

# INTEGRATED REPORT 2024-25



## Approach to the Sustainability Disclosures

This section of the Integrated Annual Report highlights the approach to value creation for all stakeholders. It presents a comprehensive sustainability performance overview, encompassing value creation model, sustainability governance, material topics, stakeholder engagement and the six capitals. This disclosure goes beyond statutory requirements, offering a holistic view of the Company's goals, strategy and performance.

## Reporting Framework, Guidelines and Standards

- Narrative sections adhere to the IIRC's <IR> Framework guidelines. These sections provide a comprehensive overview of the Company's performance and activities.
- Business Responsibility and Sustainability Reporting (BRSR) based on the National Guidelines on Responsible Business Conduct (NGRBC)

## Reporting Period, Scope and Boundary

This section covers relevant financial and non-financial information for the Company on a standalone basis. The information in this Report pertains to the period April 01, 2024 to March 31, 2025.

## External Assurance

An independent reasonable assurance of the Company's BRSR Core parameters has been conducted by Deloitte Haskins & Sells LLP.

## Forward-looking Statement

This section contains forward-looking statements based on reasonable assumptions and past performance. These involve risks and uncertainties and may differ materially from actual results due to changes in industry trends, market conditions, regulations, and other factors. The Company makes no assurance that such statements will prove accurate.



## NATURAL CAPITAL

▶ Pg. 178



## MANUFACTURED CAPITAL

▶ Pg. 208



## HUMAN CAPITAL

▶ Pg. 214



## 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

Strategic Objectives

- SO-I** Value-accretive growth of current businesses
- SO-II** Scaling up digital and e-commerce businesses
- SO-III** Developing business offerings to ride the Energy Transition wave
- SO-IV** Divestment of non-core businesses
- SO-V** Enabling business sustainability through a high focus on ESG and Stakeholder Value Creation

Strategic Enablers

- SE-1** Operational Excellence
- SE-2** Industry leading capabilities in digital and advanced technologies
- SE-3** Financial resources and strong financial health
- SE-4** Talent and Leadership pipeline
- SE-5** Capability enhancement through innovation, R&D and partnerships



### MATERIAL TOPICS

### STAKEHOLDER ENGAGEMENT

### GOVERNANCE: POLICIES, PROCESSES, RISK MANAGEMENT

# VALUE

## VALUE CREATION

## VALUE CREATED

### Business Models

### Creating Value for



**NATURAL CAPITAL**



**MANUFACTURED CAPITAL**



**HUMAN CAPITAL**



**INTELLECTUAL CAPITAL**



**SOCIAL AND RELATIONSHIP CAPITAL**



**FINANCIAL CAPITAL**



EPC Projects

Hi-Tech Manufacturing

The six Capitals are utilised through business processes to create assets and products linked to infrastructure, energy, oil & gas, metals, process plants and other sectors, and create value for the stakeholders.



Customers



Shareholders



Employees



Suppliers



Government



Communities



Productive Assets for Clients



Dividends and Buybacks



Employee Benefits and Capability Development



Business for Suppliers



Payment to Exchequer



Community Assets and Livelihoods

# VALUE CREATION MODEL

## Input

	<p><b>Natural Capital</b></p>	<p>Water Consumed: <b>15.4 Mn kL</b>                  Energy Consumed: <b>9.9 Mn GJ</b>                  Spend on Environment<sup>1</sup>: <b>₹ 76 Cr</b>                  Material Consumed (Mn tonnes):                  - Cement: <b>3.8</b>                  - Sand: <b>5.9</b>                  - Ferrous: <b>1.9</b></p>
	<p><b>Manufactured Capital</b></p>	<p>Active Project Sites: <b>700</b>                  Manufacturing Facilities: <b>19</b></p>
	<p><b>Human Capital</b></p>	<p>Employees: <b>58,556</b>                  Workers: <b>3,54,415</b>                  Gender diversity: <b>9.1%</b>                  Safety training manhours: <b>4.2 Mn</b></p>
	<p><b>Intellectual Capital</b></p>	<p>R&amp;D Spend (cumulative of 3 years): <b>₹ 479.4 Cr</b>                  IPR filed: <b>18</b>                  R&amp;D Engineers and Scientists: <b>144</b>                  Active collaborations and partnerships<sup>6</sup>: <b>22</b></p>
	<p><b>Social &amp; Relationship Capital</b></p>	<p>CSR Spend: <b>₹ 164 Cr</b>                  CSR Partners: <b>61</b>                  Sourcing from MSME: <b>10%</b>                  Memberships of Industry Chambers: <b>63</b></p>
	<p><b>Financial Capital</b></p>	<p>Order Book: <b>₹ 4,70,444 Cr</b>                  Net Current Assets: <b>₹ 28,306 Cr</b>                  Net Fixed Assets: <b>₹ 12,393 Cr</b></p>

## Business Processes and


**L&T BUSINESS EXCELLENCE MODEL**

VALUE ENGINEERING




Residential Spaces

VALUE ENGINEERING



Mass Transit and Railways

LEAN OPERATIONS



Data Centres

LEAN OPERATIONS




Hydel Power Plants

LEAN OPERATIONS




Water Treatment Plants

INTEGRATED ENGINEERING



Oil & Gas Facilities

INTEGRATED ENGINEERING



Process Plant Equipment

<sup>1</sup> Spend on environmental management: pollution control, environmental monitoring, waste management, wastewater treatment etc.

<sup>2</sup> Partnerships with universities, academic and research institutes, start-ups.

<sup>3</sup> Also includes Green Building (15.6 Mn sq. ft.).

<sup>4</sup> Mobility Infra created includes Roads (109 lane km), Rail electrification (419 track km), Mass Transit-Track (265 track km) and Mass Transit-viaducts (129 km).

<sup>5</sup> Also includes Irrigation Capacity (1.1 lakh ha) and Water Pipelines (1.2 lakh km).

## Offerings

### SPEED & SCALE



Commercial Spaces



Airports



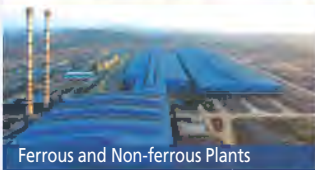
Solar Power Plants



Nuclear Power Plants



Refining and Petchem Plants



Ferrous and Non-ferrous Plants



Launch Vehicles

DIGITALISATION

AUTOMATION

INNOVATION

GLOBAL SOURCING

## Output

GHG Emissions: **0.88 Mn tCO<sub>2</sub>e**  
 GHG Emission Intensity: **6.2 tCO<sub>2</sub>e/₹ Cr**  
 Water offset created: **3.2 Mn kL/year**

### SDG Linkage



Green Business (Revenue): **~₹ 75,500 Cr**  
 Building Infra created<sup>2</sup>: **30.7 Mn sq. ft.**  
 Mobility Infra created<sup>3</sup>: **921**  
 Bridges & Tunnels: **50.2 km**  
**Power Infra Created:**  
 - Transmission Lines: **2,304 ckm**  
 - Solar Power Capacity: **4.3 GWp**  
**Water & Sanitation Infra Created<sup>5</sup>:**  
 - Water Storage Capacity: **529 Mn ltr**  
 - Treatment Capacity: **910 Mn ltr/day**  
 Factory Output<sup>4</sup>: **3,34,304 tonnes**



Revenue per Employee: **₹ 2.4 Cr**  
 Women in senior management: **112**  
 Average training days per employee : **10.1**  
 Accident-free Man Hours: **1,380 Mn**



IPR granted: **3**  
 Value Engineering projects<sup>7</sup>: **313**



CSR beneficiaries: **1.9 Mn**  
 Contribution to Exchequer: **₹ 7,481 Cr**  
 Complaints Received<sup>8</sup>: **1,250**  
 Complaints Resolved : **1,181**



Turnover: **₹ 1,42,509 Cr**  
 PBIT: **₹ 15,294 Cr**  
 Dividend Payout: **₹ 4,676 Cr**  
 Return on Net Worth: **15.94%**



<sup>6</sup> Total production for businesses: Buildings & Factories, Power Transmission & Distribution, Minerals & Metals, Heavy Engineering, Precision Engineering and Systems, L&T Energy-Hydrocarbon and Rubber Processing Machinery.

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

<sup>8</sup> Across the stakeholders, for breakup refer to Section A in Business Responsibility and Sustainability Reporting (BRSR).

# DRIVING STAKEHOLDER ENGAGEMENT

The Company recognises that open and ongoing dialogue with the stakeholders is essential towards shaping a resilient and sustainable business. The engagement approach ensures that the Company is responsive to evolving expectations, aligned with the sustainability strategy with material topics, and committed to building long-term trust.

## Core Principles of Engagement



## Engagement Approach and Governance

The Company engages with a diverse range of stakeholders who influence, or are influenced by, the operations - employees, customers, shareholders, suppliers, regulators, communities, and civil society organisations. The engagement is structured, inclusive and tailored to the nature of each stakeholder relationship.

The Company has established a robust governance system to ensure effective stakeholder engagement and the activities are directly overseen and guided by the top management and senior leaders.





## Government

The government is a critical customer for L&T. It is the primary driver of large-scale infrastructure development and digital transformation in the country. Government (sovereign, sub-national, local) and related entities (public sector enterprises) are the largest customers, making up ~80% of the Company's total revenue, mainly on the infrastructure and energy sectors where L&T is able to leverage its engineering expertise, execution capabilities and innovation to contribute to national development. A strong relationship with the government also enhances L&T's reputation and positions it as a trusted partner in nation-building.

- Review meetings
- Representations - direct and through Industry Associations

- Daily or as required in specific contracts

- Progress updates related to contract execution
- Concerns and support for fulfilling contractual obligations
- Regulatory compliances and reporting requirements
- Advocacy for policy changes and provide inputs for policies and legislation

- Creating nation-building infrastructure
- Job creation and skill development across the country
- Sustainability and green infrastructure



## Customers

Private sector customers comprise ~20% of the Company's total revenue. The contracts are based mostly on the long-term relationship that the Company has developed over the years due to excellence in execution and customer delight. These long-term relationships facilitate collaboration across various common areas between the Company and the customer, including developing new solutions and technologies.

- Review meeting for contract management
- Direct communication: meetings and interactions
- Customer satisfaction surveys and feedback
- Account management
- Visits and audits

- Daily or as required in specific contracts
- Bi-annual satisfaction surveys

- Quality and safety
- Timely execution and delivery of product/project
- Data privacy and confidentiality
- Fair and competitive pricing
- Transparency in billing and performance
- Progress updates related to contract execution
- Seek support for fulfilling contractual obligations
- Partnerships for collaboration and innovation

- Customer satisfaction
- Enhanced customer experience
- Repeat customer
- Productive assets in line with customer requirements

### Legend

Engagement  
Channels

Frequency

Key Focus Areas and  
Topics of Discussion

Value Creation



## Employees and Workers

The workforce is the backbone of the Company - they bring the skills, expertise and dedication needed to succeed. An engaged workforce enhances productivity, delivers quality service and fosters innovation, which is critical for staying competitive. Beyond fulfilling job roles, they are key to shaping the Company's culture and reputation. Investing in their well-being and development boosts morale and builds loyalty and long-term growth for the organisation.

- Townhalls and direct interaction with the top leadership and senior management
- Employee feedback and engagement surveys
- Induction programmes, training, learning sessions
- Performance appraisal
- Complaints and grievance redressal processes
- Circulars and broadcasts, print and online in-house magazines and newsletters
- Welfare initiatives and Employee Assistance Programmes
- HEERA - an AI powered employee assistant for HR queries
- Engagement events: Hi5, L&T Radio, Art Beats and so on

- Continuous, monthly, quarterly, annual and need-based

- Work environment and culture
- Personal development and growth
- Health and safety
- Competitive compensation
- Business outlook and future direction
- Organisational changes, policies and processes
- Feedback on the Company's policies and actions

- Skill development and career progression opportunities
- Growth, learning, development and well-being
- Employee satisfaction, motivation and workforce morale
- Improved operational processes, efficiency and productivity
- Safe workplace



## Supply Chain Partners

L&T has a complex supply chain, with more than 1,00,000 suppliers and in diverse locations across the globe. The supply chain partners play a crucial role in the success of the Company by ensuring the steady flow of goods, services and resources needed to maintain operations and deliver. A strong and reliable supplier network can also drive innovation, support sustainability goals and improve risk resilience. Building strong partnerships with vendors creates mutual value and allows companies to respond more flexibly to market demands and disruptions.

- Vendor and Supplier conference and meets
- Meetings with Business heads and leadership teams
- Grievance redressal platforms
- Contract related meetings
- Online and offline training programmes and capacity-building sessions

- Daily or need basis as per sourcing requirement
- Annual meets

- Feedback, clear and timely information about requirements and changes
- Contractual and non-contractual grievances
- Training and awareness
- ESG assessment of critical supply chain partners
- Sourcing and service-related concerns
- Vendor management issues
- Compliance with regulations and industry norms/standards
- Vendor Performance : monitoring, assessment and development

- Strong and long term relationships and partnerships towards achieving mutual goals
- Fair, transparent and ethical supply chain practices
- Performance excellence
- Initiatives to enhance quality and meet ESG standards
- Knowledge and good practice sharing
- Leverage the expertise of each other for mutual benefit
- Identifying and mitigating supply chain risks
- Economic progress of MSMEs

### Legend

Engagement Channels

Frequency

Key Focus Areas and Topics of Discussion

Value Creation



## Shareholders and Investors

Shareholders and investors are key stakeholders for L&T who provide the essential capital that fuels the Company's growth, innovation and determines the long-term strategy. Additionally, shareholders influence governance and strategic direction through their voting rights and engagement. L&T's commitment to value creation, transparency and sustainable performance directly aligns with the expectations of its shareholders and investors, making them integral to the Company's success and resilience.

- Investor meets
- Integrated Annual Reports and other public disclosures
- Annual General Meeting (AGM)
- Quarterly results on performance and Investor presentations
- Investor Relations
- Exclusive section on Company website at <https://investors.larsentoubro.com/>
- Social media and digital platforms
- One-on-one meetings
- Regulatory filings, newsletters, press releases
- Stock Exchange filings
- Dedicated e-mail ID and toll-free number

- Need basis as required by investors
- AGM
- Quarterly : investor meets

- Business performance : financial and non-financial
- Concerns with respect to policies and actions
- Growth opportunities and future plan

- Trust and confidence in the Company and the management
- Value enhancement - return to shareholder investments



## Communities and NGO Partners

Essential allies for the Company, they help in building trust, strengthening social licence to operate, and creating shared value. Local communities provide insights into social, cultural and environmental contexts, ensuring that business activities are respectful, inclusive and responsive. NGO partners bring expertise, credibility and networks that can enhance the Company's impact, especially in areas like sustainability, community engagement rights and social development. Collaborating with these stakeholders not only supports long-term community well-being but also reinforces the Company's reputation, resilience and purpose-driven growth.

- Direct engagement and/or through NGO partners, civil society organisations
- CSR project implementation
- Community needs assessment
- Impact assessment of projects
- Community visits, meetings with community representatives
- Formation of village institutions and regular meetings

- Need-based as required for specific projects
- Quarterly : NGO partners

- Community development programmes based on the needs of the community
- Local employment
- Resolution of concerns with respect to project implementation
- Strengthening local infrastructure and providing livelihood opportunities

- Social licence to operate and positive social impact
- Improved standard of living and empowerment of underprivileged and vulnerable communities
- Enhanced community relations
- Risk reduction and conflict avoidance
- Employee engagement and morale

### Legend

Engagement  
Channels

Frequency

Key Focus Areas and  
Topics of Discussion

Value Creation



## Regulatory Bodies

Regulators play a vital role in shaping the environment in which the Company operates. By setting and enforcing standards - whether related to finance, environmental protection, labour, or data privacy - regulators help maintain trust between businesses, customers and society. L&T has presence in diverse sectors of the economy, and therefore, sectoral regulatory bodies are also important stakeholders.

- Representation and participation in policy advocacy issues through industry associations and at various forums
- Collaborative initiatives with regulators for the development of sector-specific policies
- Direct interactions on a case-to-case basis
- Public consultations
- Regulatory audits and inspections

- Need-based

- Compliance with laws and regulations and sound corporate governance mechanisms
- Inputs on new policies and regulations
- Transparency in disclosures
- Climate change and natural resources management

- Enhanced regulatory compliance
- Stronger brand reputation and credibility
- Contribution towards national goals
- Commitment towards transparent and responsible business practices
- Contribute to the development of policies and regulations and overall advancement of the construction and infrastructure sectors in India



## Media

Media plays a key role in shaping public perception. Positive media coverage builds brand trust, while negative press can impact credibility, investor confidence, and even market value. Media helps influence L&T's reputation provides a critical link in the feedback loop on issues related to the Company and the Brand.

- Direct communication and media interaction through leadership interviews, press briefings by senior leadership
- Media briefing and press releases available at <https://www.larsentoubro.com/corporate/media/press-releases/>
- Quarterly results and investor presentation
- Integrated Annual Report
- AGM
- Crisis communication
- Social media handles

- Need- and issue-based
- Quarterly media interaction after financial results

- Major project wins
- Strategic initiatives (e.g. sustainability, digital transformation)
- Business updates, milestones and anniversaries, achievements
- Sustainability issues and responsible business practices

- Awareness of the Company's businesses and offerings
- Enhance brand value and public perception
- Input for improving organisational strategy by understanding and addressing media expectations and challenges
- Disclosure of business practices and impacts through integrated annual reports

### Legend

Engagement Channels

Frequency

Key Focus Areas and Topics of Discussion

Value Creation

# OUTLOOK AND STRATEGIC PRIORITIES

L&T is committed to enhancing its stakeholder engagement to foster stronger relationships and ensure alignment with its strategic objectives. L&T's stakeholder engagement will continue to focus on the following key areas:



## Enhanced Communication Channels

Leverage both traditional and digital platforms to maintain continuous and transparent communication with stakeholders. This includes regular updates through newsletters, social media and dedicated stakeholder portals.



## Regular Stakeholder Surveys

Conduct more comprehensive surveys and feedback sessions; the insights from which influence the Company's strategies and initiatives, ensuring that they are aligned with stakeholder needs.



## Inclusive Decision-Making

Increased involvement of stakeholders in the decision-making process by organising forums, workshops, and roundtable discussions. This inclusive approach will help gather diverse perspectives and fostering a sense of ownership among stakeholders.



## Sustainability and ESG Focus

Continue to prioritise ESG principles in its operations. The Company is already in the process of revisiting the materiality identification through double materiality process and is engaging with stakeholders to co-create sustainable solutions and drive initiatives that contribute to long-term value creation.



## Community Engagement

Further strengthen its community engagement efforts by partnering with local organisations and NGOs. These collaborations will continue to focus on social development projects, education, skilling, healthcare, water and sanitation and environmental conservation, ensuring positive impacts on the communities where L&T operates.



## Transparent Reporting

Enhance its reporting mechanisms to provide stakeholders with clear and comprehensive information about the Company's performance, governance practices and sustainability initiatives. This includes regular publication of sustainability reports and updates on key projects and milestones.

These strategies reflect L&T's commitment to ESG principles, aiming to earn stakeholder trust, catalyse cooperation, and promote sustainable, inclusive growth.

# UNDERSTANDING MATERIALITY

Materiality assessment serves as a critical input to L&T’s sustainability strategy, ensuring that the most significant ESG topics are identified and addressed in alignment with stakeholder expectations and the Company’s long-term business objectives. The process carefully balances stakeholder concerns with the strategic importance of each topic to the business.

As a policy, L&T undertakes materiality exercise every three years, while revisiting the material topics annually. In 2022, L&T undertook a structured materiality assessment by engaging a broad spectrum of internal and external stakeholders. This process helped identify the sustainability topics most relevant to the Company’s operations and value chain. To align with evolving global reporting standards and deepening stakeholder expectations, L&T initiated its first-ever Double Materiality, designed to evaluate material topics through two complementary lens:

- **Inside-Out:** The Company’s actual and potential impacts on people, the environment and society
- **Outside-In:** How sustainability issues, including climate change, affect L&T’s business performance, resilience and value creation

The ongoing exercise is expected to conclude during FY 2025–26. The outcomes of the double materiality will enhance the ability to identify and address critical ESG risks and opportunities, strengthen transparency and embed sustainability deeper into enterprise-wide decision-making.



## MATERIAL TOPICS


There were 32 potential material topics identified that directly or indirectly impacted the business 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 topics below are as follows (not ranked):



## Overview of the Material Topics

Some material topics present potential risks for the Company, requiring focused efforts on mitigation to safeguard long-term value. Others offer strategic opportunities that the Company actively leverages to enhance internal systems, drive innovation and improve overall business performance. This balanced approach enables L&T to address sustainability challenges while unlocking value through responsible practices.

### Legend

-  Material topic identified
-  Why is it material?
-  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

- Significant exposure to emerging and climate-related physical and transitional risks due to the nature of the business.
- These risks could adversely impact Company's resources, assets, performance and business continuity.
- Failure to adaptation can erode competitive advantage and may lead to regulatory penalties.
- Deployment of innovative technologies to tackle climate change can usher in opportunities for new streams of revenue, increased operational efficiencies and competitive advantage.
- Opportunities emerge from initiatives being undertaken for increasing renewable energy sourcing, reducing water consumption and business offerings which have positive impact on the environment.
- Climate risk management integrated into the Company's Enterprise Risk Management framework, ensuring a structured and forward-looking approach to identifying and addressing climate-related risks.
- Have set ambitious targets for Carbon Neutrality by 2040 and Water Neutrality by 2035 and actively implementing strategies across operations to achieve these goals.
- To enhance operational resilience, project schedule is designed with appropriate buffers to accommodate potential disruptions caused by extreme weather events.
- Strategically diversifying the portfolio by expanding into green businesses, thereby aligning its growth trajectory with low-carbon and climate-resilient pathways.
- Board-level Committee governs sustainability-related operational and financial risks and performance.

*Refer to 'Natural Capital' for more details.*



### Water, Waste and Hazardous Materials Management

- Improper management of waste generated from operations - particularly hazardous waste - poses significant environmental and social risks, including potential impacts on surrounding communities.
- Sustainable sourcing of natural materials such as aggregates and soil remains a key area of concern, especially in ecologically sensitive regions.
- Waste management is an integral component of the Company's EHS management system.
- Compliance with applicable laws and regulations governing the handling, storage and disposal of both hazardous and non-hazardous waste.
- Waste management proactively addressed through structured protocols and monitoring mechanisms.
- At operational sites, recycling and reuse of non-hazardous waste being actively pursued to reduce environmental impact and support circular economy objectives.
- Sourcing of natural materials such as aggregates and sand is also being monitored closely, especially in regions where resource depletion is a concern.
- Implementing wastewater recycling systems and rainwater harvesting across key locations to reduce freshwater dependency and enhance water resilience.




Refer to 'Natural Capital' section for more details.

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

- Inherent nature of operations can expose the workforce to occupational risks and hazards, potentially affecting their health, safety and productivity.
- Ineffective management of health and safety can expose the workforce to risks.
- Safety incidents can lead to reduced workforce productivity, morale, loss of skilled man-hours.
- Subsequently, adverse impact on operations, customer satisfaction and profitability.
- Effective engagement fosters high retention rate, employee satisfaction and effectiveness, and reduces employee turnover rate.
- Comprehensive approach to occupational health and safety, integrating preventive measures, training and compliance with regulatory standards.
- Certified with ISO 45001:2018 and other global standards.
- Focus on lead indicators and preventive measures over incident management.
- Training and awareness conducted extensively to implement processes and systems.
- Holistic well-being strategy adopted, addressing both physical and mental health needs of employees.
- Mental health awareness programmes, counselling, coaching and sensitisation workshops are also being organised for employees to enable them to handle challenging situations.

Refer to 'Human Capital' section for more details.

#### Legend

-  Material topic identified
-  Why is it material?
-  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
- Why is it material?
- 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

- Nature of operations and the engagement of a large number of contractual workers present potential human rights risks.
- Non-adherence to labour laws or human rights violations - even within the supply chain - could result in reputational damage and regulatory consequences.
- Such violations may lead to increased compliance costs, operational disruptions and stakeholder concerns.
- Established a Sustainable Supply Chain Policy and Supplier Code of Conduct.
- Grievance redressal mechanism for employees and workers in place to address concerns in a timely and transparent manner.
- ESG assessment of critical suppliers conducted during the year to ensure alignment with human rights and labour standards.
- Training and awareness programmes conducted for employees, workers and suppliers to reinforce ethical labour practices and regulatory compliance.
- Human Rights Due Diligence is conducted at sites and facilities to understand the risks and any gaps in the existing processes.
- Key manufacturing facilities certified with SA8000.
- Adherence to applicable labour regulations, supplier code of conduct and periodic assessments to mitigate these risks.

Refer to 'Human Capital' section for more details.

SO-V







Skilled Manpower

- Delivering high-quality output and meeting strict contract timelines require a consistently available pool of skilled and semi-skilled workers.
- The industry is facing an increasing shortage of skilled manpower, driven by rising demand across sectors and limited supply from formal training ecosystems.
- High attrition among contract workers further compound the challenge and add to risks linked to project continuity, quality and safety performance.
- On-site training programmes are conducted by specialised training bodies (Construction Skills Training Institutes and Skills Hubs) to upskill workers based on specific project requirements.
- Dedicated team responsible for planning and sourcing of contractual workers, ensuring timely availability of skilled manpower.
- Head-HR for Workmen appointed to oversee effective sourcing, deployment, development, management and retention of workers.
- Central Workmen Mobilisation Cell (CWMC) formed to consolidate worker requirements across businesses, collaborate with IR heads and Head-HR for Workmen, and arrange mobilisation of workers from various sourcing centres.
- Task Force for Subcontractor Management formed to dwell on aspects of subcontractor development, rewards and recognition, retention of workermen, streamlined timely payment, workermen welfare and ensuring implementation of improvement ideas in collaboration with businesses.

SO-V







**Talent Management - Attraction, Retention and Development**

- One of the key drivers of L&T's success, directly influencing innovation, project execution, client satisfaction and long-term competitiveness.
- Effective talent management encompasses hiring the right people, reducing attrition, enhancing productivity and building industry-specific capabilities.
- Strong leadership pipeline essential for business continuity and succession planning, especially in a complex and evolving infrastructure and EPC environment.
- Shortfalls in attracting, developing, or retaining talent may lead to operational inefficiencies, delays and reduced organisational agility.
- Traditionally, this sector faces challenges such as limited workforce diversity and shortage of future-ready talent.
- Customised learning and development programmes offered in partnership with leading educational institutions, tailored to different skill requirements and organisational levels.
- Leveraging digital platforms for training delivery, feedback, and employee engagement, ensuring accessibility, scalability and effectiveness in talent development.
- Strategic talent management enables the Company to stay resilient, reduce attrition, adapt to emerging technologies and support its long-term sustainability and growth ambitions.

**Diversity, Inclusion and Equal Opportunity**

- A diverse and inclusive workplace helps attract top talent across genders, geographies and backgrounds, crucial in a competitive talent market.
- Diversity of thought, experience, and perspective contributes to more innovative solutions
- Inclusive workplaces foster a sense of belonging, which boosts morale, productivity and organisational commitment.
- Strengthens brand image and investor confidence.
- As L&T expands into new markets and hires younger, more diverse talent, fostering an inclusive culture becomes essential for long-term growth. 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
- Why is it material?
- 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

- 
- 

- 
-

**Legend**

- Material topic identified
- Why is it material?
- 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**

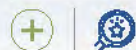
- Integral to the Company's strategy, business objectives, and aligned with societal needs.
- Enhances the Company's reputation, builds stakeholder trust and fosters goodwill among communities, customers and investors.
- Instils a sense of purpose and pride, fostering greater engagement and loyalty amongst employees.
- Community-focused programmes and sustainable practices not only benefit society but also contribute to the Company's long-term sustainability goals, creating shared value for both the business and its stakeholders.

**Customer Experience and Satisfaction**

- High customer satisfaction and experience lead to loyalty, positive brand perception, long-term growth and relationships, directly impacting the financial performance of the Company.
- Enhanced customer satisfaction is key to thrive in a progressively competitive landscape.
- Offering superior quality of products and services, demonstrating high responsiveness to customers.
- L&T strives to strengthen and maintain its customer-centric approach by focussing on first-time-right quality, timely execution and continuous improvement through feedback.



SO-V



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



Quality of Products and Project Delivery

- Fundamental to L&T’s success, directly impacting customer satisfaction and brand reputation.
- Timely, high-quality product and project delivery is essential, especially in the competitive EPC sector, where clients demand cost-effectiveness, safety and on-time execution.
- Non-compliance with quality standards or project delays can damage the Company’s reputation, lead to cost overruns and result in loss of business.
- Increase in repeat business.
- Quality assurance systems and continuous improvement in practices, along with industry certifications (e.g. ISO 9001) help maintain high standards and drive operational excellence.
- Fosters innovation in project delivery, supporting cost optimisation, sustainability and client satisfaction.



Business Ethics

- Core values of L&T – Integrity, Transparency, Professionalism, Accountability and Fairness – enabled the Company to acquire trust and build a strong brand.
- Upholding the core values require crafting, implementing and strengthening the policies and procedures.
- Compliance to SOPs can be a challenge due to the nature and wide expanse of the businesses, large workforce and frequent changes to regulatory requirements.
- Incidents of non-compliance and breach can expose the Company to legal and financial risks, tarnish brand reputation.
- Spearheaded by the Board and supported by the Board Committees.
- Clear policies, procedures, code of conduct and management systems are in place to foster ethical behaviour.
- Regular training on Code of Conduct (including business ethics) provided to employees.
- Fair and timely disclosures regarding its performance to key stakeholders.
- Whistleblower Policy establishes a vigil mechanism, allowing employees and supply chain partners to report concerns about unethical behaviour, fraud, or violations of the Company’s ethics policies.
- Third-party review of the existing Ethics Framework and recommendations.

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

Legend

- Material topic identified
- Why is it material?
- 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-V



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





Legend

- Material topic identified
- Why is it material?
- 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

- Critical for building equity, loyalty and stakeholder confidence in L&T.
- A strong brand reinforces customer trust, enhances business growth and drives market differentiation in a competitive landscape.
- Vital role in attracting and retaining talent, as well as instilling confidence among shareholders and investors.
- Consistent and positive brand perception contributes to reputation resilience, supports long-term value creation and enhances L&T's position as a responsible and reliable organisation.



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

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Data Security, Privacy and Cybersecurity

- With the increasing digitalisation of its operations, L&T faces heightened cybersecurity risks, making the protection of both Company and customer data a critical priority.
- Any breach or cyber incident can compromise business continuity, damage reputation and lead to significant financial and legal consequences.
- Ensuring data security and privacy is essential for maintaining stakeholder trust, especially when dealing with sensitive project information and client data.
- Robust cyber risk management, continuous monitoring and employee awareness are vital to safeguard the Company's digital assets and operational reliability as digital transformation accelerates.
- Multi-year cybersecurity and resiliency roadmap of the Company and invested in state-of-the-art security platforms.
- Policies and practices in place to meet the requirements and certified with ISO/IEC 27001:2022.
- Advanced Security Operations Centres to monitor developments 24x7 and respond to any cyber incidents.
- Vendor and third-party cyber risks addressed through due diligence processes and continuous risk monitoring using digital rating tools.
- Contractual clauses ensure that critical service providers maintain cybersecurity resilience.
- Aligned with the Digital Personal Data Protection (DPDP) Act, 2023

- SO-IV

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## Sustainable Supply Chain

- L&T's large and diverse supplier base makes supply chain sustainability a critical issue - both as a risk and a strategic opportunity.
  - Risks include non-compliance with labour laws, human rights violations, environmental damage and ethical misconduct by suppliers, which can lead to reputational harm, project delays and regulatory penalties.
  - Disruptions due to climate-related events, resource scarcity or geopolitical instability in the supply chain can also impact project timelines and cost.
  - On the opportunity side, promoting a sustainable and resilient supply chain enables L&T to improve efficiency, drive innovation and enhance vendor performance.
  - Sustainable supply chain also supports customer trust and ensures alignment with global sustainability expectations of customers.
- The Company has established comprehensive policies, processes and a Supplier Code of Conduct to drive responsible business practices across its value chain.
  - Signing the Code of Conduct is a mandatory step in the onboarding process for all supply chain partners.
  - Initiated ESG assessments of critical suppliers to evaluate performance and identify improvement areas.
  - ESG awareness sessions conducted to keep suppliers informed about emerging ESG expectations and L&T's sustainability priorities.




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

### Legend

- Material topic identified
- Why is it material?
- 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



# SUSTAINABILITY GOVERNANCE AND MANAGEMENT

L&T has embedded sustainability at the heart of its strategic approach through a robust governance framework. This framework is designed to incorporate ESG principles into decision-making processes, with a strong focus on transparency and accountability. By integrating ESG principles into its management processes, the Company aims to generate long-term value for all its stakeholders.

## Strategy

As part of the Lakshya 2026 plan, the Company re-evaluated shareholder value creation, defined social obligations and established sustainability goals. This assessment led to the re-articulation of the Company's Strategic Objectives (SOs), which help drive initiatives for sustained value creation. In the upcoming five-year plan, Lakshya 2031, the Company will re-assess strategy, targets and initiatives for sustainability.



## Implementation

L&T has established a multi-tiered governance structure to oversee and implement its sustainability strategy effectively. The sustainability agenda is guided by the CSR & Sustainability Committee of the Board and driven by Executive Committee members across the businesses.

### Board Oversight

The Board Committee plays a critical role in driving sustainability by setting strategic priorities and ensuring alignment with national and global sustainability standards. The CSR & Sustainability Committee provides tactical guidance and ensures alignment of sustainability initiatives with priority and materiality. The Committee monitors the Company's sustainability performance through a structured meeting held every quarter and reviews the annual disclosures through Integrated Report and BRSR. The terms of reference of the committee on sustainability are as follows:

- Formulate and recommend to the Board a Sustainability Policy and suggest any changes thereto;
- Provide guidance for the development of the long-term Sustainability Plan;
- Monitor implementation of the Sustainability Plan from time to time;
- Review of the Company's Business Responsibility and Sustainability Report (BRSR).








### Executive Leadership

This comprises the Executive Committee, senior leaders at the business level and corporate functions who ensure the implementation of sustainability policies and integration of ESG factors into operational decision-making across the various businesses. The Executive Committee reviews the sustainability performance on a monthly basis.

### Councils and Committees

The Company has constituted various in-house councils and committees to help formulate policies, drive implementation and monitor performance against the targets for specific areas across different businesses and functions. These Councils meet at least once in a quarter or on a need basis.



