

INTEGRATED REPORT

**Sustainability
Vision**

**For a
Better
World!**

L&T shall pursue eco-friendly growth, promoting a culture of sustainability and innovation, and thereby contribute towards a better world.



About the Report

The Company has been making concerted efforts towards achieving resource efficiency, decarbonising its businesses and sharpened its focus on improving performance across Environmental, Social and Governance (ESG) parameters. This Integrated Report includes the financial and non-financial performance of L&T Limited (Standalone entity) and is aligned to the principles developed by the International Integrated Reporting Council. The Report expands the target audience from the primary provider of financial capital to include employees, customers, suppliers, local communities, regulators, and policy-makers.



NATURAL CAPITAL

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MANUFACTURED CAPITAL

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HUMAN CAPITAL

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INTELLECTUAL CAPITAL

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SOCIAL AND RELATIONSHIP CAPITAL

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FINANCIAL CAPITAL

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VALUE CREATION PROCESS

STRATEGY

VISION AND VALUES



MATERIAL TOPICS

STAKEHOLDER ENGAGEMENT

GOVERNANCE: POLICIES, PROCESSES, RISK MANAGEMENT

VALUE

VALUE CREATION



VALUE CREATED



VALUE CREATION MODEL

Input

Business Processes and

 Natural Capital	Water Consumption: 12.9 Mn kL Energy from Non-renewable Sources: 10.3 Mn GJ Energy from Renewable Sources: 0.19 Mn GJ Spend on Environment¹: ₹ 369 Mn Material Consumed (Mn tonnes): - Cement: 4.4 - Sand: 7.4 - Ferrous: 2.3	VALUE ENGINEERING	L&T BUSINESS EXCELLENCE MODEL  Residential Spaces
 Manufactured Capital	Active Project Sites: 716 Manufacturing Facilities: 18 	LEAN OPERATIONS	 Mass Transit and Railways  Data Centers
 Human Capital	Employees: 59,344 Workmen: 3,48,094 Women covered in Leadership Journey Programmes: 495	INTEGRATED ENGINEERING	 Hydro Power Plants
 Intellectual Capital	R&D Spend (cumulative of 3 years): ₹ 3,905 Mn Patents Filed: 13 R&D Engineers and Scientists: 321 Active Collaborations and Partnerships²: 21	INTEGRATED ENGINEERING	 Water Treatment Plants
 Social & Relationship Capital	CSR Spend: ₹ 1.5 Bn CSR Partners: 61 Memberships of Industry Chambers: 75	INTEGRATED ENGINEERING	 Oil & Gas Facilities
 Financial Capital	Order Book: ₹ 3,713.8 Bn Net Current Assets: ₹ 254.6 Bn Net Fixed Assets: ₹ 124.6 Bn	INTEGRATED ENGINEERING	 Process Plant Equipment

¹ Spend on environmental management: pollution control, environmental monitoring, waste management, wastewater treatment cost, etc.

² Partnerships with universities, educational and research institutes, start-ups.

³ Also includes Green Building (14.8 Mn sq. ft.).

⁴ Mobility Infra created includes Roads (809 lane km), Electrification (3,432 track km), Track construction (710 track km) and Mass Transit-viaducts (86 km).

⁵ Also includes Irrigation Capacity (0.87 lakh ha) and Water Pipelines (61,130 km).

Offerings

SPEED & SCALE



Commercial Spaces



Airports



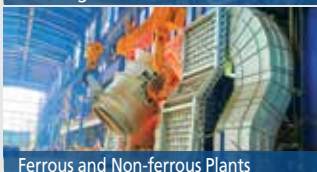
Solar Power Plants



Nuclear Power Plants



Refining and Petchem Plants



Ferrous and Non-ferrous Plants



Launch Vehicles

DIGITALISATION

INNOVATION

GLOBAL SOURCING

Output

GHG Emissions: **0.99 Mn tCO₂e**
 GHG Emission Intensity: **7.8 tCO₂e/₹ Cr**
 Eco-Friendly and Recycled Material Used (tonnes):
 - Steel: **2,526**
 - Zinc: **71**
 - Crushed Sand: **4 Mn**

Building Infra Created³: **20.2 Mn sq. ft.**
 Mobility Infra Created⁴: **5,037**
 Bridges & Tunnels: **35 km**
 Power Infra Created:
 - Transmission Lines: **3,010 ckm**
 - Solar Power Capacity: **2,192 MWp**
 Water & Sanitation Infra Created⁵:
 - Water Storage Capacity: **228 Mn ltr**
 - Treatment Capacity: **2,239 MLD**
 Factory Output⁶: **3,75,452 tonnes**
 Green Business (Revenue): **₹ 63,426 Cr**

Revenue per Employee: **₹ 21.5 Mn**
 Attrition Rate: **10%**
 Average Training Days per Employee: **7.9**
 Accident-free Man Hours: **1,262 Mn**

Patents Granted: **19**
 Value Engineering Projects⁷: **296**
 Revenue from Emerging Businesses⁸:
₹ 1,27,018 Mn

CSR Beneficiaries: **1.6 Mn**
 Contribution to Exchequer: **₹ 89.7 Bn**
 Complaints Received⁹: **653**
 Complaints Resolved⁹: **597**

Turnover: **₹ 1,262.4 Bn**
 PBIT: **₹ 132.7 Bn**
 Dividend Payout: **₹ 46.9 Bn**
 Return on Net Worth: **13.7%**

SDG Linkage



⁶ Total production for businesses: Buildings & Factories, Power Transmission & Distribution, Minerals & Metals, Heavy Engineering, Precision Engineering & Systems, L&T Energy-Hydrocarbon.

⁷ Initiatives for improving processes, products and services to reduce cost, improve project delivery and increase customer satisfaction.

⁸ Revenue in FY 2023-24 from businesses started in the preceding three financial years.

⁹ Across all stakeholders, for breakup refer to Section A in Business Responsibility and Sustainability Reporting (BRSR).

STAKEHOLDER ENGAGEMENT

L&T's businesses are primarily EPC projects (Engineering, Procurement, Construction) and Hi-Tech Manufacturing. Aligned with the activities of the businesses, the Company has identified the following key stakeholders and channels of communication:



Government

Governments (sovereign, sub-national, local) and related entities (public sector enterprises) are the largest clients of the Company, comprising ~78% of the total Order Book. They are the key determinants of policies (sectoral as well as cross-cutting), long and short-term plans for various sectors, and the country at large. The Government is the most crucial driver in policy development, which ultimately impacts the ease of doing business and shapes the business environment.

- ▣ Press releases
- ▣ Quarterly results
- ▣ Integrated Annual Report
- ▣ Stock Exchange filings
- ▣ Issue-specific meetings
- ▣ Representations

- ▣ As and when required
- ▣ Project Review Meetings

- ▣ Address concerns related to project execution
- ▣ Regulatory compliances and reporting requirements
- ▣ Seek support to enable on-time completion and delivery according to agreed parameters
- ▣ Working with the Government to develop/provide inputs for policies and legislations
- ▣ Advocating for relevant policy issues at the central and state level



Employees and Workforce

Human Capital is key to project management and execution for the Company. Around 59,000 employees and 3,50,000 workers across the Company's project sites, offices, manufacturing plants, and different locations are contributing towards sustained growth and performance. Hence, the management, development, and well-being of the workforce are vital for the Company to continue its value creation journey.

- ▣ Employee satisfaction and engagement surveys
- ▣ Circulars and messages from corporate and line management
- ▣ Welfare initiatives for employees and their families and Employee Assistance Programme (EAP)
- ▣ News bulletins to convey topical developments, print and online in-house magazines, and newsletters
- ▣ HEERA
- ▣ Various engagement platforms and events: Hi5, L&T Radio, Art Beats and so on

- ▣ As and when required

- ▣ Support the growth, learning, development and well-being of employees
- ▣ Transparent and timely communication of organisational updates
- ▣ Feedback on Company's policies and actions, and address concerns linked to them

Legend

▣ Channels of communication

▣ Frequency of Engagement

▣ Purpose and scope of engagement, including key topics and concerns raised during such engagement



Customers

Other key customers are private sector clients, which comprise ~22% of the total Order Book. While the Company actively seeks new clients, it also enjoys a long-term relationship with many of them. These lead to repeat business and also create the conditions encouraging development of new solutions and technologies.

- Website, L&T Infodesk, toll-free number
 - Meetings and interactions
 - Client satisfaction surveys and feedback
 - Grievance redressal
-
- As and when required, satisfaction surveys carried out biannually
-
- Transparent and timely communication to provide updates on the status of contracts/supplies
 - Address issues related to the delivery of agreed contracts
 - Partnerships for innovation



Supply Chain Partners

Businesses have a high dependence on supply chain partners for sourcing key input materials (commodities, fabricated items, sub-components, and other raw materials), logistics and services. At L&T, the supply chain is vast and complex, registered partners across and outside the country. These supply chain partners are assessed on a regular basis to enable performance-based tiering and aid in vendor development. The Company believes that supply chain partners play a crucial role in responsible sourcing, upholding quality and standards, adhering to human rights standards, and maintaining ethical business practices.

- Regular vendor and supplier meet
 - Grievance redressal mechanism
 - Contract related meetings
-
- As and when required for large suppliers, fortnightly for MSMEs
-
- Payment, vendor management platform related queries, deliveries, and technical discussions
 - MSME: Exchange of information, vendor deliverables and payment issues, and partner portal-related queries
 - Awareness sessions for supply chain partners and assessment of top 200 partners on ESG parameters

Legend

Channels of
communication

Frequency of
Engagement

Purpose and scope of engagement, including key
topics and concerns raised during such engagement



Shareholders and Investors

Shareholders and investors enable the Company's growth by providing the requisite financial resources as well as guiding the Company through their approval/disapproval of the Company's plans (through voting, voicing concerns, feedback). The Company actively engages with them to communicate its plans, design the way forward, as well as address their concerns.

- ▣ Website
 - ▣ Press releases
 - ▣ Dedicated email ID and toll-free number
 - ▣ Quarterly results
 - ▣ Integrated Annual Report (Integrated Report, BRSR, Financial disclosure)
 - ▣ Annual General Meeting (Shareholders' Interaction)
 - ▣ Investor presentation
 - ▣ Investor meets
 - ▣ Stock Exchange filings
-
- ▣ As and when required, quarterly investor meets
-
- ▣ Showcase sustained value creation through Company's performance
 - ▣ Seek feedback on Company's plans and strategy
 - ▣ Address concerns (if any) with respect to Company's policies and actions



Communities and NGO Partners

L&T strives to promote socio-economic development in the communities around its operations and other underserved regions. The approach involves need assessment, development, and execution and handover of projects to the local community in most cases. The Company prioritises supporting the vulnerable, underprivileged and marginalised sections of society to empower them and improve their standard of living.

- ▣ Direct engagement and/or through NGO partners implementing CSR projects
 - ▣ Grievance redressal
 - ▣ Need Assessments
 - ▣ Community visits
 - ▣ Meetings with community representatives
 - ▣ Impact Assessment Studies
-
- ▣ Quarterly meet with NGO Partners
-
- ▣ Facilitate in providing infrastructure, health, and education services and skill-building opportunities based on need assessment
 - ▣ Improving the quality of life of underprivileged and vulnerable communities

Legend

- ▣ Channels of communication
- ▣ Frequency of Engagement
- ▣ Purpose and scope of engagement, including key topics and concerns raised during such engagement



Regulatory Bodies

Various businesses fall under the purview of specific regulatory bodies, not only sectoral but also in some common areas, e.g., environment and labour. It is pertinent to understand the priorities and concerns of these agencies to enable the Company to ensure compliance with mandated levels.

- Briefings and direct meetings
 - Quarterly results
 - Integrated Annual Report
 - Through industry associations and business chambers
 - Multi-stakeholder forums
-
- As and when required
-
- Issue specific
 - Compliance with laws and regulation
 - Inputs on new policies and regulations



Media

Media is one of the important channels of communication for the Company's reputation capital (a sum of other people's perception), share price performance, brand and pricing power, plans, and policies. It helps engage with a larger audience and provides a critical link in the feedback loop on issues related to the Company and the Brand. This stakeholder group also plays an instrumental role in providing insights into the Company, business, and industry performance. Additionally, the Company engages with the media to share management's perspectives and encourage healthy discussions on various topics.

- Website
 - Press releases
 - Quarterly results
 - Integrated Annual Report (Integrated Report, BRSR, Financial disclosure)
 - Annual General Meeting
 - Media interactions
-
- Event-based
-
- Wider dissemination of plans, achievements and initiatives
 - Create awareness of the Company's businesses, offerings and initiatives
 - Enhance brand value
 - Engaging with media to increase awareness of sustainability issues and promote business practices



Legend

Channels of
communication

Frequency of
Engagement

Purpose and scope of engagement, including key
topics and concerns raised during such engagement

UNDERSTANDING MATERIALITY

The Company is committed to proactively identifying and responding to the concerns of stakeholders and its business to create long-term value for all. Materiality is one of the inputs to the Company's sustainability strategy, which enables prioritising

of the key focus areas. The Company has been constantly working on improving and delivering on ESG dimensions, identified through the findings of the materiality assessment conducted in FY 2022. The sensitivity of a topic to stakeholders and to the

Company, in terms of importance, forms the basis of a materiality assessment. It considers both the impact of the Company's activities on ESG dimensions and the way in which these dimensions can impact the Company.

Methodology

Reporting Frameworks

GRI, <IR> Framework, SASB Material topics, UN SDGs, BRSR, CDP

Peer Benchmarking

Indian and international companies

Internal Stakeholders' views

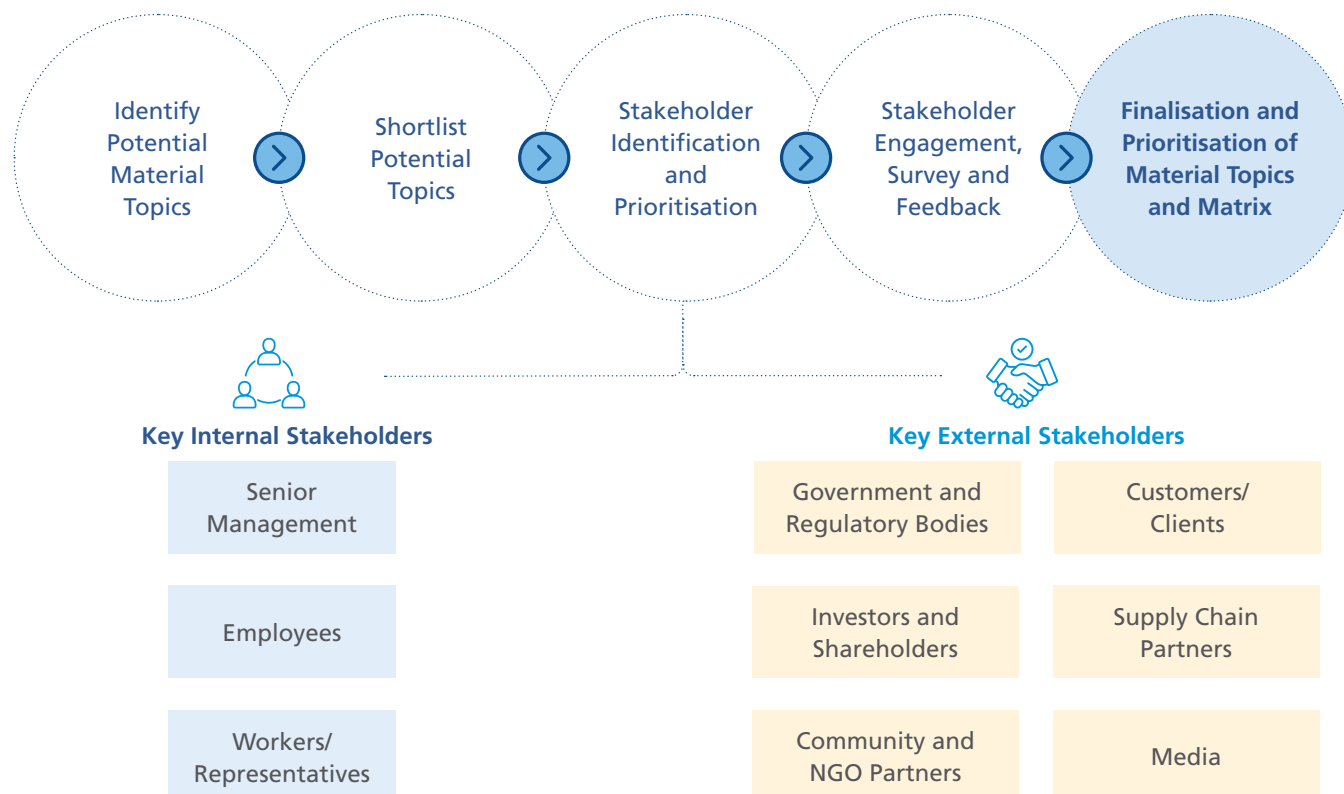
Surveys administered; inputs/ feedback received from senior management during the year

External Stakeholders' views

Surveys administered; concerns/ feedback received through periodic interactions

GRI: Global Reporting Initiative, SASB: Sustainability Accounting Standards Board, CDP: Carbon Disclosure Project

Assessment Process





Thirty-two potential material topics that directly or indirectly impacted the business were identified initially. Out of these, 14 material topics, which are more pertinent for short-term, medium-term, and long-term value creation from both internal and external stakeholders' perspectives, were finalised. During the year, these material topics, their relevance, and their progress are monitored and reviewed at various levels across the Company. The material topics are as follows (not ranked):

 Environment	 Social	 Economic	 Governance
Climate Action	Employee and Workforce Engagement, Well-Being, Health, and Safety	Customer Experience and Satisfaction	Business Ethics
Water, Waste, and Hazardous Materials Management	Human Rights and Labour Conditions	Quality of Products and Project Delivery	Brand Management
	Skilled Manpower		Data Security, Privacy, and Cyber Security
	Talent Management – Attraction, Retention, and Development		
	Diversity, Inclusion, and Equal Opportunity		
	Social Engagement and Impact		
 Sustainable Supply Chain 			

Overview of the Material Topics

The material topics, if addressed and strengthened, can become opportunities, and if not, can pose a risk. For certain material topics, the focus is more on the potential risk and the approach taken by the Company to ensure that the risk does not materialise.

Legend

-  Material topic identified
-  Description and rationale for identifying risk/opportunity
-  In case of risk, approach to adapt or mitigate

-  Natural Capital
-  Manufactured Capital
-  Human Capital
-  Intellectual Capital
-  Social and Relationship Capital
-  Financial Capital

Financial Implications

-  Positive
-  Negative
-  Both

Risk or Opportunity

-  Risk
-  Opportunity

Climate Action

Physical and transition risks related to Climate Change have the potential to cause challenges for the Company. Concerns are primarily related to GHG emissions reduction, decarbonising energy use, water sourcing security, natural materials sourcing, ambient operating conditions, and extreme weather events.

On the other side, initiatives being undertaken to address emission reduction and water use efficiency may have a direct impact on cost and improve overall productivity.

Climate risk management is integrated into the Company's Enterprise Risk Management. The Company has set ambitious targets for Carbon and Water Neutrality and devised a strategy to achieve them. Other areas are also being addressed through specific initiatives.

Refer to 'Natural Capital' for more details.



Water, Waste, and Hazardous Materials Management

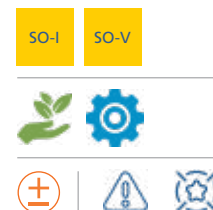
Encompasses increased resource efficiency, recycling and reuse of material and waste, and minimising resource consumption wherever feasible.

Waste generated from business operations, if not managed properly, can negatively impact the environment as well as communities around the work locations. The risk is higher in the case of hazardous materials and wastes.

However, in the past few years, the approach has been shifting as waste is being looked at from the perspective of generating value instead of burden.

Water consumption reduction is a key focus area for the Company to achieve Water Neutrality status, and various initiatives linked to it are being operationalised. Waste management is an integral part of the EHS Management System. The Company adheres to the laws and regulations in the areas of operation.

Refer to 'Natural Capital' for more details.



Employee and Workforce Engagement, Well-being, Health, and Safety

Human Resources is a critical capital for the Company. Ensuring their health, safety, and well-being is key to optimal productivity and sustained growth of the Company.

The nature of operations often exposes the workforce to occupational risks and hazards which impact health, safety, and productivity.

Along with physical well-being, mental well-being has also emerged as a health-related risk that can impact productivity.

Implementation of health and safety management systems adhering to known standards, e.g., ISO 45001:2018 (Health and Safety Management Standard), is a key focus area. This is enabled through SOPs, right processes, procedures, and digital applications. The Company focusses on improving preventive measures related to better risk management.

The Company encourages its workforce to prioritise stress management techniques such as mindfulness, exercise, and seeking support when needed. Counselling, coaching, and sensitisation workshops are also being organised for employees to enable them to handle challenging situations.

Furthermore, keeping in mind the importance of maintaining a healthy work-life balance and enhancing the employee experience, a mandatory leave of 10 days in a year has been introduced to ensure employees have dedicated time to rejuvenate and recharge.

Refer to 'Human Capital' for more details.

SO-V

Legend

Material topic identified

Description and rationale for identifying risk/opportunity

In case of risk, approach to adapt or mitigate

Natural Capital

Manufactured Capital

Human Capital

Intellectual Capital

Social and Relationship Capital

Financial Capital

Financial Implications

Positive

Negative

Both

Risk or Opportunity

Risk

Opportunity

Legend

-  Material topic identified
-  Description and rationale for identifying risk/opportunity
-  In case of risk, approach to adapt or mitigate

-  Natural Capital
-  Manufactured Capital
-  Human Capital
-  Intellectual Capital
-  Social and Relationship Capital
-  Financial Capital

Financial Implications

-  Positive
-  Negative
-  Both

Risk or Opportunity

-  Risk
-  Opportunity

Human Rights and Labour Conditions

Human and labour rights mean protecting, respecting, upholding, and promoting the basic rights and freedom of the workforce.

Owing to the nature of operations and the large number of contractual workmen, human rights violations pose a risk despite complying with all applicable regulations and putting systems in place to avoid such violations. Non-adherence to labour regulations and any kind of violation, even in the supply chain, might lead to a loss of reputation and increased compliance costs.

The Company aims to proactively address and manage such risks by strengthening policies, systems, procedures, and grievance mechanisms. Human Rights Due Diligence of own locations is also conducted to understand the risks and gaps in the existing processes. The key manufacturing facilities are SA8000 certified. The Company's operations adhere to local and national regulations.

As part of awareness sessions, the supply chain partners are also being sensitised to human rights-related risks and violations to ensure adherence across the supply chain. During the year, the grievance redressal mechanism for the contractual workmen has been strengthened.

Refer to 'Human Capital' for more details.

SO-V



Skilled Manpower

EPC Projects segment of the Company highly relies on contract workmen due to temporary shifting and the distributed nature of the business. Achieving contract completion as per agreed timelines and ensuring high-quality work require skilled workmen. Skillsets in focus are bar bending, formwork, electrical work, tiling, masonry, welding, carpentry, and solar electrical work, among others.

With increasing competition for skilled manpower and industry-wide labour shortage, getting the right skill set is a challenge. At the same time, retention may be relatively easy for permanent workmen. However, for contract workmen, the high churn is a risk.

The Company tries to overcome the hurdles through onsite training to upskill workers based on the project sites' requirements, a database to capture and track skilled workmen, and continuous engagement with the contracting agencies to ensure the right manpower is available at the site.

SO-V



Talent Management – Attraction, Retention, and Development

Talent drives the success of the Company, and ensuring the right talent within the Company requires attracting, developing, and retaining the talent. Key aspects with respect to talent management are hiring right, reducing attrition, improving productivity, developing industry-specific capabilities/skills, and enhancing leadership pipeline.

With Human Capital at the core of the business, the inability to attract, manage, develop, and retain talent may adversely impact the business. Historically, the sector has a reputation for lacking workforce diversity and the right talent.

The Company has customised learning and development programmes that cater to various skill requirements and organisation levels. The Company also leverages various digital applications for training delivery, capturing feedback, and driving engagement with the employees.

