performance, give frank advice, heed red flags and demand accountability. The Board being aware of its responsibilities and duties, discharges its functions with deep sense of commitment to its stakeholders. Therefore, it is pertinent that the Board expects a culture of accountability with highest standards from Corporate and executives. An accountable Board and Corporate would take its responsibility seriously, as accountability is the cornerstone upon which all the rest of governance is built. For Corporate, the role model is the Board.

Corporate culture is rooted in an organization's goals, strategies, vision, mission and approaches to customers, investors, stakeholders and the community at large. As part of requirement under Regulation 4(2)(f)(iii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board hereby puts in place corporate culture and the corporate is expected adhere to with highest level of dedication. Corporate culture plays a big role in how a company behaves and interacts with the world around.

### **POLICY**

A culture of accountability for Corporate would be characterised by five observable, mutually reinforcing behaviours such as commitment, belongingness, trust, diligence and honest and ethical conduct.

#### **1. Commitment**

Accountability and commitment go hand in hand. Every employee, no matter what their roles are must be fully committed to the organisation / company and to its mission, vision and values; and work as a cohesive team which in turn would lead to win-win situation for Board, organisation, employees, customers and stakeholders.

#### **2. Belongingness**

Employees of the organization should have a sense of belongingness, and feel proud of working with the organization and should never forget that the organisation belongs not to the board or management but to the owners i.e. its shareholders. It should act in ways that embody independence and accountability.

#### **3. Trust**

The importance of trust within a company is truly immeasurable. A culture

of trust not only promotes a positive work environment, but it can also impact the organization in more concrete ways. For example, a trusting workplace environment tends to breed more motivated employees, which, as every good employer is aware, usually results in increased productivity. A culture of trust can also result in a decrease in employee turnover, as trusting employees are much more likely to harbor a sense of loyalty for their companies. Trust is the glue that unifies the many voices into a cohesive team. Board members and management need to trust that everyone in the organization is working in good faith towards a common goal, i.e. for the good of the company. Trust cannot be assumed; it must be earned. One thing management can do to merit the board's trust is to support the board with information that is accurate, timely and complete. In the same vein, to earn the trust of the management, board which has competent members should appreciate the complex issues facing the organisation / company, understand the difference between governance and management, and know how to offer constructive criticism.

#### **4. Diligence**

Employees of the organization are expected to do their work meticulously, take advantage of training opportunities and use them to upgrade and update their knowledge. They should also articulate views / suggestions in the interest of the organization.

#### **5. Honest and Ethical Conduct**

Board expects that the employees act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working on the Company's premises and at locations where the Company's business is being conducted, at Company sponsored business and events, or at any other place where employee/s are representing the Company. Honest conduct means conduct that is free from fraud or deception. Similarly ethical conduct to be conduct in conformance with accepted professional standards of conduct and compliance with all applicable laws. Ethical conduct includes the ethical handling of actual or apparent conflict of interest between personal and professional relationships. That is, decisions and actions in the course of one's employment with the organisation should be based on the best interests of the organisation, and not based on personal relationships or benefits.

### **REVIEW**

The board shall review the Corporate / organisational culture periodically i.e. once in a year which would include an assessment of the effectiveness of the corporate culture. The Board can benefit from inviting an outside expert to examine its structure, reports and procedures and to interview board members about the culture.