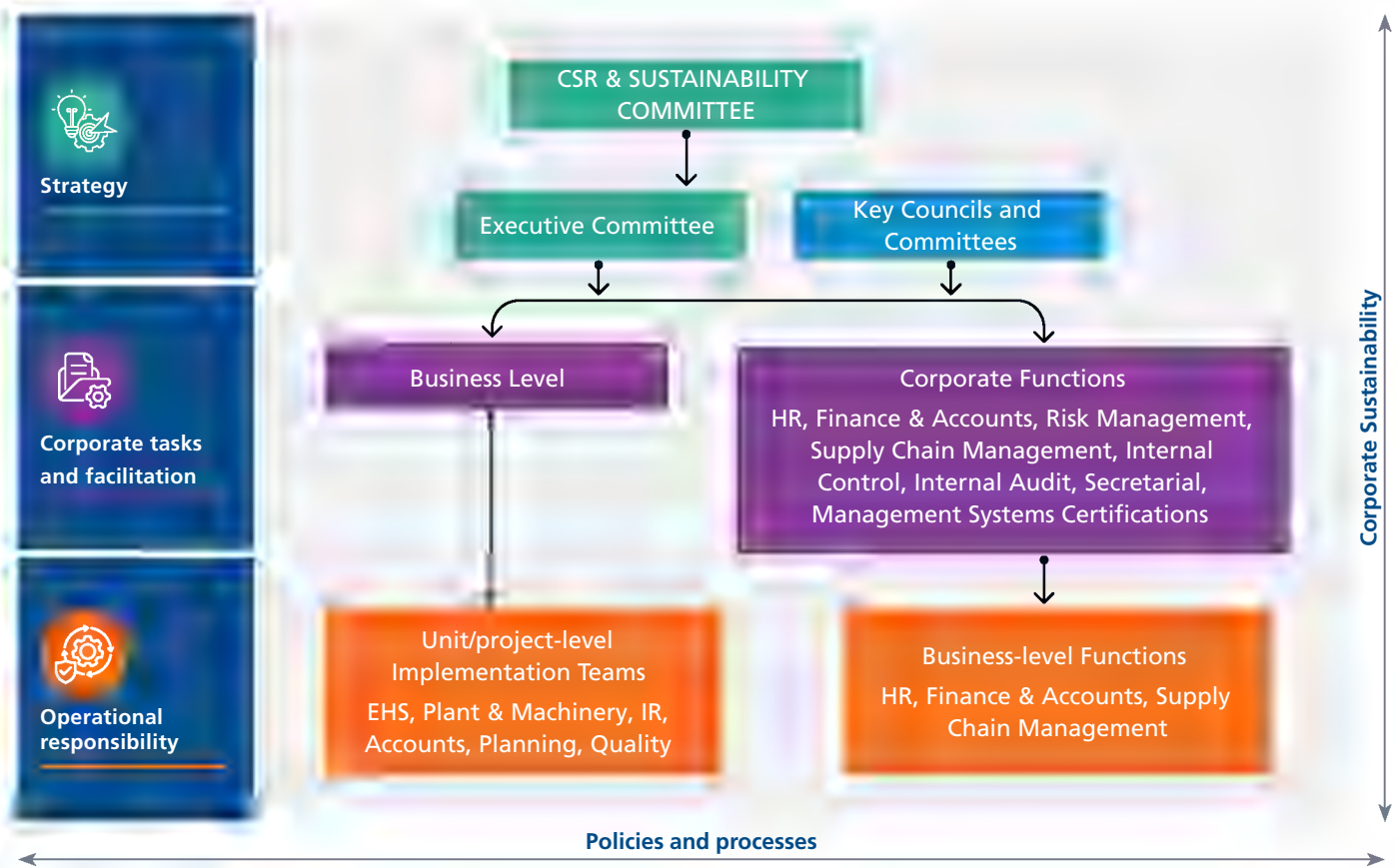
COUNCILS AND COMMITTEES	SCOPE	HEADED BY AND CONVENED BY
 <b>Group CSR Council</b>	Comprising members across the Group companies, the council ensures alignment of CSR initiatives to the overall Group vision and strategy, collaboration for effective execution, and leveraging synergies in community development efforts	Group CFO, Head - CSR
 <b>HRC Council</b>	Focuses on improving and implementing HR policies and procedures for talent retention, recruitment, learning & development, skilling, leadership development, super specialised skill development, and other related areas	Group CFO, CHRO
 <b>EHS Council</b>	Aims to make EHS processes more robust, institutionalise best practices and help achieve the Company's 'Mission Zero Harm'	Deputy MD, Head - EHS of one of the businesses
 <b>Green Campus / Sustainability Task Force</b>	Focuses on setting targets linked to the environment, driving the implementation of Carbon and Water Neutrality plans, and identifying improvement areas	Deputy MD, Head - Strategy and Special Initiatives
 <b>Material Council</b>	Helps formulate strategies for common procurement of key products and commodities, leading to enhanced cost savings, supply chain risk management, and creating and cascading best practices in supplier management techniques and sustainability in the supply chain	Whole-time Director, Head - Supply Chain Management
 <b>Group IT &amp; Cybersecurity Council</b>	Apex level council focuses on strategic decisions related to IT systems and infrastructure management, cybersecurity management, and implementation of policies and procedures	Whole-time Director, Chief Information Officer
 <b>Quality Council</b>	Apex level council aims for continuous improvement of quality across the Company by integrating quality leadership in its diverse businesses through collaboration and leveraging cross-learning	Whole-time Director, Head - QA & QC of one of the businesses

### Corporate Sustainability

A dedicated team at the Company, headed by a Chief Sustainability Officer, is responsible for formulating key policies, monitoring sustainability performance, driving ESG initiatives, ESG capacity building, and engaging with stakeholders. The team is responsible for providing periodic updates and reviews of sustainability performance to the Board Committee and the Executive Committee.

### Business Level

Comprises representatives from various business verticals, facilitates collaboration, and ensures that sustainability goals are met across all operations, facilities and projects.



## Policies and Commitment

L&T’s sustainability governance is guided by well-defined policies and commitments. The policies are available at <https://www.larsentoubro.com/corporate/about-lt-group/corporate-policies/>. Some of the key policies are:

- **Sustainability Policy:** Outlines the Company’s commitment to responsible business practices, climate action, and stakeholder engagement
- **Code of Conduct:** Ensures ethical business conduct and compliance with regulatory requirements
- **Sustainable Supply Chain Policy:** Lays down the fundamental standards and states the expectations from supply chain partners with respect to environment protection, health & safety norms, labour standards, human rights, ethical business practices, and good governance
- **EHS Policy:** Identifies and mitigates sustainability risks in operations and supply chains, focussing on creating and ensuring a healthy and safe workplace
- **Equal Opportunity Policy:** Commitment towards fostering a diverse and inclusive workplace by providing equal opportunities in employment and career growth
- **Anti-Bribery and Anti-Corruption Policy:** Uphold a zero-tolerance stance on bribery and corruption, ensuring adherence to all pertinent laws across its operations



## Reporting and Transparency

The Company follows recognised international reporting standards to ensure transparency and accountability in sustainability performance. The Company publishes:

- Integrated Annual Report based on the Integrated Reporting <IR> Framework
- Business Responsibility and Sustainability Reports (BRSR) in line with regulatory requirements, which is a framework mandated by the Securities and Exchange Board of India (SEBI) for the top 1,000 listed entities to disclose their ESG performance
- ESG performance updates to stakeholders, investors, and rating agencies
- Other disclosures such as CDP and ESG Ratings such as MSCI and CRISIL



## Sustainability Initiatives and Governance Impact

The strong leadership and commitment have enabled the Company to implement several initiatives, including:

- **Decarbonisation Roadmap:** Setting targets for reducing greenhouse gas emissions and increasing renewable energy adoption
- **Water Neutrality Roadmap:** Setting targets for reducing water consumption, reducing freshwater withdrawal, and creating offset through water conservation from CSR projects
- **Sustainable Supply Chain Management:** Engaging with suppliers to adhere to ESG standards, carrying out ESG assessment of critical supply chain partners and helping them improve their sustainability framework
- **Employee Engagement and Training:** Conducting workshops and training programmes to build sustainability awareness
- **Stakeholder Engagement:** Collaborating with customers, investors, and regulatory bodies to advance sustainability goals
- Other initiatives such as refraining from Single-Use Plastic and making the various manufacturing facilities of the Company 'Zero-Waste to Landfill'-certified

L&T's sustainability governance framework ensures that ESG principles are embedded in every aspect of its operations. By fostering a culture of responsibility, transparency and innovation, the Company continues to strengthen its sustainability performance while creating long-term value for stakeholders. It remains committed to evolving its governance mechanisms to address emerging sustainability challenges and opportunities.



## Management Systems

The Company has implemented various management systems based on globally recognised standards, e.g., ISO 9001, ISO 14001, and ISO 45001, which provide structured, reliable, and enhanced processes to implement various policies, thereby leading to better quality, increased efficiency, and better credibility and trust with customers, partners and stakeholders.

Some critical systems, e.g., Quality Management Systems, Environment Management Systems, Occupational Health & Safety Management Systems, and/or Integrated Management Systems (IMS), have been implemented across all the business units of the Company, while some systems, e.g., Energy Management System (ISO 50001),

Social Accountability (SA8000), Information Security Management System, and Risk Management System have been implemented in a few businesses, locations or functions, e.g., manufacturing facilities, IT systems.

These management systems are certified by third-party verification agencies, e.g., DNV India, TUV-Nord, and LRQA, against the applicable standards and as per certification or re-certification period. New certifications are also being explored, such as Artificial Intelligence Management Systems, Anti-Bribery Management Systems, HR Management Systems, Diversity & Inclusion, Gender Equality, Women Empowerment, and so on.

## Anti-Bribery and Anti-Corruption (ABAC) Disclosure

L&T is committed to maintaining the highest standards of integrity, transparency and ethical business conduct. The Company has a zero-tolerance policy for bribery and corruption and actively works to prevent and mitigate risks across the operations and supply chain.

### Governance and Oversight

The senior management oversees the anti-bribery and anti-corruption efforts, ensuring compliance with Indian regulations such as the Prevention of Corruption Act, the Bharatiya Nyaya Sanhita 2023, Central Vigilance Commission Act 2003, the Lokpal and Lokayukta Act 2013, and other acts passed by various states of India, Foreign Contribution (Regulation) Act 2010, Fugitive Economic Offenders Act 2018, and any other country-specific legal frameworks and guidance. The Compliance Officer or any person authorised by the Company or a senior officer of the Company is responsible for monitoring, evaluating and resolving the ABAC policies and procedures.

### Anti-Bribery and Anti-Corruption (ABAC) Policy and Procedures

The ABAC Policy is the guiding framework for ensuring compliance with various legislations and standards of behaviour to which all must adhere, enforcing that, wherever the Company operates, it does not engage in any activity amounting to bribery, corruption or other unethical business practices. The policy applies to all employees working at all levels and grades of the Company, including Board members, senior managerial personnel and fixed-term contract employees.

For any other third-party transactions, the Code of Conduct for Suppliers is applicable, which is extended to all suppliers who do business with the Company, including contractors, subcontractors, vendors, consultants, agents, business partners, collaborators and others who work for or supply goods and services to L&T, including their personnel (employees, vendors or sub-contractors).

Key components include:

- Prohibition of and strict 'zero tolerance' policy against corruption, bribery, giving or receipt of facilitation payments in any form
- Compliance with applicable laws and political contributions
- Thorough due diligence prior to engaging or appointing any third party
- Monitoring and enforcement mechanisms, including procedures to deal with potential violations, record keeping and reporting

To ensure a culture of compliance, the Company conducts Ethics and Code of Conduct training for *employees, including non-permanent employees*, during the year.

### Performance Metrics and Reporting

The Company regularly tracks and reports on anti-bribery and anti-corruption performance. During the year, the Company faced **zero** fines or regulatory penalties related to bribery or corruption.



**77%**

*of the employees completed training on Code of Conduct online module*



## Approach to Business Ethics

The Company is committed to upholding the highest standards of ethics and integrity in all aspects of the business. Ethics Audit is a key component of the sustainability strategy, ensuring transparency, accountability and adherence to ethical business practices. Following is the approach to assessing ethical performance and steps for continuous improvement.

### Governance and Ethical Leadership

Ethical leadership is embedded in the corporate governance framework. The leadership and senior management oversee ethical compliance, ensuring that the operations align with global best practices. Key elements include:

- A clearly defined Code of Conduct for Board Members and Senior Management
- Code of Ethics and Conduct, applicable to all employees, suppliers and stakeholders
- Regular ethics training programme for employees at all levels
- A whistleblower protection mechanism to encourage reporting of unethical behaviour without fear of retaliation

### Whistleblower Policy and Mechanism

The Whistleblowing Policy enables employees, stakeholders and third-parties to report concerns related to fraud, corruption, unethical behaviour, or any violation of the Company policies without fear of retaliation. The key features include:

- Confidentiality and Anonymity: Whistleblowers' identities are fully protected
- Non-Retaliation: The Company ensures that no whistleblower faces discrimination or retaliation for reporting in good faith
- Reporting Channels: Concerns can be reported via email, orally (later converted into written), or post
- Investigation Process: All complaints are reviewed by an independent Whistleblowing Investigation Committee, ensuring fair and prompt action
- Accountability: If misconduct is substantiated, appropriate corrective measures and disciplinary actions are taken

Whistleblowing Policy for Vendors provides a secure and confidential platform to report any unethical conduct, fraud, corruption, or violation of legal and contractual obligations related to the Company's business operations. The key features include:

- Confidential and Anonymous Reporting: Vendors can report concerns without fear of identity disclosure
- Non-retaliation Assurance: The Company ensures protection against any adverse action for whistleblowers reporting in good faith
- Multiple Reporting Channels: Complaints can be raised via a dedicated email or post
- Independent Investigation: All reports are assessed objectively by Corporate Audit services
- Strict Action against violations: Proven cases result in corrective measures, including contractual actions or legal recourse

The Company encourages a culture of openness and ethical responsibility, reinforcing its commitment to corporate governance and compliance. The Company encourages its vendors to uphold ethical standards and report any concerns, fostering a transparent and responsible business environment.

### External Ethics Audit

During the year, the Company assigned an independent third-party to review the existing Ethics Framework and provide recommendations. The key policies and procedures included in the review are as follows:

- Code of Conduct for Board Members and Senior Management
- Code of Conduct for Employees
- Code of Conduct for Suppliers
- Whistleblower Policy for Employees
- Whistleblower Policy for Vendors and Channel Partners
- Anti-Bribery and Anti-Corruption Policy and Compliance Procedures

Based on the review and suggestions made by the third-party, improvement areas were identified and discussed at the Executive Committee. These identified issues were taken up by the respective policy custodians and addressed by making suitable changes in the policies and procedures.

Key recommendations and improvements are given below:

- Enhance ABAC compliance procedures, including timelines for investigations, documentation, third-party risk assessments and measures to protect whistleblowers from retaliation
- Strengthen due diligence and approval processes prior to the engagement or appointment of third-parties
- Reinforce the Code of Conduct for employees, particularly in areas such as conflict of interest and participation in political activities
- Enhancement in procedures for the investigation and resolution of whistleblower complaints
- Expand and strengthen ethics training programmes with the goal of achieving 100% employee coverage
- Strengthen the Code of Conduct and Whistleblower policy for suppliers

The Company remains dedicated to upholding ethical business practices and fostering a culture of integrity. The efforts to meet the highest global standards and stakeholder expectations will continue

### Prevention of Sexual Harassment (POSH) Policy

L&T is committed to providing all employees a safe, respectful and inclusive workplace. The Prevention of Sexual Harassment (POSH) Policy aligns with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, ensuring a work environment free from harassment. The Policy for Protection of Women's Rights at Workplace has been formulated to guide the Company in redressing sexual harassment-related complaints. This policy is based on the laws of India and applicable to all its establishments located in India, encompassing all employees, and contract workers. This policy also protects anyone visiting the Company's establishments, including clients, customers, third-party contractors, vendors, suppliers, business representatives, and others. The key features are:

- Zero Tolerance Policy: The Company strictly prohibits any form of sexual harassment
- Apex Committee: Two committees have been constituted, the highest body to ensure implementation and compliance with the Act. The apex committees comprise representatives of a few ICCs and other senior leaders of the Company

- Internal Complaints Committee (ICC): Several dedicated ICCs are established to handle complaints fairly and confidentially, ensuring complete coverage of all the work (offices, projects, manufacturing facilities) locations. The constitution of ICCs is in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Multiple Reporting Channels: Employees can report incidents via email, call or verbally to ICC/HR/senior representative
- Confidential and Impartial Investigation: Complaints are investigated with complete sensitivity, confidentiality and impartiality
- Protection Against Retaliation: Employees raising concerns in good faith are safeguarded against any form of victimisation

## Awareness and Communication

- **Employees:** Mandatory training programme for all employees, including non-permanent staff, delivered online through a dedicated learning module
- **Senior Management and Leadership:** Plays a crucial role in fostering a harassment-free environment. Sessions are designed and delivered to enhance leadership accountability and reinforce ethical workplace culture.
- **Workers:** POSH awareness sessions are not only limited to employees but also extended to the contractual workforce. During the year, the Company has ramped up these sessions across locations.

Methods may vary from:

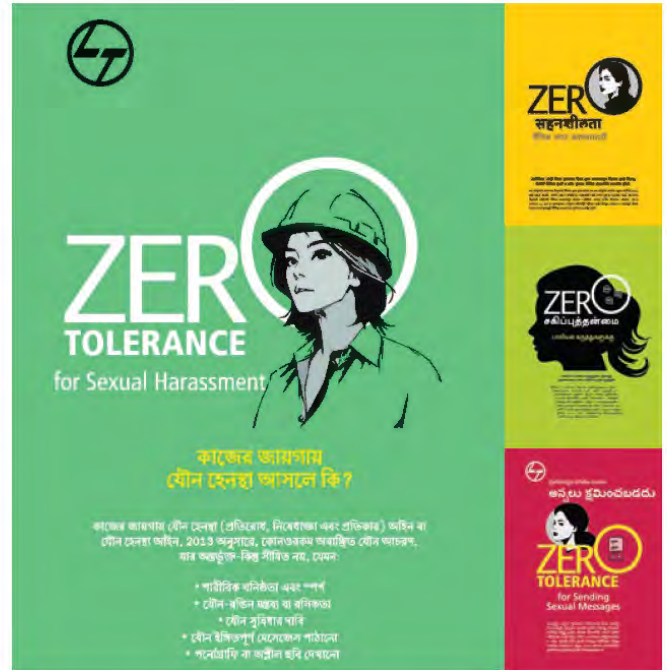
- on-site awareness sessions conducted in local vernacular languages
- posters and visual aids
- simple, easy-to-understand guidelines displayed at work sites
- part of toolbox talks, safety briefings and interactive discussions



More than **100** sessions conducted online and offline covering around 9,000 employees



>**22,000** employees completed POSH online training module



## Cybersecurity

L&T has implemented a robust cybersecurity governance framework that is seamlessly integrated into its enterprise risk management and ESG strategy. This framework ensures that cybersecurity risks are managed with the highest level of oversight and accountability. Cybersecurity risks and the security roadmap are periodically presented to the Board Risk Management Committee (BRMC) and during the Apex Risk Management Committee (ARRMC) meeting.

Cybersecurity is acknowledged as a critical organisational risk with significant potential impacts on financial performance and brand reputation. To ensure a cohesive approach to enterprise risk management, ESG-related risks are integrated with cybersecurity risk matrices. Key aspects include:

- **Regulatory Compliance:** Adherence to regulatory requirements, such as the IT Act, CERT-In guidelines and SEBI directives, is rigorously monitored to ensure compliance and mitigate legal risks.
- **Proactive Risk Identification:** Cybersecurity Assurance assessments are systematically conducted across all business units. These assessments proactively identify and report risks to management, enabling timely and effective risk mitigation.

By recognising and addressing cybersecurity as a top organisational risk, the Company ensures the protection of its financial performance and brand reputation while maintaining regulatory compliance and a unified risk management strategy.

A multi-layered defence strategy has been implemented, including Firewalls, Web Application Firewalls (WAF), Endpoint Detection and Response (EDR), Data Loss Prevention (DLP) and Privileged Access Management (PAM). Vulnerability assessments are conducted regularly, and a 24x7 Security Operations Centre (SOC) uses Security Information and Event Management (SIEM) tools for continuous monitoring, detection and response to cyber threats.

Also, a well-defined Cyber Crisis Management Plan is in place to respond to critical incidents. Incident response follows a structured life-cycle - detection, containment, investigation, mitigation, recovery and reporting - to ensure timely and effective action.

The Company proactively aligns with the Digital Personal Data Protection (DPDP) Act. A centralised data privacy framework is under development to ensure compliance across the organisation. Notably, no data breaches were reported in FY 2024-25.

Furthermore, cybersecurity awareness among employees is promoted through regular training programmes, newsletters, phishing simulations and quizzes. Specialised training for technical teams on incident response and application security is also conducted across the Company.

Moreover, vendor and third-party cyber risks are addressed through rigorous due diligence processes and continuous risk monitoring using digital rating tools. Contractual clauses ensure that critical service providers maintain cybersecurity resilience.

The Company's cyber assurance framework draws from international and national standards, including ISO 27001, NIST, IEC 62443 and CERT-In guidelines. The Company's businesses are certified under ISO 27001 for Information Security Management.

Cybersecurity investments are aligned with a strategic roadmap reviewed by the Executive Committee, addressing both current threat landscapes and anticipated regulatory requirements. These efforts reflect the Company's commitment to safeguarding its digital assets and ensuring business continuity in an increasingly complex cyber risk environment.

Cybersecurity is a critical component of the governance framework, ensuring that digital assets are protected and operate securely in an increasingly digital world. The Company will continuously strive to improve its governance practices, adopting innovative approaches to leverage resources and convert opportunities into achievements.



# ~50%

employees completed 'CyberSankalp',  
the cybersecurity online training module

## Reasonable Assurance of Environment and Non-Environment KPIs

As part of the commitment to robust ESG governance and regulatory compliance, L&T has been undertaking reasonable assurance on select BRSR Core Key Performance Indicators (KPIs) since FY 2023-24. The assurance was conducted by Deloitte Haskins & Sells LLP, an independent third-party assurance partner, in accordance with the Standard on Sustainability Assurance Engagements (SSAE) 3000, 'Assurance Engagements on Sustainability Information', and Standard on Assurance Engagements (SAE) 3410 Assurance Engagements on Greenhouse Gas Statements (together the 'Standards'), both issued by the Sustainability Reporting Standards Board (the 'SRSB') of the Institute of Chartered Accountants of India (ICAI).

Reasonable Assurance for KPIs include GHG footprint, water footprint, energy footprint, waste management, spend towards well-being measures, safety statistics of employees and workers, gross wages paid to females as % of wages paid, complaints on POSH, purchase from MSMEs and from within India, job creation in smaller towns, events related to data breach and cybersecurity and financial KPIs. This process reinforces the Company's integrity in disclosures and enhances stakeholder trust in the credibility and accuracy of sustainability reporting.

L&T is committed to maintaining the highest standards of corporate governance. The governance framework is built on a foundation of transparency, integrity and accountability, ensuring that we operate in a manner that is ethical and responsible. L&T's corporate governance philosophy is rooted in respect for human values, individual dignity, and adherence to honest, ethical and professional conduct.

The Company will continuously strive to improve the governance practices, adopting innovative approaches to leverage resources and convert opportunities into achievements. L&T is committed to enhancing stakeholder value through fair and transparent governance practices. The approach ensures that we meet the expectations of the stakeholders, including customers, employees, investors, and the community at large.



# SUSTAINABILITY HIGHLIGHTS OF FY 2024-25

The Company conducts materiality assessment 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

**69.7** GJ/₹ Cr  
Energy consumption intensity

-16%\*

**15** %  
Electricity from renewable sources



Emissions

**6.2** tCO<sub>2e</sub>/₹ Cr  
GHG emission intensity

-20%\*

**1.7** Mn  
Saplings planted



Water

**108** kL/₹ Cr  
Water consumption intensity



Materials

**28** %  
Recycled and eco-friendly material used



Green Business

**53** %  
Revenue from Green Business

+19%\*



\* Improvement over FY 2023-24



## SOCIAL



Health and Safety

**4.2 Mn**

Safety training man hours



Human Rights

**2**

Key facilities SA8000 certified

**>23,000**

Employees completed online training module



Workforce Skilling and Talent Management

**1,11,000+**

Workers covered



Diversity and Inclusion

**9.1%**

Gender diversity

**112**

Women in senior management



Social Impact

**1.9 Mn**

CSR beneficiaries



## GOVERNANCE



Governance & Ethics

**100%**

New joinees trained on CoC

Brand Management and ESG Ratings

**Crisil**  
ESG Ratings & Analytics

Rated 'Strong' in 2024

**CDP**

Rated 'B' for Climate Change 2024



Customer Centricity

**9.1**

Customer Satisfaction Score out of 10



Data Privacy & Cybersecurity

**Zero**

Cases of data breaches

**ENR**  
Engineering News-Record

Ranked 3<sup>rd</sup> in 'Top 200 Environmental Firms' in 2024



Sustainable Supply Chain

**120**

Critical supply chain partners assessed by third-party agency

**88%**

Critical supply chain partners rated 'Green'

# NATURAL CAPITAL

L&T recognises that its operations, supply chain and growth are intrinsically linked to the health of the environment and is committed to responsible stewardship of natural capital to support sustainable value creation. Although the business activities, primarily EPC projects and high-tech manufacturing, are not classified among the most emissions- or water-

intensive sectors, the significant dependencies and potential impacts associated with land use, material sourcing, and local ecosystems are understood. These dependencies present both risks and opportunities, further shaping the environmental management strategy and long-term vision.



## Key Highlights of FY 2024-25

**15 %** Electricity from  
Renewable sources

**2.6 Mn kL** Wastewater  
Recycled

**16 %** Energy Consumption  
Intensity Reduction

**28 %** Recycled and Eco-friendly  
Material Used

### Strategy linkage<sup>1</sup>



### SDGs impacted



### Material Topics

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

<sup>1</sup> For details, refer to the 'Business Model and Strategy' section of this Report.

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

## Carbon Neutrality Strategy

The Company has targeted to achieve Carbon Neutrality (viz. Scope 1 & 2 emissions) by 2040. Long-term business-as-usual (BAU) projections for GHG emissions from operations are based on FY 2020-21 baseline emissions intensity and future business growth assumptions. The roadmap to implement these strategies has been divided into short-term (1-2 years), medium-term (2-5 years) and long-term (5-15 years) horizons and aligned with the Company's 5-year strategy plan Lakshya.

Two key levers to help achieve carbon-neutral status are:



**Reducing Energy Intensity**



**Decarbonising Energy Consumption**

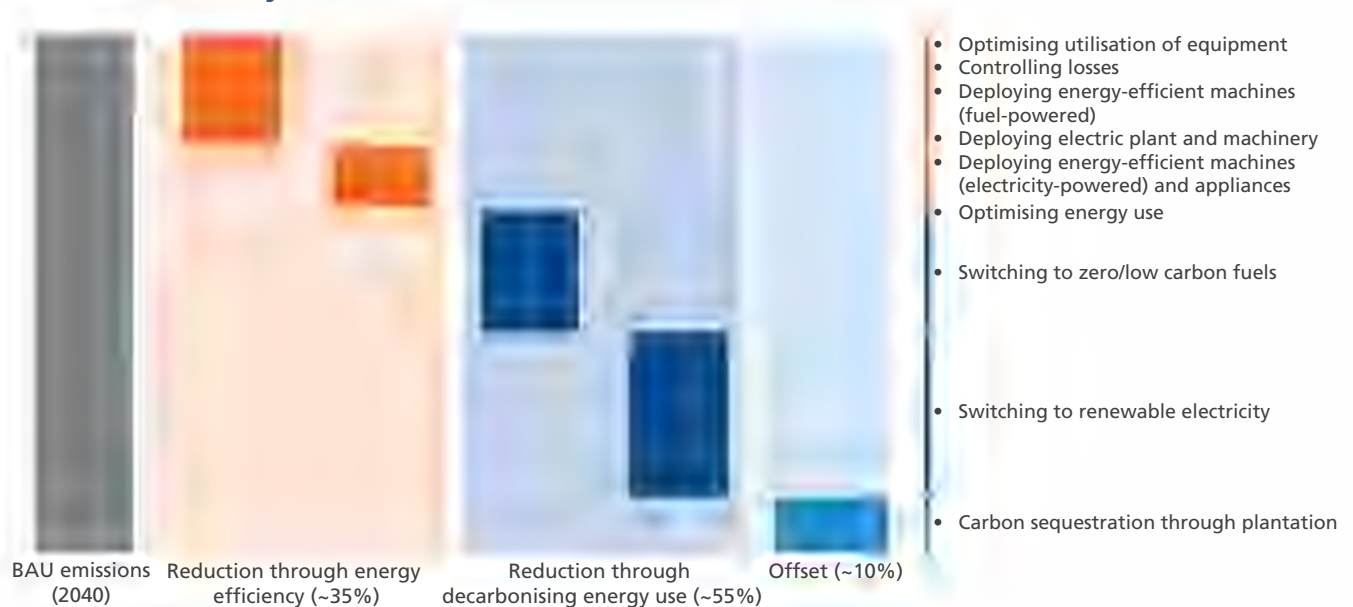
Diesel and electricity are key contributors to the Company's carbon footprint (Scope 1 and Scope 2 emissions). Diesel is used for running construction machinery used at EPC project sites and for electricity generation in many cases. It contributes over 75% to the Company's overall energy consumption, while electricity contributes around 17%.

Based on current estimates, GHG emissions are expected to peak around

FY 2025-26, followed by a gradual decline. In the medium term, the key lever for moderating emissions growth will be reducing energy consumption intensity through enhanced operational efficiency, process optimisation and energy conservation initiatives. In the long term, transitioning to renewable electricity and adopting low- or zero-carbon fuels will be pivotal in driving sustained reductions in absolute emissions.

This strategic phasing out of fossil fuels in energy consumption ensures that emissions are proactively addressed while supporting the Company's long-term growth and sustainability objectives. As the Company continues its growth trajectory, a corresponding increase in energy consumption and associated GHG emissions is anticipated. However, L&T remains committed to aligning its business expansion with a responsible and forward-looking climate strategy.

## Carbon Neutrality Path



## Reducing Energy Intensity

Diesel is the Company's major energy source. Cutting down on diesel consumption helps reduce both energy intensity and GHG emissions. The Company formed a task force in FY 2023-24 to explore and implement solutions to reduce diesel consumption across the business units of the Company.

### Key solutions being implemented are:

*Switching from Diesel Generator (DG) sets to grid electricity supply*

*Replacing diesel-powered equipment with electricity-powered ones*

*Replacing fuel-powered older equipment with more energy-efficient ones*

*Switching to use of hybrid or electric equipment, e.g. light masts, wheel loaders*

In addition, the business units are replacing older equipment with more energy-efficient ones to reduce the consumption of electricity, e.g. Variable Frequency Drive (VFD) or Variable Voltage Variable Frequency (VVFD) to replace conventional drives, 5-star rated appliances to replace 3-star ones, auto control of lighting, and so on.

## Decarbonising Energy Consumption

The Company is focusing on increasing sourcing of renewable energy for electricity consumption to decarbonise the energy consumption. Another task-force constituted is exploring solutions to be implemented at specific locations, some of which are:

*Power Purchase Agreements: Solar, Wind, Hybrid (round-the-clock)*

*On-site solar module installation, both capex and opex modes*

*Open access sourcing through developers, third-parties, group captive*

*Green Tariff*

In addition to expanding renewable electricity use, the Company has begun blending biodiesel with conventional diesel, reducing reliance on fossil fuels - a key step towards decarbonising both stationary and mobile combustion sources.

Furthermore, various business units have begun transitioning to low- and zero-carbon fuels to mitigate emissions. These include using Compressed Natural Gas (CNG), Compressed Biogas (CBG) and biomass pellets as alternatives to traditional fossil fuels.

These initiatives collectively contribute to lowering the Company's overall carbon footprint while enhancing energy source diversification and resilience.



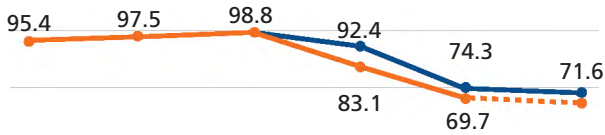
Solar panel installation at Kansbahal facility



Solar panel installation at Talegaon facility

## Progress on Carbon Neutrality Path

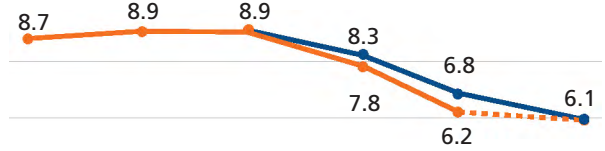
**Emission Intensity Reduction Path**



2020-21 2021-22 2022-23 2023-24 2024-25 2025-26

● Target Intensity (GJ/₹ Cr)  
 ● Current/ Projected Intensity (GJ/₹ Cr)

**Emission Intensity Reduction Path**



2020-21 2021-22 2022-23 2023-24 2024-25 2025-26

● Target Intensity (tCO<sub>2</sub>e/₹ Cr)  
 ● Current/ Projected Intensity (tCO<sub>2</sub>e/₹ Cr)



## Water Neutrality

The Company's water footprint is predominantly influenced by consumption at project sites, particularly for civil works within EPC projects. Water is a critical input for various construction activities and its use is largely determined by technical specifications and the nature of work being executed.

Further, the water consumption pattern at project sites is non-linear and varies across the project life-cycle. For e.g., in a metro rail project, water usage tends to peak during the initial phases, especially when precasting and piling are undertaken. As the project progresses to the installation of precast girders and finishing works, water demand typically tapers off.

Understanding such dynamic usage patterns is essential for effectively planning and managing water resources. The Company continues to explore opportunities for optimising water use, promoting reuse and recycling, and deploying efficient construction practices to minimise freshwater requirement.

**To achieve Water Neutrality by 2035, the Company is focusing on three levers:**

*Reducing water consumption intensity through water-efficient equipment and processes*

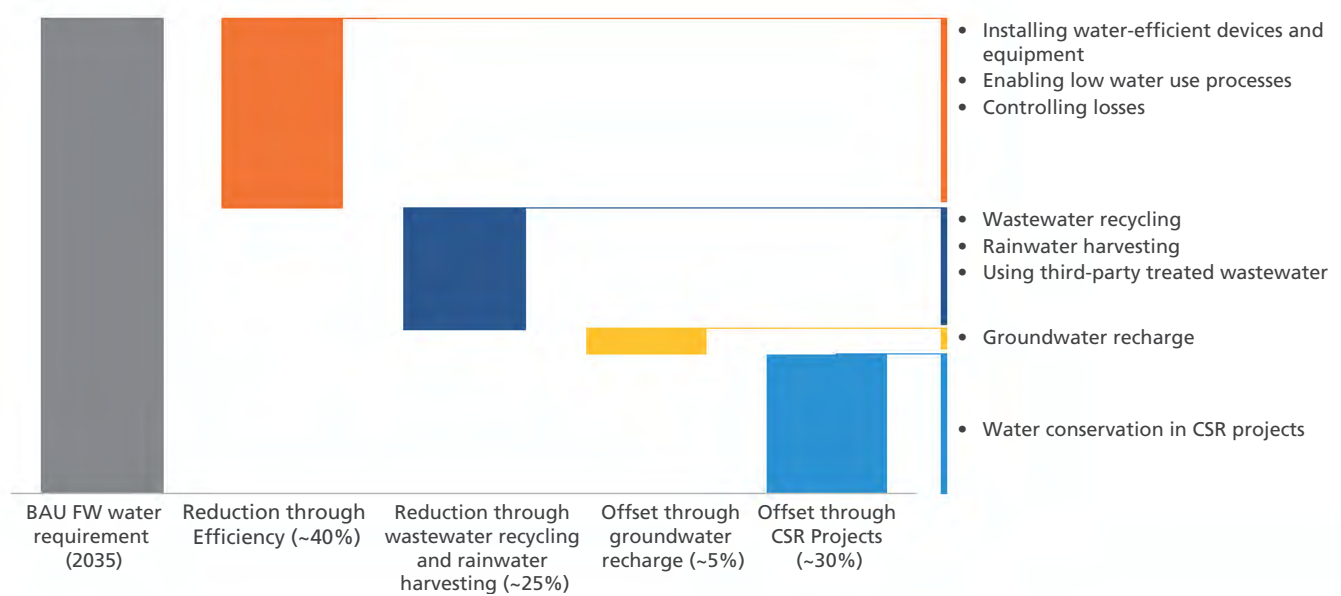
*Reducing freshwater consumption through wastewater recycling, rainwater harvesting and use of treated wastewater from other sources*

*Water offset through groundwater recharge and water conservation in CSR projects*




*To achieve water neutrality, offsetting through water conservation in CSR projects and groundwater recharge would play a significant role.*


## Water Neutrality Path



## Lakshya 2026 Targets on Natural Capital

The Company had set medium-term targets for carbon neutrality, water neutrality and other areas that are a part of the current Lakshya 2026 strategy plan. Based on the progress made, the targets have been revised and these are:

 **30%**  
Emissions Intensity  
Reduction  
(w.r.t FY 2020-21 Baseline)

 **25%**  
Energy Intensity  
Reduction  
(w.r.t FY 2020-21 Baseline)

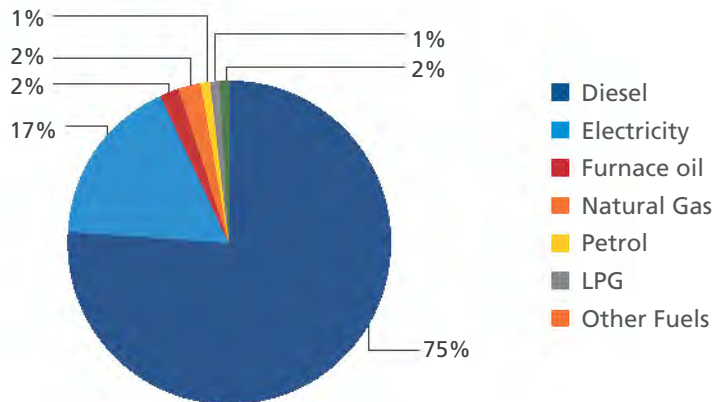
 **1.5 - 2 Mn**  
Plantation every year



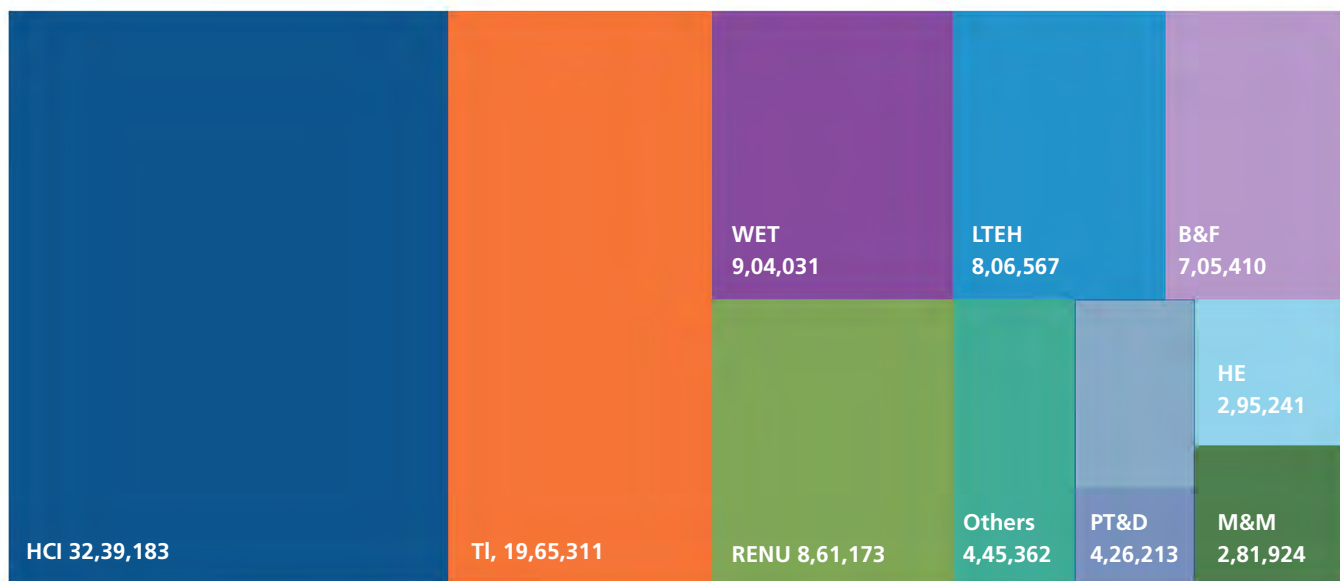
Green cover at Kattupalli facility

## Energy

In FY 2024-25, the Company's total energy consumption was 9.9 million GJ, comprising direct energy consumption of 8.3 million GJ and indirect energy consumption of 1.6 million GJ. Break-up of this energy consumption into renewable and non-renewable sources is provided in Principle 6 of the BRSR report. Diesel has the highest contribution to total energy consumption at 75% and the contribution of other sources are:



### Business-wise split of Energy Consumption (GJ)



**HCI:** Heavy Civil Infrastructure, **TI:** Transportation Infrastructure, **WET:** Water & Effluent Treatment, **RENU:** Renewables, **LTEH:** L&T Energy-Hydrocarbon, **B&F:** Buildings & Factories, **PT&D:** Power Transmission & Distribution, **HE:** Heavy Engineering, **M&M:** Minerals & Metals, **Others:** Offices, Construction & Mining Machinery, Rubber Processing Machinery, L&T-Cloudfiniti, L&T Energy-CarbonLite Solutions, Precision Engineering and Systems, L&T-SuFin



## Renewable Energy

The Company sourced 69 million kWh of renewable electricity, contributing to 15% of the total electricity consumption (461 million kWh) in FY 2024-25. As a result of the actions taken by the various business units of the Company, renewable energy (electricity) increased from 0.16 million GJ in FY 2023-24 to 0.25 million GJ in FY 2024-25, marking an increase of 60%.