Refer to 'Human Capital' for more details

Diversity, Inclusion, and Equal Opportunity

A diverse workplace means a wider range of ideas, perspectives, and experiences, which, therefore, leads to better innovation and effective problem-solving – ultimately improving productivity and performance. Diversity is complemented by inclusivity, which means that each one feels that they are heard and that they matter, thus instilling a sense of belongingness and trust. This includes not only hiring without any prejudice or discrimination, but also inculcating the right set of attitudes and behaviours within the employees through awareness and training and building a culture of trust and commitment.

Legend

-  Material topic identified
-  Description and rationale for identifying risk/opportunity
-  In case of risk, approach to adapt or mitigate

-  Natural Capital
-  Manufactured Capital
-  Human Capital
-  Intellectual Capital
-  Social and Relationship Capital
-  Financial Capital

Financial Implications

-  Positive
-  Negative
-  Both

Risk or Opportunity

-  Risk
-  Opportunity

SO-I SO-III SO-IV SO-V



SO-V



Material topic identified

Description and rationale for identifying risk/opportunity

In case of risk, approach to adapt or mitigate



Natural Capital



Manufactured Capital



Human Capital



Intellectual Capital



Social and Relationship Capital



Financial Capital

Financial Implications



Positive



Negative



Both

Risk or Opportunity



Risk



Opportunity

Social Engagement and Impact

Social engagement for the Company means initiatives that focus on social welfare, community development, and environmental sustainability, as well as creating an impact on society at large.

Effective social engagement and initiatives not only bolster the brand but also create goodwill among the stakeholders. CSR can act as a differentiator, as well as a means of attracting and retaining talent by instilling a sense of purpose and pride among the employees at the workplace.

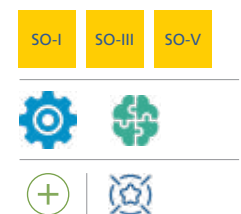
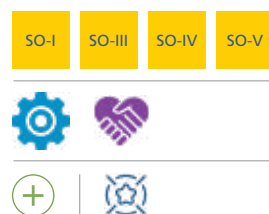
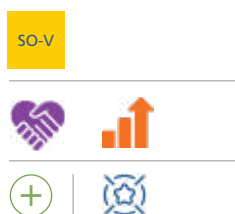
Customer Experience and Satisfaction

In an increasingly competitive environment, delivering great customer experience and satisfaction is essential, not only for project success but also for securing long-term growth and relationships. Hence, it is important for the Company to strengthen and maintain its customer-centric approach by focussing on timely execution, first-time-right quality, and adherence to all applicable norms across all business segments.

Optimal customer experience has a significant material impact on the brand, reputation, and financial performance of the Company.

Quality of Products and Project Delivery

For the Company's businesses in EPC Projects and Hi-Tech Manufacturing, high-quality projects executed, products manufactured, and on-time delivery are critical, not only for meeting the contractual commitments but also for creating customer delight through differentiation from competitors.



Business Ethics

Ethics and integrity are the key values that have enabled the Company to acquire trust and build a strong brand. These values are important to ensure that the organisation conducts business in an ethical and transparent manner. Upholding L&T's core values requires crafting, implementing, and strengthening the policies and procedures.

The Company has strong and robust policies, processes, and SOPs in place. However, driving compliance can be a challenge due to the nature and wide expanse of the businesses, large workforce, and frequent changes to regulatory requirements.

Clear rules, policies, and procedures have been enforced across the Company. For example, the Code of Conduct defines the behaviour expected from all the employees and stakeholders and lays down the policies and systems for effective implementation. The Company has mandatory courses to help employees understand the norms required to work in a safe, compliant, and ethical manner.

The Company has formulated a Whistle Blowing Policy and mechanism and constituted the Whistle Blowing Investigation Committee. The objective is to establish a vigil mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Audit Committee is responsible for reviewing the functioning of the Whistle Blower mechanism. From time to time, the Company's systems of internal controls, covering financial, operational, compliance, IT applications, etc., are also reviewed by external experts.

The governance is led by the Board and supported by the Board Committees. Policies, Code of Conduct, and Management Systems have been developed and deployed across all businesses and functions to ensure adherence and implementation. These are also reviewed on a periodic basis and updated as required. Details available at <https://investors.larsentoubro.com/corporate-governance.aspx>

Please refer to Annexure 'B' – Report on Corporate Governance for further details.

Legend

-  Material topic identified
-  Description and rationale for identifying risk/opportunity
-  In case of risk, approach to adapt or mitigate

-  Natural Capital
-  Manufactured Capital
-  Human Capital
-  Intellectual Capital
-  Social and Relationship Capital
-  Financial Capital

Financial Implications

-  Positive
-  Negative
-  Both

Risk or Opportunity

-  Risk
-  Opportunity

SO-I SO-II SO-III SO-IV SO-V



Legend

- Material topic identified
- Description and rationale for identifying risk/opportunity
- In case of risk, approach to adapt or mitigate

-  **Natural Capital**
-  **Manufactured Capital**
-  **Human Capital**
-  **Intellectual Capital**
-  **Social and Relationship Capital**
-  **Financial Capital**

Financial Implications

- + Positive
- Negative
- ± Both

Risk or Opportunity

-  Risk
-  Opportunity

Brand Management

The Company's brand management is important to build equity, loyalty, and confidence among the stakeholders. This enables customer engagement and business growth, helps attract talent, instils respect in shareholders and investors, and builds a positive image of the Company.



Data Security, Privacy, and Cyber Security

Protecting the Company's own workforce as well as customer data is a highly sensitive and critical area to ensure reliable and incident-free business operations.

While the focus of the Company continues to be on digitisation, there are concerns around cyber security with the use of new technologies, software, and cloud services, and makes the Company susceptible to attacks and leaks. Any such incident can jeopardise the credibility of the Company and may impact reputation and lead to financial damage.

The Company has developed a multi-year cyber security and resiliency roadmap and invested in state-of-the-art security platforms. Policies and practices have been put in place to meet the requirements of ISO/IEC 27001:2022. The Company has one of the most advanced Security Operations Centres to monitor developments 24X7 and respond effectively to any cyber incidents.

SO-I SO-II SO-III SO-IV SO-V



SO-IV



Sustainable Supply Chain

A sustainable supply chain includes responsible behaviour of the supply chain partners in accordance with the highest standards of ethics and integrity, respect for the law, human and labour rights, and environmental protection.

A sustainable supply chain not only reduces environmental and adverse social impact but also builds resilience, supports business continuity, and increases competitiveness.

However, the risk of HSE incidents, human rights violations, and unethical business practices may lead to disruption in business activities and reputation loss as well. Other events, such as natural disasters, extreme weather, and geopolitical incidents, can also adversely impact the deliverables and timely project execution.

The supplier base of the Company has grown substantially over the years across the globe. To ensure adherence and compliance, the Company has put in place a set of policies, processes, and a Code of Conduct for the supply chain partners. Signing the Code of Conduct is a mandatory requirement in the onboarding process of any supply chain partner. Also, the Company has initiated an assessment of suppliers on ESG parameters to understand their performance. Additionally, the Company is organising awareness sessions to apprise them of requirements and new developments in ESG and expectations of the Company.

Refer to 'Social and Relationship Capital' for more details.

Legend

-  Material topic identified
-  Description and rationale for identifying risk/opportunity
-  In case of risk, approach to adapt or mitigate

-  Natural Capital
-  Manufactured Capital
-  Human Capital
-  Intellectual Capital
-  Social and Relationship Capital
-  Financial Capital

Financial Implications

-  Positive
-  Negative
-  Both

Risk or Opportunity

-  Risk
-  Opportunity

SO-I SO-V



SUSTAINABILITY GOVERNANCE

Strategy

As part of the Lakshya 2026 plan, the Company re-evaluated shareholder value creation, defined social obligations, and framed sustainability goals. The outcome of this assessment was the re-articulation of its Strategic Objectives (SOs), which drive value creation over a long-term horizon. The sustainability agenda is guided by the CSR & Sustainability Committee and driven by Executive Committee members across the businesses.

The scope and membership of the Committee have been detailed in Annexure 'B' to the Board Report of this Report.

Policy

The policies of the Company demonstrate commitment towards sustainability, and guide in framing as well as implementing long-term strategy and action plans. The key focus areas are articulated in the Sustainability Policy, which is complemented by other policies such as Corporate Social Responsibility, EHS, Anti-Bribery and Anti-Corruption, Green Supply Chain, Human Resources, and Code of Conduct. These policies strengthen integrated thinking by aligning ESG with business goals and support value creation through the six capitals, viz. Natural, Manufactured, Intellectual, Human, Social and Relationship, and Financial. Most of these policies are reviewed and updated based on evolving and emerging trends, regulatory

changes, global standards, and stakeholder concerns. At the business level, SOPs, guidelines, and procedures translate these policies into standard processes and action plans, e.g., waste management, health and safety, and risk management, among others.

The working of the policies is evaluated by third-party agencies on various standards such as ISO 9001:2015, ISO 14001:2018, ISO 45001:2018, and SA8000. During the process, these agencies also check policy elements, procedures, action plans, review processes, monitoring and reporting. In addition to the above, relevant third-party certifications and assessments are also conducted across business units periodically.

Sustainability Framework



#LnTCares

Restore and Rejuvenate the Environment

- ▣ Carbon Neutrality
- ▣ Water Neutrality
- ▣ Biodiversity
- ▣ Material Recycling and Reuse
- ▣ Waste Management
- ▣ Green Supply Chain
- ▣ Green Business



#WeAreLnT

Social Value Creation

- ▣ Workforce Safety
- ▣ Training and Development
- ▣ Diversity and Inclusion
- ▣ Human Rights
- ▣ Community Welfare
- ▣ Supply Chain



#BuildingTheNation

Towards Future-Ready and Resilient Business

- ▣ Board Structure, Diversity, and Remuneration
- ▣ Governance Mechanism
- ▣ Ethical Behaviour
- ▣ Stakeholder Engagement
- ▣ Risk Management

Implementation

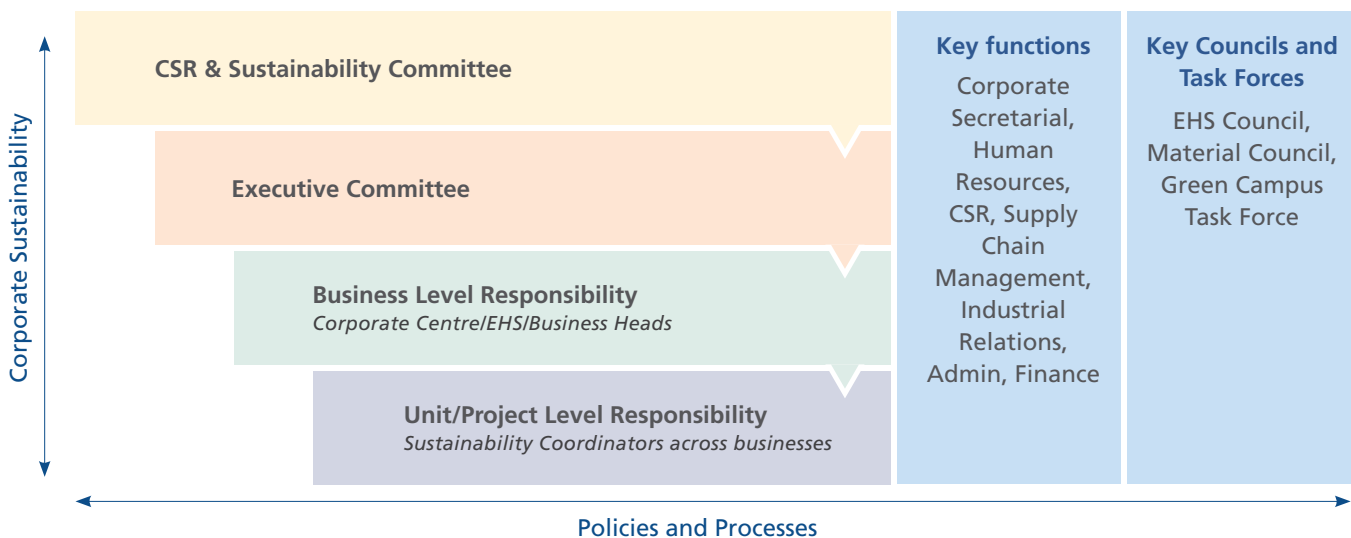
With the evolving landscape and regulatory requirements, the Company has put the necessary tools, systems, processes, and resources in place to incorporate ESG in business strategy and operations. The Company also conducts materiality assessment, which is a process to capture stakeholder concerns on ESG and its importance to the Company. Materiality is one

of the inputs to the Company's Sustainability Strategy, which enables prioritising key focus areas. The material issues and related ESG KPIs are reviewed through various stakeholder engagement processes, and by senior leadership.

The overall responsibility for ensuring the implementation resides with the Corporate

Sustainability Function and Business Unit Heads, and Heads of various Corporate Functions supported by Corporate Sustainability. Various Councils, Committees and Task Forces designated with specific responsibilities have also been constituted for operationalising sustainability across the Company.

Sustainability Governance Structure



Sustainability Data Assurance

In July 2023, the Securities and Exchange Board of India (SEBI) introduced mandatory disclosure under 'BRSR Core' for certain listed companies in India. The Business Responsibility and Sustainability Report (BRSR) format was initially introduced in May 2021, which included reporting of more than 100 KPIs across Environmental,

Social, and Governance (ESG). SEBI has also mandated that the top 150 listed entities undergo reasonable assurance by a third party. BRSR Core parameters comprise environmental, social, and financial KPIs. Reasonable assurance involves understanding systems and controls in place for capturing sustainability performance data used

in the preparation of the disclosures, testing of data, records and relevant documentation, analysis and review of key data management systems, processes, and procedures relating to collation, aggregation, validation and reporting of the sustainability information.

For details, please refer to the Assurance Statement in BRSR.

SUSTAINABILITY HIGHLIGHTS OF FY 2023-24

The Company conducts materiality assessment (refer to Materiality Assessment section) to identify and prioritise the key material topics pertaining to ESG, based on the relative importance of these topics to the stakeholders and in the context of L&T's business imperatives. The assessment identified 14 important material topics, and detailed performance is stated in the respective chapters on the six capitals.

To report sustainability highlights at an overall level, at least one KPI has been selected for each material topic based on the importance attached by investors, rating agencies and regulators and these are given below.



ENVIRONMENT



Energy

83.1 GJ/₹ Cr
Energy
consumption intensity

-16%*

9.2 %
Electricity
from renewables

+20%*



Emissions

7.8 tCO₂e/₹ Cr
GHG emission intensity

-12%*

~4 Mn
Saplings planted

+200%*



Water

102 kL/₹ Cr
Water consumption
intensity



Materials

32 %
Recycled and eco-friendly
material used

+31%*



Green
Business

50 %
Revenue from
Green Business

+54%*



* Improvement over FY 2022-23



SOCIAL



Health and Safety

6.9 Mn

Safety training man hours

0.07

LTIFR



Human Rights

2

Key facilities SA8000 certified

100 %

Own facilities and offices assessed



Workforce Skilling and
Talent Management

24,000+

Employees covered

90,000+

Workers covered



Diversity and
Inclusion

8.1 %

Diversity ratio

99

Women in senior management



Social Impact

1.6Mn

CSR beneficiaries



GOVERNANCE



Governance &
Ethics

100%

New joinees trained on CoC

Brand Management
& ESG Ratings

ENR
Engineering News-Record

Ranked 3rd in 'Top 200
Environmental Firms' in 2023



Customer
Centricity

9

Customer Satisfaction Score out of 10



Data Privacy &
Cyber Security

Zero

Cases of data breaches

CDP

Rated 'B-' for Climate
Change 2023



Sustainable
Supply Chain

32%

Sustainable sourcing
by value

100%

of top 200 supply chain
partners assessed on ESG

NATURAL CAPITAL



The impact of climate change has exacerbated over the years, as evident in recent heat waves, forest fires, and extreme rainfall events across the world. The Company has been taking steps consistently towards decarbonisation, resource efficiency, biodiversity protection, sustainable supply chain.

Key Highlights of FY 2023-24

1,55,046 GJ

Renewable Electricity consumption

16 %

Energy Consumption Intensity Reduction

12 %

Emission Intensity Reduction

32 %

Recycled and Eco-Friendly Material used of Total Material

~4 Mn

Saplings Planted

Strategy Linkage¹



SDGs Impacted



Material Topics

Climate Action	Business Ethics
Water, Waste and Hazardous Material Management	Brand Management
Sustainable Supply Chain	

¹ For details, refer to 'Business Model and Strategy' section.

Note: For KPIs related to intensity, the denominator considered is standalone revenue in ₹ crore.

Net Zero Strategy

The Company has committed to achieve Carbon Neutrality by 2040 and Water Neutrality by 2035. The road map to help achieve these targets is based on the FY 2020-21 baseline of emissions and water consumption and business growth assumptions. This road map has been divided into short-term, medium-term, and long-term and aligns with the Company's 5-year strategy plan.

Carbon Neutrality

The Company's carbon footprint (Scope 1+2) is primarily due to diesel and electricity consumption. Diesel has a high share in the overall energy mix (>75%), while electricity comprises ~16% of the energy mix. Diesel is significantly consumed in powering construction machinery used for EPC projects and partially for electricity generation. Further, plants, equipment, offices, and campuses consume electricity. As the Company keeps expanding and growing, energy consumption and related emissions are also expected to rise.

Based on the current projections, GHG emissions are expected to peak around FY 2025-26 and decline thereafter. The slower pace of increase in the short term would be primarily driven by the improvement in energy efficiency and the reduction in fossil fuel consumption intensity. For the long term, a shift to renewable electricity and fuels would be the primary driver in reducing GHG emissions. Technically, it may not be feasible to reduce emissions to zero, and therefore, offsets incurred from plantations will be considered for achieving carbon neutrality. The Company targets to plant 1.5 – 2 Mn saplings each year to create the stock, which will enable carbon sequestration.

The Company's strategy for achieving carbon neutrality is based on two levers:

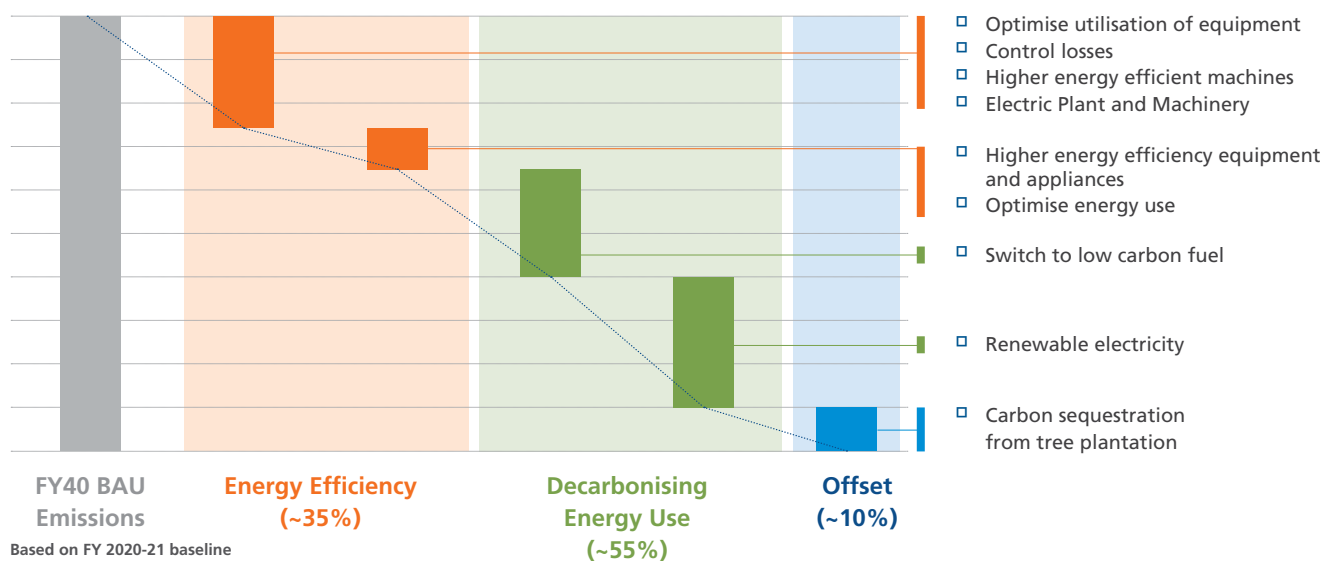


Improving Energy Efficiency



Decarbonising Energy Consumption

Net Zero Path



Green Campus Task Force

The Company's target for Carbon Neutrality has cascaded to all businesses. While each business has identified and undertaken a set of initiatives for the short-term, there were challenges in achieving the targets. The Company has formed two task forces in FY 2023-24 to counter these roadblocks. These task forces have been formed as cross-functional teams with representation from various business units and are aimed at proposing solutions that could be implemented across all the locations of the Company.

One of the task forces has been working on identifying initiatives to increase renewable electricity sourcing. Through the task force actions, the Company has been able to sign a Hybrid Power Purchase Agreement (PPA) for renewable power and has been able to source renewable power through open access for a few project

site locations. While there are many options available for sourcing renewable electricity, there are significant challenges in getting renewable power through the grid at project site locations due to issues related to local regulations as well as concerns of renewable energy service providers. The options identified for increasing renewable electricity sourcing are PPAs, on site solar through third-party, group captive open access, green open access, and green tariff.

The other task force is implementing options for reducing diesel consumption. Based on the analysis of current initiatives, scaling up and replication of these initiatives across different businesses was undertaken. Further, these initiatives were prioritised based on the impact and feasibility of implementation.

Key initiatives identified for reducing diesel consumption:

Switching from Diesel Generator (DG) set to grid electricity	Diesel consumption optimisation through digitisation, sensors, and other actions	Diesel budgeting and control, including reducing losses	Switching from diesel-powered equipment to low carbon fuel, e.g., CNG and electricity powered equipment	Use of renewable fuel, e.g., biodiesel
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Water Neutrality

The Company's water footprint is driven by industrial consumption, primarily due to the use of water in civil work for EPC projects. The consumption pattern is determined by the type of structures or works and technical requirements of the project. Further, numerous standards and codes prescribe the water quality required in such works. The Company is focussing on reducing water consumption intensity, emphasising the following:

- Improving water use efficiency through reducing losses in the equipment and processes and adopting methods e.g., curing compounds and plasticisers for concrete curing works and admixtures for concrete production
- Increasing wastewater recycling and use for non-potable purposes, e.g., toilet flushing, gardening, dust suppression, landscaping
- Increasing water harvesting

In addition to the above, various business units are implementing initiatives relevant to their context. For EPC projects, some businesses are focussing on sourcing treated wastewater from municipal corporations. In a few cases, the quality obtained is at par with freshwater and has been utilised even in concrete mixes. In addition to chemicals, one of the businesses has also experimented with innovative solutions, e.g., steam curing for concrete.

While the Company is focussing on reducing water consumption intensity, the Company's CSR programmes also significantly contribute to positive impact through water conservation and groundwater recharge. The Company has partnered with an independent third party to assess CSR initiatives for water recharge and their impact on achieving Water Neutrality status at the Company level.