Challenges to sourcing renewable energy, like inadequate area for installing solar modules, difficulties in obtaining green open access and green tariffs for temporary connections, and developers' preference for long-term PPAs, persist. The Company continues to explore options to address these challenges.

### Renewable Energy sourcing by type of contract or source

Source	Energy sourced (Mn kWh)
Solar (On-site)	5.4
Solar (PPA)	10.8
Wind (PPA)	26.5
Hybrid (PPA)	19.5
Green Tariff	6.9

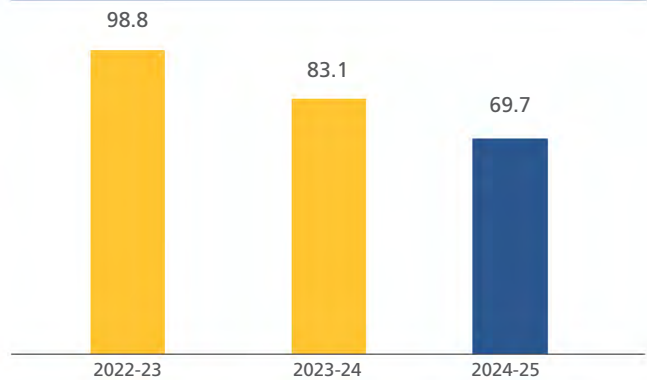
### Energy intensity decreased by 16% y-o-y, primarily driven by a reduction in direct energy intensity by 17%. This reduction is attributed to:

Sites switching from DG sets to grid connections, e.g. rail line tunnel projects in Uttarakhand, metro rail projects in some cities

Closure or closing stage of some large contracts, e.g. contract related to a dedicated freight corridor project, water treatment project in the Middle East, project related to offshore oil & gas facilities

Other actions taken by the task force to reduce diesel consumption. (refer to 'Reducing Energy Intensity' in this section)

### Energy Intensity Trend (GJ/ ₹ Cr)



## GHG Emissions

The Company's GHG emissions (Scope 1 and 2) are from the energy consumed from various sources. Emissions (Scope 1+2) intensity has decreased by 20% in FY 2024-25 compared to FY 2023-24. This decrease is primarily due to a reduction in energy intensity.

### Scope 1

Emissions for the Company are direct emissions from combustion of fuel, e.g. high-speed diesel, furnace oil, natural gas, liquified petroleum gas (LPG), acetylene, and other fuels used in mobile equipment like construction machinery and stationary equipment (e.g. DG sets, furnaces). Fugitive emissions from carbon dioxide gas (used in the welding & filling fire extinguishers and refrigerants filling in HVAC systems) have also been included in the inventory.

**6,03,953 tCO<sub>2</sub>e**

### Scope 2

Emissions for the Company are indirect emissions from the consumption of purchased electricity (sourced from power distribution companies) at construction sites, manufacturing facilities, and offices.

**2,82,341 tCO<sub>2</sub>e**  
Market-based

**3,32,416 tCO<sub>2</sub>e**  
Location-based

### Scope 3

Emissions for the Company are indirect emissions from upstream and downstream activities in the value chain. The emissions are reported under five relevant categories: purchased goods and services, upstream transportation and distribution, employee commuting, business travel, and downstream leased assets.

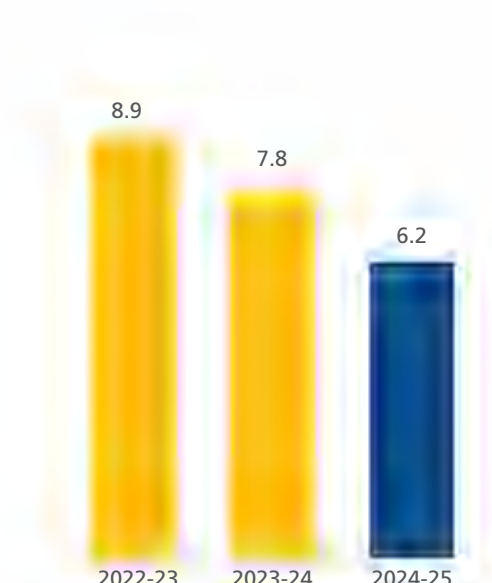
**74,58,242 tCO<sub>2</sub>e**

For details on the calculation methodology of these emissions, please refer to 'Notes on Sustainability Information' section.

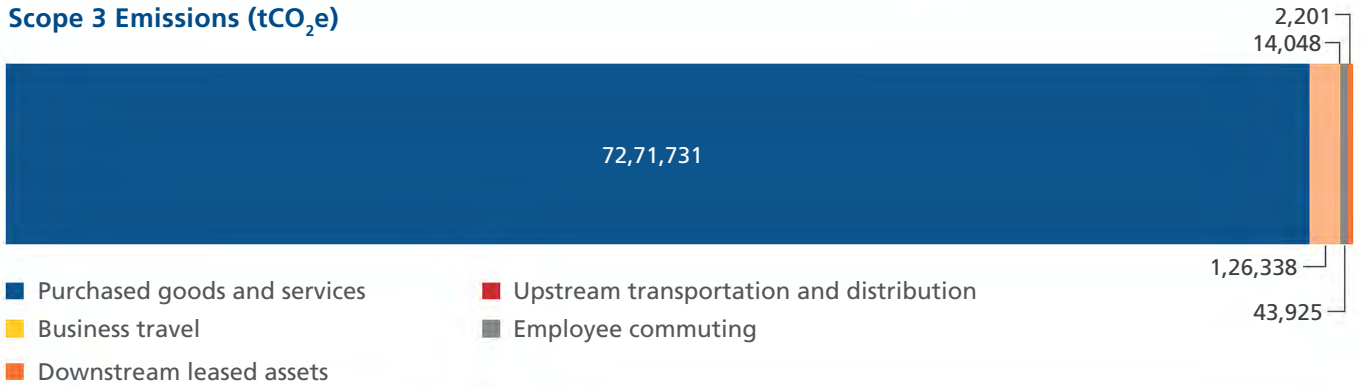
### Emissions Trend (tCO<sub>2</sub>e / ₹ Cr)



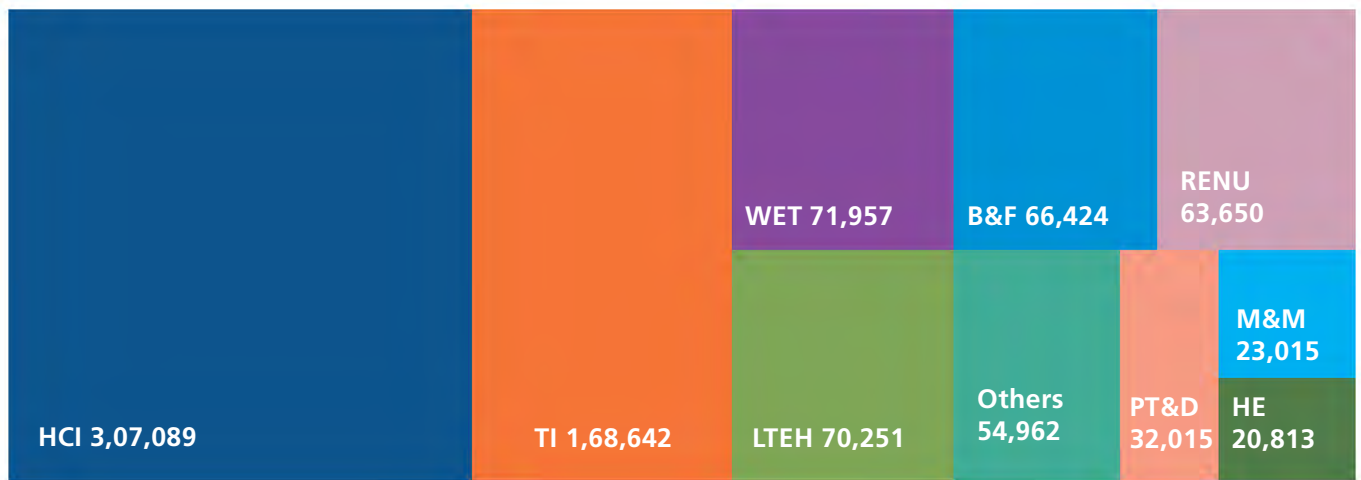
### Emissions Intensity Trend (tCO<sub>2</sub>e / ₹ Cr)



### Scope 3 Emissions (tCO<sub>2</sub>e)



### Business-wise split of Emissions [Scope 1 and 2] (tCO<sub>2</sub>e)



HCI: Heavy Civil Infrastructure, TI: Transportation Infrastructure, WET: Water & Effluent Treatment, LTEH: L&T Energy-Hydrocarbon, B&F: Buildings & Factories, RENU: Renewables, PT&D: Power Transmission & Distribution, M&M: Minerals & Metals, HE: Heavy Engineering, Others: Offices, Construction & Mining Machinery, Rubber Processing Machinery, L&T-Cloudfiniti, L&T Energy-CarbonLite Solutions, Precision Engineering and Systems, L&T-SuFin



## Emissions Reduction Initiatives

All business units of the Company have started implementing multiple initiatives to reduce emissions. A snapshot of few initiatives is below.



### Use of biodiesel to reduce diesel consumption

Biofuels are increasingly gaining global attention as a viable solution for decarbonising the energy and transport sectors. Among these, biodiesel presents a promising opportunity for reducing the carbon intensity of diesel-based operations.

The Company has explored sustainable biodiesel alternatives, identifying vendors utilising repurposed cooking oil, animal tallow and agricultural waste as feedstocks. Following successful testing and pilot implementation last year, the initiative has now been scaled across multiple business units.

As part of the Company's broader decarbonisation roadmap, targets have been established for phased replacement of conventional diesel with biodiesel in suitable applications, particularly in construction equipment and logistics.

**Emissions avoided for FY 2024-25**

**1,095 tCO<sub>2</sub>e**



### Sourcing of Renewable Energy

Sourcing renewable energy (electricity) is the key lever to decarbonise energy consumption from electricity and reduce Scope-2 emissions. In addition to existing on-site solar installations and PPAs, the Company has undertaken significant steps in the current year at several work locations to enhance sourcing of renewable energy.

Additional capacities were added at Chennai campus, facilities located at Talegaon, Kattupalli, Kansbahal, Kancheepuram, project sites: Cluster XXV, Lower Sutkel, Sone-Kanhar Garhwa, Ballia, Firozabad, Gurmura & Panari, Cluster XX, Parwati, Satna of the Water and Effluent Treatment business.

**Emissions avoided for FY 2024-25**

**2,850 tCO<sub>2</sub>e**



### Electric plant and machinery

Electrification is one of the key levers for the decarbonisation of operations. The Company has identified strategies to switch from fossil fuel-powered plants and machinery to electricity-driven ones. This helps improve energy efficiency and reduce emissions, which could further be reduced to zero by sourcing renewable power (electricity).

Key initiatives implemented are electrical hoists, electric air compressors, inverter-based welding machines and VFD concrete pumps. Hybrid light masts, with solar panels and battery backup, are being deployed to replace conventional diesel-powered masts.

A few EPC project sites have started using electric construction machinery, e.g. wheel loaders, on a pilot basis, and are being scaled up.

**Emissions avoided for FY 2024-25**

**685 tCO<sub>2</sub>e**

The Company has also started exploring levers to reduce Scope 3 emissions. Certain initiatives undertaken by the Company to reduce Scope 3 emissions include:

- Upgradation to steel of higher yield strength from low yield strength leading to quantity reduction
- Use of low-carbon material or recycled material, such as steel manufactured from an electric arc furnace / induction furnace route as against steel manufactured through a blast furnace route, blended cement in place of Ordinary Portland Cement, wherever feasible
- In FY 2024-25, the Company has started deploying LNG trucks as well as electric trucks used in transportation of materials in select routes and thereby reducing emissions linked to upstream logistics.
- The Company has also put in place a scheme for promoting the adoption of electric vehicles by the employees to reduce emissions from employee commuting

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



LNG Truck deployed at Kancheepuram- Shadnagar (Telangana) route



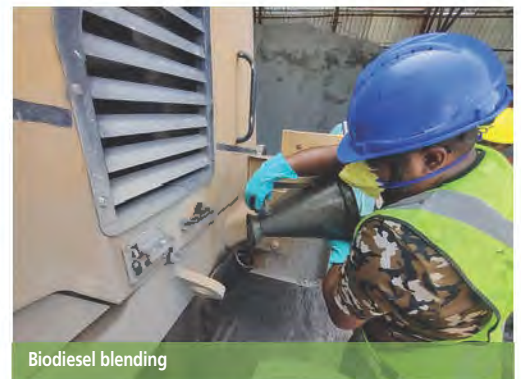
Electric loader deployed at project site



VFD concrete pump



Solar rooftop at Hazira facility



Biodiesel blending



### Innovative ESSC Welding Solution for Enhanced Efficiency

As part of L&T’s ongoing commitment to engineering excellence and self-reliance, the Heavy Engineering team at the A. M. Naik Heavy Engineering Complex (AMNHEC), Hazira, has developed an innovative solution for the Electro Slag Strip Cladding (ESSC) process - a critical technology used to apply corrosion-resistant layers such as stainless steel or inconel alloys onto reactor surfaces.

ESSC is a high-precision, high-power welding technique typically reliant on specialised machines sourced from a limited number of global suppliers. To overcome this supply chain constraint and enhance operational efficiency, the Company collaborated with a local vendor to design and deploy a custom-built, inverter-based ESSC system integrated with IoT capabilities. This indigenous solution delivers multiple benefits, viz. enhanced energy efficiency and reduced operational costs, real-time process monitoring and improved quality control, and localisation of a critical technology, reducing dependence on imported equipment.



Emissions avoided for FY 2024-25

**~568 tCO<sub>2</sub>e**



### Decarbonising Road Construction with Biomass-Fired Hot Mix Plants

As part of its commitment to reducing carbon emissions and promoting sustainable construction practices, the Company’s Transportation Infrastructure Business introduced an innovative transition in the operation of Hot Mix Plants (HMPs) - key assets used in bituminous pavement construction. Traditionally powered by diesel or furnace oil, HMPs are energy-intensive and contribute significantly to GHG emissions. In a forward-thinking initiative, the Company replaced conventional fossil fuel burners with specialised biomass pellet-fired burners. These biomass pellets, derived from wood waste and other agricultural residues, offer a cleaner and renewable alternative with substantially lower emissions compared to fossil fuels.

This sustainable innovation has been successfully implemented at major EPC project sites such as Meerut-Hapur Expressway, Navi Mumbai International Airport and Chennai Peripheral Road. The transition contributes to the Company’s decarbonisation strategy and supports circular economy principles by utilising biomass waste as fuel, demonstrating the scalable potential for green infrastructure development.

Emissions avoided for FY 2024-25

**~1,005 tCO<sub>2</sub>e**



## Process Innovation: Enhancing Efficiency Through Technology Integration

### Smart Steam Curing at MAHSR T-3 Project

At MAHSR T-3 project, the site team implemented an innovative temperature control solution for steam curing, incorporating Resistance Temperature Detectors (RTDs) and an automatic flow control valve. This system ensures precise temperature regulation during curing and significantly enhances reliability and efficiency. The entire process is also cloud-integrated, enabling remote monitoring and real-time data access via a mobile application, supporting smarter decision-making.



### Induction Heating for Heavy Fabrication at AMNHEC, Hazira

The Heavy Engineering team, developed a customised induction heating system for heat treatment in heavy fabrication. This indigenous solution is developed in collaboration with an Indian vendor, equipped with advanced digital controls for accurate temperature management and real-time monitoring. The new system improves energy efficiency, enhances process precision and reduces the carbon footprint compared to traditional heat treatment methods.



**Turning Green Dreams into Reality**  
Carbon Neutrality by 2040

**Reduce emissions by 40%**

**By switching to electric power**

- A. Opt for Grid power at early stage of the project.
- B. Limit use of DG only as backup.
- C. Switch from fossil fuel based to electrically operated equipment.

**Electrical pump**

**Electrical air compressor**

**Turning Dreams into Reality**  
Water-Neutrality by 2035

**REDUCE WATER USAGE BY 80%**

- Install showers in bathing area**
- Use low-flow fixtures & sensors to conserve water.**
- Use modular bathing systems in workmen habitat camp**

**WASTE MANAGEMENT**

Put the waste in correct color bins  
 01 Green for organic waste  
 02 Blue for paper & cardboard  
 03 Red for plastic  
 04 Yellow for metal

**5'S**

Seiri (整理) - Sort  
 Seiton (整頓) - Set in order  
 Seiso (清掃) - Shine  
 Seiketsu (清潔) - Standardize  
 Shitsuke (躰守) - Sustain

## Water

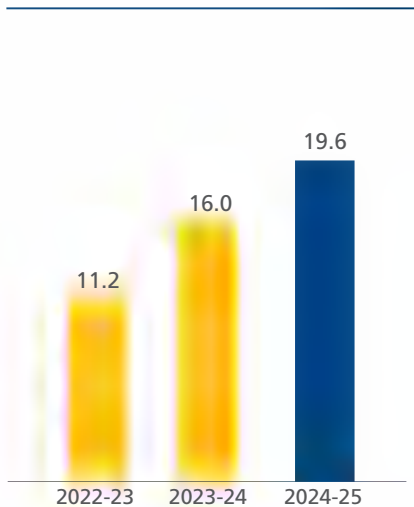
At L&T, water consumption is primarily driven by industrial activities associated with the execution of EPC project contracts, especially in civil works. In contrast, water usage at manufacturing facilities remains minimal. The Company has adopted multiple conservation strategies to minimise water consumption across operations. These include installing water-efficient fixtures such as aerator taps and low-flush toilets, regulating water pressure in pipelines and controlling system losses. Innovative construction practices like curing compounds and steam curing are also being implemented to reduce water usage at project sites.

Further, recycling and reuse are central to the Company's water stewardship efforts. Greywater and blackwater recycling systems are promoted across work locations, with treated wastewater reused for landscaping, toilet flushing, dust suppression, equipment cleaning and fire-fighting systems. In addition, rainwater harvesting and groundwater recharge initiatives are being actively explored and implemented wherever feasible. The Company also extends its commitment to water efficiency to its clients by promoting water-saving devices in certified green buildings.

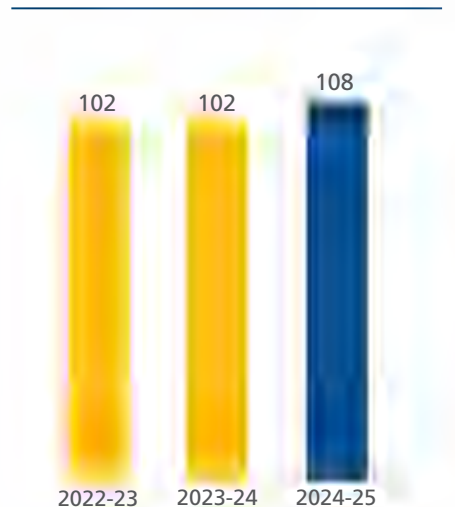
Wastewater from EPC project sites generally contains only suspended solids and is not characterised by high-effluent content. Nonetheless, the Company ensures responsible wastewater management by implementing Zero Liquid Discharge (ZLD) systems at its manufacturing units and select project sites. These are supported by Effluent Treatment Plants (ETPs) and Sewage Treatment Plants (STPs). At other locations, wastewater is either treated on-site or managed through authorised third-party service providers, ensuring minimal environmental impact.

To improve data collection and reporting, particularly at EPC project sites, the Company has started installing flowmeters at various sites and enabled data flow automatically to the data management system. An independent third-party assessment was also undertaken to estimate the water being conserved through the CSR interventions. **As per the assessment, the annual conservation potential of the infrastructure created was ~3.2 million kL and equivalent to ~16% of annual water withdrawal by the Company in FY 2024-25.** Similar activities have also been undertaken by some of the EPC project sites as well as manufacturing facilities and assessment of these will be carried out in the next financial year.

**Freshwater Withdrawal** (Mn kL)



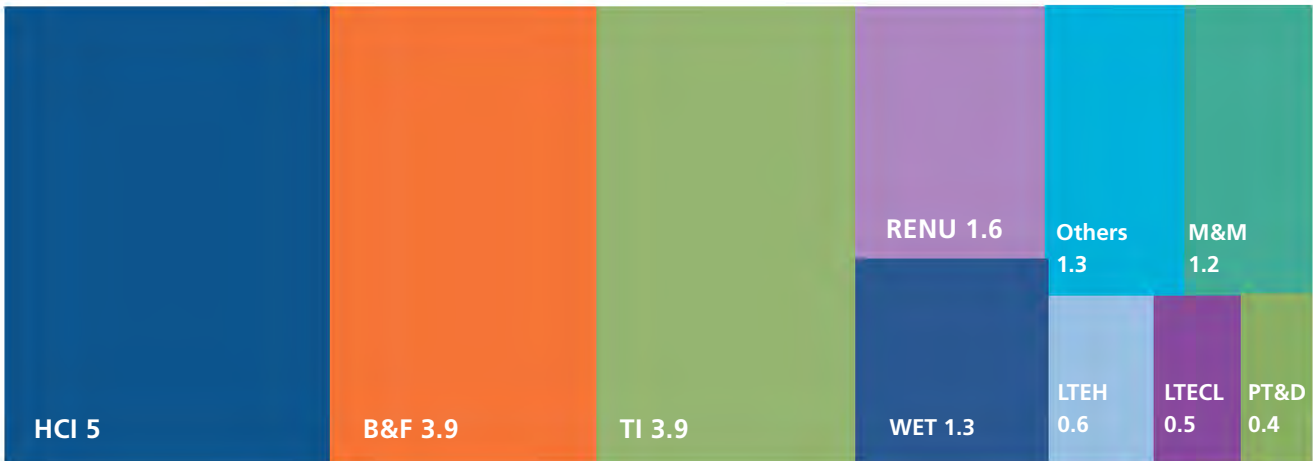
**Water Consumption Intensity** (kL/₹ Cr)



**Wastewater Recycling**



### Business-wise split - Water Withdrawal (Mn kL)



**HCI:** Heavy Civil Infrastructure, **B&F:** Buildings & Factories, **TI:** Transportation Infrastructure, **RENU:** Renewables, **WET:** Water & Effluent Treatment, **LTEH:** L&T Energy-Hydrocarbon, **M&M:** Minerals & Metals, **LTECL:** L&T Energy- CarbonLite Solutions, **PT&D:** Power Transmission & Distribution, **Others:** Offices, Heavy Engineering, Precision Engineering and Systems, Construction & Mining Machinery, Rubber Processing Machinery, L&T-Cloudfiniti, L&T-SuFin



### Sustainable Concrete Curing

Water is an essential resource in curing concrete, particularly across large-scale civil works at the Company's EPC project sites. However, rising water stress, especially during peak summer months, poses challenges in sourcing and managing adequate water for construction activities. To address this, the Company's business units have adopted the use of curing compounds as a sustainable alternative. These liquid membrane-forming compounds are applied to fresh concrete surfaces to reduce moisture loss, thereby improving their hydration efficiency and overall concrete strength.



#### Key benefits of this innovation include:

- *A significant reduction in water usage*
- *Faster curing, contributing to overall construction efficiency*
- *Improved surface quality and surface finish of the concrete*
- *Enhanced curing performance, especially for vertical or hard-to-reach structures where conventional water curing is impractical*



**~29,000** kilolitres  
of freshwater requirement reduced  
in FY 2024-25

## Water Recovery through Sedimentation Tanks

Concrete works at EPC project sites require substantial amounts of water for different processes. Water used in batching plant and transit mixer cleaning typically gets discharged into drains. The Heavy Civil Infrastructure business has undertaken initiative for implementation of sedimentation tanks to recover the water used in these processes. Water is recovered through multi-stage gravity and chemical sedimentation. The recovered water is typically diluted with 50% freshwater to reduce its TDS (total dissolved solids) content. Recycled wastewater is used for various activities at the site, e.g. dust suppression, transit mixer cleaning and wheel washing.



Volume of wastewater recycled and used in FY 2024-25

**~13,000** kilolitres



## Redesigned Zero Liquid Discharge to improve Water Recovery

Industries across sectors are increasingly challenged by water scarcity and wastewater pollution. Zero Liquid Discharge (ZLD) systems offer a sustainable solution by recycling wastewater and eliminating liquid discharge. However, conventional ZLD processes are resource-intensive, requiring substantial steam, power and cooling water, which can limit their efficiency and scalability.

Accordingly, the Water and Effluent Treatment business developed an innovative ZLD system for IOCL Vadodara Refinery. The redesigned process treats wastewater from the Effluent Treatment Plant (ETP) and cooling tower blowdown using a sequence of pre-treatment, ultrafiltration, reverse osmosis (RO) and ion exchange to produce high-quality demineralised water.

### Key outcomes of the innovation are:

*Reduced steam requirement by 30%*

*Reduced load on the RO system*

*Improved water recovery to more than 96%, compared to conventional designs with recovery up to 80-85%*

## Waste Management and Circular Economy

Waste management is a material topic for the Company, particularly due to the significant volume of waste generated at EPC project sites. Recognising its environmental impact and resource implications, the Company has adopted a structured and responsible approach to waste management, aligned with circular economy principles. The Company's waste management strategy is built on the 3R framework - Reduce, Reuse and Recycle - with an emphasis on minimising waste generation at source and maximising resource recovery.

Waste management is an integral component of the Environment, Health and Safety (EHS) Management System, which includes comprehensive policies, standard operating procedures and implementation mechanisms.

The operational locations, including EPC project sites and manufacturing facilities, maintain a project- or site-specific waste management plan, developed either as part of the overall project execution plan or in line with applicable regulatory requirements.

### The key processes include:

*Identification and quantification of waste streams*

*Reuse and recycling wherever feasible*

*Environmentally sound disposal of residual waste*

*Segregation at source*

*Collection and safe storage*

The Company has established partnerships with authorised and certified waste processors and handlers, ensuring compliance with relevant environmental regulations and waste management rules. Through these efforts, the Company is reducing its environmental footprint and contributing to creating a resource-efficient and sustainable ecosystem.



### Approach towards Waste Management

#### Hazardous waste is segregated, stored and disposed of as per the statutory requirements.

Hazardous wastes, such as used oil, oil-soaked cotton waste, used chemical/paint/oil containers, used batteries, paint residues, ETP sludge, electronic waste (e-waste) and biomedical waste are disposed of through government-approved recyclers/processors and according to the regulatory norms.

The Company does not import, export, transport or treat any hazardous waste covered under the Basel Convention.

Non-hazardous waste, such as construction and demolition waste, ferrous and non-ferrous scrap, wood/plywood to come together waste, packaging waste, food waste, are managed according to the volume generated and facilities available at the specific location.

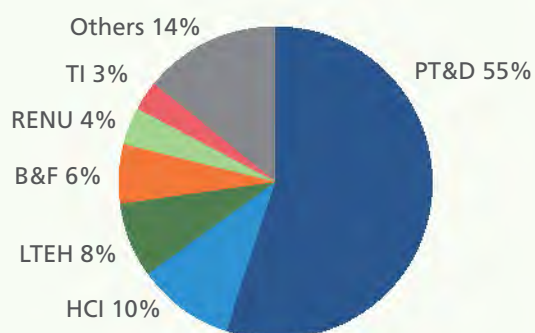


Clean-up drive at Suvali beach, Hazira

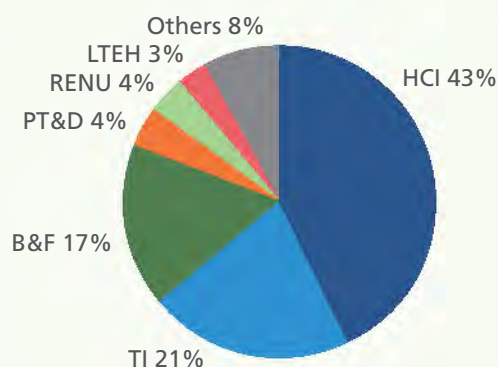
**Waste Generation and Disposal for FY 2024-25 (in tonnes)**

Category	Hazardous waste	Non-Hazardous waste
Generation	4,571	4,46,656
Recycled/Reused	399	80,041
Disposed/Sold	3,897	3,69,065

**Business wise split of waste generation**



**Hazardous waste generation**

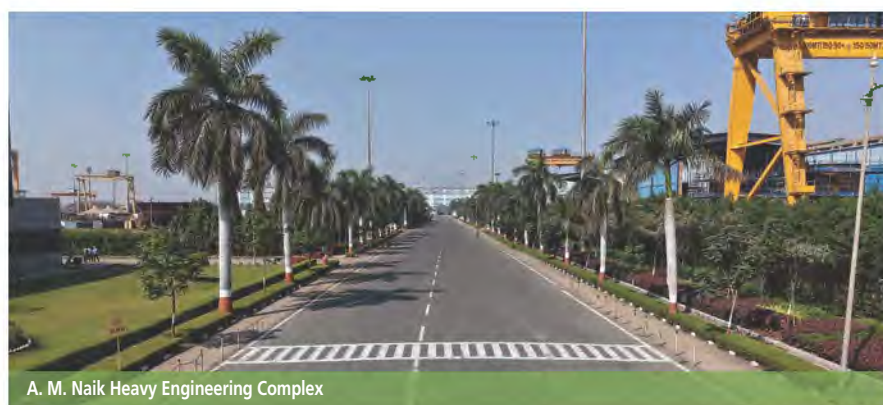


**Non-Hazardous waste generation**

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As the Company expands its operations, especially in large-scale EPC projects, the construction and operational waste volume naturally increases. Simultaneously, continual efforts to enhance transparency and data accuracy - including digitisation of reporting systems, stricter site-level monitoring and broader coverage - have contributed to a more comprehensive representation of waste generated.

This improvement in reporting is a positive step towards strengthening our waste management practices, enabling more targeted interventions to reduce, reuse and recycle waste.



## Waste Reuse and Recycling for Circularity

While ensuring the safe and compliant disposal of waste is critical to minimising environmental and community impacts, the Company emphasises maximising reuse and recycling of materials. This approach reduces dependency on virgin natural resources. Also, it helps lower emissions associated with transporting waste to external disposal sites and diverting waste from landfilling.

A significant portion of non-hazardous waste is generated at the Company's EPC project sites. In alignment with the circular economy principles, the locations are encouraged to identify and implement on-site reuse and recycling solutions to minimise off-site disposal.

### Key initiatives include:

*Construction and demolition waste from concrete and civil works is reused for temporary access roads and backfilling; recycled into aggregates, manufactured sand, or in some cases, paver blocks for on-site use*

*Ferrous and non-ferrous scrap, while often auctioned, is repurposed into ancillary materials such as cable/pipe supports, barriers, boards and even site furniture*

*Wood and plywood waste is reused or creatively repurposed into temporary site structures, shelving and boards*



Concrete waste reused to create drains



Paver blocks from recycled concrete waste



Signages created from wood waste



Scrap rebar used for structural work components



Ferrous waste used for material storage



Concrete waste reused for water storage tank

These efforts enhance material efficiency and contribute to cost savings, lowering emissions and reducing landfill burden, reinforcing the Company's commitment to sustainable construction and resource conservation.



**~75,700**

*tonnes of construction and demolition waste diverted away from landfill in FY 2024-25*



## Sustainable Material and Resource Efficiency

A significant share of the Company’s revenues is derived from its EPC project business, which involves extensive use of bulk construction materials such as steel, cement, aggregates and sand. Given the material-intensive nature of these projects, the Company recognises the importance of embedding sustainability principles into its material sourcing and usage.

To reduce the environmental impact of construction activities, the Company actively promotes the use of eco-friendly and alternative materials. These include:

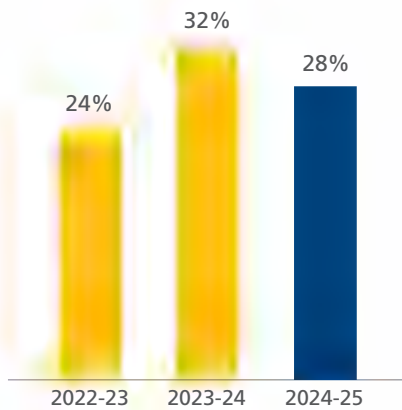
**Fly ash, a by-product of thermal power plants, as a partial replacement for cement**

**Ground Granulated Blast Furnace Slag (GGBS), sourced from the steel industry, as a cement substitute**

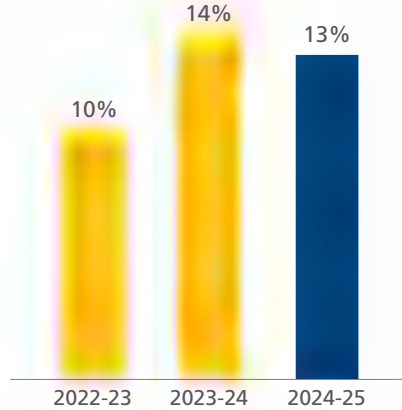
These materials help lower embodied carbon and support industrial waste utilisation, aligning with circular economy goals. However, the wider adoption of non-virgin or recycled materials is often constrained by design codes, regulatory standards and customer specifications, which limit flexibility in material choices despite the proven benefits.

In parallel, sustained efforts are being made to reuse and recycle steel and zinc at the Company’s transmission tower manufacturing facilities, which are key inputs in the galvanising and fabrication processes. These initiatives reduce raw material demand and support the Company’s commitment to resource efficiency and waste minimisation.

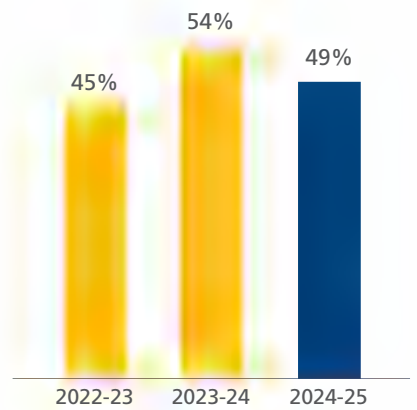
**% of Eco-friendly and Recycled materials of total bulk materials**



**% of Fly ash and GGBS in cementitious materials**



**% of Manufactured sand of total sand**





## Waste Diversion to Cement Plants

Certain hazardous wastes, e.g. paint sludge, oil, and contaminated cotton waste, are disposed of through approved agencies by incineration in designated facilities. The ash generated is typically disposed of in designated landfill areas. The team at A. M. Naik Heavy Engineering Complex (AMNHEC) at Hazira, Gujarat, partnered with an approved waste processing agency to divert these wastes to cement plants to be used as fuel in co-firing. This approach helped avoid landfilling and reduced energy consumption associated with waste incineration while effectively advancing circular economy principles through resource recovery and reuse.



Waste processed through this method in FY 2024-25 was

**~134 tonnes**



## L&T's First Single-Use Plastic-Free Campus

A comprehensive initiative was launched at AMNHEC, Hazira to eliminate single-use plastic (SUP) from its operations. The initiative began with a beach-cleaning drive in 2024, which sparked a broader commitment across the campus. A cross-functional team comprising members from EHS, Stores and Purchase departments was formed to lead the effort.

### Key measures implemented included:

Replacing office dustbin liners with compostable materials

Substituting tetra packs of soft drinks, which have plastic straws, with recyclable PET bottles

Preparing buttermilk in-house instead of procuring it in plastic pouches

Replacing packaged drinking water with steel bottles and glasses

These actions collectively resulted in the elimination of 45 metric tonnes of SUP annually. The initiative was independently audited by the Confederation of Indian Industry (CII), which subsequently awarded AMNHEC the SUP-Free Certification, marking a significant milestone in L&T's journey towards sustainable operations.



## Biodiversity

L&T recognises that healthy ecosystems and biodiversity are foundational to long-term environmental sustainability and societal well-being. As a responsible infrastructure and engineering conglomerate, the Company is committed to ensuring that its operations minimise ecological disruption and contribute positively to biodiversity protection, preservation and restoration.

Accordingly, the biodiversity protection approach is guided by the principles of:

- Minimisation of impact during the construction phase
- Compliance with national and local environmental regulations
- Restoration where unavoidable impacts occur
- Implementation of environmental safeguards of the Biodiversity Conservation Plan as per the requirements of the contracts

### Key Actions and Initiatives:

#### Greenbelt and Landscaping

Across the campuses and project sites, greenbelts are developed and maintained using native species to promote ecological balance, reduce dust and noise, and support local flora and fauna.

#### Biodiversity Conservation Projects

Select business units undertake local biodiversity initiatives such as mangrove restoration and large-scale plantations.

#### Capacity Building and Awareness

Employees and workers are made aware of ecological sensitivities and conservation practices through site inductions.

A few of the Company's work locations are in eco-sensitive zones. It has taken proactive measures to prevent any harm to the ecosystem in these locations. *Details are included in the Leadership Indicator No. 3 in Principle 6 of the BRSR section of the Integrated Annual Report FY 2024-25.*

The Company also undertakes large-scale sapling plantation drives and has a target to plant 1.5 to 2 million saplings each year. In FY 2024-25, the Company has planted 1.7 million saplings.





## Sustainable Infrastructure with Ecological Sensitivity

### Wildlife Protection at High-Speed Rail Project

The Mumbai-Ahmedabad High-Speed Rail (MAHSR) project passes through ecologically sensitive areas, including crocodile habitats near Vadodara. To protect the mugger crocodile (*Crocodylus palustris*) and ensure safe construction practices, the Heavy Civil Infrastructure team implemented a crocodile conservation initiative. This included measures to prevent harm to the species and safeguard work areas from animal incursions. Eighteen crocodiles have been rescued and relocated to their habitats. The plan and its implementation entailed:

#### Habitat Protection and Restoration

As part of the plan, key habitats - including critical nesting and basking areas - were identified for preservation and restoration. Protected zones were established around these areas to minimise disturbances from construction activities, ensuring the long-term safety and sustainability of the crocodile population.

#### Crocodile Conservation Plan

A baseline study of the crocodile population, their behaviour, and habitat was conducted alongside a detailed ecological survey. Based on these findings, a comprehensive crocodile conservation plan was developed with support from the National Accreditation Board for Education and Training (NABET)-accredited ecology and biodiversity experts, ensuring scientific rigour and regulatory compliance.

#### Crocodile Relocation and Rescue

Crocodiles found in high-risk construction zones were safely relocated to designated protected habitats. This operation was conducted by trained wildlife teams, ensuring minimal stress to the animals. Post-relocation monitoring is being carried out to track the health and successful adaptation of the relocated crocodiles.

#### Human-Wildlife Conflict Management

Awareness programmes conducted for the workforce on safe behaviour around crocodile habitats. Warning signs were put up, and fencing was done near the construction sites close to crocodile territory. Emergency response plans were developed to deal with cases of crocodile encounters.

#### Wildlife-friendly Infrastructure Design

Conduit pipes were provided to ensure uninterrupted water flow and maintain ecological connectivity in the Vishwamitri River, enabling free movement of crocodiles between habitats. Additionally, noise and pollution control measures were implemented to minimise disturbance to wildlife, including restricting night-time operations.





## Green Buildings

L&T is committed to creating a sustainable built environment by integrating green building principles into its project execution and design capabilities for itself and its clients. As a leading EPC player in the infrastructure and buildings sector, the Company recognises its pivotal role in reducing the environmental footprint of the construction sector.

Green buildings, as defined or certified against industry standards, e.g. Indian Green Building Council (IGBC), Leadership in Energy and Environmental Design (LEED), have significantly lower energy and resource consumption than conventional buildings. These buildings typically incorporate sustainable materials, energy efficient systems, water conservation practices and waste reduction strategies.

L&T Data Center-1 in Kancheepuram received IGBC Platinum rating, while one of the buildings in Chennai campus received IGBC Net Zero rating for design. The Company has 14 green buildings at various locations, certified at different periods.



Net Zero rated building in Chennai campus



## Air Quality Management

Air pollution continues to pose a significant environmental and public health challenge globally. The Government of India has launched the National Clean Air Programme (NCAP), focusing on reducing air pollution levels, especially in designated non-attainment cities. The Company aligns its environmental management practices with these national priorities and is committed to minimising air emissions across its operations.

As part of the Environment Management Plans (EMP) implemented at work locations, the Company adopts a comprehensive approach to controlling and mitigating air pollution, particularly at EPC project sites in urban and pollution prone areas.

### Key measures include:

*Dust suppression for materials stored on-site and during material transportation, using water sprinkling and other control mechanisms*

*Wheel wash facilities installed at site exits to prevent dust and debris from being carried outside the project boundary*

*Barricading and covering exposed construction zones and community-facing areas using hessian cloth to reduce particulate matter dispersion*

*Air quality monitoring stations established at site locations, with ambient air quality monitored by approved third-party vendors*

*Monitoring reports submitted to pollution control boards, local authorities and clients in compliance with regulatory and contractual obligations*

Through these initiatives, the Company actively supports air quality improvement efforts and ensures that its construction and infrastructure projects are executed with minimal impact on the surrounding environment and communities.



## Green Campus Framework

While the main thrust of the Company's initiatives is directed at operational and project activities, it has developed a bespoke 'Green Campus Framework' for offices and administrative locations. This is inspired by recognised global and national green building rating systems and incorporates a comprehensive set of sustainability indicators, including:

- Energy and water efficiency
- Water efficiency and conservation
- Waste reduction and recycling
- Use of sustainable resources
- Biodiversity
- Other areas, such as green logistics, resilient facilities, and so on

This framework enables site-level sustainability assessments, fosters continuous improvement and supports certification readiness for green building accreditations. By institutionalising this approach, the Company is enhancing the sustainability quotient of its own campuses and setting a replicable example for sustainable workplace development.



## Green Campus Rating

Offices and campuses are rated annually based on progress towards the set targets. The Green Campus Framework was rolled out in FY 2024-25. The initial assessment shows numerous locations already have plans to become more sustainable. The framework is designed to be dynamic, with rating thresholds being revised upwards each year, adaptable to include new areas and monitoring tools to assess the actions taken by the locations.

## Climate Scenario Analysis and Climate Risks

Dynamic climate and weather patterns - shaped by anthropogenic activities and natural variability - pose significant risks to global systems. While some impacts are immediate and visible, others unfold gradually, presenting complex, long-term challenges that demand proactive assessment and strategic foresight. Climate scenario analysis has emerged as a critical tool for businesses to navigate these uncertainties. By modelling a range of plausible climate futures, organisations can better understand potential risks and opportunities, enabling them to develop adaptive strategies that protect operations and support long-term sustainability.

The Company recognises climate change as a material business risk with a significant potential to impact its operations, value chain and long-term strategy. In alignment with global best practices, the Company integrates climate scenario analysis into its strategic planning to proactively

assess and prepare for a range of climate-related risks. The scenario analysis considers transition risks - associated with the global shift towards a low-carbon economy - and physical risks - arising from the direct impacts of climate change. These risks are identified and assessed using internationally recognised frameworks, including the Task Force on Climate-related Financial Disclosures (TCFD).

This approach evaluates how varying climate scenarios may influence future business conditions and strategic decisions. The Company has implemented risk management systems to mitigate these risks and has demonstrated resilience across its operations. Furthermore, the scenario analysis process has helped identify climate-related opportunities - including energy efficiency, green innovation and sustainable infrastructure - that can drive long-term value creation for both the business and the environment.

### Approach towards Scenario Analysis

L&T adopts a robust, science-based approach to climate scenario analysis to assess potential climate-related risks and opportunities under varying future conditions. The Company considers both physical and transition risks, using globally recognised scenarios and pathways to inform strategic decision-making.



### Physical Risk Scenarios

To assess physical climate risks, the Company has utilised Representative Concentration Pathways (RCPs) 4.5 and 8.5, as outlined in the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) 2014. These were analysed in combination with Shared Socioeconomic Pathways (SSPs) to account for socio-economic and technological developments:

RCP 4.5 with SSP2 is considered a baseline (optimistic) scenario, representing moderate emissions and a stable pathway for global temperature rise, factoring in balanced societal and technological progress.

RCP 8.5 with SSP5 represents a high-end (business-as-usual) scenario, assuming limited climate action and continued fossil fuel dependency, resulting in more severe climate impacts.

This approach enables the Company to understand the potential spectrum of physical climate risks under different future climate trajectories.



## Transition Risk Scenarios

To assess transition risks, the Company employs the International Energy Agency's (IEA) Net Zero Emissions by 2050 (NZE 2050) scenario. This scenario outlines a comprehensive roadmap for the global energy sector to achieve net-zero by 2050, aligning with the COP28 pledge to triple renewable energy capacity by 2030. The Company's Carbon Neutrality target aligns with this scenario, focusing on increased renewable energy uptake.

## Climate Risks and Opportunities

A snapshot of the assessment of climate risks is presented here:



### Transition Risks

#### POLICY & LEGAL

Risks (R) / Opportunities (O)	Potential Financial Impact	Response / Actions
Non-compliance with changing laws and regulations - domestic and international (R)	Increase in indirect costs due to possible penalties or fines	<ul style="list-style-type: none"> <li>Proactively track changes in regulations and identify gaps</li> <li>Collaborate with policymakers to recommend revisions to regulations</li> </ul>
Carbon tax or carbon pricing being imposed on industries - domestic and international (R)	Increase in indirect costs due to carbon tax	<ul style="list-style-type: none"> <li>Track development in carbon tax and pricing and assess the potential impact</li> <li>Formulate a strategy to avoid carbon tax</li> </ul>

#### REPUTATION

Risks (R) / Opportunities (O)	Potential Financial Impact	Response / Actions
Non-compliance by vendors and leading to negative feedback or concern from stakeholders (R)	<ul style="list-style-type: none"> <li>Project delays, rework or penalties</li> <li>In some cases, direct financial liabilities arising from contract breaches or regulatory non-compliance</li> <li>Increase in direct costs to handle current vendors or develop new vendors</li> </ul>	<ul style="list-style-type: none"> <li>Stronger vendor due diligence and approval process prior to onboarding</li> <li>Regular audits, compliance checks and performance reviews</li> <li>Vendor grievance and escalation mechanism to ensure early identification and resolution of issues</li> </ul>

## MARKET

Risks (R) / Opportunities (O)	Potential Financial Impact	Response / Actions
Decrease in potential business from fossil fuel-linked sectors (R)	A decline in business from fossil fuel-linked sectors could impact revenue streams and long-term order inflows from these segments	<ul style="list-style-type: none"> <li>Assess the market scenario on a regular basis as part of business strategy</li> </ul>
Increased investments and business from renewable energy sector (O)	<ul style="list-style-type: none"> <li>Increased revenues from renewable energy sectors</li> <li>Capex required to address some of these opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Renewables carved out as a separate business to enhance strategic focus and drive growth in the clean energy space</li> <li>Green and Clean Energy incubated as a new business to target opportunities linked to green hydrogen and related areas</li> </ul>
Increasing demand for business offerings with a positive impact on the environment, e.g. clean mobility (O)	Increased revenue from green business offerings, already developed by the Company, which have a positive environmental impact	<ul style="list-style-type: none"> <li>Green business - a portfolio of business offerings of the Company developed over the years - is being enhanced to align better with the market needs and decarbonisation trends</li> </ul>

## TECHNOLOGY

Risks (R) / Opportunities (O)	Potential Financial Impact	Response / Actions
Inability to adopt clean technologies in business operations, e.g. electric P&M, battery energy storage (R)	Increase in capex or upfront cost to replace current equipment or adopt new technologies	<ul style="list-style-type: none"> <li>Identify and track technology development and deployment options that are commercially available and viable</li> <li>Revenue and capex budgeting each year includes new technology adoption</li> <li>Cost implications may be shared with clients, depending on contractual provisions</li> </ul>
Innovation to adapt current processes and systems to handle future requirements, e.g. waste recycling (O)	<ul style="list-style-type: none"> <li>Increase in capex investments to change current processes, costs may be recovered from contracts over a period</li> <li>In some cases, there may be cost savings in comparison to current processes</li> </ul>	<ul style="list-style-type: none"> <li>Started initiatives to adapt or modify the current processes</li> <li>Engaging with clients to incorporate new ways in the existing or new contracts</li> </ul>



## Physical Risks

### ACUTE PHYSICAL

Risks (R) / Opportunities (O)	Potential Financial Impact	Response / Actions
Extremely high temperatures (heat waves) impacting health and safety of the workforce and execution of contracts (R)	<ul style="list-style-type: none"> <li>▪ Increase in indirect costs, such as increased medical costs, lost workdays, and project delays</li> <li>▪ Negative impact on execution due to productivity loss</li> </ul>	<ul style="list-style-type: none"> <li>▪ Site locations and central teams proactively track the weather advisories and projections</li> <li>▪ Enhanced heat stress management protocols across project sites by revising work schedules, introducing mandatory rest periods and providing shaded rest zones with adequate hydration</li> <li>▪ Contract schedules are adjusted in discussion with clients</li> </ul>
Extreme precipitation impacting the safety of equipment as well as the workforce at EPC project locations (R)	<ul style="list-style-type: none"> <li>▪ Increase in indirect costs to handle flooding and protect resources</li> <li>▪ Increased equipment maintenance or replacement costs</li> <li>▪ Increase in premiums for insurance policies taken for locations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Site locations and central teams proactively monitor weather advisories and forecasts, making necessary arrangements to mitigate impacts at affected locations</li> <li>▪ Contract schedules adjusted in discussion with clients; claims filed for force majeure events</li> </ul>

### CHRONIC PHYSICAL

Risks (R) / Opportunities (O)	Potential Financial Impact	Response / Actions
Changing weather patterns, deviating from historical trends, impacting execution as well as logistics (material supply to EPC project sites and product supply to manufacturing business clients) (R)	<ul style="list-style-type: none"> <li>▪ Increasingly impacting project execution causing unpredictable delays and resource allocation challenges</li> <li>▪ Disruptions in the construction timeline may lead to increased operational costs, potential project overruns</li> </ul>	<ul style="list-style-type: none"> <li>▪ Environment data analysed at the bidding stage as well as at the start of execution to assess such risks</li> <li>▪ Enhanced tracking of weather patterns during the execution phase to mitigate any negative impact</li> </ul>
Water sourcing and availability are becoming a challenge in many locations, particularly in water-stressed regions as well as in the summer months (R)	Increased costs for water sourcing	<ul style="list-style-type: none"> <li>▪ Impacted locations make alternate arrangements to ensure water availability</li> <li>▪ Focusing on wastewater recycling and rainwater harvesting to reduce dependence on freshwater, improving water use efficiency</li> </ul>

# MANUFACTURED CAPITAL

L&T is committed to achieving excellence in EPC project delivery and hi-tech manufacturing. The Company strives to maintain its leadership across key industry segments by leveraging cutting-edge technologies, robust capabilities and consistent delivery performance. As the Company continues to grow and create long-term value, the focus remains on enhancing resource efficiency, boosting productivity and maximising equipment utilisation.

These efforts are geared towards improving quality, shortening execution timelines, strengthening customer focus and ensuring cost competitiveness in global markets. Accordingly, the Company is actively pursuing current opportunities, exploring new business segments, and maintaining a strong and diversified Order Book to sustain future growth.



## Key Highlights of FY 2024-25

**700** Active project sites

**19** Manufacturing facilities

**~₹ 75,500 Cr** Green Business revenue

### Strategy Linkage<sup>1</sup>



### SDGs impacted



### Material Topics

- Customer Experience and Satisfaction
- Water, Waste and Hazardous Materials Management
- Quality of Products and Project Delivery
- Skilled Manpower
- Human Rights and Labour Conditions
- Brand Management
- Sustainable Supply Chain
- Data Security, Privacy and Cybersecurity

<sup>1</sup> For details, refer to 'Business Model and Strategy' section

## EPC Projects

Comprises businesses with a long track record and end-to-end design-to-deliver capabilities for delivering assets linked to infrastructure, energy and metals sectors. They have established credentials in conceptualising, designing and executing large and complex projects for various sectors. Dedicated in-house engineering teams, competency centres and specialised training facilities support them.



### Buildings & Factories

A wide spectrum of tech-enabled solutions for residences, office buildings and commercial spaces, data centres, factories, warehouses, airports, hospitals, educational campuses and public spaces.



### Transportation Infrastructure

Turnkey design and build solutions for all kinds of transportation infrastructure, such as roads, runways, bridges, elevated corridors, railways, urban transit and airports.



### Heavy Civil Infrastructure

End-to-end solutions for executing large and complex civil construction works related to high-speed rail, mass transit systems, nuclear power plants, hydroelectric power plants, tunnels, ports and marine structures.



### Power Transmission & Distribution

Technology-focused solutions for power transmission and distribution, electrification and digital solutions for power systems.



### Renewables

One-stop EPC solutions for GW-scale solar PV, energy storage, microgrids and hybrid renewable projects.



### Water & Effluent Treatment

EPC solutions for water treatment and distribution, wastewater treatment and collection, desalination, irrigation, industrial effluent treatment, and water systems management and monitoring.



### Minerals & Metals

EPC solutions from mineral processing to finished metals for ferrous and non-ferrous industries, and a range of solutions and specialised equipment for varied applications in core sector industries.



### L&T Energy - Hydrocarbon

Integrated design and build turnkey solutions for large and complex projects related to oil & gas extraction, upstream processing, mid and downstream processing, pipelines, storage tanks and terminals and coal/pet-coke gasification.



### L&T Energy - CarbonLite Solutions

Turnkey solutions for gas-to-power, carbon capture, and low-carbon solutions for power plants. Also execution of large projects for supplying and installing boiler and turbine packages for thermal power plants.

## 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 catering to critical, large-sized ultra-heavy equipment for process plant and nuclear power sectors, and modular fabrication for offshore and onshore packages or modules for the oil & gas sector.



### Modular Fabrication Facility, Kattupalli, Tamil Nadu

Strategically located, state-of-the-art, all-weather waterfront facility for large-scale offshore and onshore packages or modules for the oil & gas sector and offshore wind farms.



### Shipbuilding Facility, Kattupalli, Tamil Nadu

Globally recognised, state-of-the-art manufacturing facility for constructing and repairing ships and marine vessels.



### Strategic Systems Complex, Talegaon, Maharashtra

Well-recognised facility for prototyping, manufacturing and testing precision engineering systems, sensors and electronic systems.



### Manufacturing Units, Kancheepuram, Tamil Nadu

Multiple units in Kancheepuram (~70 km from Chennai) for manufacturing power transmission line towers, engineered systems for mining, cement, construction, steel, ports, and other core industries, and processing machinery for the tyre and rubber industries. A globally-accredited Transmission Tower Testing and Research Station is located at Kancheepuram.

There are other manufacturing units in Pithampur (Madhya Pradesh), Kansbahal (Odisha), Ranoli (Gujarat) and Coimbatore (Tamil Nadu).

*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

Building a sustainable future remains a core strategic priority for L&T, guided by two of its key strategic objectives:

**SO-III** Developing business offerings to harness opportunities emerging from the global Energy Transition

In alignment with these objectives, the Company has strengthened its capabilities to offer and deliver solutions under its 'Green Business' portfolio. This portfolio is designed to address critical aspects of sustainability. It is centred around clean energy, mobility, water and sanitation, green infrastructure, and other emerging domains, contributing to a low-carbon and resource-efficient future.

The Company also uses its 'Green Business' portfolio to empower its customers to achieve significant sustainability outcomes, including enhanced energy efficiency, emissions reduction, improved water use efficiency, increased wastewater recycling and reuse, reduction of air pollutants, and broader resource conservation through material recycling and repurposing.

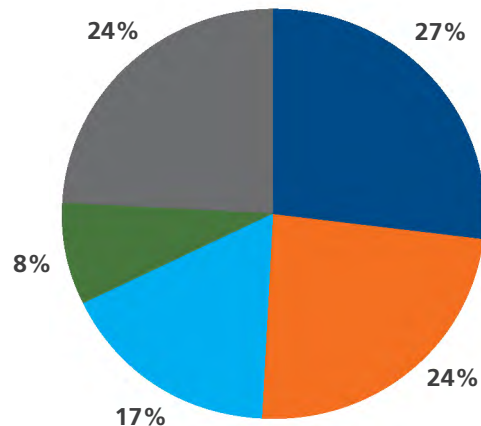
**SO-V** Enabling long-term business sustainability with a strong emphasis on ESG principles and shareholder value creation

Furthermore, to ensure credibility and transparency in its sustainability disclosures, the Company classifies its Green Business revenues using the 'FTSE Green Revenues Classification System 2.0' (GRCS)<sup>2</sup>. This system is robust, globally recognised, and closely aligned with the European Union's Taxonomy for sustainable activities, thereby ensuring a high level of alignment with global sustainability standards and investor expectations.

The Green Business constituted 53% (~₹ 75,500 crore) of the Company's revenue in FY 2024-25 as compared to 50% in FY 2023-24. Based on significant growth achieved and positive momentum of the Green Business, the Company has taken a revised target of 55% for Green Business revenue by FY 2025-26 (previously the target was to reach 40% by FY 2025-26).

Engineering News-Record (ENR), one of the globally recognised publications in the construction industry, has acknowledged the efforts of the Company. L&T has maintained third rank globally in the Top 200 Environment Firms Survey by ENR for three consecutive years (2022, 2023, 2024).

-  **Clean Energy**
  - Renewable Energy - Solar, Hydel Power Plant
  - Nuclear Power Plant
-  **Clean Mobility**
  - Mass Transit Systems (Metro Rail, Light Rail Transit)
  - High-Speed Rail, Semi-High-Speed Rail
  - Conventional Rail Networks
-  **Water & Sanitation**
  - Water Supply and Wastewater Collection Network
  - Irrigation Systems
  - Water, Wastewater and Effluent Treatment Plants
-  **Green Infrastructure**
  - Green Buildings
-  **Others**
  - Efficient Power Transmission and Distribution Systems
  - Equipment for improving process efficiency
  - Equipment for efficient resource extraction



<sup>2</sup> 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. Source: <https://www.lseg.com/en/ftse-russell/green-revenues-data-model>

The 'Green Business' offerings are linked to the two common strategies to deal with the impact of climate change.

STRATEGY	OFFERINGS
<p><b>Climate Change Mitigation</b> Efforts to reduce emissions and enhance carbon sinks</p>	<p>Renewable Energy Plants, Nuclear Energy Plants, Mass Transit Systems, Rail Networks, Efficient Power Transmission and Distribution Systems, and Others (Process Equipment for Clean Fuels)</p>
<p><b>Climate Change Adaptation</b> Changes in processes, practices and structures to moderate potential damages or to benefit from opportunities associated with climate change</p>	<p>Water and Sanitation Infrastructure, Green Buildings and Others (Equipment for improving process efficiency and resource extraction)</p>

### Snapshot of the Company's Green Business offerings



Water Treatment Plants



Hydel Power Plants



Mass Transit System



Railways



Green Buildings



Nuclear Power Plants



Solar Power Plants

# HUMAN CAPITAL

L&T recognises human resources as one of the most vital enablers of long-term, sustainable value creation. The Company's workforce is a dynamic, evolving ecosystem of individuals who bring passion, purpose, technical brilliance and leadership to their work and teams. With a multi-generational talent pool spread

across geographies, business verticals and disciplines, the Company thrives on the strength of its people who challenge the ordinary, solve complex problems and deliver outcomes that contribute to the progress of the nation and the global community.



## Key Highlights for FY 2024-25

**58,556** Employees<sup>2</sup>

**34** Years Median Age  
of Employees

**4.2** Mn Safety  
Training Hrs

### Strategy Linkage<sup>1</sup>



### SDGs Linkage



### 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

<sup>1</sup> For details, refer to 'Business Model and Strategy' section of this Report.

<sup>2</sup> Employee count referred to includes permanent and non permanent employees and permanent workers

## **L&T's People: Enablers of Innovation and Sustainable Value Creation**

Human capital is a key driver of long-term value creation and resilience. For the Company, its people are at the heart of its sustainable journey. The Company is committed to fostering a safe, inclusive and empowering work environment where talent is nurtured, well-being is prioritised, and continuous learning is encouraged. The approach to human capital management integrates ESG considerations, ensuring that the workforce strategy aligns with the broader commitment to responsible business practices. The approach for Human Capital is built on five foundational pillars:

- Continuous learning and innovation culture
- Performance with purpose
- Capability building at scale
- Fairness and inclusiveness
- Well-being as a strategic enabler

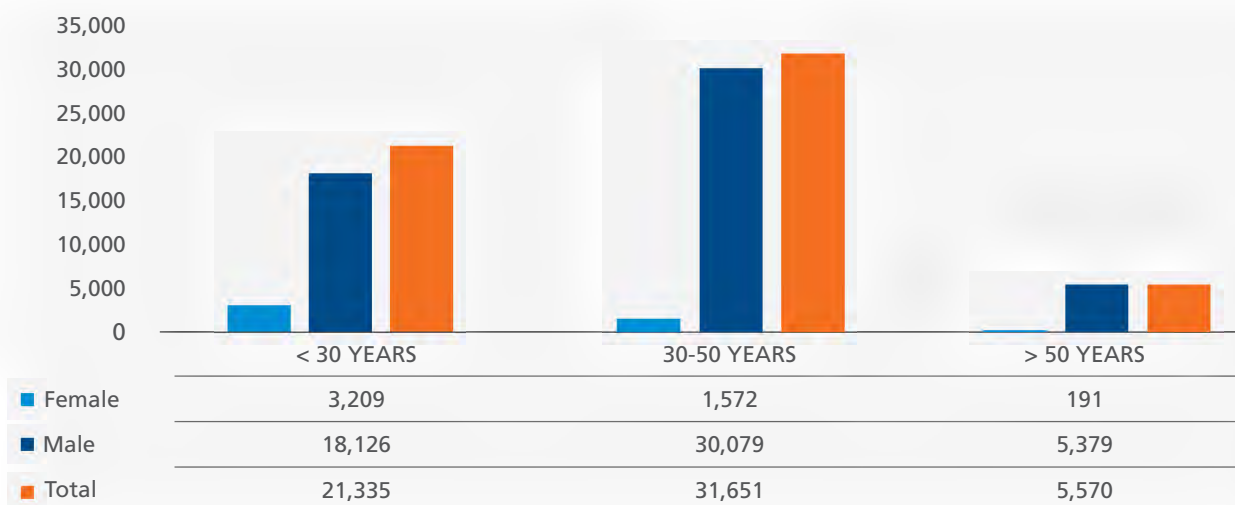
These pillars align with the Company's strategy plan Lakshya 2026, ensuring human capital development remains integral to business success and stakeholder value creation.



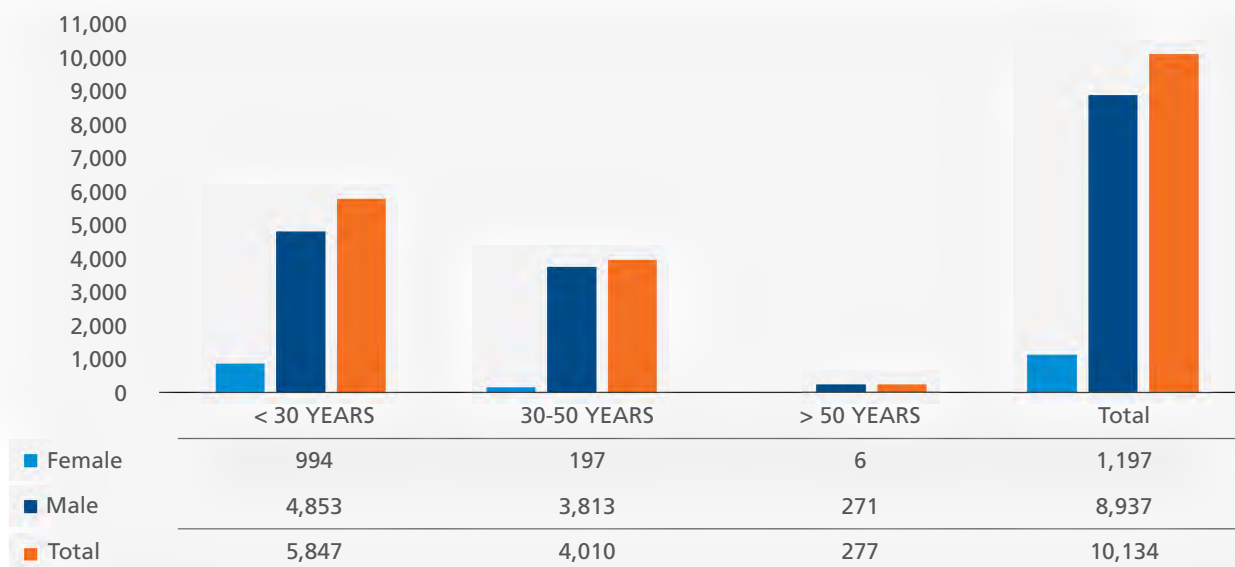
## Workforce Profile and Composition

The Company's 58,556 employees - in the words of L&T's co-founder Henning Holck-Larsen - are its real assets. The young workforce brings with it an innovative approach, agile thinking and digital savviness. While employees hail from almost every Indian state and UT, the Company's diverse workforce also represents numerous nationalities. This creates a multicultural perspective that mirrors and enriches the Company's inclusive approach.

### Employees: Age and gender wise distribution



### New joiners: Age and gender wise distribution



The constant and conscious efforts on increasing gender diversity have ensured that today, nearly 5,000 women employees, among whom many hold positions of critical responsibility and leadership in every domain, across engineering, construction projects, high tech manufacturing, and new age services.

## Talent Acquisition and Employer Brand

In FY 2024-25, the young professional talent acquisition team recruited and onboarded over 2,600 young engineering professionals across various businesses within the L&T Group as Graduate Engineering Trainees (GET) and Postgraduate Engineering Trainees (PGET) through campus recruitment. Additionally, over 1,600 young professionals, comprising MBA graduates, chartered accountants, cost accountants, diploma engineers and other trainees, were onboarded during the year.

GETs and PGETs, after being selected, are inducted into the organisation through the campus-to-corporate programme GRACE (Get Ready for an Awesome Career in Engineering), which encompasses a diverse array of online and offline pre-joining gamified exercises on the micro-learning platform of the Company.

Beyond recruitment, the focus is on redefining the employer brand through targeted campus engagements, strategic sponsorships at leading engineering institutes and dynamic social media campaigns. The branding initiatives are further strengthened by leadership talks and industry-academia collaborations, wherein the Company's senior management shares compelling stories that shape India's infrastructure

and drive national progress. These efforts consistently reinforce the Company's position as an employer of choice.

Through CreaTech, the flagship case competition for engineers, the campus interaction is expanded by offering students real-world problem-solving experiences that mirror industry challenges. These initiatives boost brand presence and give young minds a platform to showcase their technical acumen and strategic thinking.

During the year, OutThink, a business case competition, was launched. It received over 6,500 registrations across 34 premier B-schools across the country, competing to win cash prizes and pre-placement interview opportunities. Out of the 300 teams qualified for Round 2, the top 8 presented their solutions to real business problems before a distinguished jury.



Hiring of

**30%**

women as GETs and PGETs over the last three years



## Talent Management



### Talent Identification

Performance Management System differentiates, recognises and rewards talent, while its integration with Career Development and Succession Planning ensures smooth leadership transitions. High-potential employees are identified and nurtured through Development Centres (DC) and the Technology Leadership Programme (TLP), which provides participants with clear insights into their strengths and growth areas. In FY 2024-25, over 1,500 employees were assessed through Development Centres, and Individual Development Plans (IDP) were prepared to map their personalised growth journeys.



### Talent Review

The Talent Council, comprising business heads, HR heads and senior executives, plays a key role in identifying and developing future leaders. Through in-depth reviews, the council designs personalised development plans based on each candidate's strengths and growth areas. Interventions include cross-functional projects, training, leadership shadowing and coaching. A dedicated digital tool supports this process by tracking talent data and progress. This structured approach strengthens leadership capabilities and ensures business continuity through robust succession planning.

The 'Talent Review Process' for employees has been further strengthened to enhance visibility and support critical talent across the business units. Led by the Talent Council, this approach involves quality discussions and a user-friendly Talent Review software module to streamline the process.



### Performance Management System (FAIR Process - Framework for linking Appraisals with Incentives and Rewards)

The Company's continual success rests on the foundation of a high-performance culture. The performance management philosophy is based on the principles of meritocracy, entrepreneurship, teamwork, and continuous learning and development. Performance Management System rewards excellence in performance through

- Performance planning
- SMART goal setting
- Cascading of goals
- Continuous review, monitoring, feedback and coaching
- Focusing on learning, development and growth
- Fair and objective assessment of performance





## ESG Linkage to Performance and KPIs

The Company recognises that long-term value creation is intrinsically tied to ESG performance, and therefore, KRAs and KPIs linked to ESG are embedded in performance management systems. Key ESG metrics - energy and water intensity, GHG emissions, diesel reduction, renewable energy, safety performance, diversity and inclusion goals, community engagement, and compliance - are integrated into business/project-level performance indicators and individual KRAs. The business-level performance indicators are reviewed quarterly, and individual KRAs are reviewed twice a year. The performance in the KRAs is linked to annual performance appraisals, thereby reinforcing a culture of ownership and impact.

In response to the need for improvement in safety parameters at certain projects, the Company has introduced a **Reward and Penalty System for its EPC projects segment**. This initiative strengthens accountability and drives a safety and environmental responsibility culture.

Under this system:

- A **fixed monetary reward** is granted to business units that exceed defined safety targets and performance
- Conversely, a **fixed monetary penalty** is applied to units that fall short of these targets

This mechanism directly impacts the **annual performance-linked rewards or bonuses** for all employees within the affected business units, reinforcing the importance of safety outcomes as a core performance metric.

By aligning ESG KPIs with operational excellence and financial metrics, the Company ensures that the sustainability ambitions translate into measurable outcomes that drive risk mitigation and innovation and generate long-term returns for all stakeholders.



## Learning and Leadership Development



Physical state-of-the-art L&D Infrastructure

Integrated digital state-of-the-art L&D Infrastructure

Vision, Values, LAKSHYA Plan, Competency Framework, L&T Business Excellence Model



- 7-Step Leadership Development
- ASCENT Competency Development
- Women Leadership WINSPIRE
- People Leadership
- Management Development Programme



- Pragati: 4 Step PLDP
- SCDM
- Case Centre
- PM conclave
- Knowledge@work
- Professor of Practice



- Young Talent Development
- Prayag - Fresher Training
- Level 1,2,3 Technical Development Programme
- CADFest
- Virtual Technical Summit
- Technology Conclave



- BIM
- Safety
- Railway Competency Development
- Tunneling
- Construction Vocational Training

L&T’s leadership development framework is structured around four key archetypes:

Business Leadership

People Leadership

Project Leadership

Technical Leadership

Business Leadership

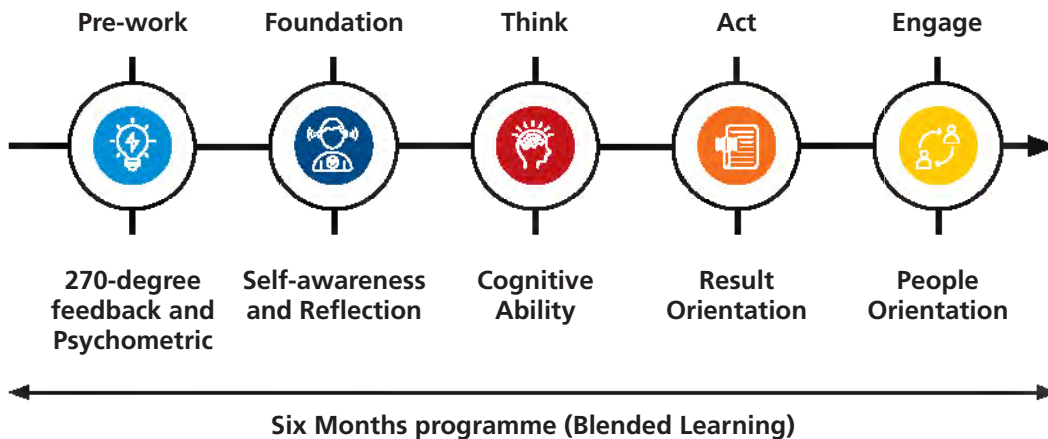
Seven-Step Leadership Pipeline Programme is a flagship initiative designed to cultivate visionary leaders who drive the Company’s strategic agenda. This structured programme, conducted along with the country’s top business and with foreign institutions as partners, ensures that the executives transition seamlessly into roles of increasing responsibility, equipped with critical competencies and global perspectives.



To align with L&T’s evolving strategy, new elements such as sustainability-focused topics and rural immersion programmes have been introduced, alongside personalised coaching, simulation-based learning and immersive projects. These initiatives are designed to build a pipeline of socially responsible leaders equipped to navigate an increasingly dynamic business environment.