Lakshya 2026 Targets on Natural Capital

The Company has set interim targets for carbon, water neutrality and other areas, which are a part of the current Lakshya 2026 strategy plan. These are:

25 %

Emissions Intensity Reduction

50 %

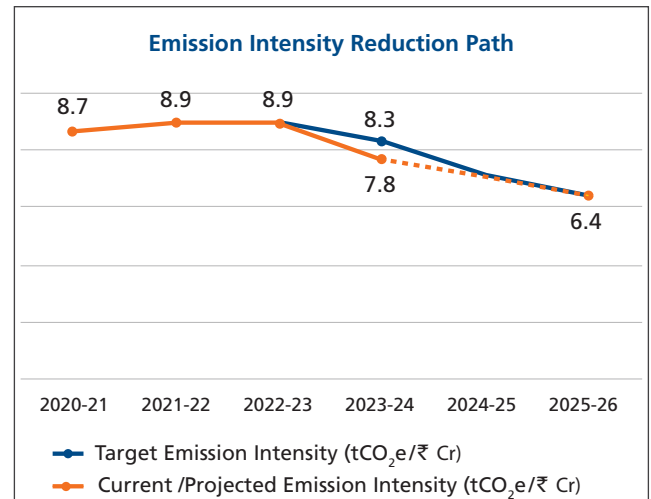
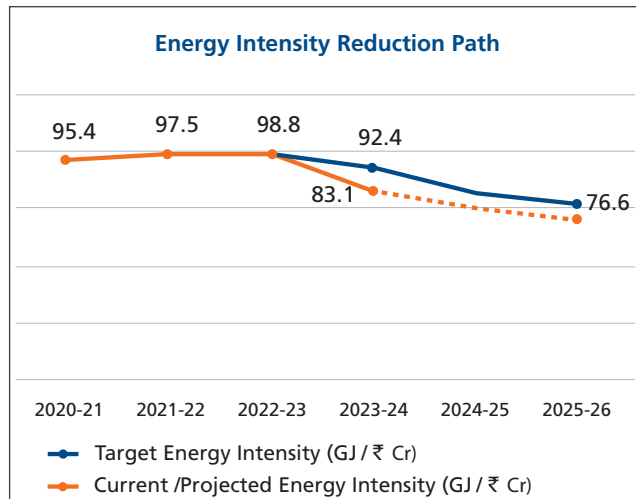
Renewable (% of Electricity Consumption)

11 %

Energy Intensity Reduction



Emission and energy intensity reduction target w.r.t baseline FY 2020-21



Energy

In FY 2023-24, the Company's total energy consumption was 10.5 Mn GJ, comprising direct energy consumption of 8.8 Mn GJ and indirect energy consumption of 1.7 Mn GJ. Total energy intensity has decreased by 15.9% compared to FY 2022-23 and 13% compared to FY 2020-21 (baseline).

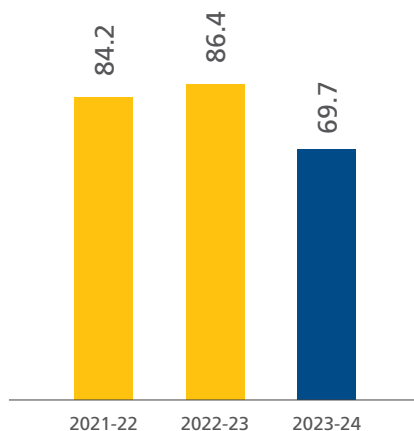
Renewable Energy

The Company has utilised 43.1 Mn kWh of renewable electricity, which consists of 9.2% of its total electricity consumption (468 Mn kWh) in FY 2023-24.

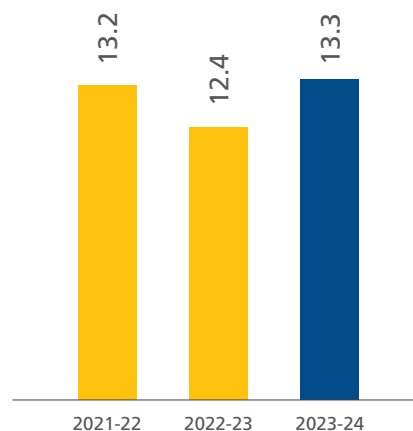
Source	Quantity Sourced (Mn kWh)
Solar (Captive and PPA)	10.3
Wind (Captive and PPA)	20.1
Others (Hybrid PPA and open access)	12.7

Energy (electricity) from renewable energy sources was 0.16 Mn GJ in FY 2023-24, which has increased around 20% compared to FY 2022-23. The total electricity consumption has increased from 1.3 Mn GJ in FY 2022-23 to 1.7 Mn GJ in FY 2023-24. Compared to FY 2022-23, renewable as a percentage of electricity has decreased slightly due to lower sourcing through PPA. The unavailability of adequate land for installing solar modules, challenges in obtaining green open access for temporary connections, developers' preference for long-term PPAs were the main hurdles faced at project site location.

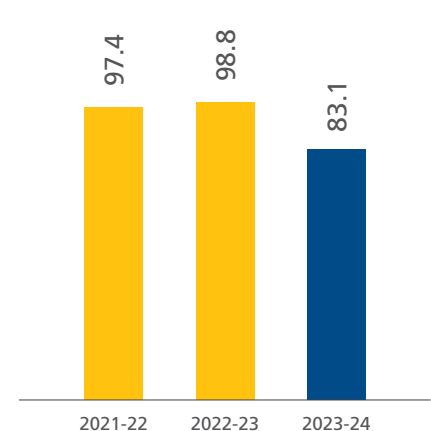
Direct Energy Intensity
(GJ/₹ Cr)



Indirect Energy Intensity
(GJ/₹ Cr)



Total Energy Intensity
(GJ/₹ Cr)



Total energy intensity decreased by 15.9% in FY 2023-24 compared to FY 2022-23, primarily due to a reduction in direct energy intensity by 19.3%. Many project sites, e.g., Rail Vikas Nigam Limited (RVNL) Package 02 and 04 and Chennai Metro Rail Ltd. (CMRL) ECV02, have switched to grid electricity from DG. New project sites have begun with electricity connections from the initial stage.

Additionally, closure or tapering down of certain projects, e.g., Mumbai Trans Harbour Link (MTHL), Mumbai Coastal Road Project (MCRP) Package 01, Delhi International Airport Ltd. (DIAL) Runway, and Dwarka Expressway, and reduction in on site civil construction activities in a few projects, e.g., Mumbai Ahmedabad High-Speed Rail (MAHSR) C4 Package and Chennai Metro Rail Ltd. (CMRL) project, contributed to lower diesel consumption compared to FY 2022-23.

GHG Emissions

Emissions attributed to the Company's operations arise primarily from the use of fuel, electricity, and material in its operations and processes. As part of its Net Zero strategy, the Company is working on reducing its GHG footprint across the three scopes.

Scope 1

Emissions from consumption of fuels such as petrol, high-speed diesel, furnace oil, natural gas, LPG, CNG, and acetylene in various construction machinery, diesel generators, and furnaces.

6,35,646 tCO₂e

Scope 2

Emissions from consumption of grid electricity, sourced from DISCOMs, in various plants, machinery, manufacturing facilities, and offices.

3,49,682 tCO₂e

Scope 3

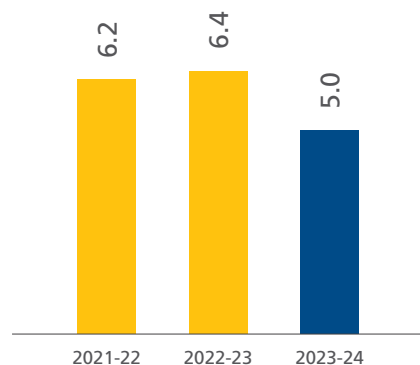
Emissions from purchased goods, upstream transportation and distribution, employee commuting, and business travel.

70,73,536 tCO₂e

Scope 3 emissions has been estimated based on the GHG Protocol. More than 95% of Scope 3 emissions comes from purchase of goods and within that category, 90% is contributed by consumption of steel and cement used at project sites.

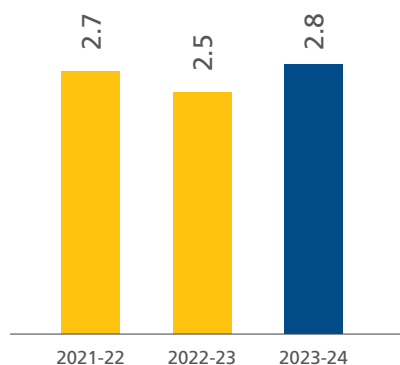
Scope 1 Emission Intensity²

(tCO₂e/₹ Cr)



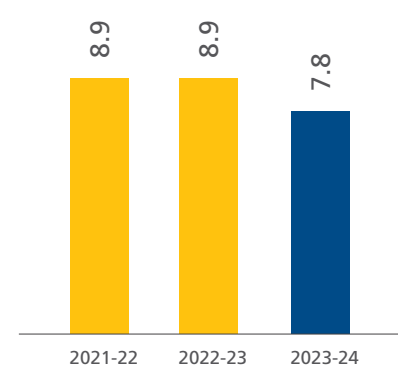
Scope 2 Emission Intensity²

(tCO₂e/₹ Cr)



Scope 1+2 Emission Intensity²

(tCO₂e/₹ Cr)



Emissions (Scope 1+2) intensity has decreased by 12.2% in FY 2023-24 compared to FY 2022-23 mainly due to a reduction in direct energy consumption intensity.

Emissions avoided in FY 2023-24 due to reduction in emissions intensity of the Company.

~1,37,000 tCO₂e

²Emission factor for diesel has been revised to 2.68 from 2.73 tCO₂e/kL, aligned to latest emission factors in IPCC AR5. Emission factor for grid electricity revised from 0.00081 to 0.000823 tCO₂e/kWh based on the latest report of CEA, the central authority for power sector in India; https://cea.nic.in/wp-content/uploads/baseline/2024/01/User_Guide_Version_19.0.pdf

Emissions Reduction Initiatives

The Company is implementing various initiatives across the project sites and manufacturing facilities to reduce emissions. Some initiatives and the benefits derived are:

Fossil Fuel Consumption Reduction through Operational Improvements

Construction machinery used at project sites is typically powered by diesel. As part of cost optimisation initiatives, project teams constantly look for means to maximise the utilisation of such machinery as well as optimise the deployment. These initiatives are enabled using sensor-based technologies and digital tools.

Emissions avoided in FY 2023-24:
22,207 tCO₂e

Switching from Diesel Generators to Grid Electricity for Power

Various construction project sites are powered by DG sets due to remote locations and hurdles in obtaining grid connections. The Company has taken initiatives across various project sites to obtain grid electricity connections and reduce reliance on DG set.

Emissions avoided in FY 2023-24:
12,952 tCO₂e

Increasing Renewable Electricity Sourcing

Increasing the Company's renewable share of electricity is one of the areas of focus. In addition to the installation of rooftop solar and third-party PPAs, a few project sites were successfully able to source renewable electricity through Green Tariffs offered by the Distribution Company (DISCOM) during the year. This has enabled these sites to transition to 100% renewable electricity, and similar efforts are being explored and scaled up as much as possible.

Emissions avoided in FY 2023-24:
1,675 tCO₂e

For other initiatives on energy conservation and renewable energy, please refer to Annexure 'A' to the Board Report.

Stack Emissions

The principal source of air emissions is chimney stacks at the manufacturing facilities. The Company ensures that these emissions stay within permissible limits and has been taking initiatives to reduce them. The table shows stack emissions across different manufacturing facilities of the Company.

SO_x, NO_x and PM Emissions (mg/m³)

Location	FY 2022-23			FY 2023-24		
	SO _x	NO _x	PM	SO _x	NO _x	PM
Hazira	18	26	15	24	19	45
Pithampur	22	21	61	16	14	26
Kancheepuram	11	44	38	10	46	37

Adopting Cleaner Fuels

Hot Mix Plants (HMPs) are required for flexible pavement construction and typically use furnace oil or High Speed Diesel (HSD) as fuel in the burners. Project teams at the DIAL expansion project and Meerut Aligarh Road project explored options to decarbonise the energy consumed in HMPs and identified a solution to replace traditional burners with dual fuel burners which were powered with Compressed Natural Gas. CNG is a comparatively cleaner fuel than furnace oil or HSD and thereby, the teams were able to reduce the emissions from HMP operations.

Emissions avoided in FY 2023-24: 1,017 tCO₂e



Replacing LPG with CBG



The Company's Pithampur factory (capacity ~1 lakh TPA) produces galvanised steel components for a range of power transmission line towers. The factory is equipped with the latest CNC lines for the fabrication of towers and microprocessor-based temperature-controlled systems for the galvanisation of tower members. Galvanising operations were powered by LPG, which itself is a relatively clean fuel compared to diesel. To further lower the carbon footprint, the team initiated replacing LPG with Compressed Biogas (CBG) and redesigned the production facility, along with the control systems. CBG was sourced from Indore Municipal Corporation, which has one of India's largest Bio-CNG plants. This plant generates CBG from the processing of municipal solid waste and agri waste and has almost zero carbon emissions due to feedstock being waste products.

Emissions avoided in FY 2023-24: 2,490 tCO₂e.

Piloting Biofuels

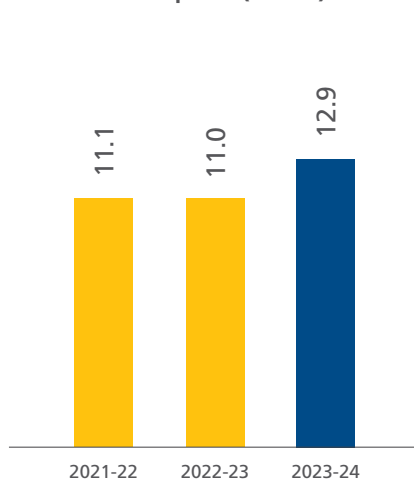
Under Carbon Neutrality initiatives, the Company has also started exploring options to replace fossil fuels with biofuels and identified an agency for sourcing renewable diesel. The key differentiator for this supplier is the use of agri and agro-industrial waste as feedstock compared to vegetable oils or animal fats typically used for generating biodiesel. The Company has successfully conducted pilot studies with up to 30% blending of this renewable diesel with traditional diesel and has started implementation at some project sites. This initiative would be gradually scaled up, both in terms of coverage across sites and increased blending.



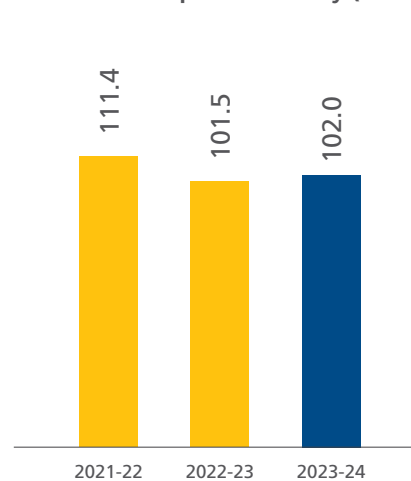
Water

EPC projects and Hi-Tech Manufacturing do not have water intensive processes compared to other industries. Water consumption for the Company is primarily driven by water required in civil works in EPC projects. The Company has identified various initiatives to reduce water consumption and increase wastewater recycling at project sites and manufacturing facilities. The manufacturing facilities and even a few projects are Zero Liquid Discharge locations, mostly recycling and reusing the wastewater generated for various purpose. For example, gardening, toilet flushing, and ancillary activities in construction sites, such as dust suppression, equipment washing, and other areas.

Water Consumption (Mn kL)



Water Consumption Intensity (kL/₹ Cr)



The Company has made improvement in FY 2023-24 for capturing data related to water withdrawal, consumption, and discharge. However, the Company has more than 700 project sites in operation, and which are by definition temporary and with open boundaries. Water is taken from multiple sources, as per site conditions and discharged through multiple points. These issues create significant challenge in putting direct measurement systems and therefore, indirect estimation has to be made which presents difficulty in completeness and traceability of the data as required for reasonable assurance standards. To improve data collection and reporting, the Company is redesigning the Standard Operating Procedures (SOPs) which will be based on reasonable assurance requirements, and this will be rolled out to all the sites/locations. Additionally, the Company is finalising the digital solutions which would enable direct measurement without manual intervention.

Improving Rainwater Harvesting

In Mumbai Ahmedabad High-Speed Rail (MAHSR) project, one of the sections has implemented a rainwater harvesting system with a conservation capacity of ~6500 kL, conceptualised at the design stage itself. Water conserved is stored in a storage tank for use in site activities and provided to the community for irrigation and other uses. Additionally, the energy spent in sourcing water is also avoided.





Using Steam Curing to Reduce Water Consumption

Underground metro rail and main line rail tunnel projects require tunnel rings to provide stability and strength to the structure. Traditionally, the tunnel ring segments are pre-casted using a water curing process. However, the cycle time and water requirement are high in this process. The steam curing method was implemented at two projects - Chennai Metro Rail Ltd (CMRL) TU02 and Rail Vikas Nigam Limited (RVNL) 04 Project. This involved a special setup to apply high temperature steam to freshly casted segments in a controlled environment. This method accelerates the curing process, leading to faster strength development and reduced curing time and water consumption compared to the traditional method. Segment curing time was reduced by 50%, enabling faster tunnel construction and water requirement for the curing process was reduced by ~60%.

Recharging Groundwater

In some underground metro projects, dewatering is required to enable proper working conditions. Typically, the water extracted in the dewatering process is sent to a stormwater drain. In the Chennai Metro Rail Ltd (CMRL) TU02 Project, the project team came up with a design to process the water from the dewatering process and then recharge groundwater through borewells. This enabled not only safe discharge of the water but also helped replenish groundwater. Approximately 21 kL per day of dewatered quantity was sent to recharge wells. In FY 2023-24, the site was able to recharge ~3,520 kL of water.



Recycling Wastewater

Talegaon facility is an important manufacturing unit for the Company. The business team has been implementing initiatives over the years to improve the environment performance of the unit. In FY 2023-24, the unit implemented measures to reduce water consumption. Key measures taken were: digital meters installation to monitor consumption on a per-building basis, MBR technology-based STP (Sewage Treatment Plant) installed to replace the old STP, pipelines to segregate touch and non-touch water from the storage tank, and use of treated water for flushing, topping up cooling towers, and gardening purposes. As a result of the initiatives taken, the facility has been able to reduce freshwater consumption per capita by ~70%.



Awards and Accolades



Green Leaf Award in Energy Efficiency category for MAHSHR C4 Project



CII National Award for Environmental Best Practices



CII DX Award for Best Practice in Digital Transformation - Equipment monitoring



National Environment Award - Industrial Construction Sector at Global Safety Summit

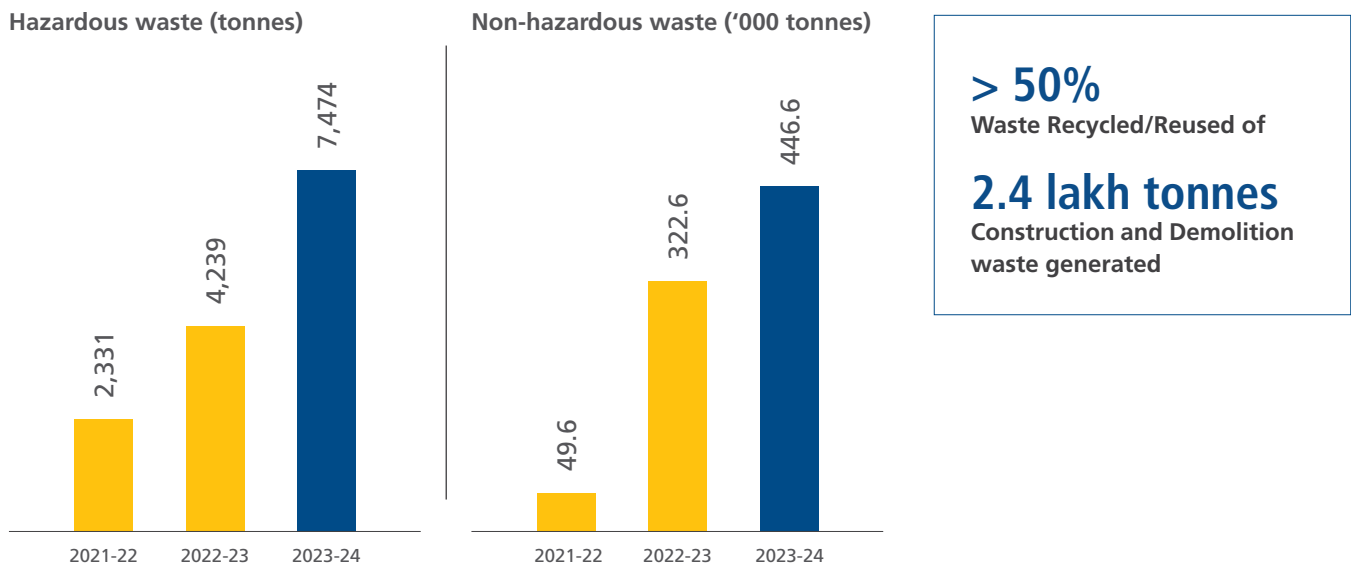


Waste and Circular Economy

Waste management is a material topic and a key focus area for the Company due to the volume and type of material used in EPC projects and manufacturing. The strategy to manage waste is aligned with the principles of Circular Economy and focusses on the 3Rs, i.e., Reduce, Reuse, and Recycle. Waste management is integrated into the EHS management system with comprehensive guidelines and procedures to ensure proper waste management. Measures include waste identification, segregation, collection, recycling, and disposal. The Company has tied up with registered waste processors and waste handling agencies and ensures that all regulatory compliances are met.

Waste Management Measures

- ▣ Hazardous waste is stored and transported as per the statutory requirements
 - Hazardous waste, such as used oil, oil-soaked cotton waste, used chemical/paint/oil containers, batteries, paint residues, ETP sludge; Electronic waste (e-waste); and Biomedical Waste, are disposed of through Government-approved recyclers/re-refiners/re-processors and according to the statutory requirements
 - There is no import, export, transport, or treatment of any hazardous waste covered under the Basel Convention
- ▣ Non-hazardous waste is either reused, recycled, or disposed according to the relevant procedures



The significant increase in waste generation is due to enhancement in waste data capturing/reporting across different businesses and on account of higher material consumption linked to significantly higher execution.

Recycling and Reusing the Waste

Concrete waste is generated in civil works related to infrastructure projects. Typically, this is disposed through authorised agencies or sent to landfills. The concrete waste also consumes space at the

project site. In the Kudankulam Nuclear Power Project, the project team established a crusher plant to process this concrete waste. Concrete waste of ~160 tonnes was crushed and processed into aggregates of

different sizes. This was reused in making solid blocks and aggregates for use in construction and infrastructure works in workmen colony at the site.



Approach road using steel slag



Paver Blocks from concrete waste



Benches and chairs for labour colony from wooden waste



Support structure using steel scrap



Reuse of Concrete Waste - structure pedestal, building floor, canteen benches



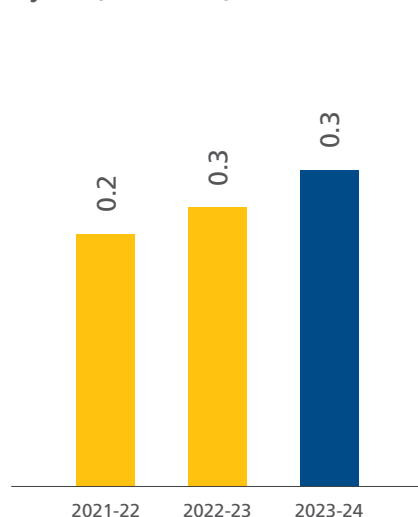
Extended Producers Responsibility (EPR)

In 2022, the Ministry of Environment, Forest, and Climate Change (MoEFCC) made amendments to EPR Rules related to plastic waste, e-waste, and battery waste. As a result, the coverage of the Rules was extended to importers, who could generate plastic waste from packaging of imported materials; e-waste, which could be generated from imported electronic or electrical items; and battery waste, which could be generated from imported batteries or equipment containing batteries. The Company has obtained registration as an importer under the EPR Rules for all three waste categories. To comply with EPR Rules and improve the waste management systems, the Company has created processes and undertaken awareness sessions for the concerned departments.

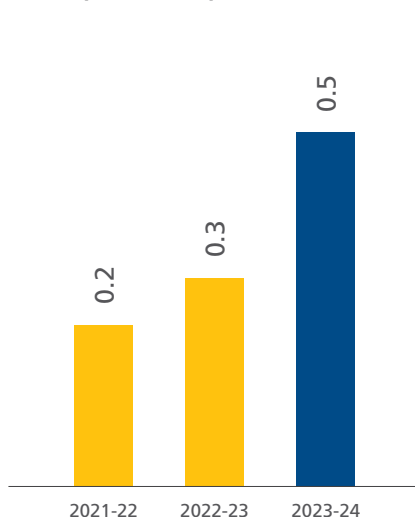
Material Management

Steel, cement, aggregates, and sand are major materials used in the operation. The Company is striving to increase the use of sustainable and eco-friendly materials as well as the recycling of materials within its production facilities. At the Company's transmission tower production facility, sustained efforts are being made to recycle steel and zinc that are consumed in the operations. However, design standards and customer specifications are limiting factors in increasing the use of non-virgin or waste materials, e.g., fly ash and GGBS. The Company actively promotes and tries to maximise the use of such materials for various applications across construction projects.