Further, the Company has launched the **ASCENT series**, a six-month, multi-level leadership development programme in partnership with top business schools. ASCENT blends experiential learning through action projects, real-world business challenges, simulations and mentorship. It equips leaders at all levels with strategic thinking, agility and the competencies required to drive long-term success and ensure smooth leadership transitions.

Ascent Series programme construct



Similarly, L&T’s Management Development Programmes (MDPs) enhance functional skills and support long-term competitiveness. In partnership with premier B-schools like IIM-C, IIM-B and XLRI, these programmes help develop more than 800 employees annually through a blend of classroom learning, case studies, guest lectures and curated readings. Additionally, Executive and Supervisory Development Programmes (EDP/SDP), run with SIBM and NMIMS, focus on developing leadership at foundational levels.

## People Leadership

Introduced in FY 2023–24, the People Leadership Excellence Framework is central to building the Company’s leadership strength. It defines the journey of a people leader across five key dimensions of excellence: Personal, Relationship, Performance, Development and Leadership. Aligned with this, the **My People Leadership Insights** tool uses multi-rater feedback and AI analysis to provide leaders with actionable insights on their leadership style, organisational standing and growth opportunities.

### L&T People Leadership Excellence Framework



### *Leader as a Coach: Strengthening a coaching culture*

This four-month-long flagship programme, conducted in partnership with the Coaching Federation of India, empowers senior leaders with coaching and managerial behaviours aimed at enhancing their performance and relationship-building.

### *Leading with Emotional Intelligence*

Designed to cultivate emotionally intelligent leadership, this programme equips leaders to manage complexity, foster collaboration and strengthen stakeholder engagement.

### *Mentoring: Learning from the Best*

The Company's strong mentoring culture connects emerging leaders with senior management, offering strategic guidance and leadership insights to accelerate talent development.



## Project Leadership

**Institute of Project Management (IPM)**, an authorised Training Partner of PMI (Project Management Institute, USA), runs various programmes for building execution excellence.

**PRAGATI (Project Leadership Development Programme)** is a four-step competency-based initiative designed to develop project leaders capable of managing mega projects and portfolios. Aligned with the Company's strategic goals, PRAGATI nurtures well-rounded leaders equipped to drive large-scale execution with confidence and capability.

**Essentials of Project Planning and Control (EPPC)** programme is a three-month course designed to enhance project professionals' planning and

control capabilities. It covers key areas such as scheduling, cost estimation and project monitoring, with hands-on training in tools like Primavera and MS Project. The programme blends internal expertise with global best practices through e-courses from the Construction Industry Institute (CII, USA) and the in-house developed 'Accepted Cost Estimate' module. To date, IPM has upskilled over 4,200 engineers, strengthening excellence in project execution and enhancing client experience.

**Knowvember** is a knowledge management initiative of IPM that promotes cross-business knowledge sharing. Linked to this is **Inknowvate**, a month-long event that provides

a platform for showcasing groundbreaking ideas and innovative project management practices.

IPM collaborates with various prestigious institutions to design and deliver the programmes. The Institute has partnered with IIM Indore for Level 1 Programme for Excellence in Project Delivery (PEPD), SDA Bocconi School of Management, Italy for Level 1+ International Executive Masters in Business with specialisation in Project Management (IEMB-PM), IIM Calcutta for Level 2 Advanced Project Leadership Programme (APLP), and The University of Texas at Austin, USA for Level 3 International Project Leadership Programme (IPLP).

## Technical Leadership

**Corporate Technology & Engineering Academy (CTEA)** at Mysore and Madh delivers technical and functional training that is aligned with the Company's business needs and evolving industry trends. It offers skill enhancement for GETs, PGETs and mid-career professionals through hands-on learning, digital tools and cross-business knowledge sharing via summits and networking events. CTEA has state-of-the-art infrastructure to deliver an immersive experience, e.g., advanced labs in Precast, AR/VR, Electronics and Robotics.

## The programmes offered by CTEA are:

### Multi-Tiered Training Programmes

- Prayag:  
Fresher induction covering engineering fundamentals, safety and automation
- Technical Competency:  
Formwork, precast technology, offshore structural technology, predictive maintenance, fabrication, instrumentation and process control
- Advanced Technology Learning:  
AI/ML, Industry 4.0, IoT, digital transformation and smart manufacturing

### Hands-on Training & Digital Learning

- Technical Labs:  
Covering manufacturing, digitalisation, electrical, instrumentation and safety
- Software & Simulations:  
Tools like CREO, CATIA, AutoCAD, Ansys and cloud based training
- E-Learning Platforms:  
IIT and IISc certified courses, digital libraries and research publications

### Knowledge Sharing & Technical Events

- CAD FEST:  
Showcasing design innovations
- Technology Conclave:  
AI/ML, robotics and digital transformation discussions
- Virtual Technical Summit:  
Expert-led sessions on nanotechnology, digital supply chain and smart manufacturing



### Offshore Structure Technology

Comprehensive in-house offshore technical competency development specially designed for structural engineers of L&T Energy-Hydrocarbon business.

### Precast Technology

CTEA's Precast Training embraces modern, sustainable construction with mould assemblies for 3D elements, PODs, staircases and bridge segments, providing hands-on training to enhance precision and efficiency in precast techniques.

### TapRoot Root-Cause Analysis & NEBOSH Safety Management

CTEA organises TapRoot® Zonal Investigator training programme, a globally recognised methodology, by bringing together safety leaders to enhance their investigative capabilities and reinforce a proactive safety approach. Also, CTEA Mysore has delivered International General Certificate programmes as a learning partner for NEBOSH, globally recognised for HSE qualification.

## Specialised Skills

In addition to business-specific technical programmes, two new notable certification programmes were conducted in FY 2024-25. The Bridge Engineering Certification Programme - conducted in partnership with IIT Madras - certified 15 engineers from Heavy Civil Infrastructure and Transportation Infrastructure businesses. Similarly, the Tunnel Engineering Level 2 Certification Programme, launched by the Heavy Civil Infrastructure business in collaboration with Visveswaraya National Institute of Technology, Nagpur, involved a 12-day campus module and live action related to tunnel projects. Two batches, totalling 42 employees, have successfully completed the programme.

## Long-Term Education Programmes

L&T invests in structured education partnerships to build technical and managerial capabilities among early-career employees while supporting their personal aspirations. The Company has partnered with leading global institutions to offer continuous learning in technical, project management and business domains, building individual capability and organisational strength.

### Build India Scholarship:

Enables young engineers to pursue M. Tech. in construction technology and management through partnerships with IIT Madras, IIT Delhi, NIT Trichy, and NIT Surathkal

### Integrated Learning Programmes:

Offers B. Tech. Degrees through BITS Pilani, KIIT Bhubaneswar, Nirma University, LPU Phagwara and VIT Vellore; M. Tech through DIAT Pune; and Industrial Safety Certification via SBTET Andhra Pradesh

### Project Management Education:

In collaboration with NICMAR University, the Company introduced an Executive MBA in infrastructure construction management

### M. Tech with NICMAR:

Newly launched co-branded M. Tech programmes in construction technology and management and infrastructure project management, offering industry-integrated learning at NICMAR Pune

### MBA-equivalent Programmes:

Partnering with IIM Ahmedabad, SPJIMR and IFMR Krea University, the Company supports high-potential talent in pursuing advanced management education aligned with organisational growth



## ATLVarsity

ATLVarsity, the virtual learning platform, offers a wide range of self-paced courses across technical, functional and behavioural areas. Alongside in-house developed content, it features curated programmes from learning platforms like SF LMS, Coursera, Skillsoft, Harvard ManageMentor and Coach Vani. Many of these offerings, developed in collaboration with top academic institutions in India and abroad, blend conceptual learning with peer interaction, mentorship and real-world projects tailored to the Company's needs. Focused on on-the-go learning, ATLVarsity offers AI-driven coaching, simulations, videos, e-books and leadership programmes tailored to employee roles.

ATLVarsity is a fully AI-curated learning academy that goes beyond content delivery to offer intelligent, personalised learning experiences. It uses GenAI for skill assessments and benchmarking, giving employees targeted feedback.

## Key innovations include:

- CAISY, a scenario-based coaching tool
- Coursera Coach, a virtual instructor bot
- RaPL Craft, an AI engine that automates quiz and assessment creation

Additionally, Coach Vani leverages NLP and real-time feedback to build language and communication skills through AI-powered coaching.



Over

**7.95 lakh**

*learning hours were recorded, with more than 90% of employees successfully completing at least one training course*

## People Leadership Academy

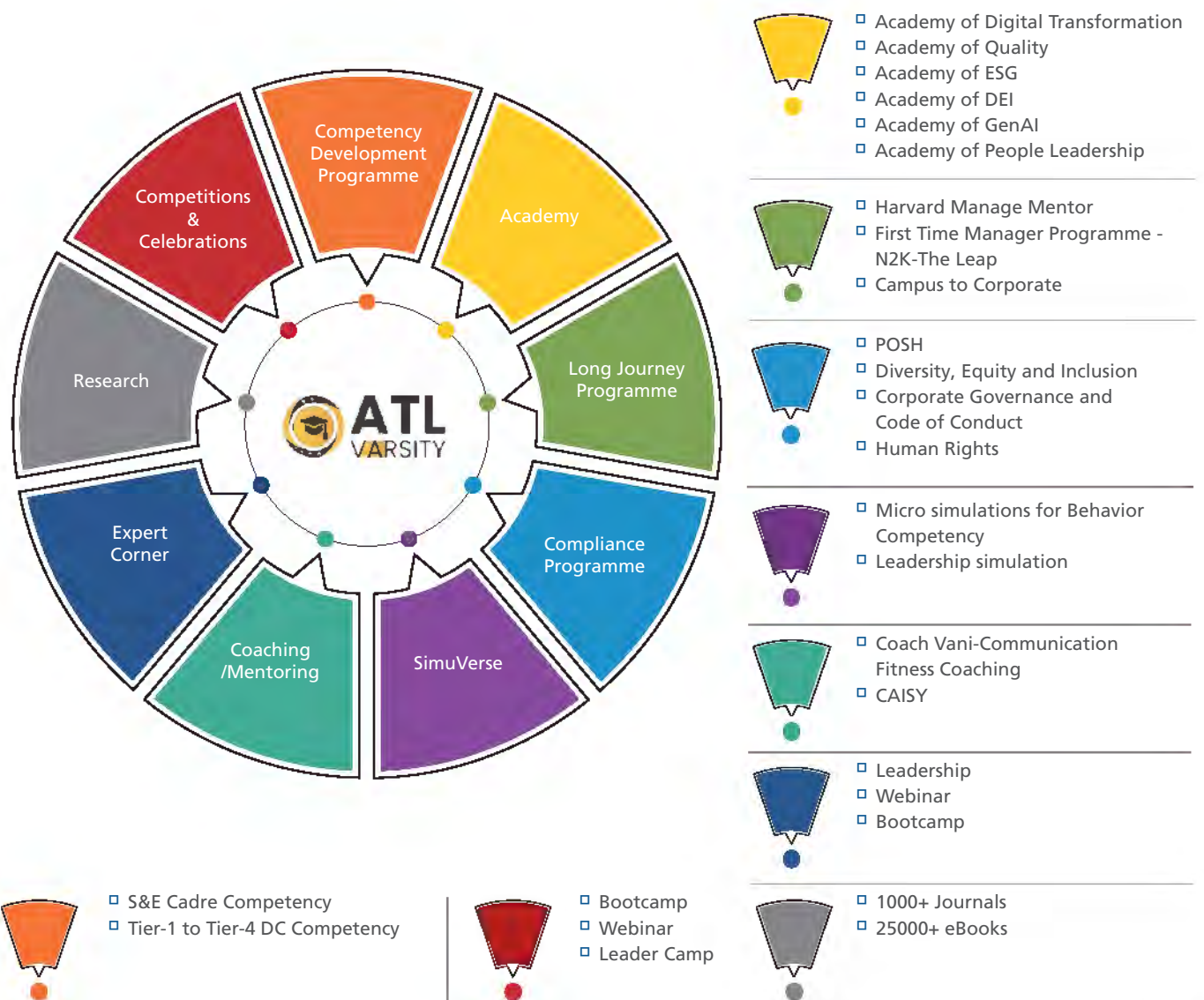
Launched in FY 2024-25 under ATLVarsity, the People Leadership Academy is built on L&T's five-stage People Leadership Framework. It offers structured, business-aligned leadership development, using Coursera's AI Course Builder to create tailored learning paths for both emerging and experienced leaders.

## Engineering Academy and Capability Development

The Engineering Academy is a platform to engage with technical experts and provide them with the right opportunities, enabling an environment of adequate support and motivation to excel. In its inaugural year, L&T Engineering Academy conducted 10 specialised training programmes, reaching 293 participants across technical domains such as welding technology, structural steel design, construction safety, concrete technology, sustainable design and formwork systems. The academy also facilitated intensive training for 85 PGETs from premier engineering institutions, focusing on core subjects like building construction materials, structural engineering codes, geotechnical engineering and the design of concrete and steel structures. Additionally, 87 specialised staff were inducted through domain-specific expert development programmes.

## Digital Library

L&T expanded its Digital Library by adding Skillsoft's e-book collection to the existing EBSCO subscription. With over 25,000 titles, employees can explore resources across Leadership, Business, Technology, Finance, Well-being, and more.



**L&D Metrics FY 2024-25**

**Learning Outcomes**

**2,014**

GETs and PGETs trained

**45,80,490**

Number of Learning Hours

**53,031**

Unique Learners

**ATL Varsity**

**7.95 lakh**

Training hours clocked  
(increase by 53% y-o-y)

**55.4 %**

increase in learners compared  
to FY 2023-24

**16,890**

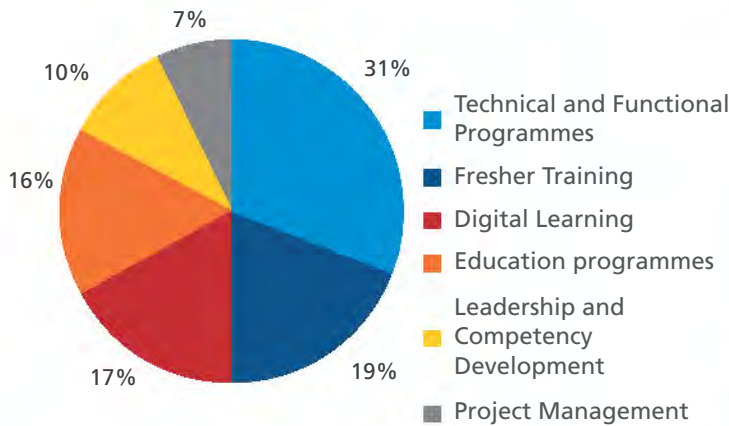
employees completed  
'Leveraging AI' course - second  
most popular on ATLVarsity  
platform

**CTEA (Madh & Mysore)**

**2,014**

GETs and PGETs  
trained

**Distribution of training programmes**



## ESG Training and Awareness Building

Training and awareness programmes have been ramped up this year to embed and strengthen ESG integration across the organisation. This year, ESG module has been included in the Management Development Programmes.

In addition to the awareness sessions conducted by the Corporate Sustainability team, business-level sustainability coordinators and teams conduct numerous sessions for different functions and locations. These trainings aim to build an understanding of ESG principles, their relevance to the business, and the roles individuals play in advancing the Company's sustainability goals.

Sessions cover a range of topics, including fundamentals of sustainability, sustainability data management, climate change, water security, biodiversity, human rights, diversity and inclusion, reporting compliance and BRSR. Training sessions linked to GHG reduction initiatives, energy efficiency, water use efficiency and waste management

are conducted at work locations, i.e., EPC project sites and manufacturing facilities. Most of the employees and the contractual workforce are covered in these trainings.

Specific training is also imparted for key functions such as procurement and risk management and businesses to align decision-making with ESG considerations. Such initiatives help foster a culture of sustainability, equipping teams with the knowledge and tools required to make informed, responsible choices in their day-to-day operations.

In November 2024, hosted its annual two-day sustainability conference, ECOPHORIA, which brought together over 130 participants, including sustainability champions from across businesses and functions. Inaugurated by Shri Ajay Tyagi, Independent Director, and graced by esteemed external experts from different organisations, the event served as a dynamic platform for cross-functional collaboration, knowledge exchange, and the sharing of best practices.



**15+** sessions  
*conducted through MDP and  
for businesses clocking more*  
**>920** hours



**>60,000** hours  
*of ESG trainings conducted by  
businesses*



## HR Digitalisation and AI Enablement

L&T's HR digital transformation began in 2019 with the rollout of SAP SuccessFactors. In FY 2024-25, this journey advanced with the launch of the SuccessFactors Learning Management System (LMS). The LMS enables personalised, flexible and device-agnostic learning while streamlining content access and reporting through a unified platform.

To further enhance employee experience, the Company introduced HEERA Plus.AI - an AI-enabled chatbot designed for HR query resolution. It provides tailored support ranging from policy information and leave tracking to workforce analytics dashboards for leadership. Leveraging Generative AI, HEERA Plus.AI handles over 300 unique scenarios, offering contextual, real-time and conversational responses, significantly improving query resolution efficiency.

Another key Gen AI-driven innovation is CAISY, a Conversational AI

Simulator designed as a scenario-based, personalised coaching tool for managers, enabling them to practice difficult conversations and enhance their communication skills. CAISY offers over 70 scenarios across three distinct personas -defensive, aggressive, and dismissive - providing a realistic and immersive environment for skill development.

Additionally, the Company has launched a new digital library through the Percipio platform, providing employees with access to over 15,000 books and articles from various fields and disciplines.

An AI-based 270-degree report as part of the People Leadership Excellence Feedback Instrument has been added, giving people managers a comprehensive overview of their competencies, strengths, and blind spots. It also helps in framing customised development plans for people leaders.

In FY 2024-25, the Company expanded its online compensation and rewards platform to cover all employees, streamlining and modernising compensation management across all business units. It also implemented a strategic shift towards a role-based organisation, supported by a comprehensive employee skill inventory and an integrated technology platform. This initiative aligns individual skills with job roles, enabling smarter talent deployment, personalised training and greater career visibility. It empowers employees to navigate multiple career paths while helping leadership make informed workforce decisions.

These initiatives reflect L&T's commitment to building a data-driven, agile HR ecosystem that enhances employee experience, operational efficiency and strategic alignment.

## Diversity, Equity and Inclusion

Fostering Diversity, Equity and Inclusion (DEI) remains a key priority at L&T, anchored in the four pillars of The DEI Charter – Induct, Engage, Develop and Enable. The Company strives to build a workplace where every individual feels valued and empowered.

Campus hiring and RENEW, the Company's second-career programme for women, has strengthened the efforts to hire and retain diverse talent. During the year, the focus was expanded to include hiring differently abled persons, which was supported by stakeholder workshops and office accessibility assessments. Over 10 candidates were hired in technical roles within the L&T Energy - Hydrocarbon business.

As part of the DEI Academy, two curated learning journeys have engaged over 2,800 employees, while the Allyship Awards saw 1,500 nominations celebrating those who actively champion inclusion. The DEI Virtual Showcase connected with 20,000+ employees, spreading awareness and engagement across the organisation.

To build a strong pipeline of women leaders, 765 women have been part of the WINSPIRE Leadership Series, customised for different career stages since the launch of this programme. Winspire is designed to focus on addressing the developmental needs of women at various stages of career and life and equipping budding leaders with adequate capabilities.

Furthermore, the Company continues to nurture a supportive environment for women, especially working mothers, through flexible policies, including post-maternity hybrid work, travel with infants, creche facilities, ergonomic support and the newly introduced menstrual leave.

Similarly, the Company's DEI strategy blends structural actions like inclusive hiring and policy reforms with cultural initiatives such as training and allyship. This holistic approach fosters an ecosystem where diverse talent can thrive and drive business impact. The strong focus on women's leadership development and a conducive work environment reflects a genuine shift from compliance to purposeful inclusion.

*I can proudly say, I had experienced Diversity & inclusivity in L&T when it was only a budding concept in Indian construction industry. Attending the leadership journey programme, Winspire - Propel; curated for mid-career women was a life changing moment. This programme helped me to understand my strengths and barriers, provided tools to improve and become a better person and develop my leadership identity.*

- DGM Civil, Heavy Civil Infrastructure

*A defining moment in my leadership journey has been my participation In Winspire Rise and later Winspire Propel, L&T's women leadership program. This experience has been truly transformative, reshaping not just my approach to leadership but also my perspective on life. More than just a professional development Initiative, it become of platform for self-discovery, empowerment and personal growth. This journey has reinforced my belief that success is not just about professional achievements but about self-growth, empowerment, and the courage to embrace one's true potential. I am incredibly grateful to L&T for these opportunities, and I am excited to continue leading with passion, purpose, and commitment to inspiring the next generation of leaders.*

- Senior Manager (Electricals), Power Transmission & Distribution



### Promoting Diversity at EPC Project Sites

The Mumbai-Ahmedabad High-Speed Rail project, India's first-of-its-kind, includes noise barriers along its entire route to minimise impact on communities and ecosystems. To meet the demand, the Company built a second factory with a mechanised set-up for efficient precasting of noise barriers.

Heavy Civil Infrastructure created an all-women team to run this factory, to promote gender diversity at the construction sites and help achieve the Company's gender diversity targets. An existing pool of GETs trained at the Precast Works Competency Cell was leveraged to form this all-women team. Cross-functional collaboration created an enabling environment - administration teams arranged accommodation and transport, while teams from Operations, Quality and EHS set up site systems.

Simultaneously, initial hesitation from predominantly male contractual workers was addressed through support from IR and HR teams. Senior management backed the initiative wholeheartedly, entrusting young women engineers with leadership roles at the factory.

## Employee Experience and Engagement

At L&T, every employee interaction shapes their journey, making each day an opportunity to create a healthier and engaging workplace. For instance, the engagement with the selected graduate and postgraduate engineer trainees commences even before they formally join the organisation through the pre-joining programme named GRACE.

As part of ensuring an enhanced onboarding experience, Pulse Engage surveys are conducted through the HEERA platform at critical milestones (7 days, 30 days, 60 days and 180 days) for new joiners. This year, over 8,000 lateral new hires and 2,800 campus hires responded to pulse surveys.



**L&T Radio**, with over 140 podcasts across themes like Leadership, Wellness, Employee Stories and L&T Cares, has become a key platform for employee engagement. Available on RAPL, SharePoint, and Yammer, it connects leadership with employees through inspiring stories and insights.

To promote open dialogue, the **'Let's Talk'** campaign was launched, encouraging people managers to have inclusive, real-time performance conversations using the Anytime Conversations feature integrated with the performance review system.

From the participation of 1,500 employees in its inaugural season to over 5,200 in its fourth edition in FY 2024-25, **QuizWiz** has emerged as one of the most cerebral and anticipated fixtures in the Company's events calendar.

**Art Beats**, an annual event conceptualised to bring out the artistic side of the employees through performances based on L&T-related themes, has become a unique platform to promote camaraderie and artistic innovation among team employees. During the year, the event witnessed around 500 entries.

**Hi5 Plus** App is a gamified recognition platform that drives instant appreciation through badges, wish cards and features like Wall of Fame, Long Service Awards and Birthday Corners. With AI-generated citations and a points-based reward system, it has become a hub for motivation and engagement.

The app is also a one-stop shop for holistic wellness and well-being with activities such as recording daily steps, BMI, calories, water intake,

daily tutorials and videos related to fitness. During the year, we organised wellness challenges like Stepathons, walkathons, and theme-based contests that boosted participation across businesses, strengthening team spirit and promoting well-being. Every business also conducts various activities to promote a culture that values health and fitness through cricket leagues, runathons and marathons.

From annual family days and festive celebrations to career guidance for children and care hampers for new parents, the Company has created opportunities for employees to celebrate their personal and professional milestones together. It reflects its focus on engagement, recognition, and well-being, ensuring a supportive & dynamic workplace and driving both individual and organisational success.

The **L&T's own HR Excellence Model (HREM)** Awards, in its 13th edition, saw the participation of 15 businesses. The HR processes of businesses, assessed by 30 CII-certified assessors, were recognised for their functional excellence, which has driven business results, at the award event marking the culmination of the HREM 2025 cycle.

**Annual HR Awards (AHA)** 2024, in its 5th edition, celebrated excellence across key HR categories, showcasing innovative approaches that drive continuous improvement. With 144 applications across individual and team categories, the

participants from various business HR teams showcased their initiatives in critical HR domains - excelling in talent acquisition by attracting top talent, fostering future leaders through talent development, enhancing workplace culture via talent engagement, and ensuring seamless HR operations through System Compliance and initiatives aligned with Lakshya 2026's strategic HR themes. The rigorous evaluation process followed the RADAR (Result, Approach, Deployment, Assessment and Refinement) model, with two external CII assessors conducting assessments, and a jury presentation comprising senior business executives and HR heads.



## Health, Safety and Well-being

### Occupational Health and Safety

Safety is deeply embedded in the corporate culture of L&T. At EPC project sites, where the nature of work often involves heightened risks, preventing accidents and safeguarding workers is of paramount importance. As a result, health and safety are recognised as material topics for the Company. This commitment extends beyond the permanent workforce and includes all categories of the workforce, including non-permanent employees and contract workers.

### Driving the Safety Culture

The Company's commitment to safety is embedded in 'Mission Zero Harm', and its policies, processes and systems are aimed at achieving the same. EHS Council, headed by Deputy MD, is the apex body of the Company, which aims to make EHS processes more robust, institutionalise best practices, and help achieve its EHS targets. The EHS Council reports to the Executive Committee and the Board on a quarterly basis.

L&T's Corporate EHS Policy is the guiding document for ensuring environment, health and safety across the organisation. Each business unit has developed its own EHS policy that is aligned with the corporate framework and tailored to its specific operational context. The implementation of these policies is driven through a structured EHS Management System. This system, adopted by all business units, is based on globally recognised standards such as ISO 45001, OHSAS and relevant national guidelines and laws, ensuring a consistent and robust approach to managing EHS risks.

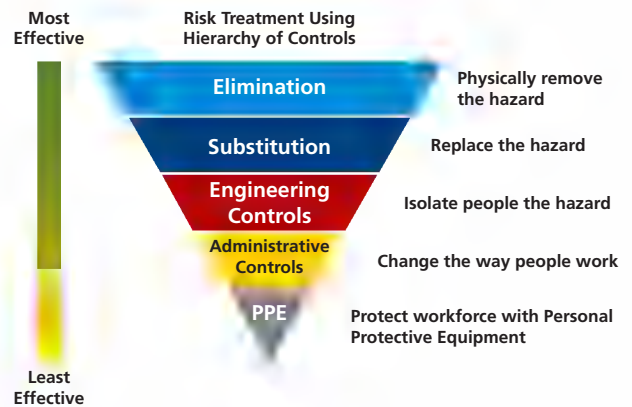
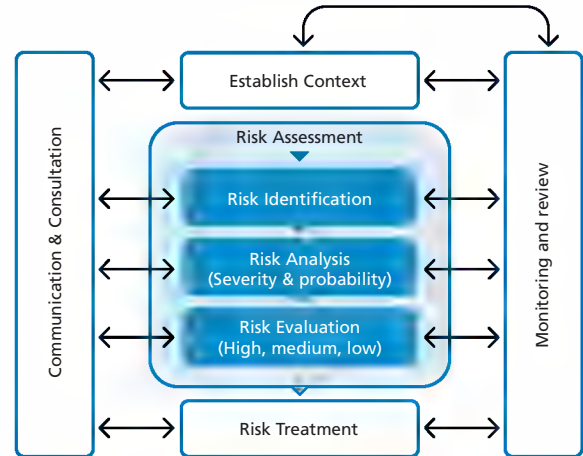


### EHS Plans and Hazard Risk Management

The guidelines and procedures outlined in the EHS Management System (EHSMS) are operationalised through site-specific EHS Plans. Each work location, whether an EPC project site or a manufacturing facility, develops an EHS Plan that is tailored to the nature of its processes, activities and physical context.

For EPC project sites, EHS planning begins as early as in the bidding and design stages. The EHS Plan is finalised and implemented prior to the commencement of any on-site activity, ensuring a proactive approach to risk management.

A cornerstone of the EHS Plan is Hazard Identification and Risk Assessment (HIRA). HIRA systematically identifies routine and non-routine hazards at a work location, assesses associated occupational health and safety (OHS) risks, and determines appropriate control measures to mitigate them. This process involves participation from all relevant stakeholders, including design and construction engineers, planning teams, EHS personnel and contract workers. Such collaborative engagement ensures a comprehensive risk assessment and effective implementation of mitigation strategies.



### Safety Performance Triangle



The Company has developed various applications to digitalise the EHS processes. This helps reduce manual effort, integrate data from various sources, and generate insights for analysis and decision-making. Machine learning and the Natural Learning Process (NLP) have been used to give actionable inputs to the end users. An immersive experience of AR/VR helps enhance training outcomes for both employees and workers.



## Workplace Safety Implementation and Contractor Compliance

Standard Operating Procedures (SOPs) have been developed for specific work activities at each location. Compliance with these SOPs is ensured during both the design and execution phases of the work plan. A Permit to Work (PTW) system is in place for high-risk or regulated activities to further enhance operational safety.

Given the significant reliance on a contractual and non-permanent workforce - engaged primarily through subcontractors - it is imperative that subcontractors and their workforce adhere strictly to the Company's EHS policies and procedures. Compliance with these requirements is embedded contractually. Additionally, site teams may impose enhanced EHS requirements, wherever necessary, to ensure robust on-ground implementation.

L&T's Code of Conduct for Suppliers includes provisions related to health and safety. All suppliers are required to submit a compliance declaration affirming adherence to these standards.

Importantly, every individual - whether an employee, contractual worker or third-party visitor - must undergo mandatory safety induction training before being granted access to the work location. This ensures a unified understanding of safety protocols and expectations across all on-site personnel.



## Training, Awareness and Communication

Effective implementation of the EHS Management System (EHSMS) is reinforced through structured training and targeted communication. The site EHS team prepares a comprehensive EHS training plan tailored to the specific requirements of the work location, ensuring coverage of all relevant personnel, including employees and contract workers.

Training programmes are designed to familiarise participants with key elements such as the Company policies, SOPs, hazards and risk identification, emergency preparedness, consequence of non-compliance, and awareness of health and safety practices - delivered through a variety of channels to maximise engagement and retention. One of the key tools used daily is the Toolbox Talk, conducted by site engineers or supervisors at the start of work shifts. These short, focused sessions highlight specific risks and the corresponding SOPs that must be followed for the day's activities. Additionally, specialised training programmes are organised for personnel involved in high-risk operations such as working at heights, confined spaces, or tunnel environments. Notice boards and warning signs are strategically placed throughout the work site, communicating key safety information, risks and required precautions.

Furthermore, a Communication Matrix is developed to map out the EHSMS elements, stakeholders involved, modes of communication and the corresponding evidence or records of communication, ensuring systematic and traceable information flow.





## Performance Monitoring

EHS performance and implementation of EHSMS are monitored starting at the site level and going up to the Company board level. Business-level monitoring (management review meetings) is done monthly. EHS performance of specific work locations, both qualitative and quantitative, is monitored daily. This includes proactive and reactive measures. All personnel at work locations are encouraged to report non-compliance or observations and bring them to the notice of the concerned person or team.

Further, monthly EHS Committee (comprising of various on-site teams including contractors and worker representatives) meetings at the work locations are aimed at analysing the EHS performance, devising the corrective actions and monitoring the implementation of actions to be taken. Internal and external audits, through external experts or agencies, help identify the key gaps in processes and systems. These are further aided by inter-business audits conducted within the Company.

Moreover, preliminary and detailed investigation reports are made for any incidents occurring at the site and aid in devising corrective actions and new processes to address the gaps. The monitoring focuses on lead indicators, e.g., non-compliance and near misses, to help proactively identify the shortfalls in the implementation of EHSMS and formulate strategies to address them.



### Mental Well-being

L&T remains committed to employee health and wellness, with initiatives focused on holistic well-being. During the year, a pilot wellness survey was carried out based on the four-pillar framework - physical, social, emotional and financial. A few of the actions taken as an outcome of the wellness survey are:

- A structured wellness policy covering all the key initiatives taken by the Company for the employees
- Thrust on annual health check-ups and tie-ups with hospitals across the country
- Activities like Aarogya Mela are organised annually, bringing the major health-related tests under one roof

### Well-being Metrics

Various programmes aimed at promoting healthcare awareness and enabling early screening and detection of diseases were organised during the year.



### In-house and External Counselling Services

During the year, the Company facilitated mental health counselling services both internally and through external providers. These services ensure employees have confidential access to counselling, mental health resources, and support for both personal and workplace challenges.



### *Mental Health First*

Aider's campaign for employees across the Company was launched in December 2024, inviting nominations from employees across India. From a total of 200 registrations, 50 participants were chosen to take part. This initiative aims to equip employees with the skills to identify mental health challenges, support individuals in need, and provide guidance on accessing professional help.

### *World Mental Health Day*

Is observed every year on October 10 to raise awareness about mental well-being and mobilise collective efforts to support it. The impactful initiatives include curated articles, self-assessments, insightful infographics and dedicated podcasts - all shared with employees across India. Internal communication platforms, such as employee magazines and L&T Radio, were leveraged to ensure wide reach and engagement. These channels continue to play a key role in promoting mental health awareness and encouraging employees to utilise the wellness initiatives available to them.

## **Emotional Well-being**

L&T's wellness journey has evolved with institutionalised programmes like Mindfulness and Art of Living, expanding to cover physical, mental and emotional well-being. The Company has partnered with SRMD, Saadho Sangh Foundation, and the Heartfulness Institute to deliver holistic wellness experiences. These initiatives promote resilience, mindfulness and purposeful living through practices like meditation and lifestyle-focused micro-habit programmes.



## **Other Initiatives**

**Larsen Memorial Run:** This run is organised annually as an ode to L&T's co-founder, Henning Holck-Larsen. From the first edition in 2013, participation has increased each year. In FY 2024-25, more than 3000 registrations were received worldwide. Since 2021, the run has been organised in a hybrid format with a live and virtual event in collaboration with Strava.

In its second year, the Mumbai Sea Bridge Marathon on the Atal Setu generated a huge response from fitness enthusiasts, with over 5,000 participating.

## L&T's commitment to protecting and upholding Human Rights

L&T is committed to upholding fundamental human rights across its operations and supply chains. The approach aligns with globally recognised standards, including the United Nations Guiding Principles (UNGPs) on Business and Human Rights, the Universal Declaration of Human Rights (UDHR), and the International Labour Organisation (ILO) Conventions.

Human rights are integrated into the Company policies and governance frameworks as part of its sustainability commitments, ensuring a responsible and ethical business ecosystem. Various aspects of human rights are incorporated into the Sustainability policy, the Equal Opportunity Policy, the Health and Safety Policy, the Code of Conduct for employees and suppliers, and the Whistleblower Policy.

Further, the Company continually strengthens & improves systems and processes wherever necessary, undertaking internal due diligence or conducting risk assessment, monitoring, providing remedies, and taking corrective actions to ensure protection of human rights.



### Governance

With a strong pipeline of projects, the availability and management of workers, a critical resource, is essential for the successful and timely completion of projects. During the year, the Head-HR for Workmen was appointed to oversee effective sourcing, deployment, development, management and retention of workers across the Company.

Additionally, to meet the ever-growing demand for workers in the Company's project businesses, a Central Workmen Mobilisation Cell (CWMC) has been formed to collate the workers requirements from all businesses, collaborate with the heads of HR for workmen, and arrange mobilisation of workers from various sourcing centres.

Furthermore, the Task Force for Subcontractor Management has been formed to dwell on various aspects of sub-contractor development, rewards and recognition, retention of workers, streamlined timely payment, worker welfare, and progressively ensuring implementation of improvement ideas in collaboration with businesses.

#### *Workplace Rights and Fair Labour Practices*

- **Zero Discrimination and Equal Opportunity:** The Company ensures a diverse and inclusive workplace free from discrimination based on gender, caste, ethnicity, disability, or any other status.
- **Freedom of Association and Collective Bargaining:** The Company respects the rights of employees to form unions and engage in collective negotiations.
- **Decent Work and Fair Wages:** The Company upholds fair wages, ensures no wage discrimination, and complies with national and international labour laws.

#### *Occupational Health, Safety and Well-being*

- **Zero Harm Policy:** The Company prioritises employee and contractor safety, following global best practices in workplace safety. Details are elucidated in the subsequent section.
- **Mental Health and Well-being Programmes:** Regular health check-ups, stress management workshops and wellness initiatives are conducted to ensure a healthy workforce.

#### *Prevention of Forced and Child Labour*

- **Zero Tolerance for Forced Labour:** The Company ensures that wages or bonuses are not withheld and are paid in a timely and regular manner; no identity cards or other personal documents are retained; and no recruitment fees are charged or money deposits.
- **No Child Labour:** There are reliable procedures to check the age of job candidates by birth certificate and/or identity card. Child labour across all operations and suppliers is strictly prohibited.

## Human Rights in the Supply Chain

- Supplier Code of Conduct: All suppliers must comply with the clauses of L&T's Code of Conduct for suppliers, including human rights.
- ESG Audits: During the year, ESG assessment of the critical suppliers has been initiated. This was conducted by an external third-party to ensure compliance with environmental, social and human rights standards.