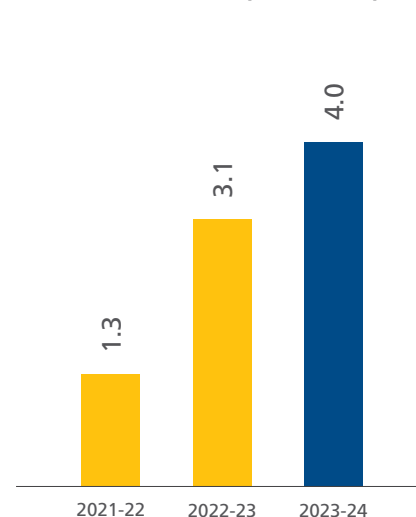
Fly ash (Mn tonnes)



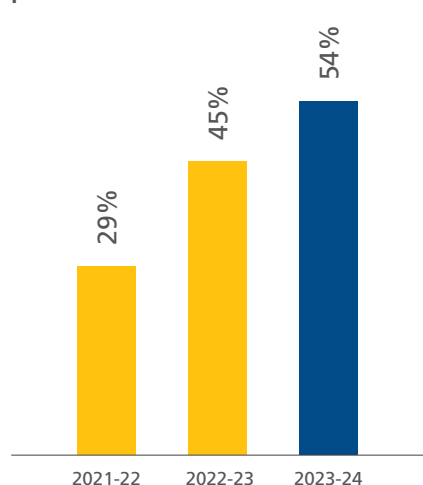
GGBS (Mn tonnes)



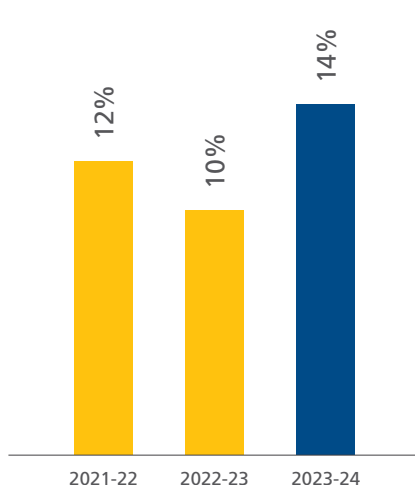
Manufactured Sand (Mn tonnes)



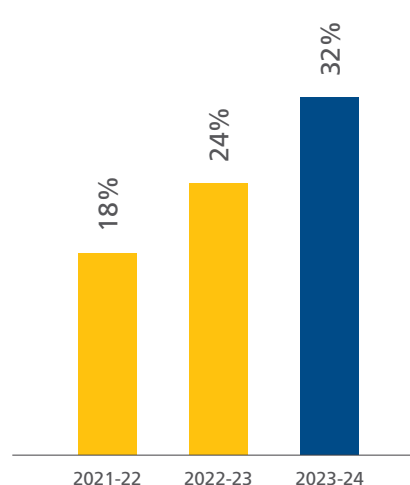
% of Manufactured Sand used in place of sand



Share of Fly ash and GGBS in cementitious materials



% of Eco-Friendly and Recycled materials of total bulk materials



Presence in Eco-Sensitive Areas

The Company has operations in a few eco-sensitive areas (such as national parks, coastal regulation zones) that are subject to the nature of the business. The Company complies with all applicable rules and regulations for such locations and ensures that 'Do No Harm' approach is followed during the operations. Further, the Company has taken additional steps to mitigate the impact on the environment. A list of projects in these eco-sensitive locations is provided in Essential Indicator No. 11, and prevention and remediation measures taken are indicated in Leadership Indicator No. 3 in Principle 6 of the BRSR.



Green Buildings of the Company

The Company has been at the forefront of promoting and creating Green Buildings both for itself as well as its clients. In FY 2023-24, L&T Data Center-1 in Kancheepuram, received Indian Green Building Council (IGBC) Platinum rating while one of the buildings in Chennai campus received IGBC Net Zero rating for design. Leadership Development Academy (LDA), Lonavala, was re-certified as IGBC Platinum in FY 2021-22, and A. M. Naik Tower, Mumbai, was certified as Leadership in Energy and Environmental Design (LEED) Platinum in FY 2020-21. There are 12 other buildings across various locations certified at different periods.



Biodiversity

Tree Plantation

L&T planted ~4 million saplings in FY 2023-24, with over 99% planted by Water & Effluent Treatment (WET) business. Over the years (2008-2024), L&T has planted around 13 million saplings. During 15-17 August 2023, a massive plantation drive 'Project GreenHands' was undertaken with more than 2.5 million saplings planted across 559 project sites.



Chennai HQ



Ad Dakhiliyah project, Oman



24x7 water project, Pune



Water Technology Centre, Kancheepuram



Boudh and Kandhamal project, Odisha



Lower Sutkel project, Odisha



Indore water project, Indore



Bargarh project, Odisha

Blue Carbon Initiatives

Mangroves are salt-tolerant plants growing in the coastal zone in the tidal areas and estuaries of rivers. Mangroves play a very significant role in maintaining the coastal environment, reducing the impact of wave action and erosion in the coastal areas, preventing salinity and seawater ingress into the inland agricultural areas, and protecting the coastline from the impact of cyclones. Apart from these ecological functions, mangroves play a very significant economic role in the lives of the coastal village communities. The villagers are dependent on mangroves for fodder, fuelwood, and fishing.

L&T's A. M. Naik Heavy Engineering Complex is located near the coastal region of Hazira (Surat), Gujarat. The Company has undertaken initiatives

to maintain coastal environmental integrity and compensatory eco-restoration in a time-phased mangrove plantation programme over 150 hectares at Katpor village in Hansot block of Bharuch district. The plantation activities were completed in 2014-15 with community participation. The plantation is maintained by the village-level community-based organisation in association with Gujarat Ecology Commission (GEC) through gap-filling activities and protecting the plantation through social fencing. To improve the biodiversity of the area, and particularly, Bharuch coast, new species like *Rhizophora mucronata* and *Ceriops tagai* were also planted on an experimental basis. The Company is working towards planting mangroves in other locations along coastal area.



Before Plantation



Current state

Strategy for Climate Change Mitigation and Adaptation

As the effects of climate change intensify, establishing a pre-emptive strategy to respond to the risks and opportunities has become a significant factor for a company's long-term competitiveness and business growth. Based on the international framework¹, climate change risks can be classified into transition and physical risk. Transition risk represents the risk that may arise during the transition to a low-carbon economy – categorised into risks resulting from law and policy, technology, market, and reputation. Physical risk represents the risk arising from physical impacts such as flooding and rising temperatures – categorised into acute and chronic risk. On one hand, managing climate change-related risks is crucial for the Company, and on the other, it also provides opportunities for growth for current and new businesses. A brief overview of risks and opportunities is presented below:

Transition Risks



Regulatory

Risk

Sustainability performance and disclosure requirements are increasing each year. The Company is operating in more than 700 locations. This increases complexity in compliance with changing regulatory requirements, e.g., new KPIs introduced in BRSR Core and may lead to higher operating costs.

Company's Plans and Actions

The Company tracks the changes in legal and regulatory requirements and accordingly strengthens internal systems and processes. This includes the use of technology and digital applications to assist in data management and reporting.



Technology

Risk

EPC projects are heavily dependent on construction machinery, which are typically powered by fossil fuels, and in some cases, by electricity. Most technology options available in the market are not viable for use at project sites. Replacing the existing assets or modifying the current site setup may require a significant amount of capital expenditure.

Company's Plans and Actions

The Company has initiated actions related to reducing fossil fuel consumption, e.g., replacing diesel-powered equipment with electricity-powered ones. Additionally, exploring options such as electric P&M to enable a smooth transition.



Market

Risk

The Company has a presence in the value chain linked to fossil fuels, e.g., thermal power and oil & gas. Also, any demand reduction is a business risk. Resources and investment devoted to these segments may pose risk of becoming irrelevant or impaired.

Company's Plans and Actions

The Company assesses the outlook for the businesses at risk and identifies opportunities for reallocating resources. Options are being explored for repurposing the investment already made.

¹Frameworks e.g., Task Force on Climate-Related Financial Disclosures (TCFD)

Physical Risks



Acute

Risk

Extremely high temperatures pose a danger to the health and safety of the workforce and could impact productivity, and in turn, project schedules and deliverables.

The frequency and intensity of extreme precipitation events are increasing extensively. It poses a significant risk to the operations of the Company as well as damage to the assets.

Company's Plans and Actions

The Company assesses the measures to handle such situations, and appropriate measures are taken to reschedule working hours, provide proper breaks, ensure availability of drinking water, adopt additional measures for the health and safety of the workforce, and conduct awareness sessions.

As a part of risk management, the impact of such events is assessed, and mitigative actions are taken. Monsoon preparedness plans are a standard condition nowadays for all project sites and cover not only the protection of equipment and backup facilities but also the plan for restoring normal operations.



Chronic

Risk

Weather conditions experienced at work locations may be significantly different from historical or predicted meteorological data. This may impact the preparedness of the work location and could impact the operating costs.

Along with climate change, water stress has increasingly become a global risk. As a result, new regulations related to water use and withdrawal are being formulated and enforced. This may impose an additional burden on operations to find alternate assured sources of water.

Company's Plans and Actions

The Company's work locations, particularly the project site locations, track the current weather pattern through information obtained from the Meteorological Department. Deviations observed against the original information are factored into the project schedule, as well as additional actions to ensure the safety of resources/assets.

The Company is focussing on reducing groundwater withdrawal, particularly in water-stressed areas. Initiatives are being taken to reduce water consumption through use of curing compounds and plasticisers for concrete curing works and admixtures for concrete production. Other initiatives are focussed on improving wastewater recycling and the use of treated wastewater from municipal corporations and rainwater harvesting.

Mitigating Effect of Heatwaves

Extreme summer heat in India and Middle East, exacerbated by frequent heat waves, impacts productivity as well as health and wellbeing of the workforce. The impact is more severe for project sites operating in open environment. The Company takes proactive measures to safeguard the workforce from adverse effects of the intense heat through additional health measures, working time adjustments and advisories/awareness sessions. The Company holds frequent medical check-ups and makes a doctor available fulltime for identifying the symptoms of heat stress in the workforce. Health advisories have been issued by the Corporate Medical team as well as respective business EHS teams to

all employees and workmen. Special awareness sessions on heat stress are also held across projects sites and manufacturing facilities. The Company is providing first-aid training, as well as arranging regular supplies of ORS, lemon water, glucose water and buttermilk to workers. Additional shelters and restrooms are provided across site locations and air coolers are installed in workmen habitats. The working schedule is adjusted to prevent exposure to peak daytime temperatures and extended lunch breaks, from noon to 3 PM and even 11 AM to 5 PM in extreme cases, are given to workmen engaged in outdoor work.



Climate Change Opportunities



Energy Source

Opportunity

Several possibilities are emerging to source renewable energy, and in most cases, these lead to a reduction in the direct cost of operation.

Company's Plans and Actions

The Company has initiated interventions to increase the sourcing of renewable electricity. Also, initiated of biodiesel blending with diesel.



Resource Efficiency

Opportunity

Reducing natural resource consumption in operations is one of the key pillars of sustainability for the Company. Opportunities are available not only to reduce direct costs but also to provide such services for clients, which, in turn, enables them to chart their journey in climate change mitigation.

Company's Plans and Actions

The Company actively pursues substituting traditional material, e.g., cement, with non-virgin or environment-friendly materials such as fly ash and GGBS. Ferrous, non-ferrous and construction and demolition waste are being reused to the maximum extent.



Products and Services

Opportunity

Demand for 'green' and 'sustainable' products and services is increasing across the world. Also, clients are diversifying to build sustainable infrastructure assets.

Company's Plans and Actions

The Company offers a bouquet of solutions under 'Green Business', which enables clients to reduce their environmental footprint. These businesses comprise clean energy, clean mobility, water and sanitation, green infrastructure, and other areas.



Market

Opportunity

One of the levers of energy transition is green hydrogen, and many industries are exploring opportunities to adopt this energy source.

Company's Plans and Actions

The Company has incubated a business linked to green hydrogen. This involves the manufacturing of electrolyzers as well as the supply of green hydrogen as a fuel.

MANUFACTURED CAPITAL



Manufactured capital for L&T comprises businesses in EPC Projects and Hi-Tech Manufacturing. The Company strives to maintain its leadership position across various industry segments through delivery excellence, technology-enabled solutions, and innovation. This helps support business growth and value creation by the Company by enhancing its offerings to the clients as well as opportunities to improve on various parameters, e.g., resource productivity and equipment utilisation. Outlook for various industry segments is positive on the back of high public investments. However, challenges continue to remain due to macro factors as well as industry specific issues. The Company aims to maintain a strong Order Book position, which provides a firm foundation to continue the growth momentum in the forthcoming years.

Key Highlights of FY 2023-24

716

Active project sites

18

Manufacturing facilities

₹ 63,426 Cr

Green Business revenue

Strategy Linkage¹



SDGs Impacted



Material Topics

Customer Experience and Satisfaction

Quality of Products and Project Delivery

Water, Waste, and Hazardous Materials Management

Skilled Manpower

Sustainable Supply Chain

Human Rights and Labour Conditions

Data Security, Privacy, and Cyber Security

Brand Management

¹ For details, refer to 'Business Model and Strategy' section.

Hi-Tech Manufacturing

The Company has created manufacturing facilities that are globally recognised capabilities for producing engineered-to-order equipment solutions for process plants, nuclear power plants, aerospace and other sectors.



A. M. Naik Heavy Engineering Complex, Hazira, Gujarat

World-class manufacturing complex with cutting-edge technology adopting Industry 4.0.



Modular Fabrication Facility, Kattupalli, Tamil Nadu

Strategically located, state-of-the-art, all-weather waterfront Modular Fabrication Facility.



Shipbuilding Facility, Kattupalli, Tamil Nadu

Globally recognised shipbuilding facility near the waterfront.



Strategic Systems Complex, Talegaon, Maharashtra

A recognised facility for prototyping and manufacturing precision engineering and sensor systems.



Manufacturing Units, Kancheepuram, Tamil Nadu

Manufacturing units related to businesses in areas of transmission tower manufacturing and rubber processing machinery are located at Kancheepuram (~70 km from Chennai). It has a Transmission Tower Testing and Research Station as well, which provides design and testing services to clientele from 33 countries.

There are other smaller manufacturing units in Coimbatore, Tamil Nadu and Mumbai, Maharashtra.

A detailed description of the business capabilities, achievements, and sector outlook is covered in the 'Management Discussion and Analysis' section of this Report.





EPC Projects

This segment comprises businesses that are recognised for their end-to-end design-to-deliver capabilities to create assets linked to infrastructure, energy, and metals. These businesses have established credentials in conceptualising, designing, executing, and commissioning large and complex projects for various industries and segments.



Buildings & Factories

The entire spectrum of solutions for urban infrastructure, hospitals, IT infrastructure and data centers, and industrial plants.



Transportation Infrastructure

Full spectrum of solutions for highways, bridges, elevated corridors, runways, railways, and mass transit systems.



Heavy Civil Infrastructure

Complex projects related to high-speed rail, mass transit systems, nuclear power plants, hydroelectric power plants, tunnels, ports, and marine structures.



Power Transmission & Distribution

Solutions for power transmission lines, substations, cable networks, solar PV plants, mini/microgrids, and digital solutions for power systems.



Water & Effluent Treatment

The entire spectrum of solutions for water treatment and distribution, wastewater treatment and collection, desalination plants, irrigation, industrial effluent treatment, water management, and smart water.



Minerals & Metals

Solutions for iron and steel plants, non-ferrous smelters and refineries, mineral beneficiation plants, speciality conveyors, and mining and bulk material handling equipment.



L&T Energy – Hydrocarbon

Large and complex projects related to oil and gas extraction, upstream oil and gas processing, mid and downstream processing, pipelines, storage tanks and terminals, and coal/pet-coke gasification.



L&T Energy – Power

Large and complex projects related to thermal power plants, nuclear steam and turbine islands and environment solutions for power plants.

A detailed description of the business capabilities, achievements, and sector outlook is covered in the 'Management Discussion and Analysis' section of this Report.

Green Business

Linked to two Strategic Objectives of the Company, i.e., SO-III (*Developing business offerings to ride the Energy Transition*) and SO-V (*Enabling business sustainability through a high focus on ESG and Shareholder Value Creation*), the Company offers a bouquet of solutions to create sustainable and green assets for its customers. These solutions, termed 'Green Business', are centred around clean energy, clean mobility, water and sanitation, green infrastructure, and other areas linked to a greener future. The Company enables its customers improve energy efficiency, lower carbon emissions, enhance water use efficiency, increase wastewater recycling, reduce air pollution, and enable resource

conservation through recycling or repurposing through its Green Business offerings.

The Company has referred to the 'FTSE Green Revenues Classification System 2.0 (GRCS) ², which is comprehensively aligned to the EU Taxonomy, for mapping revenues from products and services that have a positive impact on the environment.

The Green Business contributed ₹ 634 billion (50%) to the revenue of the Company as compared to 37% in FY 2023. The Company had aimed to increase its share of Green Business to 40% of revenue as part of its Lakshya 2026 strategy plan.

A third-party assessment was conducted in the previous year to understand the positive impact of Green Business on the environment. It was estimated that the projects commissioned in FY 2021-22 and FY 2022-23 would help avoid emissions annually to the tune of 1 million tCO₂e. The Company's green commitment has also been acknowledged globally by Engineering News-Record (ENR), which is one of the globally recognised construction industry publications. L&T has been ranked third in the Top 200 Environment Firms Survey by ENR for the second year in a row (2022, 2023).

■ Clean Energy

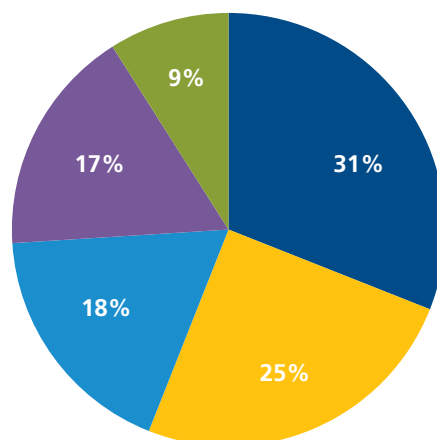
- Renewable Energy (Solar, Hydro)
- Nuclear

■ Green Infrastructure

- Green Buildings

■ Others

- Efficient Power Transmission and Distribution Systems
- Process Equipment for Biodiesel/Clean Fuels
- Surface Miners/Sand Plants, etc. (Except for Coal)



■ Clean Mobility

- Mass Transit Systems (Metro Rail, Light Rail Transit)
- High-speed Rail, Semi-High-speed Rail
- Conventional Railway

■ Water & Sanitation

- Water Supply
- Irrigation
- Treatment Plants (Water, Wastewater, Effluent)
- Network (Wastewater)

² Globally accepted FTSE Green Revenues Classification System is a taxonomy used to define and measure industrial transition to a Green Economy. It captures environmental products and services covering 10 green sectors, 64 subsectors and 133 micro sectors; <https://www.lseg.com/en/ftse-russell/green-revenues-data-model>

The Company's Green Business offerings fall under two common strategies to handle climate change.

Strategy

Climate Change Mitigation -
Reduce the impact of current processes/systems on
the environment

Climate Change Adaptation -
Building resilience to manage the
consequence of changes

Infrastructure/assets created under mitigation also help in adaptation through second-order effects.

Offerings

Renewable Energy Plants, Nuclear Energy Plants,
Mass Transit Systems, Railway Networks, and Others
(Process Equipment for Clean Fuels)

Water and Sanitation Infrastructure, Green Buildings,
and others (Smart City Systems, Sand Plants)

Snapshot of Company's Green Business



Water Treatment Plant



Hydro Power Plant



Mass Transit System



Railways



Solar Power Plant



Nuclear Power Plant

HUMAN CAPITAL



From driving innovation to delivering exceptional customer experience, the workforce of L&T plays a pivotal role in shaping the trajectory of the Company. L&T has a multi-generational workforce drawn from diverse ethnic and cultural backgrounds and brings a rich mix of educational and professional experience. The Company fosters a fair, inclusive, performance-driven, and collaborative work culture. L&T aspires to create a pipeline of talent that can deliver for diverse businesses while conforming to L&T's values and ethos. The Human Resources function plays a key role in developing, reinforcing, and transforming the organisation.

Key Highlights of FY 2023-24

59,344

Total employee strength

6.9

 Mn

Safety training man hours

33

 Years

Median age of employees

0.07

Lost Time Injury Frequency Rate (LTIFR)

Strategy Linkage¹



SDGs Impacted



Material Topics

Employee and Workforce Engagement, Well-being, Health and Safety

Skilled Manpower

Talent Management - Attraction, Retention and Development

Diversity, Inclusion and Equal Opportunity

Human Rights and Labour Conditions

Business Ethics

Brand Management

¹ For details, refer to 'Business Model and Strategy' section.

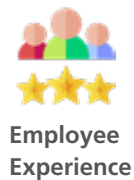
HR Strategy

L&T continues to implement various strategic and developmental initiatives to promote growth and enhance efficiency at the organisational level. The approach is at two broad levels - Lakshya Strategic Plan (medium-term) and Annual Plan (short-term). HR Strategy is a derivative of the Lakshya 2026 business strategy plan. Lakshya 2026 Corporate HR Steering Committee, comprising senior leaders across functions, identified five strategic themes to be a future-ready organisation.



The annual action items initiated in alignment with the five strategic themes identified are as follows:

Strategic Themes and Key initiatives in FY 2023-24



Project NEEV

Talent Council

Employee-centric policies and schemes



Launch of People Leadership Excellence Framework

Roll out multiple training programmes anchored around five dimensions of the People Leadership Excellence Framework

270-degree feedback for people managers

People Leadership Development Programme



HR competency framework aligned to be future ready; mapped across HR roles, and a role-proficiency matrix designed to set capability expectations and support development of team members in HR

Organisation Structure - Developed a structured process and guidebook to facilitate discussions on organisation redesign, ensuring agility and responsiveness to evolving needs

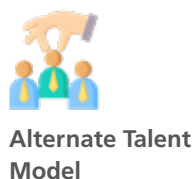


Diversity Ratio 8.1%

Implementation of a progressive maternity leave policy

Introduction of enhanced facilities for women employees in terms of flexibility, travel allowances, and childcare

Institutionalised first-of-its-kind DEI Awards Ceremony and Allyship Awards



Various choices of consideration with respect to the Alternate Talent Models way of working – gig workers/part-time/freelance being studied

By exploring these alternatives, organisations can better adapt to the evolving workforce landscape with the consideration of regulatory guidelines and compliances

Accelerating HR Digitalisation

L&T's HR Digitalisation journey began in 2019 with the incorporation of an advanced ERP system in the form of Success Factors. The Company extended the platform in 2023 with further enhancements by introducing Performance Management, Career Development, and Succession Planning modules. Subsequently, the Company launched the 270-degree feedback module as well.

The Company has a robust Talent Acquisition module integrated into the ERP system. **HEERA**, an AI-enabled bot, is integrated with

MS Teams, aiding in conducting quick engagement surveys across the organisation. HEERA provides a window for employee queries and resolutions with a resolution effectiveness of 99%. The Company implemented an online compensation management platform in 2023. This platform is implemented across all businesses, thereby bringing efficiency to traditional compensation management methodology. The Company is also in the preliminary stage of launching a new Learning Management System and a Workforce Analytics module.

The launch of ATLVarsity has brought a plethora of L&T's learning and development offerings under one platform. As a step towards democratising learning opportunities, this multi-faceted learning platform offers a variety of rich learning resources (behavioural, technical, and functional) in collaboration with globally renowned course providers like Skillsoft, Coursera, EBSCO, and so on.

Talent Strategy

The **Strategic Leadership Talent Acquisition** function regularly augments its leadership hiring strategies to identify, select, and onboard high-calibre talent across various businesses in line with strategic plans. The team continues to support the expanding portfolio of businesses such as Semiconductor, Green Energy, SuFin, Data Center, and Corporate, enabling functions across the globe, in addition to meeting the needs of leadership talent in our businesses.

Young Talent Professional Acquisition is a commitment of the Company to nurture talent. In FY 2023-24, the Company continued to stay anchored to the core philosophy of 'Growing our own timber,' by attracting, recruiting, and onboarding over 2,600 young engineering professionals across various business verticals within L&T Group as GETs and PGETs.

30%

GETs and PGETs hired were women over the last two years

GET: Graduate Engineering Trainee
PGET: Post Graduate Engineering Trainee

These accomplishments not only reflect our relentless pursuit of excellence but also the Company's commitment towards enhancing gender diversity. Additionally, more than 1,600 young professionals have been onboarded, comprising MBA Graduates, Chartered Accountants, Cost Accountants, Diploma Engineers, and other trainees.

Beyond recruitment, the focus is on crafting a distinctive employer brand through strategic sponsorship programmes at various engineering institutes, social media engagement, and other branding initiatives. L&T continues to be the employer of choice among budding Engineering professionals.



At L&T, the candidates are nourished through the engagement programme GRACE (Get Ready for an Awesome Career in Engineering), which encompasses pre-joining initiatives such as radio podcasts and gamified content on business achievements through leader boards, quizzes, webinars, micro-learning platforms, and competitions.

Young Professional Talent Acquisition holds strategic significance for the organisation as it pertains to the onboarding of new talent and their subsequent development into future leadership positions. It also contributes to maintaining a youthful workforce and shaping a well-balanced manpower structure.

Building a Powerful Employer Brand: FY 2023-24 Highlights

The Company's branding strategies are deeply rooted in the organisation's Employee Value Proposition (EVP). The content across various channels, such as LinkedIn and YouTube, is aligned with EVP and has successfully increased brand awareness and fostered deeper engagement with our audience.

Besides the continued efforts on social media, the position of the Company has been reinforced as an employer of choice by participating in various industry

forums and awards. This year's accomplishments include achieving the 'Great Place to Work 2023' certification (second time in a row), recognised as India's Best Employer among Nation Builders 2023 by Great Place to Work India, recognised as a Company with Great Managers Award for the third time consecutively, CII HR Excellence Award, Golden Peacock Awards 2023, ET HR Awards 2023, and the prestigious awards at the international scale such as Brandon Hall HCM Excellence Awards and Gold Stevie Best Employer 2023.



Talent Development

Talent Identification and Succession Planning

The Company is not only responding to the trends but also laying the groundwork towards a resilient and adaptive future. Talent identification and evaluation happen through L&T's Performance Management System FAIR (Framework for Linking Appraisals with Incentives and Rewards). It ensures recognition of talent and meritocracy. FAIR is integrated with the Career Development and Succession Planning Module to facilitate the succession planning process.

The Leadership Development Centres, pivotal to the Company's core philosophy of grooming internal talent, ensure the right leadership talent is identified through an

objective selection process using a bouquet of tools. The process helps identify the strengths and developmental needs of employees in terms of required competencies. In FY 2023-24, the Company had 900+ talent assessed through Development Centres and utilised the Individual Development Plan module to facilitate their respective developmental journey.

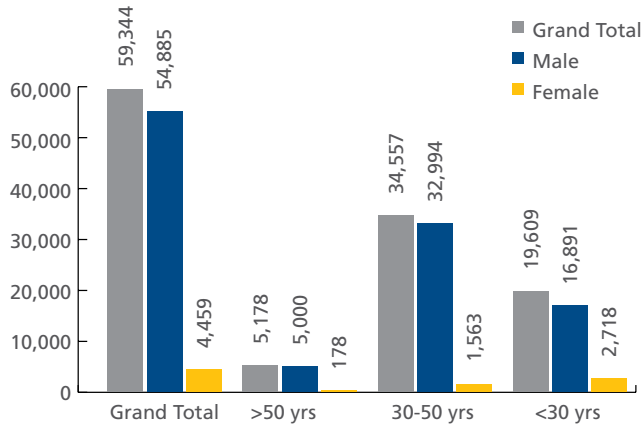
Leadership Development is the cornerstone of L&T's L&D framework. Through the Leadership Development Academy, L&T charts a clear path for potential leaders with its **Seven Step Leadership Pipeline Programme**, designed to nurture leadership qualities at every

career stage. The emerging leaders who move up to the Seven Step Leadership Pipeline Development Programme are mentored by senior leaders, ensuring robustness in the continuity of the leadership thought process and value system. 'The ASCENT Series' and 'People Leadership Programmes' delve deeper, offering competency development tailored to the complex challenges of leadership roles. Significantly, L&T places a high value on diversity and inclusiveness, with programmes like 'Women Leadership (DEI)' reflecting a dedication to fostering female leadership within its ranks.

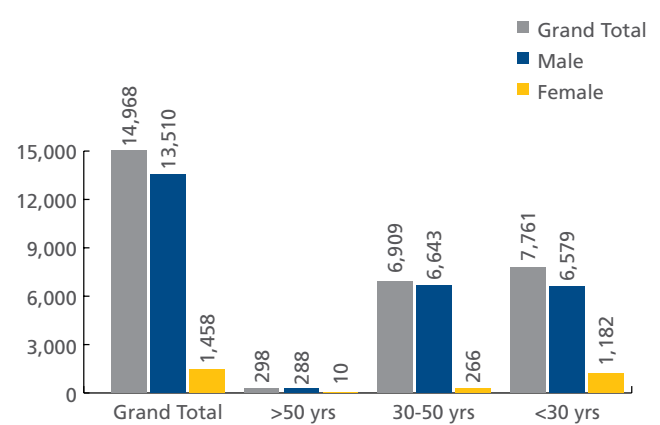


Launch of L&T Business Excellence Model

Employee Profile: Age and Gender



New Joinees profile: Age and Gender



Compensation Philosophy

L&T's Compensation Philosophy is governed by a 3P model based on fairness, meritocracy, and compliance to attract, retain, motivate, and reward employees.

Pay for Position

- Internal and external market benchmarking to ensure parity
- Developing an equitable grading structure, pay equity, and career development

Pay for Performance

- Considers employees' performance measured through achievement of Key Responsibility Areas (KRAs) and performance thrust areas of the organisation/ business entities

Pay for Potential

- Considers capabilities and experience in setting an equitable and competitive pay level
- Potential of an employee measured in Development Centres (DC) using tools under L&T Competency Framework



*Note – total employees comprise permanent and non-permanent employees and permanent workers (as reported in BRSR)

Corporate Learning and Development

At the heart of L&T's Human Resources strategy is Learning and Development (L&D), dedicated to continuously enhancing employee capabilities through strategic learning interventions. These initiatives are designed to align with the Company's business needs and adapt to the dynamic business environment. Embracing innovations, various digital instruments, AR/VR simulations, and web-based platforms have been employed. The corporate L&D group works in tandem with internal business HR divisions across different platforms, nurturing continuous conversation on people development. The Company also engages with external industry circles for benchmarking, insight gathering, and networking.

Leadership Development

L&T's Leadership Development initiatives are designed to bolster the organisation by equipping its talent and leadership pipeline for future growth. The Seven Step Leadership Pipeline Programme enhances leadership skills in high-potential employees across management levels through selective, advanced training by top-tier faculty from Harvard University, London Business School, INSEAD Singapore, University of Michigan, and IIM Ahmedabad. In parallel, ASCENT, a series of competency development programmes delivered by esteemed faculty from prominent B-Schools in India, empower L&T's high achievers to reach their utmost potential.

People Leadership

In FY 2023-24, L&T unveiled the People Leadership Excellence Framework, a testament to its reinforced culture of performance. Through rigorous diagnostics, task force formation, and extensive data collection via FGDs and surveys, L&T identified five key dimensions of People Leadership: Personal Excellence, Relationship Excellence, Performance Excellence, Developmental Excellence, and Leadership Excellence. This strategic framework serves as a pivotal blueprint for spearheading initiatives that drive L&T towards Leadership Excellence. Building on its People Leadership Excellence Framework, L&T initiated several training programmes targeting employees at various levels. The programmes launched under the People Leadership Framework were Managing Gen Z, Managing Upwards, Leading with Emotional Intelligence, and Nurturing High-Performance Work Culture.



Summary of Corporate L&D Offerings

Category	Programmes					
Leadership Development	Leadership Pipeline Development - Seven Step Programme	Step 1 Management Education Programme	Step 2 Leadership Development Programme	Step 3 Global Leadership Development Programme	Step 4 Transforming L&T into a Global Corporation Programme	
		Step 5 Global CEOs Programme	Step 6 International Executive Education Programmes	Step 7 Mentoring		
	Competency Development Programmes	ASCENT Series (Across Management Tiers)			Think, Act, Engage Clusters (Across Management Tiers)	
	Project Management Excellence Programmes (Pragati)	Level 1 Programme for Excellence in Project Delivery	Level 1+ International Executive Master in Business (Specialisation in Project Management)	Level 2 Advanced Project Leadership Programme	Level 3 International Project Leadership Programme	Level 4 Project Portfolio Leadership Programme
	WINSPIRE (Women Leadership)	Rise			Propel	
	Young Talent Development	Post Graduate Executive Management Programme	Newbie to Knowbie (N2K)	Harvard Manage Mentor (mini MBA programme)	DDI (Leadership Education programme)	
General Management Development	Management Development Programmes	Management Development Programmes (in association with institutions such as XLRI, NMIMS, IIM-B, IIM-C, and more)				
	Accreditation	Accreditation Programme in Corporate Law			Executive Diploma in Human Resource Management	
Technology Development Programmes		Technical Orientation and Multi-Engineering Skill-Building Modules				
Self Inspired Self Paced (SISP) Learning		Coursera Courses, e-books, audiobooks	Percipio	RaPL - Quiz-based Learning	EBSCO - Digital Library	

Learning Infrastructure and Initiatives

Academies for Specialised Skill Development

There are dedicated academies for business-specific skill development requirements like the Tunnel Academy for road construction, the Railways Academy for railway business, the Power Training Institute for power business, and Building Information Management (BIM) Academy for buildings and factories business. The goal is to enable focus on specific core business areas to be developed.



L&T Institute of Project Management

Recognising the critical role of project management in the Company's growth, L&T established its Institute of Project Management (IPM) in 2008 at Vadodara. The institute addresses the need for adept project managers to lead large, complex projects in competitive and intricate markets. L&T IPM stimulates and leverages its young intellectual capital by offering a portfolio of learning opportunities such as PRAGATI - Project Leadership Development Programme for developing megaproject leaders, Specific Competency Development Modules (SCDMs), and Master Classes (MCs) in the core areas of project management such as planning, cost management, contracts, and risks, and business-specific programmes to address the unique project management challenges pertaining to specific businesses. In FY 2023-24, IPM increased its coverage by 90% to over 3,800 employees.

Launched during FY 2023-24, the **Essentials of Project Planning and Control (EPPC 2.0) Programme** is specifically designed to elevate the project execution capabilities of our engineers, aligning with the designation of FY 2023-24 as the 'Year of Project Controls'. This programme consists of three independent modules, each focusing on key aspects of project planning, cost management, monitoring, and the practical application of tools such as Primavera/ MS Project. This initiative not only promises to enhance our project delivery efficiency but also foster a culture of continuous learning and development among our engineers. Since its launch, 4,057 learners have undergone different modules under the EPPC programme as of March 31, 2024.



Corporate Technology and Engineering Academy (CTEA), Madh and Mysore

In the fast-paced industries L&T operates in, specialised centres like CTEA Madh and CTEA Mysore focus on equipping professionals with specific technical competencies. 'Technical Development Programmes' and 'Engineering Academies,' which are instrumental in upskilling employees in the latest technologies and methodologies, play a key role in the development of specific technical skills.

CTEA Mysore launched **15 niche technology programmes** delivered by top experts covering contemporary topics. Some of these topics include Power System Analysis, Steel Connection Design and Detailing, Segmental Construction, BIM Revit API with Python, Technical Competency for Women, Bearing Vibration and Analysis, ChatGPT, and more.

Employee development initiatives such as Coffee Sessions on 'Advancement in Surveying and Mapping Pile Foundation', Learning Premier League, Technology Day, and 'CADFEST' for designers received a broad reach across various businesses. CTEA empowers and transforms PGETs, GETs, and First Line Supervisors (FLS) through immersive hands-on experiences in specialised labs.

During FY 2023-24, CTEA trained **1,080 (PGET/GET/DET)** and **685 FLS**, improving their confidence and employability through comprehensive training in domain knowledge and hands-on lab experiences across various disciplines. **3,400 engineers** were upskilled in a wide range of engineering, software, and other professional competencies for both construction and non-construction businesses.



CTEA Mysore

ATLVarsity

L&T's innovative Any Time Learning (ATL) platform, now renamed ATLVarsity, revolutionises the way employees engage with professional development. With on-the-go learning as its USP, the platform boasts a wealth of resources in the form of videos, e-books, and journals. Partnerships with vendors like Percipio, Coursera, and Harvard Manage Mentor enable L&T to present a wide array of certification courses that align with the Company's competency framework, addressing the diverse upskilling needs of its workforce.

AI/ML technology-based coaching programme at ATLVarsity has enhanced the experience of inculcating communication skills. Leveraging GenAI's virtual coaches, the programme offers a cutting-edge learning experience. In FY 2023-24, the creation of niche academies offering blended learning, addresses role-specific needs. Notable among these are the Academy of Digital Transformation, Academy of ESG, Academy of Quality Excellence, Academy of Safety, and the newly introduced Academy of GenAI.

The Skill Benchmarking tool effectively identifies learners' skill deficiencies, offering precise course recommendations and resources. This tool simplifies the course selection process for learners, enabling them to enhance their skills in congruence with their job roles efficiently.



5.2 lakh

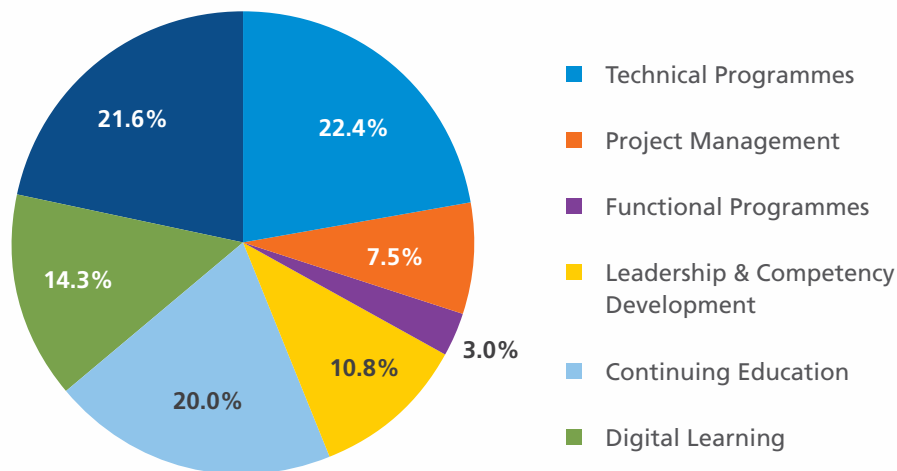
Training hours clocked by

38,500

Employees during FY 2023-24

Learning hours clocked under major categories of programmes* conducted by L&D

Training Person-days



7.89

Average Person Days

36,14,615

Number of Hours of Learning

41,919

Number of Unique Learners

*Does not cover safety training hours, which is reported in Principle 3 of BRSR.

Enhancing Employee Experience

Several new initiatives were rolled out during FY 2023-24 and can be broadly bucketed into Enhanced Communication, Addressing Fairness, Talent Management, Capability Building, Employee Engagement, and DEI.

Project NEEV

The Company launched Project NEEV (**Nurture, Educate, Empower to Create Value**), focussing on goal setting and continuous feedback to instil a culture of high performance. Workshops on effective performance management and feedback involving 500 leaders and managers in 12 leadership workshops and 8 Train-the-Trainers sessions were organised, achieving a 95% on-time completion of goal setting for employees this year.

Train-the-Trainer programmes like **'People Leadership - Art and Science of Leading People in Organisation'** for People Managers were rolled out. 75 Trained Managers are now poised as catalysts to disseminate insights and techniques across the ICs.

The **'Let's Talk'** e-Campaign was rolled out, emphasising one-on-one conversation between managers and team members. 'Any Time Conversation' and 'Continuous Feedback' modules have been introduced, and various sensitisation programmes are being held at business level.

Engagement Activities

More than 90 podcasts were released through L&T Radio. 'Appreciation Week' celebrations were conducted across six major locations, resulting in 8,000 appreciative messages on the Hi5 Wall Page.

Promotional campaigns held toward employee wellness at various locations emphasising on Annual Health Check-Up and Financial Tax Planning.

Additionally, the Company introduced various contests leveraging digital tools such as ArtBeats and QuizWiz, witnessing overwhelming response across the Company.



Talent Council

Recognising the importance of having a robust leadership pipeline, a Talent Council was formed, initiating talent reviews for Tier-1 to Tier-4 employees. A user-friendly Talent Review software module has been launched, enabling the Council members, guided by business heads, to discuss and plan actions.

Annual HR Awards (AHA)

An initiative aimed to recognise practices/initiatives wherein HR adds maximum value to business and concentrates on various ways HR can continuously raise the bar by improving processes and experiences.

HR Conclave

A two-day HR Conclave, based on the theme, 'HR Transformation – Navigating the Future,' was organised, packed with insightful speaker sessions and panel discussions by the industry stalwarts from the business and HR fraternity.

L&T's Business Excellence Model (LTBEM) and Human Resources Excellence Model (HREM)

Development of LTBEM draws inspiration and adoption of the globally recognised framework, European Foundation for Quality Management (EFQM), to suit the Company's unique organisational context. With 89 active certified assessors, the objective is to strengthen the management systems, practices, and capabilities to enhance the competitiveness of businesses to become world-class in their own sectors.

The HREM model has been conceived out of a need felt by Corporate HR to establish high-calibre professional standards purely for HR function. The model will hold tremendous significance in the coming days as sustaining excellence in business is positively correlated to excellence in managing Human Resources. We have developed 71 active HREM assessors as of March 31, 2024.

Diversity Equity and Inclusion (DEI)

Today, L&T has operations in over 50 countries, with employees of various nationalities, and 36 domiciles across states and UTs within India. Fostering diversity and inclusion in the workplace remains a key priority for the organisation, with a focus on hiring diverse talent and creating an equitable environment. Actions have been implemented across all four pillars of the DEI Charter – Induct, Engage, Develop, and Enable.



Various campaigns around Pride month and Persons With Disabilities (PWD) were carried out throughout the year to increase awareness of diverse groups beyond gender. Guest speakers were invited to generate awareness about LGBTQIA+, Neurodiversity, PWD, etc. A well-knit community of 36 DEI Champions was built to drive DEI efforts across businesses. 'DEI Academy' was launched on ATLVarsity, to increase awareness and sensitisation. More than 100 employees were certified as DEI Allies under this Academy.

Furthermore, this year, various initiatives have been launched to support working mothers and create an enabling work environment. Maternity leave for adoption and surrogacy and three extra months of maternity leave for the mother of twins have been introduced. Post-pregnancy, a woman can opt to work from home or adopt a hybrid roster for up to six months. New facilities for women employees in terms of flexibility, travel allowances, creche facilities, and creche allowance have been introduced.

The DEI Awards Ceremony was organised for the first time to recognise the efforts of businesses to support and promote a diverse and inclusive work culture. The introduction of the Allyship Awards provided a platform for 1,600+ women employees to recognise their Allies at work.

Differently abled

45

Employees

28

Workmen

495

Women underwent Leadership Journey Programmes in last 2.5 years, showcasing

142%

Rise in participation rates

Commitment Towards Human Rights

L&T is committed to respecting, protecting, and upholding the human rights of the workforce and across our value chain. The Code of Conduct is a comprehensive document guiding its employees to conduct businesses in conformity with professional standards of personal integrity, honesty and ethical conduct, one of the core principles being 'Respect for Human Rights'. The Company is committed to put in place, strengthen and improve systems and processes wherever necessary, undertake due diligence or conduct risk assessment, monitor, provide remedy and take corrective actions to ensure protection of human rights. The Company adheres to the regulatory requirements as applicable in the country or countries of operation and respects the international frameworks such as United Nations Global Compact (UNGC), International Labour Organization (ILO) and any other global standard.

In FY 2023-24, internal due diligence was conducted by the Company across the manufacturing plants and offices to understand potential human rights risks related to child labour, forced labour, sexual harassment, wages, discrimination, health and safety, working conditions, etc. and practices to mitigate/avoid violations for the contractual workforce. This is based on various international standards such as ILO, UNGC, and the law of the land. Additionally, the key manufacturing facilities of the Company are certified by SA8000, globally recognised social certification standard on human and labour rights.

L&T is committed to ensuring a cordial work environment for its workforce to foster trust and collaboration. One of the good practices is to have a robust Grievance Redressal Mechanism in place to resolve grievances in a systematic, timely and fair manner.

This year, we have strengthened the mechanisms into more structured and formal processes across the Company, especially for the contractual workforce. With more than 3,50,000 workers, they are critical as well as vulnerable stakeholders for the business. Over 500 Grievance Redressal Officers (GRO) have been appointed across project sites to ensure grievance registering, resolving, meeting timelines, managing escalations, closing cases, generating reports, and facilitating regular reviews and audits in a systematic way. Grievance may cover issues related to health and safety, working conditions, wages, living conditions, and so on. A toll-free number has been initiated for recording grievances of the workers operational 24x7 over and above the oral and/or written complaints which were already being recorded. This provides a fair and transparent process for resolving complaints and ensuring equal and fair treatment.



Commitment towards Health, Safety, and Well-Being

Health, safety, and well-being of the workforce is one of the key focus areas of the Company, which is not just limited to our employees but also the contractual workers. HR and medical teams are continuously undertaking initiatives to promote health and wellness. From fitness programmes and ergonomic assessments to mental health support services, the Company is dedicated to fostering a workplace culture that prioritises holistic well-being. At L&T, the Company believes that preventive care is the key to maintaining optimal health. The employees are encouraged to undertake health checkups organised by the Company. There are frequent health checkups and medical camps to ensure the physical well-being of the workers.

The Company is committed to Mission Zero Harm and working on various strategies to continuously enhance the health and safety standards within the organisation as well as that of contractors, workers, and suppliers working on behalf of the Company at project sites or premises. This includes using continuous sensitisation, toolbox talks, providing protective gear, and special training in the safe handling of equipment and material. The Company adheres to international standards and guidelines such as ISO 45001:2018.

The EHS Council monitors, measures and reviews EHS performance and compliance with procedures. For further details on health and safety performance, practices, and management systems, please refer to BRSR Principle 3, i.e., Businesses should respect and promote the well-being of all employees, including those in their value chains.



Promoting Mental Health and Well-Being in the Workplace

Mental well-being has emerged as a crucial determinant at the workplace, directly impacting morale, productivity, and other related physical ailments. In recent years, mental health and well-being have become increasingly recognised as important factors for overall employee wellness and productivity in the workplace. The Company encourages its workforce to prioritise stress management techniques such as mindfulness, exercise, and seeking support when needed. Counselling, coaching, and sensitisation workshops are also being organised for employees to equip themselves to handle challenging situations.

Medical Health Services function at L&T looks after preventive, occupational, curative, and rehabilitative health needs of its employees and their family members. The aim is to contribute towards medical health and welfare through various initiatives and activities. The objective is to plan preventive measures and invest in health and wellness programmes to promote a healthy lifestyle for the employees and their families. L&T believes that healthy employees constitute a healthy workforce that adheres to WHO guidelines.

Given below is a snapshot of the initiatives during the year.

1

Mental Health Awareness Sessions: Regular workshops and training sessions on mental health awareness, stress management, and self-care techniques are conducted to educate employees on how to maintain good mental health and well-being.

41

Webinars on
Mental Health

7,324

Total Participants

2

In-house and External Counselling Services: Mental health counselling services, both in-house and external services, are provided to the employees with confidential access to resources and support for personal and work-related challenges.

12,537

Total Registrations for
External Services

1,007

Total
Counselling Cases

363

Wellness
Coaching

1,275

Self assessments
by employees

3

Bereavement Counselling Services: These services are provided to the families of deceased employees. This includes home visits, counselling, follow-up for the due settlement, guiding the family further for educational reimbursement schemes for children, and vocational training support for spouses.