## Human Rights and Community

Respect for human rights extends beyond its own operations - it is central to how the Company engages with the communities in which it operates. The Company's initiatives to build strong, respectful relationships with local communities include:

- Engaging communities through regular dialogue and consultation to understand local concerns and expectations
- Supporting community development through initiatives that promote education, health, economic empowerment, and access to basic services
- Respecting Indigenous peoples' rights

Integrating human rights considerations into the Company's community programmes and partnerships aims to create long-term, positive social impact while reducing the risk of harm or exclusion.

## Grievance Mechanisms and Access to Remedy

- Anonymous Reporting Channels: Enabling employees, suppliers and external stakeholders to report violations through confidential whistleblowing platforms
- Internal Complaints Committee (ICC): Addressing workplace harassment complaints as per the POSH Act, 2013
- Grievance Redressal for Workmen: Officers in charge of project accounts/admin/IR/project safety are mostly responsible for grievance redressal, which includes lodging, resolution, escalation, feedback and closure, record-keeping, reporting, periodic review and audits.

## Training and Communication

Embedding respect for human rights across the operations begins with awareness and education. The commitment extends beyond policies - it involves equipping the employees, suppliers and partners with the knowledge and tools they need to uphold human rights in their daily work.

### Employee Training

Regular training on human rights is provided to employees at all levels in different forms (online and offline). During the year, a specific learning module on ATLVarsity was launched to make the learning more interactive. This training is extended to both permanent and non-permanent employees. The module is designed to:

- Raise awareness of internationally recognised human rights standards
- Explain the company's human rights processes and expectations
- Identify and respond to potential human rights risks
- Promote ethical decision-making and a culture of respect and accountability

The effectiveness of the training is continuously evaluated, and content is updated to reflect emerging issues, regulatory developments and stakeholder expectations.



**>23,500**  
employees trained on  
human rights through  
ATL platform



## Supplier Engagement on Human Rights

Human rights training is also extended to suppliers. Through the supplier onboarding process and ongoing engagement, the Company communicates expectations regarding human rights, labour rights and workplace practices. In FY 2024-25, the Company organised four supplier awareness sessions covering more than 255 companies, comprising domestic and international supply chain partners. Additionally, 120 critical supply chain partners were assessed in five areas, including human rights and labour management. Moreover, the Company encourages suppliers to cascade training within their own operations and provide access to third-party resources and capacity-building initiatives where appropriate.

*For further details on incorporating sustainability in the supply chain, please refer to Social and Relationship Capital.*



## Outlook and Strategic Priorities

The world is currently experiencing three concurrent shifts - digital (data), green energy and a shift from a unipolar to a multipolar world. These transformative shifts heighten global competition for top talent, particularly in emerging fields such as green energy infrastructure, data centres, e-commerce, and digital architecture.

To maintain a competitive edge, the Company is intensifying its commitment to talent development by investing in continuous learning, targeted upskilling and leadership programmes that align with evolving industry and market needs. This includes a focus on building a future-ready, high-performing workforce while prioritising employee well-being, ethical conduct and inclusive growth.

By embedding integrity and fairness into our culture and value chain, the Company empowers the people to thrive and lead with purpose. The Company remains steadfast in its commitment to human rights, fostering a workplace rooted in integrity and inclusivity. By inculcating ethical principles across the workforce and broader value chain, an environment is created where employees can thrive, collaborate, and contribute meaningfully.

### The expected outcomes from these initiatives include:

*Enhanced talent acquisition: Attracting top talent in the existing domains of L&T as well as the emerging fields like green energy infrastructure, data centres, e-commerce and digital architecture*

*Enhanced employee well-being: Prioritising the well-being of employees, ensuring they feel valued and supported*

*Strengthened Leadership with Purpose: Empowering employees to lead with purpose, contributing meaningfully to the Company's goals and the broader community*

*These outcomes collectively aim to position the Company as a leader in its industry, capable of navigating and thriving amidst the ongoing digital, energy and geo-economic shifts.*

*Skilled workforce: Developing a future-ready, high-performing workforce through continuous learning, targeted upskilling and leadership programmes*

*Reinforcement of ethical and inclusive culture: Embedding integrity and fairness into the Company culture, fostering an environment of inclusivity and ethical conduct*

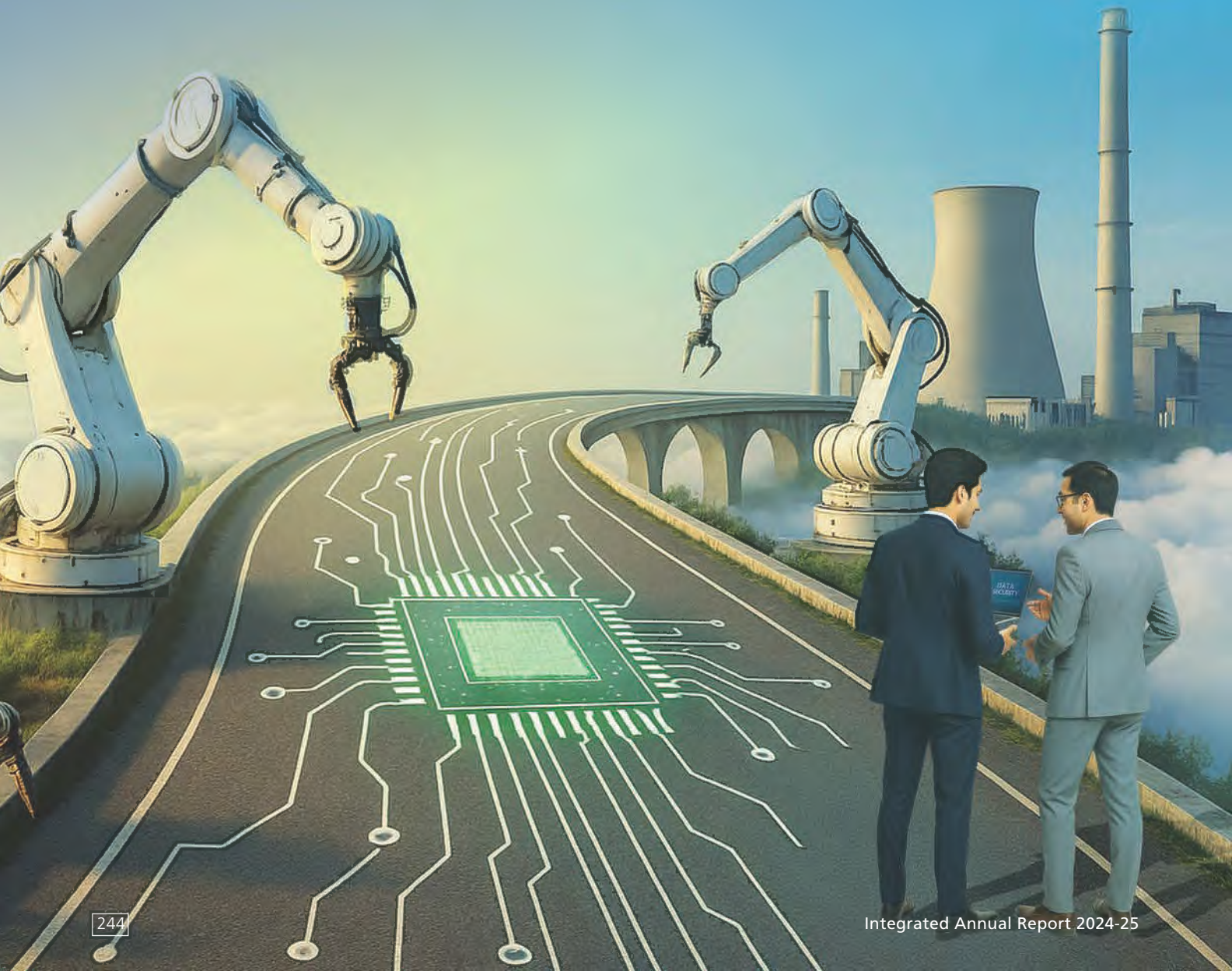
*Commitment to Human Rights: Upholding human rights and creating a workplace rooted in integrity and inclusivity*



# INTELLECTUAL CAPITAL

Innovation is a key enabler for the Company to improve its operational performance, reduce its environmental footprint and enhance customer satisfaction through better offerings and delivery. Focus areas for innovation are improving product design/features, enhancing resource (manpower, machine) productivity, reducing delivery

timelines, reducing environmental impact, increasing the use of non-virgin and eco-friendly materials, and improving the climate resilience of assets created. R&D teams, engineering and design teams, competency cells, and site-level execution teams drive action in these areas.



## Key Highlights of FY 2024-25

**₹ 479 Cr** Total R&D spend  
(cumulative over last 3 years)

**144** R&D Engineers  
and Scientists

### Strategy Linkage<sup>1</sup>



### SDGs impacted



### Material Topics

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

<sup>1</sup> For details, refer to 'Business Model and Strategy' section

## R&D initiatives at L&T Construction Research and Testing Centre

The L&T Construction Research and Testing Centre (LTCRTC) is a distinguished facility within L&T, recognised by the Department of Scientific and Industrial Research (DSIR) and accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL). It is the only centre of its kind in India's private construction sector.

The Centre tests various construction materials, provides value-added solutions to critical issues, and undertakes R&D projects. Also, LTCRTC is active in various nodal committees and professional bodies and publishes technical papers in reputed journals. It serves as a hub for innovation and quality assurance in the construction industry.



LTCRTC, Chennai



LTCRTC, Chennai



### Maturity Meter for Concrete

Determining the early age strength of concrete is an important parameter for monitoring its quality. The typical method involves cube casting, curing, and testing at different intervals (3 days, 7 days, 28 days and 56 days) and destructive testing which is time consuming and generates concrete waste. Maturity Meter is a technology adopted by some companies across the globe to streamline the process. However, the adoption remains low due to high instrumentation costs and data processing complexities.

LTCRTC team developed an in-house maturity meter using Bluetooth Low Energy technology for wireless data logging and AI, which helps monitor and predict concrete strength development. This solution not only reduces the time for testing but also helps avoid the cube-making process and material consumed for the same.

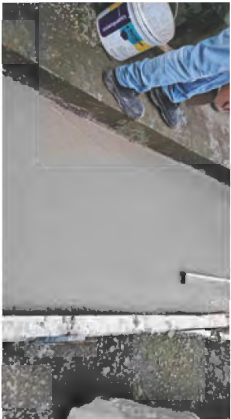
As a result, **the cost of concrete testing is reduced significantly by almost 60%, while the time to determine concrete strength is cut down by 20% compared to the conventional method.** This enables near real-time quality monitoring while ensuring compliance with the rigorous demands of high-production environments and strict execution timelines. The solution has been trialled at five sites, yielding promising results that support its full-scale implementation.



### Chloride Removal from Concrete

The durability of concrete structures is a concern in harsh environmental conditions, such as marine environments, primarily due to chloride ion penetration leading to reinforcement steel corrosion. Typically, this issue is addressed by reducing concrete permeability or using specialised reinforcement steel. However, if the chloride content in hardened concrete exceeds technical limits, the conventional approach involves either demolishing the affected structure or patching damaged sections. This increases costs and disrupts execution timelines.

LTCRTC has developed a solution that involves extracting the chloride ions by passing a DC current and using a sacrificial anode. This solution can potentially reduce **the costs of handling chloride penetration cases by up to 70% while reducing the waste generated.** The solution is at the prototyping stage, and likely to be deployed at project sites in a year.



## Geopolymer Concrete

Embodied carbon in the concrete significantly contributes to the value chain emissions of the construction sector. These primarily include emissions from cement production, steel reinforcement, and transportation of materials to the construction site. Globally, several alternate materials are being developed to replace cement in the concrete.

LTRCTC has developed a Geopolymer Concrete that replaces Ordinary Portland Cement (OPC) with Industrial waste products, i.e. fly ash and granulated ground blast furnace slag (GGBS). The mix is activated with alkaline solutions, e.g. sodium hydroxide and sodium silicate, to bind the aggregates and improve the open time of the mix. Concrete is then produced using the admixture to eliminate the use of water. Due to waste material usage, **the embodied carbon of the concrete is reduced by almost 60% and avoids water use.** This innovative product is highly suitable for precast applications (e.g. sewer lines) and has been used for precast elements in two residential housing projects so far.

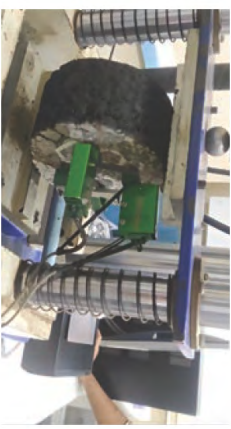


## Textile-Reinforced Concrete (TRC)

Cement and steel have high embodied carbon, making reinforced concrete a material with a high carbon footprint. Various alternative materials are being explored to replace such high-carbon materials.

LTRCTC has developed an optimised fine-grained concrete mix by incorporating glass fibre textiles as reinforcement for creating TRC, thereby eliminating steel requirement in such a mix. This facilitates the fabrication of thin structural elements with improved strength and durability.

**In addition to a lower carbon footprint (~15-20%), this concrete has lower weight (per m<sup>3</sup>), further reducing energy requirements in transportation and handling.** TRC has been used in civil works of a lift irrigation project in Odisha.



## High-Performance Asphalt Mixes

Rutting has long been a major challenge for bituminous pavements, particularly in warm and hot climates. High-Performance Asphalt Mixtures (HIPER) have been widely adopted to address this issue, offering a combination of high modulus and exceptional fatigue resistance.

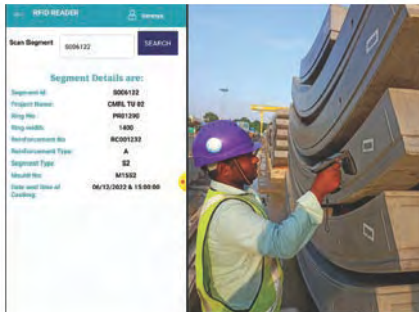
LTRCTC has developed HIPER mixes using three approaches: incorporating synthetic co-polymers, replacing aggregates with reclaimed asphalt pavement (RAP), and using specially designed hard-grade binders. This reduces overall pavement thickness in traditional bituminous pavements, resulting in a 7-10% lower cost than conventional mixes. Also, using synthetic co-polymers and RAP helps **reduce the consumption of virgin aggregates by 25-35%, lowering the carbon footprint of the process by 10-15%.**

Further, the superior fatigue endurance of HIPER mixes extends pavement lifespan, reducing overall repair and maintenance costs. The use of HIPER mixes, in areas susceptible to creep loading and rutting, is being explored for upcoming highway and airport runway project contracts.

## EPC Projects : Digital Transformation

L&T has been actively pursuing digital transformation across its diverse business segments to enhance operational efficiency, foster innovation, and maintain a competitive edge in the industry. Digital transformation of EPC Projects is a key lever to improve the execution speed, control costs, enhance quality, and maintain a high level of safety. The Company's digital journey started with digitising and installing various sensors and then moved to digitalisation of systems and processes.

During the year, the Company deployed new-age technologies like Machine Learning (ML), Natural Language Processing (NLP), Generative Artificial Intelligence (GenAI) and other technologies to enhance the efficiency of various systems and processes.



### Pre-Construction

#### Optrix

Automatically generates multiple design options and recommends best-suited ones for a particular category of work, helps reduce reliance on subject experts, as well as enables cost optimisation to support bidding

#### 3D-based Constructability Simulations Using VR

3D-based Constructability Simulation tool that evaluates construction feasibility before execution, identifying potential challenges, optimising sequences, and improving resource allocation

#### Dhruv

GPS-based application, with project BOQ added, to simplify the survey process and reduce survey time

#### Dharti

Centralised data repository of subsurface data, quarry and crusher locations to optimise the aggregate sourcing



### Project Management

#### ProWPack

Enables construction-driven project management by defining construction areas into manageable work packages

#### SPTrack

Smart piping and structural tracking tool for construction-driven planning and monitoring, maximising full kitting of priority lines, expediting the critical areas and generating system alerts for all the stakeholders

#### Pronto

Centralised work order and customer management platform to support invoicing, subcontractor billing, vendor payments, and other related areas

#### IPMS

Integrated Project Management System that captures all relevant KPIs across domains with customised dashboards and analytics; includes connectors for direct integration with Primavera and Microsoft Project

#### Procube

Project monitoring application providing real-time insights into project progress, enabling teams to track milestones, allocate resources, and ensure timely delivery

#### WRENCH

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

### Legend

New solutions developed



## Resource Management and Productivity

### FormPro

Solution to monitor formwork related activities and avoid excess ordering by controlling retention of formwork after work completion

### mTRACK with eALPS NxT

QR-based Material Tracking System seamlessly integrated with eALPS NxT (a project management tool), to reduce manual intervention in progress updates and help optimise resources in real-time

### Rebar Pro

Monitors daily rebar usage and generates an optimised cutting plan to reduce rebar wastage

### Material NxT

Material management solution to provide real-time stock visibility, indent raising through mobile app, enhanced checks in material issues and seamless integration with ERP

### ConPro

Solution to enable end-to-end tracking of concrete supply chain at the project sites, to help monitor and control wastage and improve utilisation of resources, e.g. transit mixers

### T-Trax

RFID-based solution for tracking transmission tower bundles across factories and site locations to improve tower-wise visibility, traceability, and lot completion



## Material Management and Supply Chain

### P&M Equipment Allocation

Application to manage the daily allocation of equipment across multiple sites and track utilisation as well as productivity of the assets, has the ability to handle scenarios of conflicting requirements from sites

### Precast Cycle Time Tracker

Real-time tracking and monitoring of precast segments alongside resources deployed in both casting and erection

### Tunnel Segment Management System (TSMS)

Enables Tunnel Segment tracking in the casting yard and erection site through barcode and RFID, also helps in quality checks

### Asset Insight

IoT-based solution to monitor equipment and machines deployed at sites and improve productivity of assets

### Workforce Induction & Skills Application (WISA)

Digital platform to streamline worker onboarding process and worker data management



## Safety, Quality and Others

### Quality Sanyog

A platform for end-to-end tracking and monitoring of quality-related observations or non-compliance, training, and related processes

### Optimuck - Muck Disposal System

A digital solution for tracking and recording muck disposal data with minimal human intervention to ensure accurate documentation of disposal data; incorporates innovative technology to optimise the disposal process

### Safety, Health & Environment for Industrial Landscape through Digital (SHEILD)

A digital platform to communicate work plans and approvals, create checklists, record safety parameters, support safety audits and provide data visualisation with analytics

### Vision Analytics

A solution utilising ML to enhance worker safety, productivity and vehicle tracking at project sites by leveraging real-time CCTV feeds

### Help Lightning

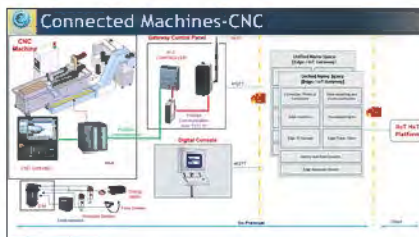
AR-enabled remote assistance application, including video collaboration services that enable experts to work virtually side-by-side with site personnel

### Gaps Information Monitoring Systems (GIMS)

Solution to help monitor gaps in pipeline network projects using a mobile application, enables real-time monitoring and analytics to identify potential bottlenecks

## Hi-Tech Manufacturing : Digital and Automation

L&T is at the forefront of integrating digital technologies and automation in the Hi-Tech Manufacturing segment, aiming to enhance operational efficiency, product quality, and innovation. These initiatives have also helped to reduce workforce requirement in production as well as improve safety performance.



### Engineering

#### Auto Digishop

Automates the process of generating shop drawings directly from General Arrangement (GA) drawings, streamlining workflows and enhancing productivity; output is directly fed to the Computer Numerical Control (CNC) machine, resulting in hassle-free tower manufacturing

#### 3D model-based Product Lifecycle Management (PLM) system

3D model-driven platform replacing manual 2D processes, automating the creation of the Bill of Materials (BOM), automating the Place Cutting Request (PCR) generation for 3D model parts, with a comprehensive digital library for weld sub-types, facilitating easy assignment and management

#### Design and Engineering Automation

Automation of entire design and engineering activities using a rule-based algorithm to generate 3D models, drawings, BOM, Seam List, and other related items



### Quality and Other Applications

#### RAM Automation

Application that automates calculating the reliability, availability, and maintainability (RAM) of critical components

#### Image Processing Analytics for BOM Inspection

Inspection of electronic panels and PCB cards with the help of advanced image processing and analytics

#### Integrated Engineering, Manufacturing and Quality System (IEMQS)

Integrated application to automate various procedures for engineering, planning and quality functions, along with digital documentation

#### Digital Shop Floor

Operation sequence mapping (OPSQ) for the assembly process for machine building, provides a visual insight into the progress at the shop floor directly to the customer

#### Carousel and MTS

Automation of storage and retrieval process by installing carousel machines integrated with ERP system with QR codes for material entry and issue

### Legend

■ New solutions developed



## Equipment Productivity and Utilisation

### Automated pipe inner diameter cleaning crawler

Motorised crawler developed with a rotating head to clean pipe inner surface thoroughly; eliminates manual effort and provides consistent, high-quality output

### Auto setup station for a circular seam of shells

System developed in-house, equipped with the driver turning rollers and submerged arc welding stand, movable on longitudinal rails and controlled by a single operator; with the ability to handle high capacity and large diameters, thereby eliminating the use of overhead cranes and reducing the requirement of skilled operators

### All position nozzle overlay station

Developed a servo-controlled special purpose machine to mount nozzle on a rotating positioner and mounting plate featuring four jaws; allowing precise control and synchronisation with arc welding torch's travel, reducing cycle time and optimising gas requirements

### Connected machines

IoT solution through deployment of sensors to collect machine-related information to help monitor utilisation, process parameter compliance and overall equipment effectiveness



### 3D Metrology, IIoT and Advanced Tooling

3D scanning for machining without loading the job on the machine and IIoT allows vendors to monitor machinery conditions remotely; Alberti angle head used to reduce machining cycle time



### Welding Automation for Shells

Automating welding using Robotic Gas Metal Arc Welding with advanced pulse synergic weld metal transfer technology, for external welding of shells, reducing manpower requirement and improving quality



## Value Engineering and Design Optimisation

The design and engineering teams at L&T follow a continuous improvement process to explore options against conventional designs and experiment with new materials. This helps optimise material requirements, minimise execution time at the site, and reduce costs.

### Sea wave Simulator

Customised in-house sea wave simulator developed by repurposing old inventory items to develop key components; reduces costs and overcomes constraint of availability of limited facilities in India

### Friction-cum-Hydraulic Buffer Stop

Unique design of friction buffer stop for semi-high speed rail projects; new design transfers energy from coupler of rolling stock to dampener and then to friction action of shoes in rails, thus reducing material requirements as well as sliding length in concrete track

### Elastomeric Separation Layer for PORR Slab

Collaborated with local partners to indigenously manufacture specialised elastomeric mixture for PORR slabs using recycled rubber crumb; not only reduced costs substantially compared to import but also decreased delivery time while promoting Make-in-India

### Automating RCC Box Bridge GADs

Using AutoLISP, key design parameters were linked to AutoCAD and helped to reduce the General Arrangement Drawing (GAD) generation to minutes instead of days while ensuring accuracy and consistency

### Automation of BIM Design and Models for Substation Projects

Solution developed in-house to automate repetitive tasks in 3D modelling of substations and improving the coordination between various stakeholders

### Early Detection of Failures in PV Plant

A software solution was developed to predict underperformance of generation in solar PV plants using data analysis trends

### Autonomous Transportation Robot for Solar PV Panel Cleaning Systems

An autonomous robotic vehicle developed to transport solar PV panel cleaning robots across different rows in large-scale solar photovoltaic power plants

### Structural Weight Optimisation for Jacket and Topsides

Structural design optimisation to simplify design, reducing material quantity as well as installation requirement

### Automated Generation of Instrument Engineering Drawings

Utility developed to automate 2D drafting activity for Instrument Loop Drawings and Instrument Interconnection Drawings; reduces manual effort as well as improves accuracy of drawings

### Design Optimisation of Burn Pit

A new system to automatically control blowdown (safe gas discharge and burn) without continuous monitoring by the operator and to use pipeline gas for pilot burner, thus improving operation reliability and monitoring while eliminating the use of propane gas for burner

### AG-UG Interface Utility

Application developed to automate the monitoring and control of Aboveground (AG)-Underground (UG) interfacing; using inputs from PI&D (Piping and Instrumentation Diagrams) and 3D models, reducing manual efforts, and improving accuracy

### SRFC for TBM LaunchPad

Steel Fibre Reinforced Concrete (SFRC), combined with higher-grade concrete, was used instead of Rebar in Reinforced Cement Concrete (RCC) for the Tunnel Boring Machine (TBM) launch system; supporting the execution time as well as workforce requirements

### Earth Retention System for Shinso Pile Foundation

In-house designed innovative earth retention system for large diameter Shinso Pile Foundation using circular liner plates reinforced with intermediate stiffeners in the form of ring beams, which resulted in substantial cost savings as well as lead time reduction in supply chain and execution time

### Ground Improvement in Portal Zone

Ground improvement was done to control the surface settlements in the portal zone of the NATM Tunnel Rail project, using cement grouted columns; helped reduce additional load on tunnel lining and ensured safety during execution

### Bearing Capacity Assessment using Scaled-down Plate Load Test

A scaled-down plate load test was used to simulate real-world conditions, offering insights into the bearing capacity and behaviour of various soil layer combinations; helped reduce foundation overdesign and improve the reliability of shallow foundations

### Barrette in Top-down Construction

In the top-down construction of the Cut & Cover section, the barrette was extended to the top level of the roof slab, thereby eliminating the need for structural steel plunge columns; resulting in significant material savings and reduced construction time

### Inclined Strut Arrangement in Underground Metro Projects

An inclined strut was proposed between the D-wall and concourse slab in top-down construction to eliminate temporary struts and walers placed between the base slab and concourse slab; the innovative design reduced the material requirement significantly and improved ease of construction

### Precast Overhead Storage Tank

A new design using Precast method developed for overhead water storage tanks to substitute conventional steel storage tanks, leading to significant reduction in on-site execution time and manpower besides improvement in quality

### Hybrid Construction of Intake Pumphouse

A new technique was adopted to implement the Hybrid approach, i.e., combining precast elements with in-situ construction; precast was used for beams and roof slab; rafts and walls were constructed using mass concreting and slip form; leading to significant reduction in execution time and improvement in quality

### Precast Staging for large Overhead Tanks

Precast Staging was designed, where staging components like columns, beams and slabs were made in a factory and then transported to the site for assembly to replace in-situ staging construction for overhead tanks; which significantly reduced execution time and manpower requirements

### i-TSP

Developed i-TSP (Innovative Technology Selection Portal), a centralised platform designed to automate and optimise the evaluation and comparison of wastewater treatment schemes; helps automate analysis as well as generation of BOQs for different schemes

### Centralised Web-Based Portal for Engineering

Web-based Portal developed using Python and JavaScript for auto-generation of design calculation documents for water projects, helps in the bidding process to automate the engineering calculations as well as generation of options

### Auto Zoning

Automatic zoning, using ML GIS technology, developed using SCMC algorithm to optimise village zoning based on geospatial attributes; significantly reduces manual effort for zoning calculations; results are integrated into pipeline design for optimised routing

### UCCC for Unmanned Tubewell Automation

Multi-level Control System for centralised water management using IoT, SCADA automation with PLCs, sensors, and predictive maintenance for efficient operation; VSAT Communication for unmanned, remote-controlled tubewell operations

### Molten Salt Bath Reactor (MSBR) System in Specialty Chemicals

In-house design and development of Molten Salt Reactor Systems using advanced fluid analysis and simulations

### Vaporisers in Refining and Petchem

An innovative in-house design developed for a Dryer Regenerant Vaporiser and a special design of Flare KOD Vaporisers, leveraging extensive expertise and validation through advanced fluid analysis and simulation

## Leveraging AI in Processes

### Precast Operations

AI incorporated in the casting yard's CCTV cameras to track the cycle time of processes for precast elements and resource utilisation in the yard

### Chatbots for Project Data

AI-powered chatbots provide real-time assistance for project-related queries on commissioning, punch points, logistics, and other areas

### Galvanisation monitoring

AI-based OEE (overall equipment effectiveness) monitoring through video analytics for the galvanisation process in the Transmission Line Tower factory

### NRW Reduction using Digital Twin

AI-driven Digital Twin solution for loss identification in District Metered Areas (DMAs). By simulation, real-time data can be continuously monitored and analysed, further predicting potential leak points and identifying areas with high probabilities of Non-Revenue Water (NRW) losses

### Auto defect recognition for PAUT

Phased Array Ultrasonic Testing (PAUT) is used for the inspection of the steel welds; an AI solution was deployed for UT data interpretation using a hybrid mathematical model reinforced with ML

### Data Extraction through AI/ML and automated survey vetting

AI/ML integration with GIS to transform satellite imagery analysis, enabling efficient extraction of habitation and road network data, even in remote areas, ensuring high accuracy and minimising manual effort



## L&T Cognitive Services

The Company has established L&T Cognitive Services to spearhead its AI initiatives, aiming to enhance operational efficiency, reduce costs, and foster innovation across its diverse business segments. Operating under a hub-and-spoke model, L&TCS emphasises a 'Business First' approach, ensuring that AI solutions align closely with the Company's strategic objectives.

### Strategic Pillars of L&TCS:

- 'Single Source of Truth' for reliable data
- Optimised AI outputs through advanced algorithms
- Domain-specific small language models for unique business challenges



### Key Initiatives and Achievements:

- AI-driven Contract Management: Leveraging Azure OpenAI, innovative solution developed to streamline contract analysis by rapid identification of crucial clauses and extraction of technical deliverables from extensive documentation
- Operational Efficiency Enhancements: By integrating AI applications, machinery and workforce planning processes have been reduced to 10 minutes from 2 weeks earlier. AI-driven insights have led to ~2 to 3% cost savings, contributing to enhanced operational productivity.
- Comprehensive AI Strategy: Developed a customised PolyLLM framework and adopted a composite AI approach to provide a secure and scalable infrastructure for AI initiatives. This strategy encompasses over 100 AI-driven use cases, targeting significant cost savings and enabling strategic decision making across the organisation.

Through L&T Cognitive Services, the Company continues to integrate AI technologies into its core operations to maintain a competitive edge in the industry and aims to deploy over 100 innovative AI solutions tailored to various business use cases. L&TCS is strategically aimed at making AI adoption more accessible and scalable for businesses across the Company.

## Transforming Sustainability Data Management

During the year, L&T partnered with its subsidiary company, L&T Technology Services Ltd, to develop a cloud-based platform to enhance sustainability data management. The platform has been aptly named as 'L&T-EARTH' (ESG Analysis and Reporting Tool for Holistic Initiatives).

### Key features of the platform:

- Cloud-based platform with a modular and scalable architecture
- Designed to suit organisational hierarchy and enable data capture at the location level
- Data visualisation through dashboards and reports
- Data validation through logic checks and alerts to users
- Ability to ingest and integrate data from multiple sources, e.g. APIs, IoT and other sources



Data from ERP systems has been linked to L&T-EARTH to automate the data flow. In addition, L&T has also initiated automation of the data capture for water withdrawal and electricity consumption at various locations. This automation is done by installing flow meters and smart meters, and connected through IoT Gateways to L&T-EARTH.

## L&T Business Excellence Model (LTBEM)

L&T Business Excellence Model (LTBEM) was launched in FY 2023-24, heralding a new era of organisational excellence and underlining the Company's commitment to continuous improvement and innovation. The development of LTBEM draws inspiration from three globally recognised frameworks: the EFQM (European Foundation for Quality Management) BE Model, the Malcolm Baldrige BE Model and the Deming Model.

This BE model has been developed through extensive collaborative efforts of the Quality Council of L&T and the Corporate HR - Learning & Development. Drawing insights from industry leaders like Tata and Godrej, and industry bodies like CII, the core team adapted the EFQM Business Excellence model, incorporating customisation and contextualisation for L&T's operations.

LTBEM emphasises key areas such as leadership, strategy, execution,

supplier and business partners management, people management to improve processes, and superior business results.

The journey towards launching LTBEM was marked by leadership awareness sessions, task force formation, and workshops across businesses, engaging over 450 senior leaders and task force members. The LTBEM assessment cycle was started in FY 2024-25 to baseline the Company's businesses, a significant milestone in the Business Excellence journey, with a framework for quantitatively assessing organisational performance and employing thorough and effective evaluation processes.

The assessment process, involving external assessors, was kicked off with an Assessor Meet conducted by Corporate HR jointly with the Quality Council and conducted from August to October 2024. 24 external and 44 internal assessors were involved in the assessment process to benchmark performance against industry leaders,

identify improvement areas, and implement effective strategies to drive sustainable growth and success.

The assessment cycle culminated with the LTBEM Awards at the Quality Summit in November 2024 at Chennai where 14 L&T businesses were recognised.

As L&T embarks on this transformative journey towards operational excellence, the launch of LTBEM stands as a testament to the Company's unwavering commitment to quality, innovation and continuous improvement.



## Pi-Awards

Pi-Awards, a pan-L&T innovation competition, witnessed a huge participation in its 8th edition. The name 'Pi-Awards' draws inspiration from the mathematical constant Pi, whose decimal representation never ends, thus symbolising ceaseless innovation at L&T. Pi-Awards are announced on International Pi-day, celebrated on March 14.

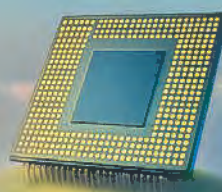


In line with one of the Strategic Objectives under LAKSHYA, ESG category was added this year and received more than 90 applications. Over 800 teams from across 188 locations participated in the Award, and 149 teams made it to the presentation round. The top 12 teams that made it to the finale competed across four categories: Product, Project, Service and ESG.

A special award, **Sustained Excellence** was instituted to recognise the businesses that have consistently driven an innovation culture. A compendium was also released in the finale function, featuring the top 12 innovation projects, to promote knowledge sharing and drive the implementation of such innovations.

## Winning innovations from Pi Awards 2024

INNOVATION PROJECT	BUSINESS	CATEGORY
Transforming Disinfection: Enabling Multioxidant Technology as a Replacement for Chlorination	Water & Effluent Treatment	Product
Process Development & Execution of Tube to Tubesheet joints with first-time requirement of Pre-heating and 100% Radiography having stringent acceptance criteria for Ethylene Oxide Reactors	Heavy Engineering	Product
Design and Development of firing recoil simulator system for 40 MM L70 Armament to overcome the challenge of proof firing trials	Precision Engineering & Systems	Product
Ozonated Nanobubble Technology: Industrial-scale drinking water treatment technology to eliminate seasonal ammoniacal nitrogen	Water & Effluent Treatment	Project
DFS solution to accelerate execution of Deck Furnishing Items in HSR C4	Heavy Civil Infrastructure	Project
Implementation of Continuous Flight Auger (CFA) Piling for the first time in India	Geostructure	Project
AI-based Unified Command Control Centre for Unmanned Tubewell Automation with VSAT communication under Jal Jeevan Mission	Water & Effluent Treatment	Service
Integrated Engineering & Design Platform: Solar PV Engineering	Power Transmission & Distribution	Service
Mono Pile - New era of Indian deep foundation bridges for Mecon Roundabout Flyover Project (MFRP)	Transportation Infrastructure	Service
World's First Indigenous Inverter-based ESSC (Electro-Slag Strip Cladding) Welding Systems Invention	Heavy Engineering	ESG
Reduction in carbon footprint (CO <sub>2</sub> emission) by using Non-Fossil Fuel (Compressed Bio gas) for galvanising process	Power Transmission & Distribution	ESG



## Indian Foundation for Quality Management (IFQM): CEO/CXO Delegation Visit to A. M. Naik Heavy Engineering Complex

The IFQM initiative's concept, 'Making Brand India Globally Respected,' evolved over a first meeting of like-minded industry captains from Tata Sons, TVS Motors, Sun Pharma, Tata Steel, Bharat Forge, Motherson Group, and Biocon in January 2022. L&T joined IFQM as a founding member, with Mr. S. N. Subrahmanyam chosen as a Board member and a member of the Governing Council.

Under the aegis of the IFQM initiative to learn from member organisations, the Company hosted CEOs/CXOs from different industries spanning Pharma, Life Sciences, Engineering, Power, Automotive, Consumer Products, etc., and executives from IFQM at A. M. Naik Heavy Engineering Complex, Hazira in February 2025.

Further, the Company's excellence in engineering, innovation and quality was showcased to the delegates, including the steps undertaken to upskill the workforce to meet the changing work requirements. Also, the Company is actively collaborating with the IFQM Academy and Centre of Excellence to enhance the quality culture in India, with a special focus on strengthening the MSME sector.



### Innovation, Operational Excellence and Sustainable Growth

L&T continues to invest in advanced technologies and digital capabilities to enhance the efficiency, quality and resilience of its EPC and manufacturing operations. The Company strategically emphasises resource optimisation, productivity improvement and equipment utilisation to deliver high-quality outcomes at globally competitive costs.

Furthermore, the Company aims to strengthen its diversified order book and drive sustainable, long-term growth by fostering a culture of innovation and exploring new and emerging business segments. In parallel, a strong focus on risk mitigation and business continuity planning enables the Company to navigate dynamic market conditions effectively, ensuring value creation for all stakeholders.