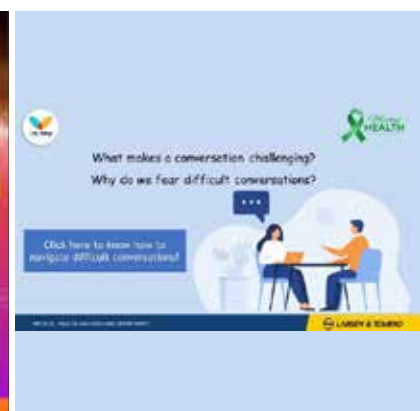
4

Support Group for Differently-abled children of employees: Continuous mental health support is provided to employees with differently-abled children through financial reimbursement of treatment and counselling.

5

Group Maitree: The group has been created to support and contribute to the personal development of employees in the work environment. It helps to spread awareness about mental health services.

World Mental Health Day is celebrated every year on 10th October with the objective of raising awareness of mental health and mobilising efforts to support it. In October, various articles, assessments, infographics, and podcasts were shared with pan-India employees. The podcast included a brief about counselling, myths and facts about the process, confidentiality, the role of L&T, and existing services. The effectiveness of these programmes has resulted in increased awareness and understanding of mental health among employees.



INTELLECTUAL CAPITAL



The Company's focus areas for innovation are related to reducing material consumption, increasing the use of non-virgin and eco-friendly materials, enhancing resource (manpower, machine) productivity, reducing delivery timelines, strengthening climate resilience of structures, and improving product design/features. These innovation efforts are driven by R&D, engineering and design function, competency cells, and execution teams across the various businesses.

Key Highlights of FY 2023-24

₹ **3,905** Mn

Total R&D spend
(cumulative over last 3 years)

321

R&D Engineers/Scientists

₹ **1,27,018** Mn

Revenue from new and
emerging businesses

Strategy Linkage¹



SDGs Impacted



Material Topics

- Quality of Products and Project Delivery
- Talent Management – Attraction, Retention, and Development
- Data Security, Privacy, and Cyber Security
- Brand Management
- Business Ethics

¹ For details, refer to 'Business Model and Strategy' section.

R&D Initiatives at L&T Construction Research and Testing Centre

L&T Construction Research and Testing Centre (LTCRTC) is a Department of Scientific and Industrial Research (DSIR) recognised and National Accreditation Board for Testing and Calibration Laboratories (NABL) accredited facility. It is the only such facility for the construction sector in India housed within a private company. It is authorised to conduct quality tests on all types of materials used in the construction sector as well as undertake research on new materials and mix compositions.



Special Cement Asphalt Mortar Mix

Cement Asphalt Mortar (CAM) is an interlayer injected in the spaces between the track slab and the concrete roadbed in ballastless tracks. It is particularly used for high-speed and semi-high-speed rail networks. CAM is used as a stress relief and damping material in these rail systems and comprises cement matrix, asphalt emulsion, fine aggregates, and a variety of admixtures. LTCRTC, in partnership with M/S Nichireki from Japan, has developed a special CAM mix for use in track works in the Mumbai Ahmedabad High-Speed Rail project. The mix has been designed to meet stringent Japanese standards for high-speed rail projects.



Asphalt Mix with Steel Slag Aggregates

Utilisation of industrial by-products or waste materials in road construction is an emerging trend globally. This can significantly reduce the burden on natural resources as well as improve waste utilisation. One such material is steel slag, which differs from blast furnace slag. LTCRTC has also undertaken studies to improve mix design using steel slag, and these have shown that dense bituminous macadam with up to 50% coarse steel slag aggregates is more durable and less prone to fatigue, rutting, and moisture-related damages. The use of steel slag aggregates can also reduce the cost of construction by 20-30%.



Cement-Treated Base and Sub-Base with Soil Aggregate Blend

Cement-treated base/subbase layers in a pavement (road) are traditionally designed with natural aggregates stabilised with conventional stabilisers such as cement, lime, lime/fly ash blend, or chemical stabilisers to produce a mix of requisite strength. Replacement of natural aggregates with good quality natural soil could be an eco-friendly alternative to the conventional method. Preliminary laboratory trials at LTCRTC have shown that soil aggregate in the ratio of 30:70 with cement dosage of 6% and some special chemical additives can produce mixes satisfying the strength requirements specified in the Indian Roads Congress². The ratio can be increased to 70:30 with cement of only 2.5% for sub-base mixes. This specially designed mix has been used in the construction of a trial stretch of the Ghaziabad-Aligarh Expressway in 2023, and performance has been found to be satisfactory to date.

²Indian Roads Congress is the Apex Body of Road Sector Engineers and Professionals set up in 1927 by the Government of India. It provides a national forum for sharing of knowledge and experience dealing with construction and maintenance of roads, bridges, tunnels and road transportation.



Sustainable Soil Stabilising Material for Soft Soil

Certain locations have soft soil and soil stabilisation is required to enable construction in such locations. Stabilising clayey soils helps improve their engineering properties, e.g., compressive strength and load-bearing, and typically, the materials used are lime and Portland cement. LTCRTC has experimented with the use of waste materials that could replace conventional stabilising materials. Also, it formulated a mix of lime with Ground Granulated Blast furnace Slag (GGBS). The sustainable stabilising mix was found to reduce the plasticity of the clay, reduce swelling pressure, and eventually increase the strength. The mix designed reduces lime requirement from 10% to 2% to be used for stabilising mix and has been proposed to be considered for future requirements at the site level.



Recycled Aggregates

India is estimated to generate around 150 million tons of Construction and Demolition (C&D) waste annually, but only ~1% of it is recycled. There is a significant opportunity to enhance the use of C&D waste in construction. LTCRTC has conducted extensive studies on aggregates generated by processing C&D waste in different grades of concrete and found them to be effective in comparison to conventional concrete in terms of mechanical, durability, and shrinkage properties. LTCRTC has also carried out technical evaluation of recycled material for use in processes such as backfill, mechanical modification, and partial replacement of Granular Sub Base (GSB) layer. Testing has also been done on a concrete mix to be used for the roof screed and grade slab required for a building project.



Textile Reinforced Concrete

Reinforced concrete has a high carbon footprint due to the embodied carbon of the material used. Various materials are being experimented across the world. For e.g., fly ash is a common strategy to reduce carbon footprint, substituting the traditional material used in concrete with non-virgin or industrial by-products. Textile Reinforced Concrete (TRC) uses technical textiles in place of steel for reinforcement, which reduces the embodied carbon (of reinforcement material) from 2.55 tCO₂e/kg to ~2.2 kgCO₂e/kg. This facilitates the fabrication of thin structural elements with improved strength and durability. LTCRTC has developed an optimised fine-grained concrete mix incorporating glass fibre textile as reinforcement and has made a prototype of a precast structure with TRC enclosure panels. TRC will be useful in applications where structural flexibility and corrosion resistance are required, such as sacrificial formwork for metro piers, wall or enclosure panels, and foldable portable structures. The tested TRC mix design has been proposed for implementation in a lift irrigation project in Odisha.

Digital Transformation of EPC Projects

Digitalisation remains a key thrust area for L&T to transform the way EPC Projects are delivered. L&T started with sensorisation, digitisation, and integration initiatives and is now moving towards the deployment of AI, ML, and other high-end technologies to improve project delivery, reduce cost, and achieve a high level of quality and safety.



Bidding and Pre-Construction

AI For Contracts

NLP-based module for key clause identification, risk quantification, document and datasheet extraction

360° Risk Perspective

Digitalised system to capture risk perspectives from all departments

Dhruv

GPS-based app for simplified survey along with BOQ for the project



Engineering and Design

Desk Design Suite

Automated tool to generate uniform design documents with high precision

ProdoSpec

Online catalogue to select the right product based on technical specifications and parameters

Constructability Simulation

VR-based constructability simulation aids in better detailing and reviews by clients

PROMPT

Project monitoring and progress tracker application integrating various team schedules and central MIS



Material Management

PWCC

Digital application for real-time tracking of precast segment casting and erection

Digital Weighbridges

Weighbridges integrated with ERP with no manual intervention for data recording/process flow

MatNxt

Enhanced application for material tracking/common material solution

TAG

QR code based system to track the structural steel from steel service centres to the erection

ConPro

Application for tracking the entire concrete supply chain, including integration of batching plants and transit mixers



Safety

HSE-Mitr

Behavioural Safety tracking application for workforce to report safe/unsafe behaviour and unsafe conditions

AI Vision Analytics

AI-enabled platform to monitor the unsafe act 24/7 by utilising CCTV video analytics

ViewEHS

Mobile app to access SOPs and forms for submission and verification

HSE ProACT

Unified application to capture and report HSE KPI across different projects

VR-Based Safety Induction/Training

VR-based immersive video for safety training during induction or refresher courses



 New initiative started in FY 2023-24



Procurement

mCode

Unified Material Codification System for parametric comparisons, benchmarking, data mining, and analytics for various material categories to drive procurement cost optimisation

NLP-based Logistics Analytics

NLP-based module for logistics, offering spending trends and insights on KPIs to enable data-backed decision-making

Post Order Management System

Collaborative supply chain platform for enhancing the visibility and tracking of critical milestones from PO to delivery at the site



Project Management

ProWPack

The solution enables construction-driven project management by defining construction areas into manageable work packages

VR Immersive Walkthrough

VR-based tool for review of engineering 3D model for efficient constructability and maintainability review

Wrench

Centralised platform with automated live S-Curves and progress dashboards; enables document management and communication control across all stakeholders

IPBS

Application to track, manage, and monitor project invoicing based on billing milestones and schedules, providing invoice generation based on defined criteria and tracking plan, actual, and forecast status on project invoicing

eALPSNxt

Application for construction management of Civil, Structural, and Piping disciplines, managing engineering inputs, detailed planning, material allocation, quality inspection, and status monitoring

PRONTO

A centralised digital system to support client invoicing and subcontractor billing activities, enabling resource optimisation and prompt delivery of services

Generative AI (GenAI) in Projects

GPT 4.0 deployed on knowledge management systems to enable easy search and information retrieval

Help Lighting

AR-enabled remote assistance application, including video collaboration services that enable experts to work virtually side-by-side with site personnel



Quality

TORQ

Quality tool to raise NC Observation, RFI inspection, Quality Audit, and Laboratory Management

Conquer - Quality

Application for comprehensive quality checks and customer and executive feedback

P-FAB

Application for ensuring quality compliance in every stage of pipe fabrication

Pre-Stress Insights

Special application for monitoring quality parameters in pre-stressing of precast segment

Digital Transformation of Manufacturing

The Company's manufacturing facilities have also leveraged various digital technologies to create Industry 4.0-enabled units. Additionally, these initiatives have helped transform various processes involved in the delivery of engineered-to-order products and achieve benchmark delivery performance and safety levels.



Engineering

RPA with AutoCAD

Automation of as-built drawing generation consisting of the latest 2D drawing, BoM, weld details, and drawing changes

PLM CAD Integration

Integration of PLM platform with native CAD software to improve design and engineering efficiency and handle change management better

AR for Ship Construction

AR-based solution for designing and validation of ship components digitally

IDMS

Automation of delivering the appropriate drawing and documents to business partners, with IP protection and revision control, comprises RPA Bots meshed with ERP and PLM

Advanced Analytics

Advanced analytics use cases like rolling feasibility and distortion prediction

Drawing Generation from 3D Model

Automatic generation of cable layouts (2D drawings) from the 3D model helps reduce manual effort in drawing generation by 60-70%

Navisworks to Excel

Automation of report generation from 3D model reviews in Navisworks



Equipment Productivity and Utilisation

IoT Stations

Smart IoT stations for various equipment in heavy engineering business

One-Man Multiple Stations

One man operating multiple smart welding stations leveraging wireless technology; developed as part of the Autonomous Welding Project

PDM

Predictive Maintenance module, which helps identify early failure, reduce spare consumption, and improve Overall Equipment Effectiveness (OEE)

IoT for Utilities

IoT implemented for critical utilities like water, fire, HVAC, and Electrical substations; enables monitoring and predictive maintenance

Hybrid Welding

Improving welding productivity through the simultaneous use of arc welding and laser welding

Vertical Load out of Jackets

Jackets for water depth >14m and <34m are to be loaded out vertically. However, fabrication will be done horizontally and upended, reducing fabrication time by 10-20%

Digital Twin

Enables simulation of the entire process of platform manufacturing; aids in conducting scenario analysis to select the optimal production plan on the shop floor



Project Management

Vendor Load Assignment NEW

Application for tracking the current load and the average cycle time taken for different vendors, enables better planning and vendor analysis

iRUDRA

Solution to integrate various independent systems from design to estimation, procurement, fabrication, quality assurance, enabling robust analytics and offering valuable insights

Capacity Planning Analytics NEW

Application for capacity management and resource levelling by analysing real-time data; offers insights on resource allocation and loading and aids decision-making for in-house utilisation or outsourcing

IEMQS 4.0 NEW

Improves office efficiency by automating repetitive work and provides a single source of truth for project data

Advanced Shipment Notice (ASN)

Enables suppliers to provide advance information of their dispatches to L&T along with supporting documents, reduces inspection time, and facilitates faster material allocation for project use



Quality

Supplier QMS

The platform extends features of internal QMS in ERP over a secured internet-hosted system, ensures the supplier quality compliances with internal QMS

Automation of NDT Methods NEW

Special applications developed for time of flight, diffraction and phased array ultrasonic testing; reduces inspection cycle time for non-destructive testing (NDT) methods by 50%



Other Digital Initiatives

BIM Automation through Revit

Tools developed to automate design and BIM workflow

Draftwin

Automated generation of drawings after completion of design, primarily for columns and beams; helped reduce drafting manhours by 60%

Bar Bending Schedule (BBS) tool

Ensures Bar Bending Schedule preparation in a standard format; also enables optimised usage of offcut reinforcement bars, with the support of Real Cut 1D Optimisation Software

Form Fit

A solution to track formwork panel and its repetitions

ETAP

Digital application to track the history and degree of use of all enabling structures across project sites by using QR codes

RebarPro

End-to-end tracking of rebar from store to site after fabrication, enabling wastage minimisation, saving time, and accelerating process efficiency

ML for Legal Documents

ML-based solution to extract important clauses and attributes from legal documents

ICAM

Internal control audit module for scheduling audits and recording audit findings against technical and commercial points

GST Auto Reconciliation

RPA bot, along with ERP customisation, provides automated GST reconciliation capabilities to avoid indirect taxation losses

Drishti

Enterprise Level Knowledge Management System to provide situational guidance; capture, store, and extract required information for efficient knowledge transfer across the organisation



Value Engineering Initiatives

BIM Model-Based Site Execution

Direct planning and progress monitoring on BIM models by site execution teams

Toe-Pin for D-wall

An economical method of diaphragm wall construction in places with rock at shallow depths

Large Diameter Piles

Increasing pile diameter to range 900-1800 mm, economical design for high lateral loads and gives better quality control and productivity

In-house Designing for Health Infrastructure

Development of in-house capability to handle designing and planning of health-related infrastructure e.g., medical colleges; benefits from better productivity, schedule compression and quality control

Heat Reflective Coating on RC Walls

Cost and space effective solution to help reduce cooling requirements of buildings

RC Wall with Aluminium Formwork

RC wall with high repeatability formwork instead of typical brick wall, reduces construction time as well as improves work quality

Long Span Beam with Special Design

Tapered composite beam with web openings and without stiffeners, reduces fabrication and erection time

MEP Cradle

Modular MEP design, which is prefabricated at the factory, reduces construction time, and improves the quality of work

GIS Analysis of Stormwater Runoff

Analysis of stormwater runoff flow direction and runoff area using GIS to examine flow patterns and catchment areas

Containerised Fire Pump Room

Special design for containerised fire pump room and skid-mounted fire pumps

Computational Fluid Dynamics (CFD) for Airflow and Ventilation Design

Computational Fluid Dynamics tools used to analyse and optimise design to reduce cooling requirements in buildings

Modular Design of Mud Mat

The modular design used for mud mat to enable fabrication at the yard instead of onsite fabrication reduced construction time by 20-30%

Digital MTO

Integrated Make-to-Order module to track across eight stages covering engineering, PMT, SCM, vendor, logistics, site receipt, and inspection

Concrete Mass Slab for RRTS

In-house design of Design report and 3D Finite element model of the concrete mass slab for RRTS project; enhances design agility, reduces reliance on external consultants, and optimises the cost

Auto Generation of Plan and Profile Sheets

Generation of plan and profile sheets from AutoCAD drawings directly, reducing manhours and errors

Increasing Slab Casting Productivity

Concrete Distribution System customisation to efficiently dispense concrete and minimise concreting time, Flying Bucket with fish-mouthed opening, and Concrete Spreader operation with three gates were adopted to reduce the casting time

SBR with TPAD Technology

Temperature-Phased Anaerobic Digestion technology was adopted for Sequential Batch Reactors in wastewater treatment plants, reducing dependency on external automation vendors

PSC Slab for Underpass

A pre-stressed concrete slab was designed to eliminate in-situ construction of Light Vehicle Underpass single box structures, reducing construction time and material requirements

Improved VG40 Grade Bitumen

Collaborated with a specialist vendor to formulate VG40 super bitumen with high viscosity (4000-4800 poise), resulting in increased resilience modulus, and hence, increased load-bearing ability of pavement

Advanced Analysis Tools for the Design of Airside Structures

Midas Civil Plane Load Application was used to analyse the load dispersion and optimise the design of box and pipe culverts, reducing manual effort and improving design optimisation

Precast Pier Cap

Offsite fabrication of pier cap instead of in-situ casting; reduces construction time and minimises traffic disruptions

Redesigned Jacket

The jacket design was revised to a single member, thereby reducing multiple joints due to the small section length in the earlier design

Valve Placement Design Change

Relocation of the pneumatic closure valve in slop pump discharge lines from the main deck to the cellar deck on the access platform, reducing the cost of the design

Precast Design of Substation Buildings and Electrical Rooms

Unique precast design and construction of utility buildings for high volume (~50,000 sq.mtr.) work, enabled through an innovative precast structural system and advanced joints with no shear walls for lateral load resisting system; helped reduce construction time by 25%

Flexible Moulds for Precast Drains

Specially designed mould to accommodate different sizes of drain elements by providing flexibility to vary width and depth; helped reduce the number of moulds required for precast

Hybrid Operating Room Design

A hybrid operating room is an advanced design that combines a traditional operating room with an image-guided interventional suite, e.g., MRI, CT; enables advanced surgical procedures to be done along with tracking progress as required in special cases, e.g., neuro-surgery



Net Zero Buildings

The building sector in India continues to grow at a rapid pace, and the energy requirement has significantly contributed to the country's energy consumption as well as GHG emissions. While green buildings have demonstrated resource savings of up to 30-40% compared to conventional ones, achieving the next level of resource efficiency requires the construction of Net Zero buildings. A new building on the Company's campus in Chennai has already been registered as 'IGBC Net Zero Energy Platinum' with more buildings in progress for certification.



Solar-Powered Operator Cabins

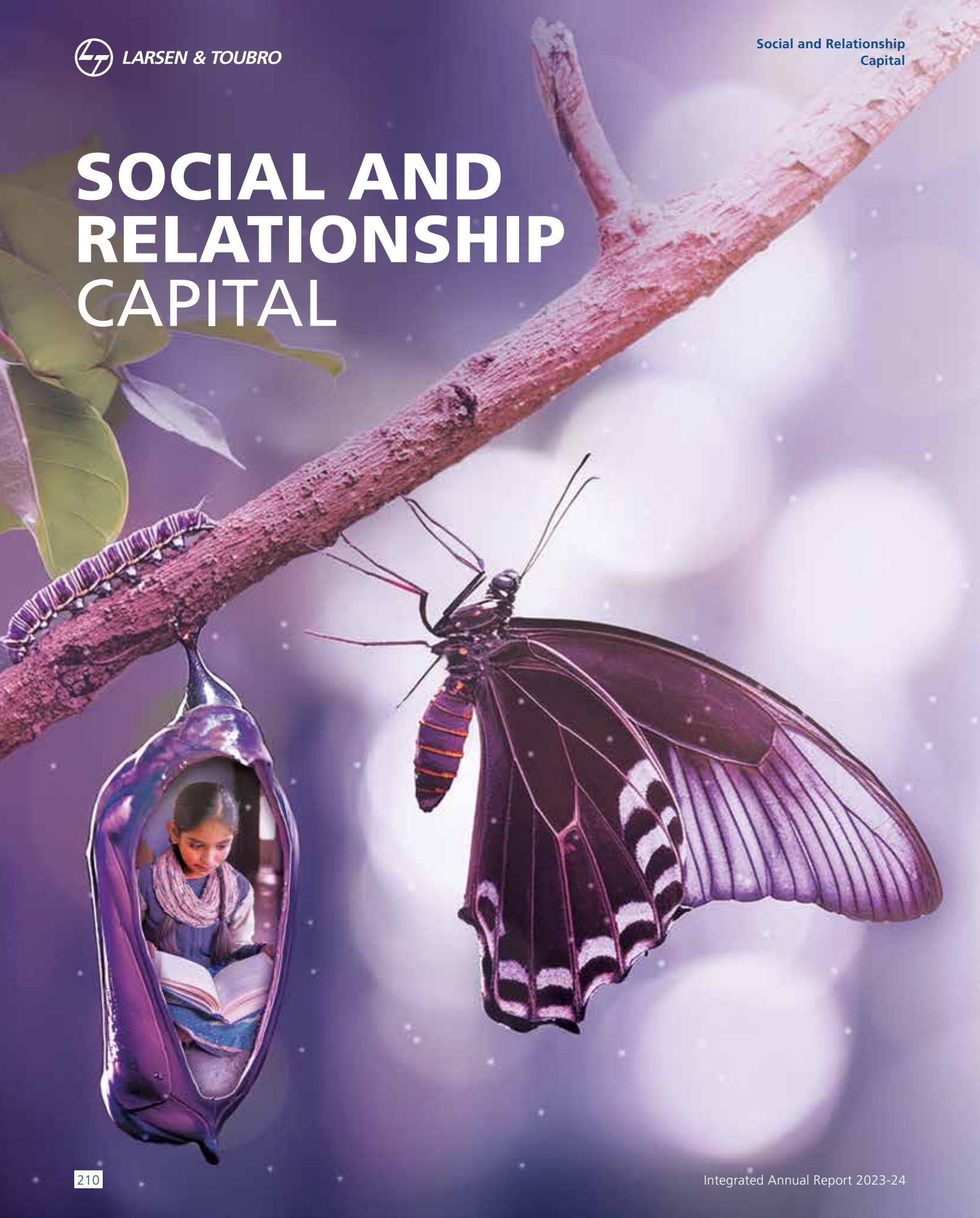
Girder transporter is specialised equipment used in the Mumbai Ahmedabad High Speed Rail (MAHSR) project to transport girders from the bridge gantry at the casting yard to the launching location and powered by a diesel genset. The equipment had two operator cabins without any air conditioning in the cabins. Package C4 project team modified the cabin to install solar power ACs. This enabled operators to work in a healthy environment and avoid emissions.

Attached Growth Bio-Reactor Technology

Building sewage treatment capacity to meet the demand of a thriving, urbanised country requires significant investments. Typical sewage treatment technologies have long processing times and large land requirements. The Company's Water and Effluent Treatment business, in collaboration with Anna University Chennai, has developed and patented the 'Attached Growth Bio-Reactor'. This design requires less space, reduces sludge quantities, and lowers power requirements for the sludge treatment. Recently, the technology has been used to upgrade 100 KLD STP located in Thiagarajar Arts College, Madurai and operating successfully till date.



SOCIAL AND RELATIONSHIP CAPITAL



At L&T, building long-term relationships based on mutual trust, respect and benefits for business growth and profitability is a way of life. The Company has created meaningful social and relationship capital while pursuing progress, meeting customers' needs and demands, working with suppliers, and driving inclusive growth for communities.