# SOCIAL AND RELATIONSHIP CAPITAL

L&T strongly emphasises building and nurturing long-term relationships grounded in mutual trust, respect and shared value. These relationships are pivotal to the Company's sustained growth and profitability. By proactively addressing customer needs, engaging in meaningful

collaborations with suppliers and promoting inclusive development within communities, L&T has cultivated robust social and relationship capital. This approach reflects the Company's commitment to responsible business practices and value creation for the stakeholders.



## Key Highlights of FY 2024-25

**18,99,250** CSR Beneficiaries

**9.1** Customer Satisfaction Score

### Strategy linkage<sup>1</sup>



### SDGs impacted



### Material Topics

- Social Engagement and Impact
- Customer Experience and Satisfaction
- Sustainable Supply Chain
- Diversity, Inclusion and Equal Opportunity
- Human Rights and Labour Conditions
- Business Ethics
- Brand Management

<sup>1</sup> For details, refer to 'Business Model and Strategy' section

## Building India's Social Infrastructure

L&T is committed to fostering inclusive growth through targeted interventions in water and sanitation, healthcare, education and skill development. The CSR & Sustainability Committee of the Board guides and reviews CSR initiatives, which are implemented by the teams through direct action, partnerships with NGOs, collaborations with government agencies, and engagement with on-site teams. L&T empowers underserved communities, bridges socio-economic disparities, and contributes to accelerated and equitable development.

### Beneficiaries across Thrust Areas



## Drivers of CSR Interventions



### Corporate CSR Team

The team is dedicated to maximising social impact by designing, implementing and managing CSR programmes in alignment with Board-approved policies and strategic frameworks. The team ensures effective execution by collaborating with NGOs, community stakeholders and internal business units as required, thereby reinforcing L&T's commitment to responsible and impactful social engagement.



### Accessible Healthcare through L&T Health Centres

L&T's multi-speciality health centres, staffed by trained medical professionals, provide accessible and affordable healthcare services to underprivileged communities. These centres help bridge health disparities and contribute to improving community well-being in the areas surrounding L&T operations.



### L&T-eering

Employee volunteering and engagement through structured volunteering programme.



### CSR Coordinator and Teams at the Campuses, Area Offices and Project Sites

Decentralised approach through dedicated teams located at campuses, area offices and project sites. These teams play a vital role in assessing local needs, identifying appropriate projects and NGO partners and overseeing the implementation and monitoring of CSR initiatives.



### Prayas Trust

Comprising female employees and spouses of L&T employees, dedicated to supporting vulnerable communities in proximity to L&T facilities. Through a range of initiatives focused on health, education and empowerment, the Trust amplifies the Company's social impact at the grassroots level.



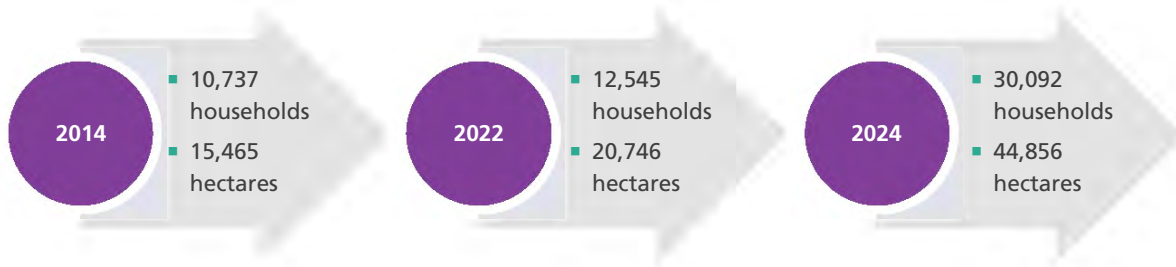
### L&T Public Charitable Trust (LTPCT)

A non-profit entity within the L&T ecosystem that implements CSR activities, particularly in health, in line with the Company's CSR framework.



### Unnati - Integrated Community Development Programme

Unnati is L&T’s flagship integrated rural development initiative, which begins with watershed management - recognising water security as the foundation for improving quality of life. Once access to water is established, a phased approach is adopted over four years, encompassing health, sanitation, education and skill-building interventions. Since its inception in 2014, Unnati has positively impacted 30,092 households and treated 44,856 hectares of land across Rajasthan, Maharashtra, and Tamil Nadu. In 2022, the programme expanded further to reach additional underserved communities within these states, deepening its impact and promoting sustainable rural development. The growth of the project is depicted below:



### Watershed Management

Water security remains a pressing challenge in India, particularly in rural areas dependent on natural resources. To address this, L&T has adopted an integrated watershed management approach that combines the revival of traditional water structures with the development of new infrastructure, ensuring year-round water availability.

Interventions are focused on ecologically sensitive areas such as Aurangabad, Jalna, and Ahmednagar (Maharashtra), Rajsamand (Rajasthan), and Coimbatore (Tamil Nadu), where declining groundwater levels and poor resource management affect agriculture and livelihoods. Communities actively plan and execute water and soil conservation measures, such as check dams, anicuts, gully plugs, contour trenches, and farm bunds. Indigenous sapling plantations help reduce erosion and retain soil moisture, improving crop yields and livestock rearing.

Further, Village Development Committees (VDCs) sustain these efforts by enforcing resource-use by-laws, collecting maintenance fees, and linking communities to government schemes and market opportunities. This ecosystem-based model has significantly enhanced water security, agricultural productivity, and household incomes - ensuring food availability and economic resilience throughout the year.



**Paniyara anicut, Sewantri in Rajsamand district, Rajasthan before and after repair**

## Projects launched in FY 2024–25

The Unnati programme was launched in Pachapalayam, Coimbatore, to address critical challenges such as water scarcity, inadequate sanitation, and agricultural stress in Sultanpet and Kinathukadavu blocks. Designed as a 3.5-year initiative, it aims to benefit around 8,000 people through community-driven interventions focused on water resource management, hygiene and livelihood support.

In Devgaon and Nagzari clusters, the education component of Unnati was introduced to enhance children's access to quality reading material. This initiative promotes regular reading habits, strengthens literacy and numeracy skills, and improves academic performance.

## Agriculture

In India, 86% of farmers operate on small or marginal landholdings, facing challenges like low productivity, limited inputs, rainfall dependency, and poor market access. L&T supports these farmers through an end-to-end approach across pre-production, production, and post-production stages.

The intervention begins with water availability and soil conservation, followed by soil testing and moisture retention to enable multi-seasonal cultivation. Farmers are grouped for seasonal crop planning and introduced to inter- and multi-cropping. Techniques like drip irrigation, mulching and organic input preparation help reduce costs, addresses issues of water scarcity and dependency on chemicals.

Best practices are shared through Farmer Field Schools and demonstration plots, best practices are shared and climate resilience is built. Meanwhile, kitchen gardens and horticulture orchards provide nutritional support and additional income. By strengthening every stage of the farming cycle, L&T helps farmers enhance productivity, reduce input costs and improve incomes - contributing to food security and long-term sustainability.



### Shri Pratap Singh – Reviving Farming through Unnati

After 43 years in Mumbai, Shri Pratap Singh returned to his village, Thoria Ki Bhagal, in Rajsamand (Rajasthan) and resumed farming with support from Unnati programme. With year-round water availability, he began cultivating vegetables on his land. Through monthly Farmer Field School sessions, Singh adopted sustainable practices like raising seedlings in pro trays with cocopeat and compost - reducing seed wastage, conserving water and improving seedling quality. Guided by experts and state support, he grew diverse vegetables across the Rabi, Kharif, and Zaid seasons using natural farming methods such as Jeevamrit and biopesticides.

Beyond selling produce, Singh earned ₹ 76,000 by selling seedlings to fellow farmers. He is now sustainably managing his livelihood through farming and cattle rearing.



**25,839**

farming households since the inception through L&T's farming initiatives.



**1,622**

farmers trained through Farmer Field Schools supported by Krishi Mitras and Vasundhara Sevaks

### Ganga & Krishna Gite – From Struggle to Self-Reliance

Despite owning 10 acres, Ganga and Krishna Gite from Devgaon, Aurangabad, struggled to support their family. Krishna, battling alcoholism, was disengaged from farming, and their children often sought refuge elsewhere. The Unnati programme brought a turning point, introducing soil and water conservation measures like river deepening and dam repairs.

Inspired by the transformation in his village, Krishna became actively involved, eventually training as a Vasundhara Sevak. He led community mobilisation, ensured quality construction of water structures, and coordinated with the Gram Sabha and VDC. Ganga joined him on the farm, and together, they adopted improved farming practices. They started a silkworm cocoon unit, planted mulberry and citrus trees, and boosted their income from a meagre amount to nearly ₹ 3 lakh annually - with ₹ 6 lakh projected this year from cocoon sales.



*“Unnati brought light into our lives when we were lost in darkness,” says Ganga. Krishna adds, “I’m proud of who I’ve become - and now, my children are proud of me too.”*

### Krishi Mitras and Vasundhara Sevaks: Bridging Knowledge and Impact

To ensure widespread outreach, L&T trains local volunteers such as Krishi Mitras or Vasundhara Sevaks, who serve as key connectors between farming communities and external institutions. They facilitate training, promote soil and water conservation, share best farming practices, and link farmers to government schemes and resources. They also organise community meetings and lead livelihood initiatives at the village level.



## Empowering Farmers through SHGs and FPOs

L&T supports farmers by promoting Self-Help Groups (SHGs) and Farmer Producer Organisations (FPOs), which provide access to affordable credit through revolving funds. These platforms offer training, connect farmers to government schemes and help them scale operations, access inputs at lower costs and secure better market prices. Beyond credit support, they empower farmers to manage pre- and post-production activities like optimising output with limited resources.

## The Unnati project has 305 active SHGs and 52 farmer groups in its locations.

### *Empowering Women through Community Institutions*

VDCs and SHGs serve distinct yet complementary roles - VDCs manage community resources, while SHGs promote financial inclusion and access to government schemes. Both platforms enable women to participate in development activities, enhance household income and build leadership skills through accounting, management and decision-making training. These opportunities have empowered women with greater agency, visibility and community recognition.

### *Livestock Development: A Resilient Livelihood Strategy*

Livestock rearing is a critical livelihood source in L&T's project areas, offering a safety net during climate shocks. However, barriers like limited fodder, water, veterinary access and credit often hinder viability. L&T addresses these through improved pastureland management, regular health camps, timely vaccinations and training on modern livestock practices.

Farmers are linked to government schemes and supported by SHGs for credit and infrastructure needs, while VDCs manage grazing norms to prevent land degradation. These efforts have improved livestock health and productivity, diversified farmer incomes and strengthened resilience against climate uncertainties.

### *Promoting Safe Sanitation: Towards Open Defecation Free Villages*

Open defecation poses serious health risks - especially to children - and hinders human development, gender equity and social justice. Tackling it requires not just infrastructure but also a cultural shift in attitudes, particularly around ritual purity and menstrual stigma.

With water access secured, L&T initiated sanitation interventions in 11 locations across Maharashtra, Rajasthan and Tamil Nadu. The approach focused on community engagement from the outset-through consultations on hygiene, involvement and ownership of local leaders and awareness of the health hazards of open defecation. Village-level Nigrani Samitis (surveillance committees) were formed to monitor sanitation practices, while students became Swachhta Doots (messengers of cleanliness), promoting hygiene within their communities. Youth were trained in masonry, gaining livelihood skills and supporting sustained toilet construction and maintenance.

These efforts aim to make villages ODF and foster long-term behavioural change for safe, inclusive sanitation.

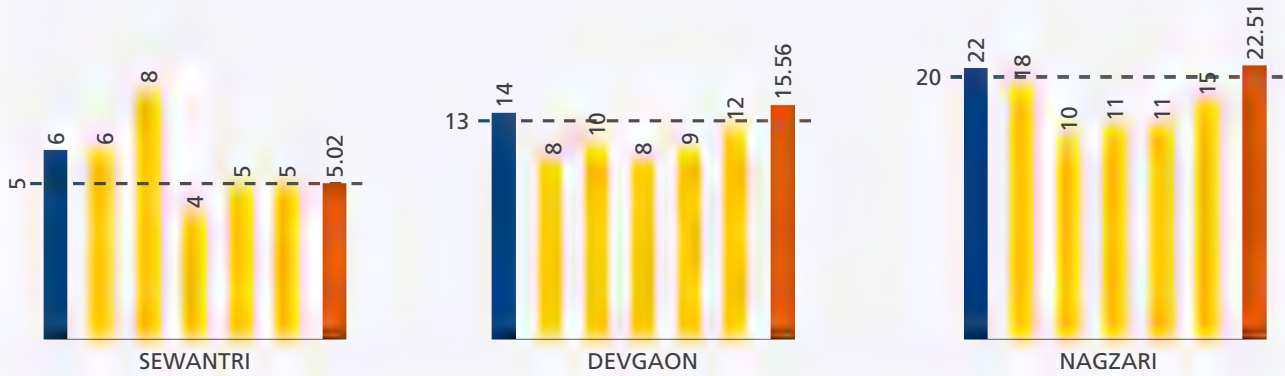
**To date, 4,456 sanitation units have been built through the project, and 2,719 households have followed suit. 41 villages across the three states are now Open Defecation Free (ODF).**



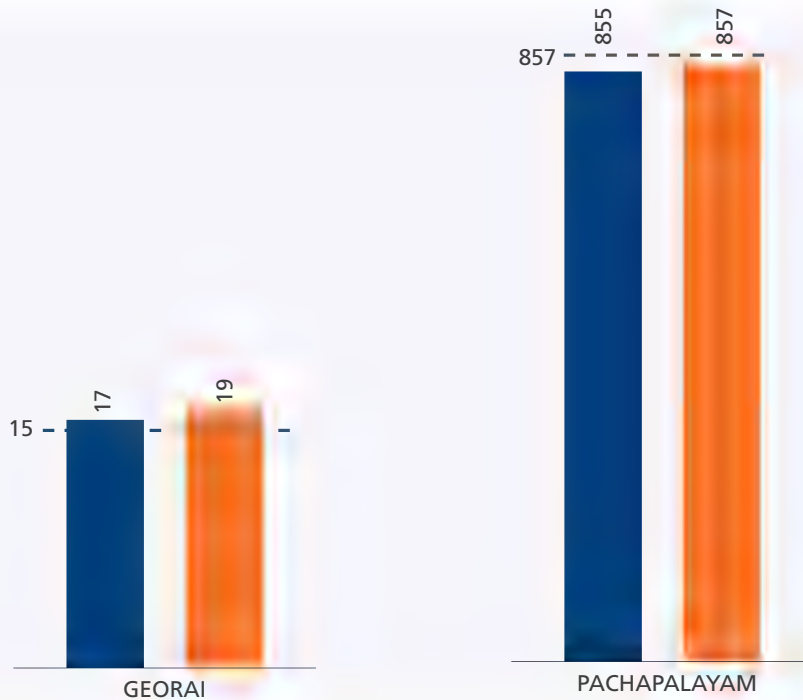
School sanitation unit constructed at Swaraj Secondary School in Brahmsgaon Village, Devgaon, Maharashtra

**Depth of Water from Land Surface (metre)**

■ Baseline ■ FY2019-20 ■ FY2020-21 ■ FY2021-22 ■ FY2022-23 ■ FY2023-24 ■ FY2024-25 - - Target

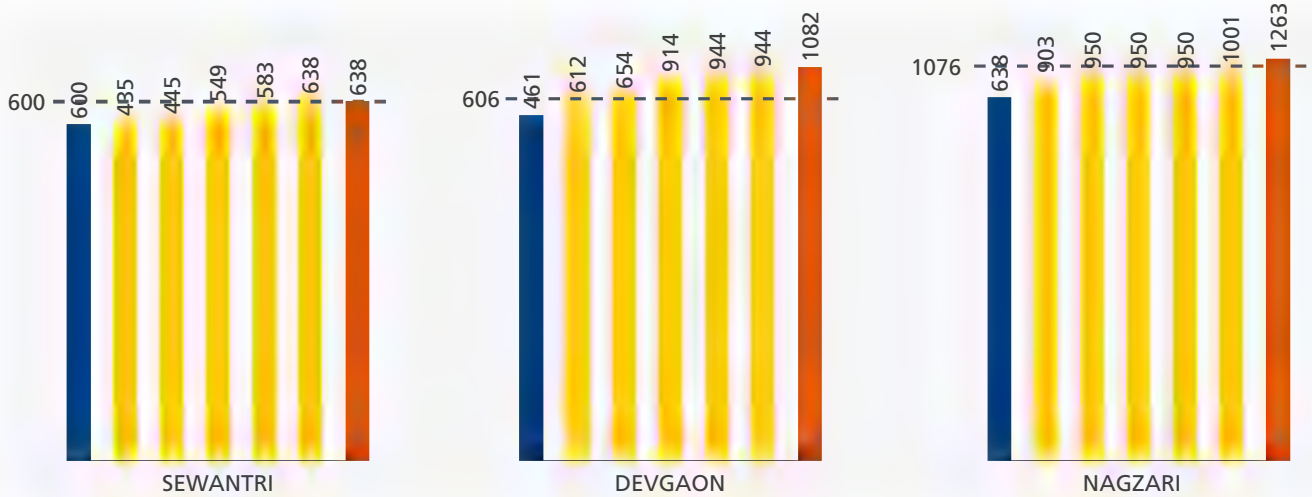


**Georai in Maharashtra and Pachapalayam in Tamil Nadu are being newly reported from FY 2024-25. Unnati has been in Devgaon and Nagzari in Maharashtra and Sewantri in Rajasthan since FY 2019-20**

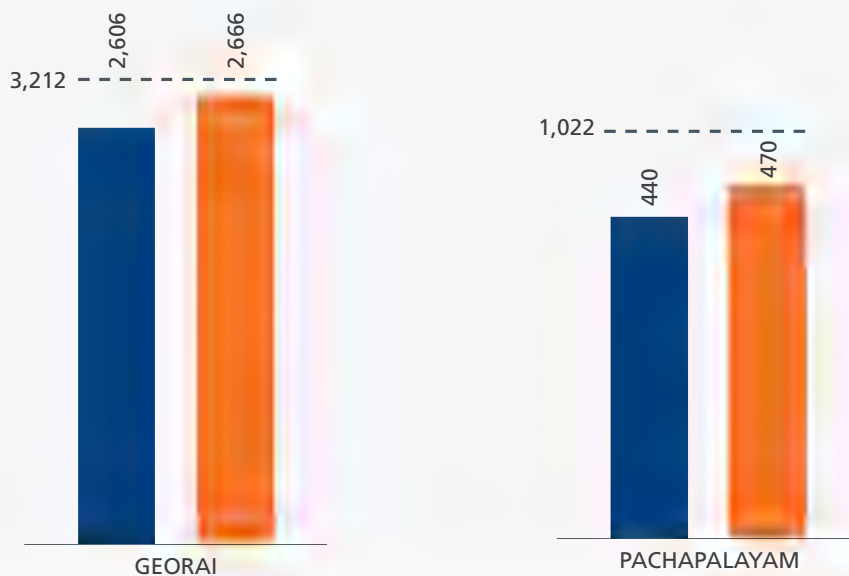


**Total area covered under irrigation in FY 24-25 (hectares)**

■ Baseline ■ FY2019-20 ■ FY2020-21 ■ FY2021-22 ■ FY2022-23 ■ FY2023-24 ■ FY2024-25 ---Target



**Georai in Maharashtra and Pachapalayam in Tamil Nadu are being newly reported from FY 2024-25. Unnati has been in Devgaon and Nagzari in Maharashtra and Sewantri in Rajasthan since FY 2019-20**



**Health**

Rural India faces intertwined challenges of food insecurity, cultural norms and limited public healthcare access. The Unnati programme focuses on food-insecure households with restricted access to diverse diets. Deep-rooted gender norms often prevent women from prioritising their health - many eat last, avoid seeking medical help, and primarily access healthcare for other family members. These factors contribute to maternal malnutrition, underweight births and childhood stunting. Unnati aims to break this cycle by promoting nutritional awareness, healthcare access, and behavioural change.



L&T addresses health holistically by improving food security through agriculture, horticulture, livestock, and allied livelihoods - enhancing household nutrition. Unnati's health efforts aim to improve dietary practices, raise awareness of government schemes, and strengthen access to public healthcare. The programme strengthens engagement between women and frontline workers like Accredited Social Health Activist (ASHA) and Auxiliary Nurse Midwife (ANM) by training women's groups and community volunteers to navigate cultural barriers. It also fosters dialogue with key stakeholders - Health Departments, Anganwadis, Panchayats and Block officials - to address systemic and institutional challenges.

Community volunteers, supported by VDCs and SHGs, lead health initiatives focusing on dietary improvements, kitchen gardening, hygiene practices, and awareness of Anganwadis. These efforts have resulted in increased health-seeking behaviour and greater demand for quality healthcare services. Additionally, communities have been empowered to advocate for supply-side improvements and collaborate with local authorities to identify and implement sustainable solutions.



### *Nikhil's Recovery from Malnutrition*

One-year-old Nikhil from Koyla village showed signs of severe malnutrition during a home visit by Bal Sakhi Sohna Devi. Weighing only 5.7 kg and measuring 68 cm, Nikhil was enrolled in a Community-Based Management of Acute Malnutrition (CMAM) camp, where medical staff recommended admission to the Malnutrition Treatment Centre (MTC) for specialised care. Despite initial hesitation, Sohna Devi reassured the family and with continued support, they agreed to take Nikhil to the MTC in Kankroli for 15 days of treatment. Afterwards, Nikhil was re-enrolled in CMAM camp, where he received therapeutic food, medicines along with his mother also receiving nutrition training.

Today, Nikhil has made a remarkable recovery, having a healthy weight of 7.3 kg, and is thriving - thanks to the dedicated support of Sohna Devi and his mother.



### *Challenges and Solutions in Rural Education*

India has made progress in education, but challenges like high dropout rates (26% before 5th grade) and poor learning outcomes persist, particularly in government schools. Rural areas face issues such as inadequate infrastructure, lack of resources, shortage of qualified teachers, and language barriers, with gender disparities compounding the problem. Challenges remain, as many second-grade students struggle with reading and older students face difficulties in basic math. Parental involvement is limited, with many parents not having completed education beyond the 10th grade.

To improve education, efforts focus on strengthening early childhood education in Anganwadis, providing teacher training, Teaching and Learning Materials (TLMs), and supplementary literacy and numeracy classes. Parents are trained to support their children's learning, and mobile libraries and Learning Resource Centres (LRCs) in areas like Rajasthan encourage reading and provide resources. Managed by community volunteers, these centres are handed over to the community for long-term sustainability.

### *Empowering Mothers through the ELM at Home Initiative*

The Emergent Literacy and Mathematics (ELM) at Home initiative, part of the Saajhi Shiksha project, was introduced in Kookra and Lasadiya Gram Panchayats, Rajasthan, to empower mothers in teaching 3-6-year-old children. Sixty-five mentor mothers were trained in pedagogy, child development and using Teaching and Learning Materials (TLM). Regular meetings ensured continuous learning and engagement, enabling these mothers to support other parents and children.

Hemlata, a 25-year-old mother from Akhariya, Kookra, became a mentor mother when her daughter, Navya, was 3. Using toys and available resources, Hemlata taught Navya basic language and mathematics. Noticing that many local children couldn't attend Anganwadi due to distance, Hemlata began inviting them to her home for lessons. Despite initial resistance, she persisted, explaining the benefits of the ELM initiative and organising parent orientations.

Her efforts gradually built trust, and Hemlata's use of play-based learning methods increased engagement. Over time, the community became more involved, creating TLMs and supporting children's education. One villager said, "Hemlata teaches our children very well and imparts good values."

Hemlata's journey transformed from teaching her own children to supporting the education of an entire community, earning her respect and a sense of belonging.



A rapid assessment of 12 villages in the Devgaon and Nagzari clusters revealed significant gaps in children's reading and mathematics, particularly among children from Anganwadi to grades II and III-VIII. The assessment found a lack of access to essential reading materials, such as books, magazines, and newspapers, both at home and in schools, which hindered children's reading habits and academic progress. To address these gaps, an intervention was designed to improve educational outcomes for children aged 6-14. The intervention includes library programme, parent workshops and learning support classes focused on enhancing reading and mathematics, aiming for long-term academic growth.

### Coverage under Unnati in five Locations – Devgaon, Nagzari, Georai, Sewantri and Pachapalayam

Households covered under ICDP		8,750
Area of land under the project area (hectares)		22,248
People covered		42,308
	<b>FY 2023-24</b>	<b>FY 2024-25</b>
<b>Water Availability</b>		
Water harvested (lakh litres)	51,727	53,391
Increase in water table level (metres - average)	12.9	14.6
Percentage of households with drinking water	98%	84%
<b>Agriculture</b>		
No. of crop demonstrations	338	569
Additional area protected from direct run-off (hectares)	2,620	8411
Increase in area under cultivation/irrigation	56%	43%
Fallow land converted to agricultural land (hectares)	218	344
Area under horticulture (hectares)	521 <sup>^</sup>	722
<b>Health and Nutrition</b>		
No. of kitchen gardens	180	685
No. of children in Balwadi-s supported	195* <sup>^</sup>	1344
<b>Livestock Livelihood</b>		
No. of veterinary camps	14* <sup>^</sup>	24
Pastureland area under protection (hectares)	22*	28
<b>Institution Building</b>		
Village Development Committees	66	44
No. of active SHGs	237	305
SHG Savings Fund created for inter-loaning (in ₹ lakh)	126	192
No. of farmer groups formed	8# <sup>^</sup>	18
<b>Capacity Building</b>		
No. of farmers who attended Farm-Field Training	1,643	1,622

\* In ICDP Sewantri Location

# In ICDP Devgaon and Nagzari Location

<sup>^</sup> Interventions till September 2023

~ Last year, three locations-Devgaon, Nagzari and Sewantri were covered under ICDP

## Education

L&T’s educational initiatives aim to drive social progress and inclusive development in India’s education system. These efforts include improving infrastructure in under-resourced rural, peri-urban and urban schools, establishing community learning centres, enhancing teacher skills and promoting community monitoring systems. Project Jyoti, the STEM education programme bridges the urban-rural divide by introducing Science and Mathematics to students in resource-limited government schools, sparking interest in STEM fields.

India’s education system faces challenges like inadequate infrastructure, limited resources, varying learning levels, and disparities in teaching quality. Integrating STEM pedagogy with existing science and mathematics curricula requires comprehensive teacher training to engage students in STEM effectively.



**672 schools**

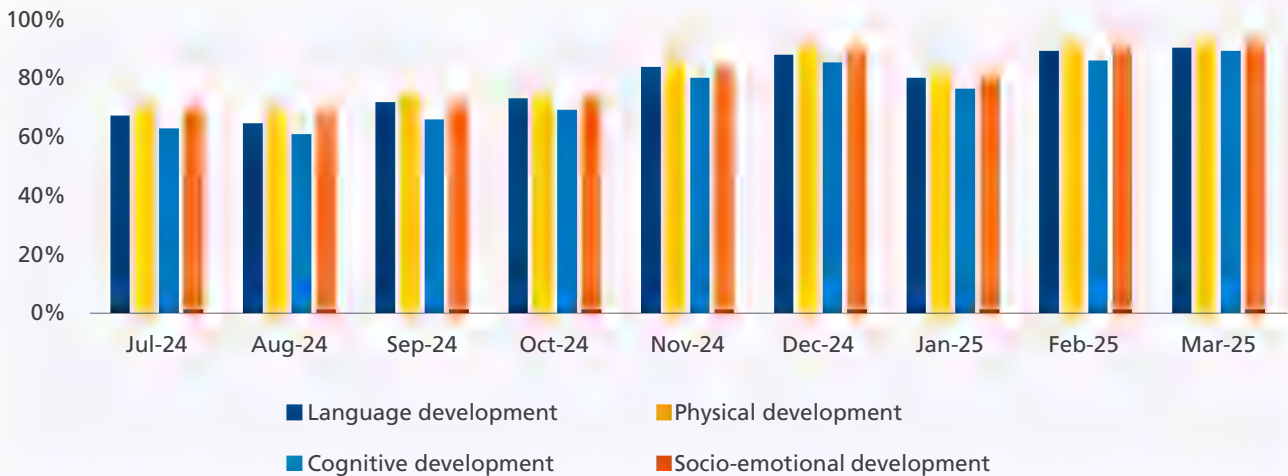
*reached across India in FY 2024-25*

## Early Childhood Support

L&T’s preschool initiative in Mumbai’s low-income areas creates a nurturing environment for children’s development. Operating for 10 months in 87 community preschools (Balwadis), the programme serves 4,302 children, preparing them for primary school. It focuses on emotional, cognitive, language, and sensory-motor skill development.

The initiative also empowers local women by training them to become Balwadi teachers and providing support and resources. The programme includes teacher training, learning assessments, and home visits, boosting attendance and parental involvement while ensuring a joyful and secure learning environment. As a result, children’s cognitive, emotional, language, and motor skills improved by an average of 43%. The programme aims to support vulnerable children’s holistic development, helping them realise their potential and contribute to society.

### Average Score in Classroom Learning Evaluation (CLE)



CLE is a Classroom Learning Evaluation tool that measures children’s language, physical, cognitive and socio-emotional development.

### *Mamata Chaudhary and Hansika's Journey*

Mamata Chaudhary, a 33-year-old mother of two, is determined to provide her children with the education she could not afford. Living in a one-room home with her husband, an office boy, Mamata faces financial challenges. While searching for a preschool for her 3-year-old daughter, Hansika, she discovered a free Balwadi run within a local temple in Andheri, Mumbai.

Many children in their low-income community lacked access to quality early education due to the high cost of private preschools. At first, Hansika was reserved and unresponsive, but she thrived at the Balwadi, where play-based learning methods like rhymes and imaginative play sparked her interest. She can now count and recognise alphabets, colours and animals.

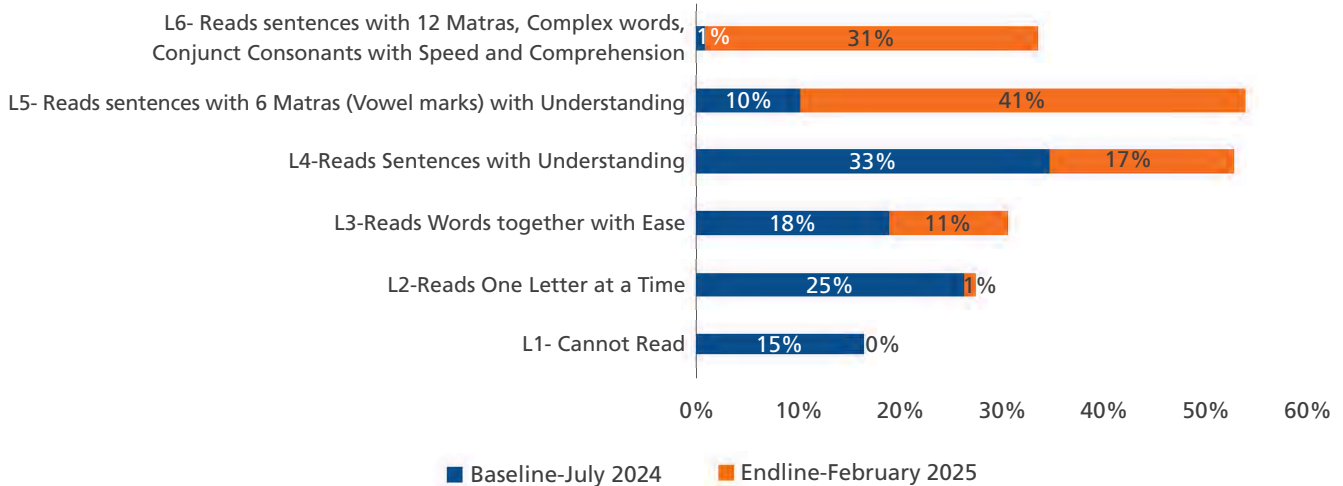
The Balwadi also supports parents through workshops on child development, mothers' groups and WhatsApp communication, empowering parents like Mamata to engage more in their children's learning. Mamata adopted techniques like storytelling to support Hansika's growth further. The combination of quality education at the Balwadi and active parental involvement has provided Hansika with a solid foundation for lifelong learning. Mamata is thrilled with her daughter's progress.



## Learning Enhancement through the School Partnership Programme

L&T’s School Partnership Programme in nine Municipal Primary Schools in Powai, Mumbai, focuses on enhancing foundational literacy and numeracy (FLN). The programme improves learning outcomes through interactive methods by shifting from teacher-led to learner-led teaching. It reached 2,965 children and introduced initiatives like Reading Promotion and Home Lending to boost linguistic skills. As a result, 19% of children showed improvement in literacy, 44% in numeracy, 46% in reading levels, and 27% in language development through the library initiative.

### Reading Promotion Programme Assessment



## Jyoti – STEM Education Initiative

Project Jyoti, the STEM programme aims to bridge educational disparities in grades 6-8 in government schools across Gujarat, Tamil Nadu, and Maharashtra by enhancing STEM education. The initiative provides digital infrastructure, teacher training, hands-on models, and activity-based learning (ABL) to engage students and spark curiosity in scientific concepts. Teachers are trained to implement ABL and create Edu-Reels (short curriculum-aligned videos). The programme also introduces robotics and space kits, enriching students’ STEM knowledge and skills. Key components of the programme include:

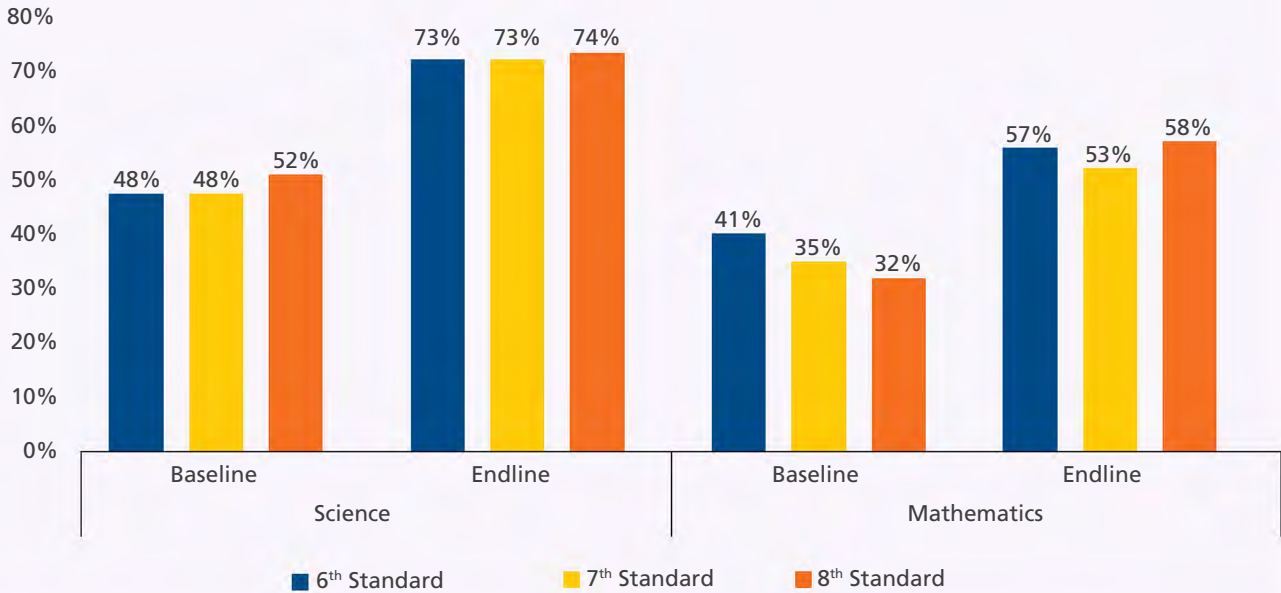
- **Teacher Training:** Teachers receive extensive training in STEM pedagogy and ABL strategies, including sessions at the District Institute of Education and Training (DIET). During the year, 200 teachers were trained and 68 students created 24 models.
- **Teacher Innovation Contest:** Teachers innovate STEM or entrepreneurial prototypes to solve local challenges, fostering a culture of innovation. Around 208 teachers from 123 schools participated in creating STEM models.
- **ABL Sessions** using STEM TLM help students grasp science and mathematics more effectively.

- Young students at Entrepreneurs Bootcamp present entrepreneurial solutions to real-world problems, developing their critical thinking and innovative mindset.
- National, state and district-level science fairs boost students’ confidence and recognition in STEM fields after completing experiments and projects.
- STEM Innovation and Learning Centres (SILC) integrate all four core STEM disciplines and support students’ advancement.

The programme has led to 80% of teachers finding it easier to teach concepts, 95% of students showing better conceptual clarity, and 85% of parents noticing increased interest in STEM. Additionally, 83% of students improved their grades in mathematics and science, and 89% expressed a strong interest in science.

*“The STEM lab at DIET is a remarkable initiative that ignites curiosity and a love for science. I see it growing into a hub for innovation and research, equipping students to excel and become future innovators.”*  
 – Mr. Lakshminarasimhan, Principal, DIET

### Subject-Wise Average Percentage



### Sparking Scientific Curiosity Through Jyoti STEM Labs

Kanishka, a student at Government High School in Coimbatore, once found science classes unengaging due to the heavily theoretical approach. Her perspective shifted after joining the Jyoti STEM lab and participating in ABL sessions. With access to interactive tools and the Life App - a mobile platform that connects STEM concepts to real-life applications, Kanishka's interest in science grew. She even created a simple water purification system that her mother now uses at home.