Key Highlights of FY 2023-24

1.6 Mn

CSR beneficiaries

9

Customer Satisfaction Score

Strategy Linkage¹

SO-III

SO-IV

SE-2

SDGs Impacted



Material Topics

Social Engagement
and Impact

Customer
Experience and
Satisfaction

Sustainable
Supply Chain

Diversity,
Inclusion & Equal
Opportunity

Human Rights and
Labour Conditions

Business
Ethics

Brand
Management

¹ For details, refer to 'Business Model and Strategy' section.

The Company's social and relationship capital comprises intangible assets from its network of stakeholders, such as employees, customers, supply chain partners, and the community. This capital is nurtured through transparent communication and ethical practices, and continuous engagement, collaboration, and innovation. Instilling sustainability and resilience in the value chain is one of the core elements to meet the expectations of the stakeholders. The Company strives to impact the larger community across the country through its CSR interventions. The Company believes in engaging with the customers and clients in a fair, transparent, and ethical manner while meeting their diverse and changing needs and expectations. The Company is handholding and sensitising its supply chain partners to build a sustainable and resilient supply chain.

Building India's Social Infrastructure

L&T's commitment to social responsibility is demonstrated through its CSR programme, focussing on inclusive growth in areas like water, sanitation, health, education, and skill development. Working under the guidance of the CSR & Sustainability Committee, the project

implementation is through partnerships with NGOs, government agencies, and through the Company's own onsite teams. As a responsible corporate citizen, the Company contributes towards inclusive growth by empowering communities and accelerating development.

Beneficiaries across Thrust Areas



4,98,303

Water and Sanitation



3,51,870

Education



7,50,168

Health



44,347

Skill Building



Drivers of CSR Interventions

 Corporate CSR Team The Corporate CSR Team is dedicated to maximising social impact by developing, implementing, and overseeing CSR programmes aligned with Board-approved guidelines and frameworks, collaborating with NGOs as necessary.	 CSR Coordinator and Teams at Campuses, Area Offices, and Sites L&T's CSR teams at campuses, area offices, and sites conduct assessments, identify local projects and NGO partners, and implement and monitor CSR initiatives. This localised support ensures that L&T achieves its CSR goals and effectively addresses community-specific needs.	 L&T Health Centres Trained medical professionals at L&T's multi-specialty health centres serve underprivileged communities, offering accessible and affordable healthcare. By addressing health disparities, L&T enhances the well-being of those in need.
 Prayas Trust Comprises female spouses of employees, and female employees. The main objective is to serve underprivileged communities around L&T facilities.	 Volunteers L&T's employee volunteering programme, L&T-eering, engages employees in community development activities.	 L&T Public Charitable Trust (LTPCT) A non-profit entity in L&T ecosystem that implements CSR activities, especially in health, aligned with the Company's CSR framework.

Integrated Community Development Programme

Integrated Community Development Programme (ICDP) targets water scarce regions in selected stressed areas through structured approaches. This includes need assessment, community mobilisation, infrastructure construction, sanitation, and sustainable agriculture promotion. It empowers residents to responsibly use resources, ensuring continuity, sustainability, and at the end of the project, proper handover of assets to community institutions to ensure project sustainability. The project was launched in 2014-15 in Rajasthan, Maharashtra and Tamil Nadu in 5 locations. It benefitted 10,737 households and treated over 15,465 hectares of land. The expansion in 2022-23 reached 12,545 additional households and treated over 20,746 hectares area. In 2023-24, 3,405 households were added and over 6,880 hectares area was treated. Since inception, this initiative has reached out to 26,687 households and treated over 43,091 hectares of land.

Infrastructure for Water Conservation

Water and sanitation interventions under ICDP were planned by identifying priorities – drinking water, sanitation and agriculture – and making it a community-led process. Structures like check dams, anicuts, contour trenches, farm bunds, and farm ponds were constructed for soil and water conservation and rainwater harvesting, with community participation.

Revitalising Nagzari: L&T's ICDP turns the tide on drought

From 2019 to 2024, the ICDP implemented soil and water conservation measures, resulting in a 7.3-meter increase in average well water level by 2023-24. This encouraged farmers to explore horticulture and improve agricultural prospects.



Water and Soil conservation

Flowing Forward: Clearing Noyyal River Waterways at Pachapalayam

In Coimbatore's Pachapalayam cluster, part of the Noyyal River catchment area, the total river streamline length is around 27 km. Initially desilted but obstructed by wild vegetation, channels underwent step-by-step excavation as part of the ICDP's water and soil conservation efforts.



Additionally, water harvesting trenches, absorption pits, and check dams were constructed in Pachapalayam, Bogampatti, and Panapatti villages to facilitate groundwater recharge and collect excess run-off, aiming to harvest 62,390 cubic metres of water in the project area.



Water harvesting structures to enhance soil moisture content

Climate-Resilient Agricultural Practices

Promoting climate-resilient agricultural practices is a focus area of ICDP, aiming to boost crop production sustainably. This includes diversifying crops, adopting dryland horticulture, and using efficient irrigation methods like drip and sprinkler systems.



Drip of Success: From Drought to Harvest

In Devgaon, Mr. Sarjerao, 49, and his family rely on agriculture, cultivating cotton, sorghum, and millet on 2 acres of land. Facing water scarcity, Sarjerao adopted drip irrigation through ICDP, thus boosting cotton yields to 7-8 quintals per acre. Encouraged by this success, 54 farmers in Nagzari and Devgaon adopted drip and sprinkler irrigation.

Crop Demonstration

In the project area, 338 crop demonstration plots were established under the 'Seeing is Believing' principle, focussing on Kharif and Rabi crops like soybean, wheat, and gram, which led 694 farmers to adopt systematic crop intensification practices, supported by demo kits for integrated pest, fertiliser, and disease management.



Harvesting Change: Mr. Devendiran's Sustainable Farming Shift at Pachapalayam, Coimbatore

In Ponnakani hamlet, Mr. Devendiran encountered water scarcity in Bogampatti village, Pachapalayam ICDP location, due to excessive extraction of groundwater and failed monsoons with only one functional borewell out of three. Under one of the project interventions, his plot was selected for a crop demonstration. He adopted a new package of practices consisting of planting tomato saplings, biofertilisers, nutrients, and pest traps.



The promotion of organic formulation, fostering beneficial microorganisms for enhanced crop growth, has led to 950 farmers from Devgaon and Nagzari preparing and utilising organic formulations.

Multi-Layer Farming

123 farmers in Devgaon and Nagzari are set to enjoy year-round fresh produce from their fields, conserving soil and optimising environmental factors, thereby leveraging multi-layer farming benefits. Among them, 30 are demo projects, and additionally, 37 women from Nagzari and 26 women from Devgaon have independently developed multi-layer farming setups.



Latabai's Journey: From Drought to Perennial Harvest

Drought has been persistent since 2012 in Chambharwadi village, Marathwada. Mrs. Latabai Otade, a 40-year-old resident, was reliant on growing cotton, tur dal, and vegetables using harmful chemicals on her four-acre plot. She shifted gradually from chemical-intensive farming to multi-layered orchard farming through the Integrated Community Development Programme (ICDP). Latabai adopted organic methods, cultivating a variety of vegetables and trees without chemical inputs. This shift led to significant savings on market expenses and yielded surplus produce, enhancing her income within the village.

Livestock Development

In the project area, cattle rearing is a significant agri-allied activity, but low productivity in the dairy business is often due to a shortage of quality feed and fodder. Farmers rely on seasonal crops like maize, sorghum, and millet during off-seasons, leading them to sell low-producing cows at the start of summer to avoid losses. Fodder demonstrations were introduced to address this, providing nutrient-rich feed for better milk yield. Fodder crop seeds were distributed to 54 farmers, encouraging them to cultivate fodder on their land and make cattle rearing more profitable.



Milking Success: Mr. Subbaiyan's Fodder Revolution and Cattle Transformation - From Pasture to Prosperity

Mr. Subbaiyan, an elderly farmer from Periyakuyili hamlet, primarily earns from his three dairy cattle and two calves, previously managing a modest monthly income of ₹ 19,020. His reliance on dry fodder limited his earnings, but participation in the Fodder Demonstration project—utilising fodder seeds, biofertiliser, cattle feed, and mineral lick—boosted milk production and cattle health, leading to an increase in his net monthly income to ₹ 22,000, while reducing costs on feed.





Women's Empowerment: A cornerstone of Community Development and Sustainability

In Alamgaon, Nagzari, a group of ten women from a local 'Farmer Group' invested ₹ 10,000 each to initiate a transformative journey towards empowerment. Previously engaged in low-profit farming or as labourers, these women, with project support, transitioned to organic farming. They built a Farmer Producer Organisation (FPO) shop including milk and soyabean collection, thus boosting their income significantly. Their FPO expanded to include over 350 members from nine villages, assisting 30 farmers in purchasing cows to increase milk production. Thanks to these efforts, their annual income grew from ₹ 22 lakh in 2022-23 to ₹ 40 lakh in 2023-24, with members acknowledging the crucial role played by the project in their success.

Sanitation

The Company implemented community-led total sanitation initiatives across Nagzari and Devgaon in Maharashtra and Sevantri in Rajasthan in 2023-24, constructing 570 household toilets using volunteer labour and forming monitoring committees to create and maintain open defecation-free villages.

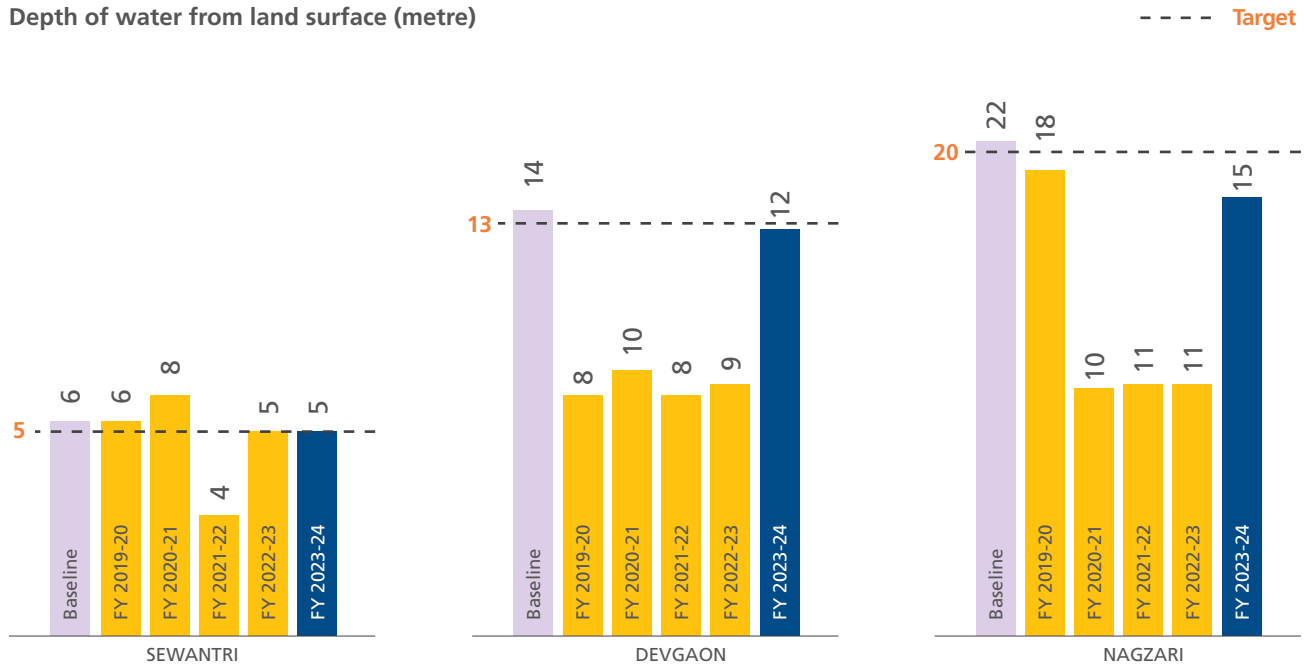
Towards Dignity: Story of Shahubai

At 75, Mrs. Shahubai from Sadesavangi village faced hardships from drought and health issues, compounded by having no toilet. Through L&T's ICDP sanitation project, a toilet was constructed, significantly improving her family's health and dignity by promoting regular usage and highlighting the crucial need for proper sanitation.

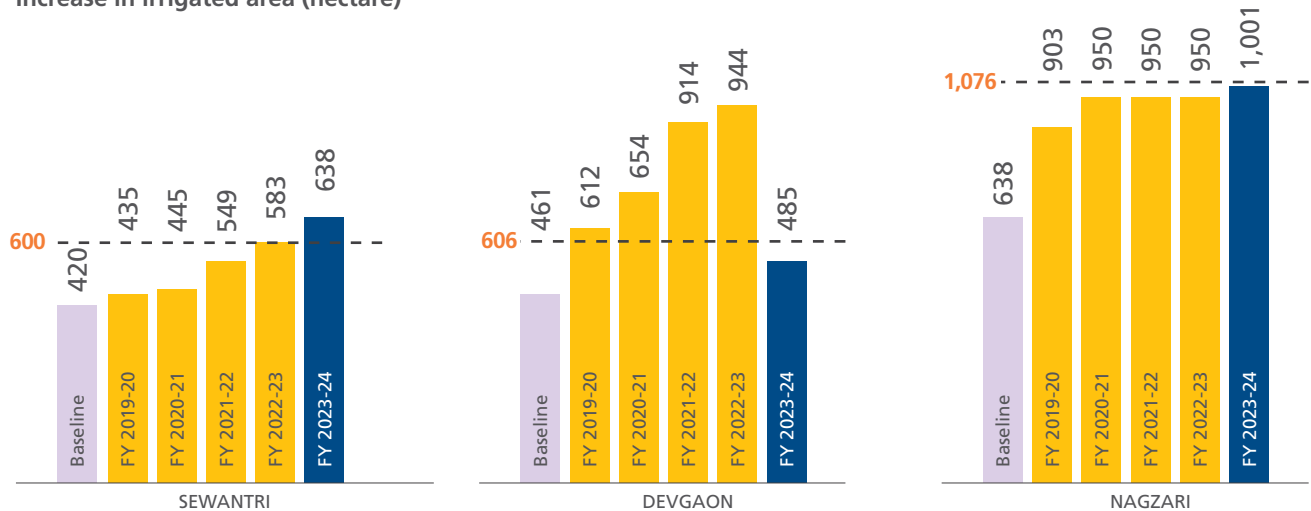


The villages in the ICDP locations have witnessed significant changes through various activities, including water availability, sanitation, and sustainable agricultural and livestock-rearing practices.

Depth of water from land surface (metre)



Increase in irrigated area (hectare)



This year, Water and Sanitation Interventions have impacted

4,98,303 lives

Improving Quality Education and Health Services in ICDP locations

Water sufficiency in the ICDP project areas and the resultant increase in agricultural income led to increased aspirations among the local population seeking a better future for their children. Thus, L&T extended its support to work on other social needs, such as health, education, and livelihoods in the ICDP locations, which were initiated in 2019-20.

Saajhi Shiksha has been implemented in two Gram Panchayats, Kookra and Lasadiya of Bhim block in Rajsamand district in Rajasthan, where ICDP was implemented between 2014 and 2019. After water sufficiency and 'Open Defecation Free Villages' status were achieved, an education initiative 'Saajhi Shiksha' was introduced in 2022 in these two locations. Saajhi Shiksha focusses on the capacity building of caregivers (parents and guardians) and mother mentors to promote school readiness of young children and ensure children aged 3-6 years acquire foundation literacy and numeracy skills. The strategies include providing early learning kits with play items and learning materials to the parents and training them regularly on how to use this material with their children. Active mothers have been identified and engaged as mentor mothers for the use of Early Learning Material (ELM) and the revival of defunct Monitoring and Support Committees for monitoring of Anganwadi services.

A group of nine people, including two women and seven children, are posing for a photo outdoors. They are standing in front of a white wall that features two large, colorful murals: one of a boy in a green shirt and red shorts, and another of a hot air balloon with orange and yellow stripes. The children are dressed in casual clothing, including t-shirts and pants. The women are wearing headscarves and traditional shawls. The background shows some trees and a clear blue sky.

Notably, during one of the sessions, all participating women pledged to not only bring children from their community to the Anganwadi centre but also ensure their safe return home daily. The dedication of some parents was commendable who took up the responsibility for mobilising other parents and co-organising the training sessions.

Integrated Development by Enhancing Nutrition for Mothers and Children at Sewantri

L&T has been working since 2015 in 10 villages of Kumbhalgarh block through an Integrated Community Development Programme (ICDP) in restoring the land and water resource regime, enhancing farm-based livelihoods and introducing Water Sanitation and Hygiene (WASH) facilities and practices along with community institution development. Once the water interventions and provision of sanitation facilities were sufficient and sustainable, the focus shifted to enhancing the nutrition of mothers and children at Sewantri, a block consecutive to Kumbhalgarh.

A Healthy Beginning

At the onset of the programme, women, including pregnant and lactating mothers, their families and communities were sensitised on the importance of maternal health, early childcare, and nutrition. '*Balsakhi*', a cadre of trained women health workers, reached out to 806 women through mothers' meetings and home visits, including pregnant, lactating women and mothers of young children. There was a significant emphasis on regular dialogue with stakeholders such as family members, supervisors from the health department, staff from Anganwadi centres, and representatives of Panchayati Raj Institution (PRI) to ensure quality service delivery, fostering a sense of ownership and collective responsibility towards improving healthcare services in the communities. This resulted in appropriate care at home, a balanced diet, and ultimately, safe childbirth.



Coverage under ICDP in Three Locations - Devgaon, Nagzari, and Sevantri

Households covered under ICDP	5,345	
Area of Land under the Project Area (hectares)	10,074	
People Covered	25,208	
	FY 2022-23	FY 2023-24
Water Availability		
Water Harvested (lakh litres)	19,887	51,727
Increase in Water Table Level (metres - average)	9.24	12.88
Percentage of Households with Drinking Water	95%	98%
Agriculture		
No. of Crop Demonstrations	95	338
Additional Area protected from Direct Run-Off (hectares)	2,620	2,620
Increase in the Area under Cultivation/Irrigation	60%	56%
Fallow Land converted to Agricultural Land (hectares)	202	218
Area under Horticulture (hectares)	619	521 [^]
Health and Nutrition		
No. of Kitchen Gardens	240	180
No. of Children in Balwadis supported	237 [*]	195 ^{*^}
Livestock Livelihood		
No. of Veterinary Camps	40	14 ^{*^}
Pastureland Area under Protection (hectares)	24 [*]	22 [*]
Institution Building		
Village Development Committees	31	66
No. of Active SHGs	235	237
SHG Savings Fund created for Inter-Loaning (lakh)	₹ 125	₹ 126
No. of Farmer Groups formed	26 [#]	8 ^{#^}
Capacity Building		
No. of Farmers attended Farm-Field Training	2,104	1,643

^{*} In ICDP Sevantri Location

[#] In ICDP Devgaon and Nagzari Location

[^] Interventions till September 2023

Education

The Company's education initiatives are focussed on promoting social advancement and inclusive development in the education system. This is achieved by providing infrastructure in under-resourced schools, establishing community learning centres, enhancing teachers' capacity, and promoting community monitoring systems. This year, L&T's Education interventions were implemented in 679 schools across India.

STEM (Science, Technology, Engineering, Mathematics) Education Project 'Engineering Futures', particularly aims to reduce the urban-rural gap in education. It aims to introduce Science and Mathematics to underprivileged students in Government and under-resourced schools, piquing their interest in STEM fields. This initiative is crucial for fostering a more equitable distribution of educational opportunities and empowering students from marginalised backgrounds to pursue careers in science, technology, engineering, and mathematics.

 STEM 'Engineering Futures' Programme Number of Schools/Centres 243 Students Benefitted 44,189	 Digitalisation of Schools Number of Schools/Centres 308 Students Benefitted 1,02,638	 Pre-School Interventions Number of Schools/Centres 45 Students Benefitted 1,573
 Learning Enhancement and Life Skills in Schools Number of Schools/Centres 191 Students Benefitted 35,879	 Community Learning Centres Number of Schools/Centres 80 Students Benefitted 14,785	 Strengthening School Infrastructure Number of Schools/Centres 372 Students Benefitted 1,35,703

Pre-School Programme

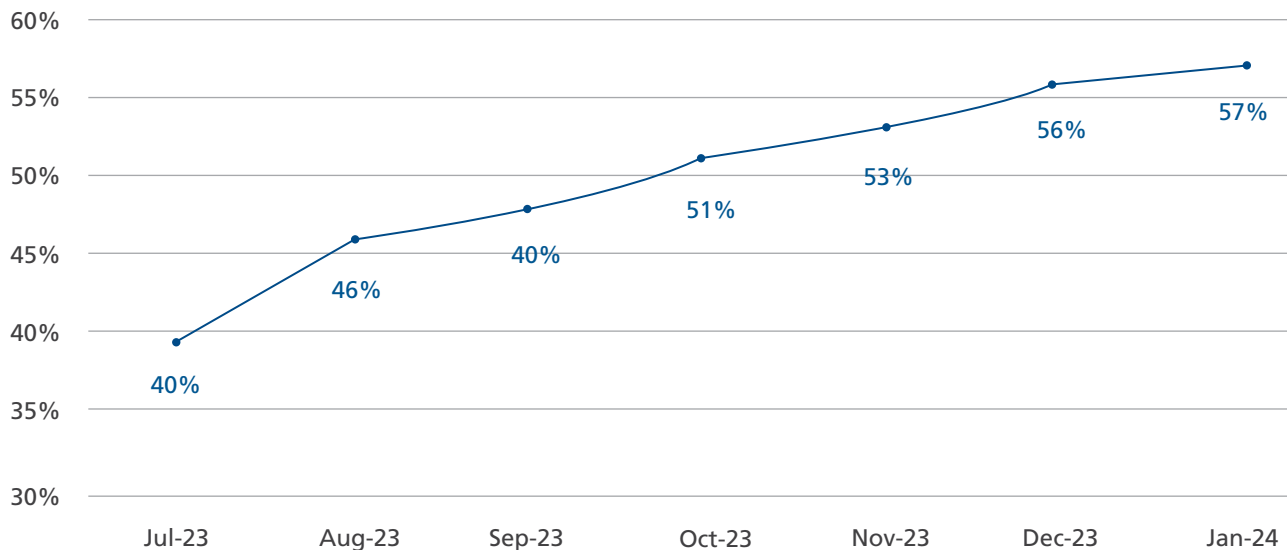
L&T's pre-school programme in Mumbai's underprivileged communities aims to create a nurturing environment for children's holistic development. Through 10-month interventions in 64 community centres known as 'Balwadis', catering to 1,426 children, the initiative focusses on preparing children for primary school enrolment. The programme emphasises bolstering the emotional, cognitive, language, and gross motor skills of the children. The programme also empowers women from the

communities to be Balwadi teachers with the requisite knowledge, skill, and attitude to function effectively.

The intervention includes training for teachers, ongoing assessments of learning levels, and personalised home visits, resulting in improved attendance and increased parental engagement while ensuring joyful learning in a safe and conducive environment. This has resulted in a remarkable 42% average enhancement in children's cognitive, emotional, language, and motor abilities.



Month-wise Average Score



The graph shows consistent growth in the month-wise average classroom learning score for children in 25 Community Balwadis at Powai in Mumbai, Maharashtra.

Learning Enhancement through the School Partnership Programme

According to the Annual Status of Education Report (ASER) 2023 and the National Achievement Survey 2017, there is a considerable gap in the learning levels of students across different states and subjects, especially in reading and numeracy skills. Addressing the issues of quality of education, teacher training, curriculum reforms, and infrastructure development is essential for improving learning outcomes and ensuring that all children have access to quality education.