Encouraged by her teacher and Jyoti facilitators, Kanishka began building hands-on models such as water rockets and electric circuits. Her involvement in STEM clubs over the year helped her further explore and apply scientific principles through various projects.



### Young Entrepreneurs Finale 2025: Nurturing Innovation for Social Impact

Held on February 28 and March 1 as part of the Jyoti initiative, the Young Entrepreneurs Finale 2025 brought together budding innovators from 75 schools across Mumbai and Talegaon. 450 students showcased community-driven solutions, with 149 finalists presenting 75 unique ideas aimed at tackling real-world challenges. The top three ideas were recognised at the event for their creativity and potential impact. The event was the culmination of an intensive 18-hour “Thinking Coaches” workshop, where students were introduced to Design Thinking and Future Technologies, helping them frame and solve local problems through innovation. In parallel, 150 teachers received training to guide and mentor future cohorts of young changemakers.

Adding a strong industry-school connection, 10 L&T-eers mentored students from 8 schools, fostering a spirit of creativity, collaboration, and entrepreneurship. In total, 10,000 students and 150 educators engaged with the programme - demonstrating L&T’s commitment to empowering the next generation of innovators and leaders.

### Community Learning Centres: Strengthening Foundational Literacy and Numeracy

L&T’s Community Learning Centres provide critical remedial support to primary school students aged 7 to 12, with the goal of bridging foundational literacy and numeracy (FLN) gaps. Located within government schools or public spaces, these centres function after school hours in partnership with local Municipal Corporations, ensuring access to academic support within students’ communities.

Children lagging in grade-level competencies are grouped into small, focused cohorts and attend two-hour daily sessions facilitated by qualified teachers or trained volunteers. These sessions offer personalised attention in language and mathematics, creating a safe and supportive environment that boosts confidence and academic growth.

Currently, L&T operates 41 centres in Mumbai, reaching 2,305 children, and 10 centres in Chennai, supporting 728 children. The programme has demonstrated measurable improvement in learning levels and has garnered strong parental appreciation, validating its role in promoting inclusive, quality education for all.

#### *Suraj’s Journey from Struggling Student to Confident Learner*

Suraj, a 5th standard student, lived with the burden of economic hardship, limited academic support, and a lack of access to quality education. Unable to read simple sentences or perform basic mathematical operations, Suraj also struggled with low self-esteem and hesitated to ask questions in class. His learning experience was passive, devoid of practical or interactive methods, leaving subjects like language and mathematics intimidating and inaccessible.

A turning point came during a home visit when his family learned about L&T’s Community Learning Centre programme and enrolled him. The programme introduced hands-on activities, interactive teaching techniques, and real-life applications

of academic concepts. Suraj began to see relevance in his studies, which sparked his interest. Within four months, his communication skills improved, and he began asking questions and expressing himself more freely. Over the next two years, Suraj made significant academic gains in mathematics and language. He also developed leadership qualities by participating in extracurricular

activities such as public speaking and dance.

Today, Suraj is confident, curious and self-motivated, embodying the transformative impact of targeted educational interventions that go beyond textbooks. His story is a testament to the power of holistic, inclusive learning environments in unlocking a child’s potential.



### *Anjali Narsing Tadale – From Academic Struggles to Aspiring Nurse*

Anjali grew up in a financially constrained household, supported by her mother who works as a domestic help. Despite her determination, she faced significant academic hurdles, especially in mathematics and language, due to a lack of quality educational support and the limitations of rote-based classroom teaching. These barriers left her discouraged and disengaged from her studies.

Her journey took a positive turn when she joined L&T's Community Learning Centre. In just three months, Anjali began to thrive in the centre's interactive, concept-focused learning environment. She gained confidence, started asking questions and actively participated in class discussions. The programme's learner-centric methods helped her grasp challenging concepts and develop a deeper understanding of the subjects she once struggled with.

Beyond academics, Anjali discovered her public speaking and singing strengths and took on leadership roles within the learning centre. She completed her 12th grade in science with consistent support and is now pursuing a degree in General Nursing and Midwifery while working part-time to support her ambitions.

*Reflecting on her experience, Anjali shares, "The interactive teaching methods made learning exciting and practical."*

Her story is a powerful example of how equitable education and supportive ecosystems can change a student's life's trajectory.



## Self-Learning Classes

As part of the broader education programme, self-learning groups have been established for children in Grades 6 to 8, encouraging peer collaboration and independent study. On average, 131 children participate monthly, forming groups of five that meet at least once a week. These sessions run for 23 days each month and involve working through instructional materials and practice exercises in a collaborative setting.

This model supports academic learning and fosters teamwork, critical thinking and self-discipline among children. A notable ripple effect of the intervention is the increased involvement of the local elderly population, who now offer their homes as safe, quiet learning spaces. Many of them also take an active interest in the children's progress by monitoring sessions and providing encouragement.



## Supporting Schools through Infrastructure Development

L&T plays a pivotal role in strengthening infrastructure and learning environments in under-resourced government schools across rural, tribal, and underserved urban areas. The support includes:

- Construction and renovation of critical infrastructure such as classrooms, libraries, laboratories, compound walls, toilet facilities, and playgrounds
- Supply and installation of classroom furniture, science and computer lab equipment, library resources, and digital classroom solutions
- Upgradation of facilities through building repairs, solar power implementation, and the installation of clean drinking water stations

To ensure equitable access to education, L&T also provides essential learning and recreational material - including uniforms, textbooks, notebooks and sports equipment - to students from low-income backgrounds in government and unaided schools.

These efforts are aimed at creating a safe, inclusive and stimulating educational environment, enabling students to learn, grow and thrive.

### *Transforming a Tribal School in Nigade Village, Pune*

The Zilla Parishad School in Nigade village, Pune, caters to a tribal community facing economic hardship and limited access to quality education. The school was plagued by overcrowded classrooms, inadequate infrastructure and erratic power supply, which hindered learning and student well-being. Recognising these challenges, L&T intervened with comprehensive infrastructure and resource support, including:

- Construction of a safety wall, kitchen, and modern classrooms
- Upgradation of toilet facilities, installation of digital learning tools and a PA system
- Provision of a water filtration unit for safe drinking water
- Installation of a 5kW solar power system to ensure uninterrupted electricity

The transformation had a tangible impact on the school community. As one parent noted, *"My daughter now studies in a school that feels like a private one."* This sentiment reflects broader outcomes such as increased enrolment, greater parental involvement, healthier, more engaged and more confident children.

The school principal shared, *"This transformation has uplifted both the school and our spirits. L&T's support will be remembered for years."*

### Sustainable Water Access in Chak Dhani, Nagaur, Rajasthan

Chak Dhani, a remote village in the Thar Desert, faces extreme summer temperatures of up to 50°C and a severe water crisis due to depleting groundwater. The Government Senior Secondary School, serving 230 students, struggled with acute water shortages affecting hygiene and learning conditions.

To address this, L&T implemented an integrated rainwater harvesting (RWH) system that captures monsoon rainfall and ensures year-round water availability. The system has already conserved 181 kilolitres of water, providing a sustainable solution to the school's water challenges and setting a model for water conservation in arid regions.



Before infrastructure development in Zilla Parishad School, Nigade Village, Pune



After infrastructure development



Desks and Benches donated at Nagarnar High School, Chhattisgarh



Toilet Block constructed at Jagannath Government High School, Jagatsinghpur, Odisha

The education programme partners with school principals to ensure active participation from teachers and students, fostering pride and encouraging knowledge-sharing across schools. Teachers and students also visit other schools for exposure to project activities. The Jyoti programme promotes STEM education through competitions and exchanges.

The programme strengthens School Management Committees (SMCs) by equipping them to address learning outcomes and sustain initiatives beyond the project. Parents are educated on their role in education, becoming active participants in SMCs and monitoring progress. Government collaborations, like teacher training with DIET under the Jyoti programme, ensure the involvement of government stakeholders, sharing best practices and ensuring long-term impact.

Interventions	Schools	Students
Jyoti	314	52,924
Digitisation	44	11,259
Preschool Interventions	87	4,302
Interventions to Enhance Learning and Life Skills	187	58,081
Community Learning Initiative-Centres and Schools	160	12,828
Infrastructure Improvement	252	89,431

 **Health**

Since 1968, L&T has been committed to improving community health by providing accessible, affordable healthcare to disadvantaged populations. The Indian healthcare system faces challenges such as rising costs, a shortage of trained medical personnel, rural-urban disparities, and inadequate public health funding. Many lack health insurance and awareness of key health behaviours.

To address these issues, L&T operates 10 Community Health Centres (CHCs) and 12 Mobile Health Units (MHUs) across Gujarat, Maharashtra, and Tamil Nadu, providing primary care, speciality services, and outreach programmes. These

include health education, medical camps, and support for vulnerable groups like children, pregnant women, the elderly, and differently abled individuals.

Furthermore, L&T integrates services with National Health Programmes, including RMNCH+A, family planning and disease prevention for leprosy, tuberculosis and HIV. The centres manage non-communicable diseases, mental health, early cancer detection and therapeutic care for children with disabilities. L&T also leverages government schemes to reduce patient expenses, offering financial support and subsidised medications. Through these initiatives, L&T enhances healthcare accessibility and equity for vulnerable communities across India.



 **Cancer Care Services**

L&T is dedicated to promoting cancer awareness, early diagnosis, and preventive education through targeted interventions for both men and women. The goal is to increase awareness that cancer is treatable and encourage regular screening for early detection. In the past year, 1,417 individuals participated in these camps. Additionally, L&T supports a shelter programme providing temporary housing for caregivers and children undergoing cancer treatment in Mumbai. Over the year, 10 children and 20 caregivers received shelter, and 55 counselling and motivational sessions were held to support the children.

### *Raginiben Bakkariya's Journey to Recovery*

Raginiben Bakkariya, a 36-year-old woman from Udhana village, Surat, was diagnosed with kidney failure during childbirth. Despite a modest income and the added responsibility of supporting her family, Raginiben was advised to begin dialysis without delay.

In January 2024, she began dialysis at the L&T Health and Dialysis Centre (LTHDC) in Surat, which offers free dialysis services under the Pradhan Mantri National Dialysis Programme. The centre, operational since 2015, provides multispecialty OPD services, diagnostics, and 11 dialysis beds. Initially, Raginiben experienced complications such as vertigo, headaches and vomiting during dialysis. With support from her family, who took care of her children, she continued her sessions twice a week. Over time, the LTHDC team closely monitored her progress and saw a significant reduction in symptoms and improvement in health.

Raginiben is now registered for a kidney transplant and remains hopeful for a successful outcome. She expresses deep gratitude for the care and support at LTHDC, which has helped her regain her health and strength.



### *Mr. Sivaraja's Health Journey*

Mr. Sivaraja, a 73-year-old farmer from Murugapathi village, Coimbatore was diagnosed by the MHU team of health risk as he was showing signs of high blood pressure. With limited awareness of the risks and access to healthcare, urgent intervention was needed. The MHU doctor recommended lifestyle changes and prescribed consistent medication. Mr. Sivaraja was referred to the Primary Health Centre in Arisipalayam for further treatment, and his case was shared with the Makkalai Thedi Maruthuvam team. A month later, a follow-up showed that Mr. Sivaraja adhered to the treatment plan and he now receives monthly medication at his doorstep through the Makkalai Thedi Maruthuvam initiative (flagship programme of the Government of Tamil Nadu offering a comprehensive set of Home-based health care services).

This case highlights the significance of collaborative health programmes like MHU and Makkalai Thedi Maruthuvam in improving healthcare access in rural areas and enhancing the quality of life for individuals like Mr. Sivaraja.

## Skill Development

L&T has been leading efforts to address India’s skill development challenges, particularly in the construction sector, by bridging the gap between the high demand for skilled labour and the limited employability of youth. In 1995, L&T established its Construction Skills Training Institutes (CSTIs) to equip underprivileged rural youth with industry-relevant skills, thereby enhancing their employability and contributing to national infrastructure growth.

L&T operates CSTIs across nine locations, namely; Kancheepuram, Tamil Nadu; Panvel, Maharashtra; Pilkhuwa, Delhi; Jadcherla, Telangana; Cuttack, Odisha; Attibelle, Karnataka; Chacharwadi, Gujarat; Hyderabad, Telangana; and Serampore, West Bengal. These institutes offer training in over 14 construction trades, such as welding, scaffolding, masonry, and electrical work, with a focus on practical, hands-on training (80% of the courses). The curriculum aligns with National Skills Qualification Framework (NSQF) standards and trainees who successfully complete the programme receive certification from the National Council for Vocational Training (NCVT). In addition to technical training, L&T incorporates soft skills, digital literacy and safety protocols into its courses, ensuring that trainees are prepared for the evolving needs of the workforce.



First batch of women trainees from Skill Hub, Mayurbhanj, Odisha deployed for their job postings

L&T is dedicated to promoting gender inclusivity within the construction industry. Through its targeted initiatives, the CSTIs have successfully trained and placed women in various construction roles, breaking traditional gender barriers and empowering women to pursue careers in this sector.

**L&T’s CSTIs trained 12,594 candidates, achieving a 72% placement rate with an average monthly salary of ₹ 17,800.**

**Multi-Skill Training Centre trained 121 candidates, and through other vocational courses trained 2,466 individuals.**

In partnership with the Ministry of Skill Development and Entrepreneurship and the National Skill Development Corporation (NSDC), L&T's Skill Trainers Academy (STA) in Mumbai trains high-calibre trainers who effectively impart skills to youth, ensuring a continuous supply of qualified professionals to meet the demands of the industry. Through these initiatives, L&T not only enhances the employability of youth but also significantly contributes to the development of India's infrastructure and economy.

### *Story of Laxmi Murmu, who defied societal norms*

Laxmi Murmu, a 20-year-old from the Santhali community in Mayurbhanj, Odisha, faced significant challenges after losing both her parents at a young age and was raised by her grandparents, who were daily wage labourers. Determined to create a better future, she completed her intermediate studies and enrolled in a plumbing trade course at L&T Skill Hub in Mayurbhanj. Additionally, she pursued a Microsoft Digital Literacy course for Data Entry Operators.

After completing her training, Laxmi secured a job as a data operator and office assistant at L&T HRRL-DFCU site in Barmer, Rajasthan, earning approximately ₹ 20,000 per month. This job marked a turning point in her life. Laxmi used her income to build a house for her family and is now funding her siblings' education.

Her journey has not only transformed her own life but has also inspired others in her community to seek vocational training. Laxmi aspires to become a computer data operator trainer to empower other young tribal girls facing similar challenges.



**1,889** women

*Trained catalysing lasting change in their lives through skill development and livelihood opportunities.*



Recognising the importance of trainers in building a competitive workforce, L&T established the Skill Trainers Academy (STA) in 2021 in Madh, Maharashtra. The STA aims to bridge the industry-academia gap by enhancing trainer capabilities through its 'Training of Trainers' (ToT) programme. The programme focuses on domain expertise, delivery techniques and soft and life skills to ensure industry-relevant instruction. The centre boasts modern infrastructure and expert trainers, including former L&T professionals and certified experts with MEPSC credentials.

In the past year, STA has trained 835 ITI trainers, polytechnic instructors and assessors affiliated with the Construction Sector Skill Council. Recognised as an Exclusive Centre for ToT/ToA by the Construction Skill Development Council of India (CSDCI), STA has established itself as a leader in trainer development.

### Impact Assessment of CSR Projects

A total of 27 CSR projects implemented in FY 2022-23 qualified for impact assessment in FY 2024-25. Thinkthrough Consulting conducted the assessment during the year. These initiatives collectively reached approximately 5.5 lakh beneficiaries across thematic areas such as skilling, education, health, water and sanitation.

The assessment found that these interventions had a tangible and positive impact on both individual lives and community well-being. Beneficiaries reported improved quality of life through enhanced livelihood opportunities, increased income and savings and improved access to education, healthcare and knowledge for sustainable living. Furthermore, the adoption of better health and hygiene practices has contributed to a notable reduction in disease incidence, thereby strengthening overall community resilience and well-being.

### Linking CSR Interventions with Government Schemes and Programmes:

Government Schemes and Programmes	L&T's Initiatives
Swachh Bharat Abhiyan	<ul style="list-style-type: none"> <li>■ 4,761 household toilets constructed since FY 2017-18 using local skills and materials</li> <li>■ 916 school toilets constructed since FY 2015-16</li> <li>■ 40,172 children provided WASH awareness since FY 2015-16</li> <li>■ Community-based monitoring committees ensured that these villages became open-defecation-free</li> </ul>
Swajal Yojana under the Rural Development Ministry National Rural Livelihood Mission (NRLM)	Watershed development programme under Unnati, ICDP
Agricultural Technology Management Agency (ATMA) scheme	SHG programme under Unnati, ICDP
Pradhan Mantri Krishi Sinchayee Yojana	Exposure visit, training, demonstration under Unnati, ICDP
Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)	Drip irrigation in Unnati, ICDP
Sarva Shiksha Abhiyan (SSA)	Farm bunding activity in Unnati, ICDP
STEM Initiative of National Science and Technology Communication Council and the Department of Science and Technology, Government of India	Community preschool programmes and community learning centres prevent dropouts and ensure enrolment
National AIDS Control Programme (NACP)	L&T's STEM Education Programme Jyoti
National TB Control Programme (RNTCP)	L&T ART Centre at Andheri
National Family Planning Programme	L&T TB Centre at Andheri
Integrated Child Development Scheme	Contraceptive services made available at L&T Health Centres
Mother and Child Health Programme	Improving the quality of services at Anganwadi and capacity building of Anganwadi workers
Ayushman Bharat Yojana	ANC PNC care and immunisation services provided at the health centres are linked to this programme
Pradhan Mantri Jan Arogya Yojana	Linking patients visiting L&T health centres to this scheme
Pradhan Mantri Bhartiya Janaushadhi Pariyojana	Linking patients availing dialysis services at L&T centre to this scheme
Mahatma Jyotiba Phule Jan Arogya Yojana in Maharashtra	Linking patients visiting L&T health centres to this scheme
Widow Pension Yojana	Linking patients visiting L&T health centres with this scheme
Adhar Poshan Yojana	Linking HIV impacted widows at ART Centre
National Skill Development Mission	Provide nutritional support to HIV-affected patients at the ART centre
	L&T CSTIs and STA at Madh

## L&T-ering: Employee Volunteering Initiative

L&T fosters a strong culture of employee volunteering, encouraging its staff to actively support social causes. In FY 2024-25, 9,590 L&T volunteers dedicated their time and skills to a range of initiatives, including creativity camps, STEM workshops, educational trips, NGO and craft melas, and Daan Utsav. Many volunteers focused on mentoring underprivileged children to bridge learning gaps and build future-ready skills. Employees also contributed to healthcare efforts through medical camps, blood donation drives, and awareness campaigns. Additionally, environmental initiatives like tree plantations, clean-up drives, and promoting renewable energy showcased L&T's commitment to community development and sustainability.

### Young Science Leader (YSL) Initiative – Fostering Scientific Mindset in Rural Gujarat

On June 2024, LTPCT launched YSL Initiative - a Science Model Making Competition aimed at nurturing curiosity, creativity, and scientific thinking among students from Navsari and Dang districts. The initiative actively engaged L&Teers from AMNHEC, Hazira, in mentoring and guiding student participants.

#### Mentor Capacity Building

A dedicated workshop was conducted on November 2024, in collaboration with ENPower to equip L&Teers with mentoring skills focused on model creation, presentation, and idea refinement.

#### Special Session

On December 2024, a Fire & Safety Awareness was conducted at the Naik Foundation by L&Teer including quiz and practical demonstration.

#### Grand Exhibition

The final exhibition took place at KVS High School, Kharel, from December 20-21, 2024, showcasing 126 science models created by 378 students. 20 L&Teers served as jury members. The exhibition saw a footfall of 5,022 visitors.

A total of 59 L&Teers contributed 1,611 volunteer hours, significantly enriching the learning experience of participating students and promoting STEM education in underserved regions.

#### Student Engagement

Following interactive sessions at Deep Darshan School (Dang) and A.M. Naik Technical Training Centre (Navsari) on November 2024, 32 L&Teers began mentoring students both online and offline from November to December 2024. Their support included model enhancement, presentation and coaching.



## Outlook Ahead

Two new Construction Skills Training Institutes (CSTIs) are being set up to expand access to skill development for youth and support their gainful employment while also strengthening existing CSTIs as Centres of Excellence. This step addresses the pressing workforce gap in the construction sector. Despite its scale, currently contributing about 9% to India's GDP and employing nearly 50 million people, the industry faces an annual shortage of around 4 million skilled workers, hampering growth and efficiency. Projections indicate that by 2030, India will require approximately 91 million skilled construction workers - an increase of about 45% over the current workforce - to meet rising industry demands. (Construction Skill Development Council, 2022)

To further promote STEM education in government schools, the programme will place greater emphasis on engaging key stakeholders, including parents and the wider community. This collaborative approach aims to build a supportive ecosystem where STEM education can flourish, ensuring better management and long-term sustainability of the project activities in these schools.

## Relationship Capital

Refers to the value derived from an organisation’s relationships with its stakeholders, including customers, suppliers, employees, investors, and the broader community. It encompasses trust, communication, collaboration, and goodwill, collectively fostering strong, mutually beneficial connections. Unlike physical or financial assets, relationship capital is intangible but pivotal in long-term business success and sustainability. Key aspects of relationship capital in the value chain include:

- **Trust and Collaboration:** When partners work together transparently and share information, it leads to more efficient problem-solving, innovation, and mutual growth.
- **Engagement and Loyalty:** Building long-term relationships with suppliers and customers enhances reliability, reduces lead times, and ensures better quality control.
- **Communication and Transparency:** Open, honest communication builds a foundation of trust, which is vital for anticipating issues, addressing challenges, and driving continuous improvement in the value chain.
- **Risk Management:** Strong relationships with the direct stakeholders help organisations better anticipate, mitigate, and manage risks such as supply disruptions, price volatility, or regulatory changes.

## Embedding Sustainability in Supply Chain

L&T acknowledges the critical importance of a sustainable supply chain in fostering business resilience and generating long-term value for all stakeholders. As a leading, diversified engineering and construction conglomerate with an extensive and intricate global supply network, the Company is committed to embedding sustainability principles throughout its procurement and supply chain operations.

At L&T, procurement is viewed as a strategic lever to nurture long-term, trust-based relationships with the suppliers and partners. These relationships are a vital component of the capital and significantly enhance resilience and sustainability of the operations. Through the initiatives, the Company goes beyond contractual compliance to establish structured, collaborative partnerships with critical and strategic suppliers. These initiatives emphasise co-innovation, capability building and performance improvement. By focusing on these areas, L&T aims to build a robust and sustainable supply chain that supports the business objectives and contributes positively to the broader community and environment.



### ESG Integration

The Company is guided by the Sustainable Supply Chain policy and Code of Conduct for suppliers, which outlines expectations related to labour practices, environmental protection, human rights, ethics and anti-corruption to ensure ESG factors are embedded across the supply chain.



### Capacity Building

The Company believes in enabling the suppliers to grow sustainably alongside us. L&T conducts regular training and capacity-building sessions to familiarise suppliers with evolving sustainability expectations and standards. This includes topics such as fundamental of ESG, regulatory frameworks, BRSR, L&T’s sustainability prerogatives, environmental management, health & safety and human rights.



### Ethical Sourcing and Governance

All suppliers are expected to comply with the Supplier Code of Conduct and submit a declaration of compliance. This is a mandatory step towards onboarding any vendor. Additionally, the suppliers are assessed on limited ESG KPIs such as quality, safety, environment management systems and other compliances during the screening process. Also, grievance redressal and whistleblower mechanisms are in place and communicated regularly to enable suppliers and vendors to report concerns confidentially.



**650+**

supply chain partners  
were trained on ESG  
in the past two years

## ESG Assessment of Supply Chain Partners in FY 2024-25

L&T undertook an internal ESG assessment of its top 200 supply chain partners in FY 2023-24, based on their contribution to total procurement spend. This initial assessment focused on limited ESG key performance indicators (KPIs), including environmental compliance, human rights, labour practices, CSR and basic governance parameters.

Building on this foundation, L&T further strengthened its approach to supply chain sustainability in the current reporting year by partnering with an independent third-party agency to conduct a more comprehensive ESG assessment. This external engagement brings enhanced objectivity and benchmarking capability and helps identify both risks and improvement opportunities across critical suppliers.

The refined approach includes detailed supplier questionnaires aligned with global ESG standards, desk reviews, disclosures, and on-ground validations (as applicable), scoring and classifying suppliers into ESG risk categories and developing corrective action plans for medium- and high-risk suppliers.

### Identification of 'Critical' Supply Chain Partners

L&T undertook a structured and strategic exercise to identify critical supply chain partners - those with the highest influence on business continuity, operational performance and sustainability outcomes. Given the Company's diversified portfolio across infrastructure, engineering, manufacturing and EPC domains, the identification process was guided by a set of well-defined criteria, including:

- **High Value / High Volume Suppliers:** Partners supplying essential materials such as steel, cement, aggregates, or capital-intensive equipment.
- **Single or sole source suppliers:** Vendors providing proprietary technologies, niche components, or critical engineering systems with limited alternative sourcing options.
- **Strategic Impact Suppliers:** Suppliers deeply integrated into project delivery or long-term collaboration with innovation and co-development potential.
- **Geographical or Risk-Based Importance:** Suppliers operating in high-risk geographies or critical to time-sensitive project execution.
- **Client-Designated Suppliers:** Partners mandated or preferred by clients due to specific technical, compliance, or strategic reasons.

Based on this multi-dimensional criteria, 120 critical supply chain partners were identified for focused engagement. Suppliers engaged in commodity supplies, finished product supplies, engineered system supplies, service providers and labour subcontractors were identified to ensure a fair mix. During the reporting year, these suppliers underwent a comprehensive ESG assessment, forming the cornerstone of L&T's effort to strengthen sustainability performance, resilience, and transparency across its supply chain.

### Training Programmes for Critical Supply Chain Partners

To support the ESG assessment process and foster shared responsibility, L&T conducted dedicated training sessions for its critical supply chain partners. These programs were designed to onboard suppliers into the Company's ESG journey and build awareness of the assessment framework, methodology, and expectations.

### Phase 1 Self-assessment by the Supply Chain Partners

L&T leveraged a dedicated digital platform of a third party to conduct a structured self-assessment of its critical supply chain partners across five key ESG modules: **governance, ethical business practices, human rights and labour management, health and safety, and environment**. The assessment questionnaire was developed in alignment with applicable regulatory requirements, BRSR disclosure expectations, and global sustainability standards. Suppliers were required to submit supporting documentation for each response to ensure transparency and verifiability. To ensure objectivity and credibility, the responses and documents submitted were validated by independent third-party assessors. Based on the assessment, the suppliers were categorised into three categories reflecting their maturity in ESG performance: **green, yellow, and amber**.

### Phase 3 Re-assessment of ESG score

The yellow and amber band suppliers were subsequently reassessed through the digital platform, confirming measurable improvements in their ESG scores based on the corrective actions implemented.

### Phase 2 Gap Assessment Report and Handholding Workshops

Following the first level ESG assessment, a customised action report was shared with yellow and amber rated supply chain partner, highlighting key findings and priority improvement areas. This enabled the suppliers to set specific targets and timelines to enhance their ESG performance and progress toward higher maturity bands. To support suppliers, those in the yellow and amber bands, L&T conducted targeted handholding sessions focused on recurring improvement areas across five ESG modules. Topics included *EMS implementation, ESG integration into business strategy, climate risk management, occupational health & safety, sustainable supply chain development, and water and waste management*. Suppliers were also assisted in developing and implementing action plans to enhance their ESG frameworks, policies, and implementation. This initiative demonstrates L&T's commitment to assessing ESG risks and building supplier capabilities through collaborative engagement and continuous improvement.

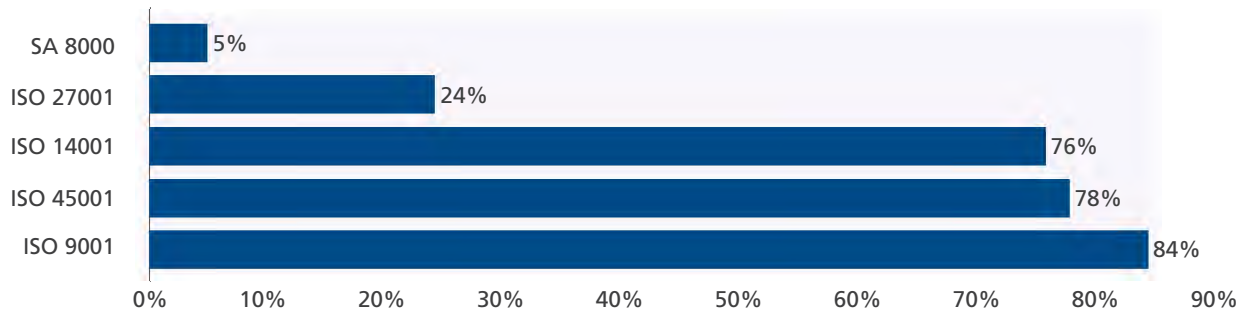
### Impact of intervention and hand holding of the supply chain partners



This outcome underscores the effectiveness of continuous engagement and capacity-building in driving tangible improvements in supply chain ESG performance.

Sustainability certifications in the supply chain play an important role in supporting ethical, environmental, and social responsibility throughout upstream and downstream operations. They help demonstrate alignment with recognised sustainability standards, enhance transparency, and contribute to managing ESG-related risks more effectively. Below is a categorised overview of widely recognised certifications:

### Critical Suppliers with Certifications



By fostering open communication, joint problem-solving, and a shared commitment to responsible growth, L&T continues to deepen its relationship capital. These efforts enhance the Company's reputation as a partner of choice while ensuring alignment with global sustainability standards and stakeholder expectations.

The basis of identification of these stakeholders has been elucidated in the '*Driving Stakeholder Engagement*' chapter, along with the mode of engagement, frequency, and topics covered in these engagements. Furthermore, *Principle 4 of the BRSR* aligns closely with relationship capital by highlighting the importance of building strong, trust-based, and mutually beneficial relationships with stakeholders. This relationship capital, in turn, drives sustainable business growth, innovation, and long-term value creation.

A grievance redressal mechanism plays a crucial role in building and maintaining relationship capital by fostering trust, improving communication, preventing conflicts, and ensuring stakeholder loyalty. By addressing stakeholder concerns effectively and fairly, an organisation strengthens its relationships and enhances its long-term sustainability and reputation. The mechanism related to investors, shareholders, and supply chain partners is explained in Section A of the BRSR 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 Integrated Annual Report FY 2024-25.*

Relationship capital is a crucial intangible asset that reflects the strength and quality of an organisation's relationships with its stakeholders. It is built on trust, effective communication, and mutual respect, driving long-term success and sustainability. By fostering strong relationships, organisations can enhance stakeholder loyalty, improve reputation, and unlock new opportunities for growth. Managing relationship capital through consistent engagement, transparency, and responsiveness to stakeholder needs ensures a competitive edge and contributes to overall organisational resilience.

# FINANCIAL CAPITAL

Financial capital is fundamental to the Company's resilience, allowing it to effectively manage risk amidst macroeconomic volatility and unforeseen disruptions. It enables the Company to maintain a balance between managing risk and pursuing sustainable growth. Backed by a record-high order book, a robust balance sheet, a well-diversified business portfolio, and a consistent track record

of successful execution, the Company is well-positioned to navigate the current business environment. Continued growth in core business segments, alongside strategic forays into emerging sectors is expected to play a pivotal role in advancing the Company towards its Lakshya 2026 goals. These efforts are also expected to deliver long-term value for all stakeholders.



## Key Highlights of FY 2024-25

**39%** Order Inflow  
growth

**13%** Revenue  
growth

**43%** Dividend payout  
ratio

### Strategy linkage<sup>1</sup>

SO-I

SO-II

SO-III

SO-IV

SO-V

SE-1

SE-3

### SDGs impacted



### Material Topics

- Business Ethics
- Climate Action
- Data Security, Privacy and Cybersecurity
- Social Engagement and Impact

<sup>1</sup> For details, refer to the 'Business Model and Strategy' section of this Report.

L&T's standalone financials reflect the performance of Infrastructure Projects segment, Energy Projects segment (comprising Hydrocarbon, CarbonLite Solutions, and Green and Clean Energy), Hi-Tech Manufacturing segment (comprising Heavy Engineering and Precision Engineering & Systems), and 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 2024-25:

L&T Energy Hydrocarbon Engineering Limited and L&T Offshore Private Limited, wholly owned subsidiaries have been amalgamated with the Company w.e.f. April 1, 2024.

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

In February 2025, the Company acquired the remaining 26% stake in L&T Special Steels and Heavy Forgings Private Limited (LTSSHF) from the Nuclear Power Corporation of India Limited (NPCIL), thereby making LTSSHF, a wholly owned subsidiary.

The Company has acquired 15% equity shareholding of E2E Networks Limited through preferential allotment on December 04, 2024 and recognised it as an investment in an Associate of the Company.

### Performance Summary for FY 2024-25:

Order Inflow achieved a growth of 39% y-o-y, basis robust growth of more than 100% in international orders.

Revenue registered growth of 13%, reflecting improved execution momentum from the opening order book.

Buoyancy in customer collections and advances improved operational cash flows.

The Board of Directors has recommended a final dividend of ₹ 34 per equity share for the approval of the shareholders, resulting in a dividend payout of 43%.



**Economic Value Generated and Distributed<sup>1</sup> [in ₹ Cr]**

Data	Description	FY 2024-25	FY 2023-24
Economic Value Generated	Total income	1,51,340	1,33,626
	Manufacturing, construction and operating expenses	1,20,900	1,06,644
	Employee wages and benefits	10,349	9,034
	Payments to providers of capital		
Economic Value Distributed	Interest	2,195	2,406
	Dividend	4,676	4,693
	Payments to exchequer	7,481	8,974
	Community investments (CSR)	165	151
Economic Value Retained		5,573	1,725

<sup>1</sup>Excluding exceptional items**Value Generated**

Total Income [in ₹ Cr]

FY 2024-25

**1,51,340**

FY 2023-24

**1,33,626****Value Distributed [in ₹ Cr]**

FY 2024-25



FY 2023-24



- Manufacturing, Construction and Operating Expenses
- Employee Wages and Benefits

- Interest
- Dividend
- Payment to Exchequer
- Community Investment

## Notes on Sustainability Information

The Integrated Report on various information across ESG parameters and based on defined standards or methodology. This section includes details on coverage, methods and references used for the disclosures.

### Scope and Reporting Boundary

This report has been prepared for L&T Limited i.e. the Standalone entity. The scope is aligned with the businesses considered in the Company's standalone financial reporting. Listed subsidiaries of the Company i.e. LTIMindtree Limited, L&T Technology Services Limited, L&T Finance Limited, and unlisted subsidiaries have not been included in the reporting boundary.

Data disclosed for Scope-1 emissions, Scope-2 emissions, water, waste covers 100% of the Company's revenue in FY 2024-25.

### Methodology and References

#### Scope-1 Emissions

Scope-1 emissions have been calculated based on GHG Protocol and considers all the fuels consumed by the Company in various processes or operations.

Emission factors for fuels (diesel, petrol, natural gas, liquified petroleum gas, furnace oil, acetylene) are as per the latest emission factors in IPCC AR5. Emission factors for certain other fuels (Biomass – wood pellets, Biodiesel – tallow oil) have been taken as published by DEFRA UK.

#### Scope-2 Emissions

Scope-2 emissions have been calculated based on GHG Protocol for the electricity consumed by the Company in various processes or operations. The Company does not consume any purchased steam, heat, or cooling. Scope-2 emissions is based on market-based method in all disclosures and targets. Location-based Scope-2 emissions have also been disclosed.

Electricity sourced from renewable power has been accounted based on the contracts signed by the business units of the Company or generated within the Company. The contracts have the relevant green attributes as required for accounting as renewable power. Residual mix for electricity sourced from the grids has been considered based on the country where the specific unit of the Company is consuming power. For India, the emission factor (residual mix) is that published by Central Electricity Authority (CEA) in December 2024. For other countries, emission factor has been taken from latest data published by International Renewable Energy Agency (IRENA).

#### Water

Water data has been disclosed based on direct measurement and estimation. Direct measurement is either through the flowmeters or through the bills provided by the supplier agency. Estimation method has been used wherever direct measurement was not available. For water used for industrial activities, estimation has been done based on quantity of work done in the time-period and average water consumption per unit of production. For water used for domestic purposes, estimation has been done based on per capita water requirement as published by National Building Code, 2016.

#### Waste

Waste data has been disclosed based on direct measurement and estimation. All hazardous waste is based on direct measurement. Direct measurement is either through weightment or through the bills or invoices provided by the waste processing agencies. Estimation method has been used primarily for some categories of non-hazardous waste wherever direct measurement was not available. Production or activity volume for the specific time-period and wastage % has been considered for the estimation e.g. concrete waste generated from concrete cube testing activity.

# WE LOVE BUILDING YOUR SMILES.

That's why we've dedicated ourselves to building projects by using cutting-edge technologies to enhance their efficiency, safety and eco-friendliness.

Because when you smile, we know it's a job well done.