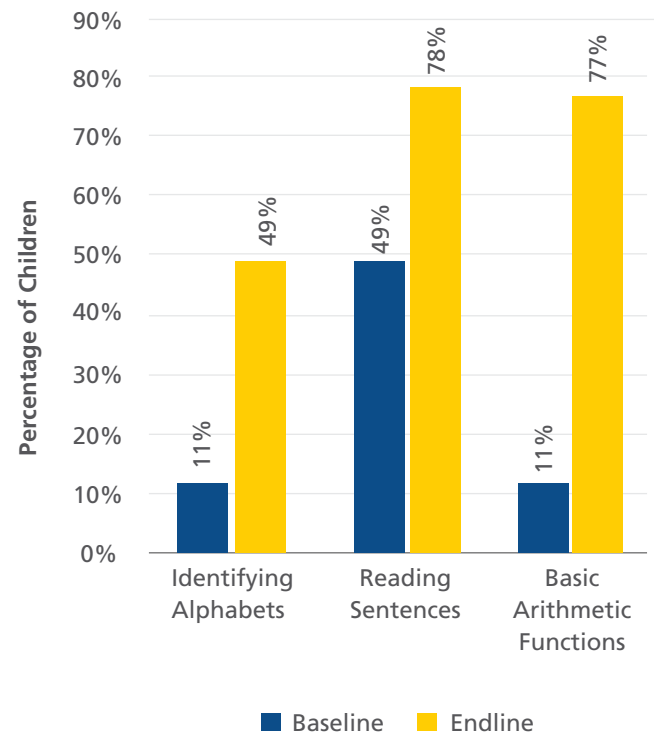
L&T started a School Partnership programme in five schools in Powai, Mumbai, in FY 2023-24, with the aim of developing foundational literacy and numeracy skills of the children attending Municipal Primary schools.

The programme emphasised shifting teachers' focus from a teacher-led to a learner-led process to ensure qualitative teaching deliverables. The programme included the provision of interactional teaching and learning. It reached out to 1755 children during the year. The programme also introduced the Reading Promotion Programme and the Home Lending Initiative, which has helped to improve the linguistic skills of children. The mobile library further covered 654 children from grades 1-10.

Endline assessment conducted in March 2024 showed significant improvement in children's learning levels, as shown in the graph:



Children's Learning Levels



Community Learning Centres

L&T's Community Learning Centres provide remedial learning support to primary school children (7 to 12 years) to reduce the gap between their current level of learning and grade-level learning expectations in Language and Mathematics. The Centres are run in government schools or public places/parks outside of school hours in partnership with the local Municipal Corporations. Students at lower levels of learning than their grade level are identified through a baseline assessment and enrolled in small batches of 5-15 at the remedial centre. Trained teachers or volunteers at the centre help children explore language skills and understand basic arithmetic operations and concepts in Mathematics. This focussed 2 hours of daily interaction with children in a fear-free, positive learning environment has helped the children build their foundations of learning, and they are better able to cope with grade-level learning in their classrooms.

L&T runs 41 Community Learning Centres in Mumbai and 10 Centres in Chennai, reaching out to 2,305 children in Mumbai and 728 children in Chennai.



STEM Education Initiative 'Engineering Futures'

STEM (Science, Technology, Engineering, Mathematics) Education Project was initiated in 63 government schools in 2019 and is currently implemented around seven L&T campuses with the objective of enhancing the quality of STEM education by providing digital infrastructure, teachers training, hands-on models, and activity-based learning pedagogy in Government schools. The methodology is designed to increase the levels of fun and engagement in children in the classroom, creating an environment of curiosity and inquisitiveness towards scientific concepts. The project aims to tap potential and scientific rigour among students in select Government schools in Gujarat and Tamil Nadu.

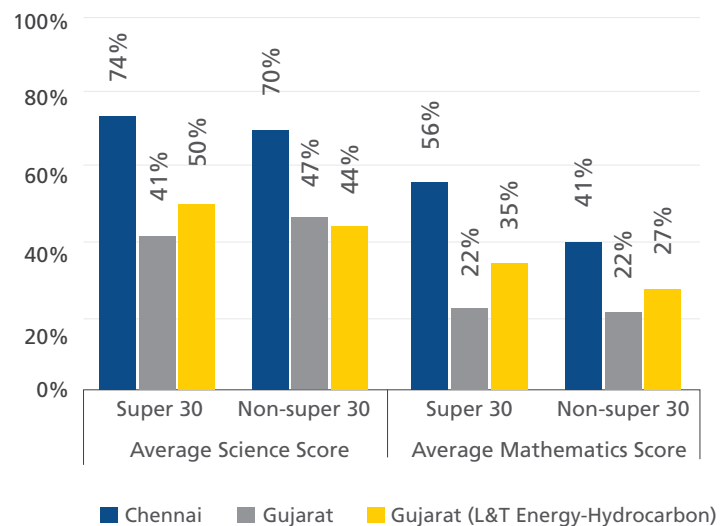
The project reaches out to 243 Government schools, tapping the potential of 44,189 young minds in grades 6-8 to enable them to learn Science and Mathematics in a practical way. Whereas, 713 government teachers trained in using techno pedagogy, digital media, and hands-on experiments in regular Mathematics and Science classes. 35% of students in intervention schools are making STEM models on their own and have created models of a room heater, tubelight making, water level indicator, integer fractional numbers, Math clock, DC circuit with light, buzz and bulb, and remote reading of face expressions. The key stakeholders of STEM Projects are State Education Departments, School Principals, Science and

Mathematics teachers, and School Management Committee (SMC) members, apart from students of grades 6-8 who receive learning inputs.

A recent endline assessment showed encouraging results where a considerable increase in students' learning levels and understanding of concepts was observed, compared to the baseline. The graph shows a clear uptick in Science and Mathematics scores for the students who underwent the intervention as a whole and specifically for the students who were part of the Super 30 Science clubs formed in their respective schools.



Subject-wise average percentage by location



First L&T National STEM Challenge - Celebrates Young Talent

L&T announced the National STEM Challenge held in February 2024 with the objective of funnelling STEM talent in L&T-supported STEM projects by showcasing students' innovative ideas and creating opportunities to connect children to higher-level STEM learning. The L&T National STEM Challenge unfolded through three exciting levels, engaging students at different stages of the competition conducted in six cities across India to promote STEM among school children. The challenge marked the high point of fostering STEM education through L&T's 'Engineering Futures' initiative. It showcased the incredible talent and innovativeness of young minds from across India.

Approximately 6,000 students of grades 6-8 participated in the intra and inter-school level competitions, out of which 24 teams (50 children) from

Chennai, Coimbatore, Hazira, Vadodara, Talegaon, and Mumbai made it to the L&T National STEM Challenge.

The three winning schools received reward money for upgrading their science labs. Additionally, all three winning teams received a DIY Robotics Kit for further exposure to STEM and an opportunity to visit L&T's tech projects and interact with the leadership team.

The top three winning ideas consisted of an 'Agricultural Tricycle' which covers the plantation cycle - ploughing, sowing and watering. A 'Modern Waste Segregation System' - an app-based solution developed by the students through Scratch Coding for segregating dry and wet waste, also an 'Alternative Magic Road' where the students developed a model to use alternate energy for streetlights and providing alarm system to prevent accidents at hairpin bends.



1st Prize winner Mr. Joshwa A. and Mr. Sivakarhikeyan N. with their science teacher Mrs. Thenmughil Ramakrishnan from Government High School Gerugambakkam, Chennai

Enhancing Infrastructure at Schools

L&T builds Government schools, provides furniture, sets up and equips laboratories and libraries, digitises the classrooms, refurbishes classrooms and playgrounds, repairs buildings, and builds compound walls, toilet blocks and drinking water stations in resource-poor public schools to ensure a conducive learning environment. Supplies like uniforms, textbooks, notebooks, and sports kits are provided to underprivileged students in Government and unaided low-income schools in rural and tribal villages.



HEALTH

L&T's CSR initiative in health focusses on improving community health by delivering preventive, curative, and promotive healthcare services to the underprivileged. Operating through Community Health Centres (CHCs) and Mobile Health Units (MHUs) in urban and rural areas of Gujarat, Maharashtra, and Tamil Nadu, L&T reaches out to marginalised population, enhancing access, infrastructure, and quality of care. Primary healthcare interventions include three verticals: Community Health Centres, Specialty services (operative care, dialysis and Antiretroviral Therapy [ART]), and Outreach Programmes.



- ▣ Community Health Centres provide access to maternal, child, and family welfare, pediatric and general healthcare, and Dialysis & Antiretroviral Therapy (ART)
- ▣ Mobile Health Units (MHUs) and health camps for school children, women, and the elderly from underprivileged communities, the aim of which is to provide easy and better access to people in remote villages
- ▣ Health promotional activities are carried out in and around CHCs, communities, and institutions that are far from CHC through medical camps or health education and awareness talks for vulnerable populations such as children, adolescents, differently abled children, pregnant women, parents, and senior citizens or specific cohorts with similar needs. Health awareness for adolescents, blood donation camps, and care and counselling for differently abled children are also provided at some of the centres



L&T has also collaborated with government schemes such as the Pradhan Mantri Jan Arogya Yojana and Jan Aushadhi Yojana, which provide monetary aid in the form of insurance and subsidised costs on medicines that significantly impact out-of-pocket expenses. The ART Centre at Koldongri, Andheri, Mumbai has collaborated with the Mumbai District AIDS Control Society (MDACS), National AIDS Control Organisation (NACO), and Revised National TB Control Programme (RNTCP) under the Ministry of Health and Family Welfare, Govt. of India, supplementing the government's efforts to control the spread of communicable diseases such as HIV/ AIDS and TB.

Cancer Care Services

L&T focusses on promoting preventive education and early diagnosis of cancer by implementing cancer-related interventions that target both men and women. The primary goal is to raise awareness that cancer is a treatable disease and to encourage people to undergo regular screening for early detection. This year, 60 specialised check-up camps for cancer were conducted in Mumbai, Thane, and Palghar. 3,378 individuals, comprising 1,128 men and 2,250 women, participated in the camps.

L&T supports a shelter programme that provides temporary residential facilities for caregivers and children from across India undergoing cancer treatment in Mumbai. 121 children and 244 caregivers were provided shelter facilities, and 496 counselling and motivational sessions were conducted with children during the year.

7,50,168

Individuals were provided better access to affordable health care and preventive and promotive information



From Adversity to Adherence: A Teen's Journey with TB and HIV

Arun (name changed), a 15-year-old boy, relocated to Mumbai from Uttar Pradesh with his family following his mother's untimely passing. He was diagnosed with Tuberculosis (TB) and HIV, transmitted during his birth from his mother. Despite initial reluctance, compounded by family misinformation about HIV status, the boy eventually embraced treatment, thanks to the dedicated efforts of community health workers and counsellors at the ART Centre. Through persistent education and support, he now adheres to his Antiretroviral Therapy (ART), underscoring the role of compassionate healthcare in overcoming adversity and promoting well-being for people living with HIV.



Vision Restored: Angammal's Journey from Darkness to Light

Mrs. Angammal, a 64-year-old woman, residing in Malumichampatti village, Coimbatore, is under immense financial strain. During one of her visits to Mobile Health Unit (MHU) camps for routine check-ups, Angammal expressed concerns about her deteriorating vision to the MHU doctor. Recognising the severity of her condition, she was referred to the Vision Centre at L&T Health Centre, where she was diagnosed with cataracts in both eyes and followed by free cataract surgery. With her sight regained, Angammal now leads a fulfilling life, actively contributing to her family's well-being. Her story stands as a testament to the transformative impact of accessible healthcare, providing hope and opportunity to those in need.



Skill Development

L&T's CSR initiatives have long emphasised skill development to foster inclusive growth. The Company provides vocational training and skill-building activities to equip unemployed youths with employable skills. Through its Construction Skills Training Institutes (CSTIs) and Skills Hubs located across India, L&T offers free residential training in high-demand trades in the construction industry, such as formwork, carpentry, masonry, and plumbing. With an emphasis on technology and innovation, new technology-based skill-training courses are introduced in solar PV technician skills, OFC, and CCTV installation and maintenance. Digital training, digital study material, micro-learning modules on mobile apps, augmented reality/virtual reality training, safety training, quality standards training, and soft skills training are all essential components of the skill-training offerings. Additionally, all courses undergo periodic online assessments.

Nine CSTIs operational at:

Kancheepuram, Tamil Nadu; Panvel, Maharashtra; Pilkhuwa, Delhi; Jadcherla, Telangana; Cuttack, Odisha; Attibelle, Karnataka; Chacharwadi, Gujarat; Hyderabad, Telangana; and Serampore, West Bengal.

Two new Skills Hubs added at Siddipet in Telangana and Mayurbhanj in Odisha.

10,974

Youth completed various courses at these CSTIs

State-of-the-Art Skill Training Hub in Odisha

Marking the beginning of a new chapter in L&T's CSR Skilling initiatives, a state-of-the-art Skill Training Hub was inaugurated by the Honourable President of India, Smt. Droupadi Murmu, at her hometown Pahadpur, Mayurbhanj in Odisha, in November 2023.

The objective of the Skills Hub is to equip the underprivileged youth in the region with new-age construction skills like use of AR/VR for safety, simulators (haptic technology) and impart training on life skills and personality development, thus empowering them to become self-reliant, as well as exposing them to a canvas of opportunities far beyond their immediate surroundings.



This facility, built by L&T across a land parcel of five acres, is equipped with contemporary infrastructure, featuring an administrative-cum-institute building, a multipurpose hall, an e-learning hall, a digital training room (equipped with AR/VR technology to enhance the learning experience), separate hostels for boys and girls (each accommodating 120 individuals), dining facilities, practice yards for various trades, and a dedicated workshop for learning pipe welding. The facility has a capacity to train 800-1000 people annually.

Powering Up: Abhishek Kumar Ojha's Rise from Unemployment to Supervision

Mr. Abhishek Kumar Ojha hails from Saran, Bihar. His family's primary source of income was from farming, earning around ₹ 1.5 lakh annually. Before his training, Abhishek was struggling to find stable work in his hometown. He learned about CSTI Pilkhuwa from his friend, who had successfully completed training there and was earning well. Motivated by his friend's success, Abhishek enrolled in the Electrician Training Programme at CSTI Pilkhuwa and completed his two-month training. Through CSTI's placement assistance, he secured a regular job at a construction site at Saharanpur, and soon, he was promoted to Supervisor in the Execution department. Currently, he earns a fixed salary of ₹ 16,625, a significant improvement from his previous unemployment status. Abhishek believes that CSTI's comprehensive training and support have transformed his life and opened doors to a brighter future.



From Farm to Fortune: Durgabati Das' Electric Journey

Ms. Durgabati Das, hailing from a modest family background with her father working as a farmer and her mother as a homemaker, had financial constraints that led her to discontinue formal education. However, her determination led her to pursue ITI in Electrical Trade at Government ITI, Balasore. Seeking better opportunities, she relocated to Vizag and joined L&T Multi Skill Training Centre (MSTC). The training proved to be highly educative and practical, providing a conducive learning environment. Durgabati acquired not only technical skills but also gained confidence through soft skill training, essential for facing life's challenges.

During the four-month training, the stipend proved invaluable in sustaining her stay in Vizag. It was this support that enabled her to continue the training, especially considering her relocation from another state. After completing the training, Durgabati secured a job at Hyderabad, with an annual salary of ₹ 1.80 lakh. Her perseverance and determination, clubbed with access to quality training and support from programmes like MSTC, helped her succeed. MSTC thus continues to transform the lives of many aspiring individuals, enabling them to support themselves and their families.

Linking CSR Interventions with Government Schemes and Programmes:

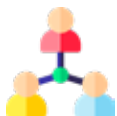
Swachh Bharat Abhiyan: 4,216 household toilets constructed since 2017-18 using local skills and materials 877 school toilets constructed since 2015-16 37,914 children provided WASH awareness since 2015-16 - Community-based monitoring committees ensured that these villages became open-defecation-free Swajal Yojana under Rural Development Ministry: Watershed development programme under ICDP National Rural Livelihood Mission (NRLM): SHG programme under ICDP Pradhan Mantri Krishi Sinchayee Yojana: Drip irrigation in ICDP Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA): Farm bunding activity in ICDP	National Health Mission: - National AIDS Control Programme (NACP), L&T ART centre at Andheri - National TB Control Programme (RNTCP) at L&T TB Centre at Andheri National Family Planning Programme: Contraceptive services made available at L&T Health Centres Integrated Child Development Scheme: Improving the quality of services at Anganwadi and capacity building of Anganwadi workers Mother and Child Health Programme: ANC PNC care and immunisation services provided at the health centres are linked to this programme Ayushman Bharat Yojana: Linking patients visiting L&T health centres to this scheme Pradhan Mantri Jan Arogya Yojana: Linking patients availing dialysis services at L&T centre to this scheme Pradhan Mantri Bhartiya Janaushadhi Pariyojana: Linking patients visiting L&T health centres to this scheme Mahatma Jyotiba Phule Jan Arogya Yojana in Maharashtra: Linking patients visiting L&T health centres with this scheme Widow Pension Yojana: Linking HIV impacted widows at ART Centre Adhar Poshan Yojana: Provide nutritional support to HIV-affected patients at the ART centre
National Skill Development Mission: - L&T CSTI and Skill Trainers Academy (STA) at Madh - Sarva Shiksha Abhiyan (SSA) – Community pre-school programmes and community learning centres preventing dropouts and ensuring enrolment - STEM Initiative of National Science and Technology Communication Council and the Department of Science and Technology, Government of India – L&T's STEM Education Programme – 'Engineering Futures'	

L&T-ering: Employee Volunteering Initiative

L&T prides itself on a strong culture of employee volunteering, encouraging its workforce to actively engage in meaningful social causes. Our employees contribute their time, skills, and resources to various community development projects, embodying our commitment to social responsibility. During FY 2023-24, 7,188 L&T volunteers gave their time towards organising creativity camps, STEM-based workshops, educational excursions, and supporting disadvantaged groups through craft and NGO melas, participating in Daan Utsav. Many of our programmes involve mentoring and teaching underprivileged children, aiming to bridge educational gaps and empower the next generation with knowledge and skills. Our healthcare initiatives see employees participating in medical camps, blood donation drives, and health awareness campaigns, contributing to the well-being of local communities. Environmental sustainability is another key focus, with employees participating in tree plantation drives, clean-up campaigns, and promoting renewable energy usage.

RELATIONSHIP CAPITAL

The Company has an unwavering focus on nurturing its relationships with clients, customers, supply chain partners, investors, and shareholders for sustainable growth. The business model and strategy have further cultivated long-term relationships with its clients, supply chain partners, and skilled workforce, resulting in market share growth and enhanced brand value, alongside transforming the sector through a proven track record. Brand value is about trust, reputation, value, and credibility for the Company. It has stood the test of time. This has been facilitated by investing in and nurturing one of the most crucial and intangible assets, viz., the Social and Relationship Capital of the Company.



Key External Stakeholders

Government (as clients, regulators, policymakers), private sector clients/customers, supply chain partners, and shareholders. The basis of identification of these stakeholders has been elucidated in the 'Stakeholder Engagement' chapter.



Details of Engagement

The stakeholders provide insights that help the Company to review and progressively refine the strategies to create long-term value for all. The 'Stakeholder Engagement' section also talks about the mode of engagement, frequency, and topics covered in these engagements.



Stakeholders and ESG

With a heightened focus and demand from the stakeholders on ESG, the roles, relationships, and perspectives of the stakeholders have also evolved. The Company is also engaging with its stakeholders on ESG matters, the details of which are elaborated in Principle 4 of the BRSR section of this Report.



Grievance Redressal Mechanism

There is a wide range of stakeholders, each with their own needs, expectations, and requirements. The grievance redressal mechanism provides a platform for these stakeholders to voice their concerns. An efficient grievance redressal mechanism is imperative to effective stakeholder management. The mechanism related to investors, shareholders, and supply chain partners is explained in Section A of the BRSR section of this Report. The mechanism for workers, communities, and customers are explained in Principles 3, 8, and 9, respectively, of the BRSR section of this Report.

FINANCIAL CAPITAL



Financial capital provides a strong foundation that facilitates risk mitigation in unavoidable/unforeseen circumstances and macro-economic unpredictability. With a record high Order Book, a strong Balance Sheet, a well-diversified business portfolio, and a proven track record of successful execution, the Company is in a position to navigate the current volatile business landscape and maintain a healthy equilibrium between risk and growth. Further, the Company's expansion into various emerging sectors as well as growth in the core business will contribute to the attainment of Lakshya 2026 goals and generate value for all the stakeholders.

Key Highlights of FY 2023-24

14 %

Order inflow growth

14 %

Revenue growth

50 %

Dividend Payout Ratio
(incl. special dividend)

Strategy Linkage¹



SDGs Impacted



Material Topics

Business
Ethics

Climate
Action

Data Security, Privacy
and Cyber Security

Social Engagement
and Impact

¹ For details, refer to 'Business Model and Strategy' section.

L&T's standalone financials reflect the performance of the Infrastructure Projects segment, the Energy Projects segment (comprising Hydrocarbon, Power and Green Energy), the Hi-Tech Manufacturing segment (comprising Heavy Engineering and Precision Engineering & Systems), and the 'Others' segment (includes Realty, Construction & Mining Machinery, Rubber Processing Machinery, Smart World & Communication [reflects residual portion], E-commerce/Digital platforms and Data Centers).

Key Highlights of FY 2023-24

The Company successfully completed the first-ever buyback of 3,12,50,000 equity shares at a price of ₹ 3,200 per equity share through the tender route, with a total cash outflow of ~ ₹ 12,280 crore (including tax on buyback and expenses), resulting in extinguishment of 2.2% of the equity share capital

The sale of the carved-out business of the Smart World and Communication (SWC) business unit of the Company to L&T Technology Services Limited (LTTS) was concluded on April 01, 2023

L&T concluded the sale of its stake in L&T IDPL on April 10, 2024, to an infrastructure fund, managed by Edelweiss Alternative Asset Advisors Limited

Performance Summary for FY 2023-24

- ▣ Order Inflow achieved a healthy growth of 14% y-o-y basis, driven by the increased proportion of international orders (at 35%), mainly due to higher ordering activity witnessed in GCC countries
- ▣ Revenue registered growth of 14%, reflecting improved execution momentum from the opening order book
- ▣ The buoyancy in customer collections and advances improved operational cash flows
- ▣ The Board of Directors has recommended a final dividend of ₹ 28 per equity share for the approval of the shareholders. In addition, during the year, the Company paid a special dividend of ₹ 6 per equity share



A. M. Naik Heavy Engineering Complex, Hazira, Gujarat

Economic Value Generated and Distributed¹ [in ₹ Bn]

Value Generated

Total Income

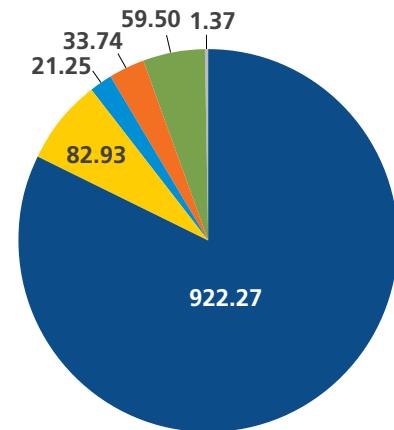
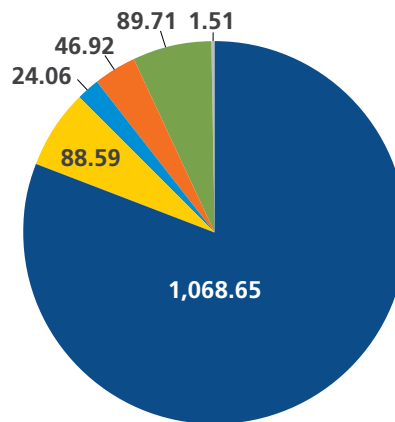
FY 2023-24
1,336.4

FY 2022-23
1,162.3

Value Distributed

FY 2023-24

FY 2022-23



■ Manufacturing, Construction and Operating Expenses

■ Employee Wages and Benefits

■ Interest

■ Dividend

■ Payments to Exchequer

■ Community Investments (CSR)

Value generated - Value distributed = Value retained

FY 2023-24
16.97

FY 2022-23
41.24

Data	Description	FY 2023-24	FY 2022-23
Economic Value Generated	Total Income	1,336.40	1,162.30
Economic Value Distributed	Manufacturing, Construction and Operating Expenses	1,068.65	922.27
	Employee Wages and Benefits	88.59	82.93
	Payments to Providers of Capital		
	Interest	24.06	21.25
	Dividend	46.92	33.74
	Payments to Exchequer	89.71	59.50
	Community Investments (CSR)	1.51	1.37
Economic Value Retained		16.97	41.24

¹Excluding exceptional items